



The Source

December 31, 2014

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Cantaloupes are very short this month due to cold weather in the past

Idaho large cartons 60 counts and larger very limited

Truck availability for Onions and Potatoes are in a demand exceeds supply situation

Apples-Washington is into larger fruit so stay ahead on the smaller sizes

Asparagus is extremely limited due to lack of supplies from Mexico and Peru Pears- the smaller sizes are limited and supplies will remain short



Weather *Tim Lynch*

As the very cold low pressure system moves east today widespread lettuce ice is forecast for the desert locals with the coldest mornings expected late this week. The citrus growing (oranges) regions of Central California will also see possible hard freeze conditions however recent rains may help mitigate these temperatures somewhat. The temperatures reached and duration of these cold temperatures in the various regions will be the main factor as to potential damage to the numerous crops in the line of fire.



Freight: *Mike McIntire*

Trucks in CA and AZ will be tight throughout the week. Washington and Idaho trucks continue to be very tight which is normal for this time of year. Please continue to get your orders in as early as possible. The national average on diesel continues to drop and is now 3.213 per gallon. CA prices are down as well and currently at 3.364 per gallon. Crude oil remains steady and is currently \$52.92 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

New York is down to packing McIntosh, Empires, Red Romes, and Red Delicious. Golden Delicious and Honeycrisp are finished. New York is steady on everything but the availability is light. Michigan continues to pack Braeburns, Empires, Fuji's, and Gala's, Golden Delicious, Honeycrisp, Jonathans, McIntosh, Red Delicious, and Red Romes. Most Michigan fruit is still heavy to 88/100's and larger. Most Michigan shippers are only packing the larger fruit to order because the Washington markets are so low. Washington Red Delicious is steady and is still peaking on 80's and larger in the WX#1 and premium grades. 113 and smaller reds are limited. Golden Delicious are steady on all sizes and are still producing more 88's and larger. Granny-Smiths are steady on all sizes but the market for 100's and smaller is still very strong! Granny-Smith is peaking on Washington extra 80/88's. Washington Gala's are steady and are still are peaking on 88/100's. The Fuji market is steady on all sizes and they are still peaking on 88's and larger. Braeburns, Jonagolds, Sweeties, Jazz, Red Romes, Cameo's, Honeycrisp, and Pink Lady's are all available in Washington. Most of the Washington varieties are peaking on the larger sizes. The Honeycrisp market is steady but remains strong. Cameo availability is light on all sizes. Washington Bartlett pears are slightly higher on all sizes due to strong demand and less in storage. The Bartlett's are still peaking on US#1 90/100's & larger while 110's and smaller remain short. Washington D'Anjou pears are steady & continue to peaking on 80/90's. Small D'Anjou's are still limited. Washington Bosc is steady and is peaking on 80/90's now. Small Bosc is still short. Washington red D'Anjou's are steady on all sizes and they are peaking on 45/50's.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Higher
Avocado (California)	Done	Done
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Lower
Berries: Strawberries	Fair	Lower
Berries: Raspberries	Fair	Steady
Berries: Blackberries	Fair	Lower
Berries: Blueberries	Good	Steady
Broccoli	Fair	Higher
Carrots	Good	Higher
Cauliflower	Fair	Steady
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Fair	Higher
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Steady
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Lower
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Lower
Tomatoes (Eastern)	Good	Lower
Watermelon	Good	Higher

Commodity Updates *continued*

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is firm. Mexican supplies continue to be light in availability. Standard and large are the main sizing available. This will continue until mid- January and if cold weather plays a factor in the growing regions, it could be longer. Shippers are extremely light on jumbo sizing. This will continue through the month of January. Peruvian product is available but only moderate to light supplies exists.

AVOCADO *Tim Kelley*

Mexico's volume this week will drop as holiday work schedules will limit harvest. Supplies are tighter this week with light harvest of last week. The demand for all sizes of fruit is good and market remains fairly stable, with some slight firming trend. Maturity of fruit is good and still improving weekly, but will still have a tendency to remain green when ripe and ready to eat, and also have a thicker skin making it difficult to detect the degree of ripeness.

BELL PEPPERS

Western Bells: *Mike Cantu*

Supplies are beginning to show improvement on color bells and green bells are starting to increase in supplies also although some districts are gapping slightly. Current supplies on colored are improving and with mid-week holidays market is settling slightly. Green bell remain steady and so is market. Gold bells market is steady. Some greenhouse gold bell peppers are crossing through South Texas and Nogales.

Eastern Bells: *Janine Baird*

Florida pepper market is beginning to weaken a bit as volume increases and demand is off.

BERRIES *Tom Smith*

Strawberries: Increased volumes started

coming out of both McAllen and Florida last week which has helped to soften the market in all areas. This is offering relief to loading fruit in California and giving us better availability and options for loading. Both McAllen and Florida fruit is being reported with good quality, some white shouldering. Oxnard region has reported increased quality this week. Increased volumes of fruit coming out of Coachella, Irvine and Oceanside have been reported with better quality. Demand is off some with the recent and current holiday schedules. Good availability in all major growing regions, decreasing market.

Raspberries: Market has steadied but fruit is still lighter availability as we move throughout December and into early January. Fruit quality reported as good coming out of MX.

Blackberries: Demand has been lighter and markets have loosened. Volume continues to increase and promotional opportunities are available. Fruit is reported to be in better quality than previous weeks.

Blueberries: Chilean fruit shipments have increased arrivals at US ports. Fruit availability has increased in both CA and on the east coast. Fruit is reported with good quality. Mexican volume crossings have increased and more fruit is available on the west coast than weeks prior. Good quality reported with this fruit as well.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market continues to gain strength with all suppliers. Pin rot is an issue that growers are dealing with. Yields are suffering because of this. Pricing is expected to gain strength throughout the week. Demand is up. Santa Maria, Yuma, Scottsdale and Mexico are the main growing regions for this commodity

CARROTS *Tim Kelley*

The long hot California summer and drought is now really showing on the Bakersfield crop. The fields are not sizing well and the

Commodity Updates continued

volume on Jumbo size carrots continue to drop off in supplies. We expect tight supplies on Jumbo and medium carrots for next 1 to 2 months until we get into the desert crop. Markets continue to rise on Jumbos. Quality of carrots is still good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is firm. There continues to be a few shippers better off than others. A pricing gap of two to three dollars exists depending on the shipper. Escalated pricing is no longer in effect. Santa Maria and Yuma continue to be the main growing regions for this commodity. Yellow discoloration and slight spotting is still being reported sporadically upon arrivals.

CELERY *Gabe Romero/Mike Pacheco*

This market remains steady. Supplies are expected to be moderate to good for the rest of the week. Again, some shippers are better off than others, hence price fluctuation does exist. Production continues to be out of Santa Maria, and Oxnard. Yuma production is light. There are no major quality issues to report at this time.

CITRUS *Tim Kelley*

Lemons: The market is steady. Desert fruit size is now much larger and is peaking on 140's and larger with the 165's and smaller fruit getting tight on supplies.

Oranges: Navels are in full production. External color continues to develop with cooler nights. Internal maturity on the Navels is ahead of normal. Size is currently peaking 88's/113's/72's/138's/56's.

Limes: The market is holding steady on all sizes. Supplies are lightening up slightly but demand is also. The overall quality continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is steady. Production from Sonora is steady but we're experiencing some lots with

quality issues. Supplies should be adequate from here on out barring any weather issues. Sinaloa production has started with excellent quality and in promotable volumes.

Eastern Cucumbers: *Janine Baird*

The off shore deal is in full swing now and the quality has been excellent. Supplies on carton 24's will be limited this weekend then pick up again by Monday.

EGGPLANT

Western Eggplant: *Mike Cantu*

Adequate supplies are meeting demand.

Market continues to be in single digit markets. Promotable production is available.

Eastern Eggplant: *Janine Baird*

The eggplant market is back up slightly as supplies are limited.

GRAPES: *Brad Tremblay*

Grape supplies have tightened up across the board with good demand and inconsistent supplies the remainder of this week. Most shippers have sold the early arrivals from Chile and are waiting to unload the next vessels available; January 2. Pricing remains steady but strong on both red and green grapes with a strong market outlook through the next week. Supplies should become more consistent the second to third week of January.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is firm. Cold weather in the growing regions of Mexico has altered production with most shippers. Production in Mexico is expected to be light to moderate throughout the week. Demand has picked up. Small sizing is scarce. Many suppliers have medium to large sizing more readily available.

LEAF *Gabe Romero/Mike Pacheco*

Supplies on romaine vary amongst the shippers. Cold weather is in the forecast this week, so expect supplies to decrease by the middle of the week. Expect to see some

Commodity Updates Continued

issues like epidermal peel being reported. Epidermal peel is basically a blister on the ribs of romaine and lettuce that oxidizes and makes brown spotting. Weights are ranging from 28-30-34 pounds. Green and red leaf items are available with a little epidermal peel being reported as well. All leaf items are active.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is continues to gain strength. Cold weather has slowed down production with all shippers. Delays in harvesting will exist due to ice. Epidermal peel is a factor right now. Weight on lettuce will be less due to crews having to peel down this commodity. Weights will fluctuate between 37-40 pounds. Expect delays on truck loading due to crews starting four five hours later to harvest.

MELONS *Jim Murphy*

Cantaloupe: Offshore melons continue to arrive very slowly in Florida and are extremely tight. The sizing continues to peak on 9's and 12's with fewer 15's and even fewer 18's. Offshore melons have been arriving on the west coast but are extremely limited also. The market is steady on what little is available. Lower than normal temperatures in the growing areas have slowed down production. Quality is good on all lopes.

Honeydew: The desert is finished for the season. Mexican supplies have lowered down for the season as growing areas have finished. Offshore dews are arriving with 5's and 6's being the main sizes and volumes are not keeping up with the current demand. Demand is good on all sizes. The market is steady on all sizes. Quality is good on all of them.

ONIONS *Mike Gorczyca*

Super Colossal and Colossal supplies are lighter as the shippers move into the later storages that have smaller sizing. Expect this trend to continue for the balance of the

season. Expect a slightly firmer market for the big yellows onions. Reds and whites are steady in Washington and Idaho and the quality is good. Trucks are still limited and most likely will not get any better until mid January or after.

POTATOES *Mike Gorczyca*

Idaho – Extremely cold weather for the remainder of this week will have most shed not able to haul potatoes from their storages to the packing sheds. The high for today is 10 degrees. It needs to get into the twenties for them to haul the potatoes from the storages. This has firmed the market for 70-count and larger in both varieties. 80-count and smaller are steady with some flex for volume. Burbank's are still peaking on 80ct and smaller while the Norkotahs are peaking on 60-90's. The Quality is has been good in both varieties. Some Idaho shippers are bringing over Washington 40's and 50's to fill orders. Trucks are still tight and will be till the middle of January.

Washington/Colorado/Wisconsin – the market has firmed up slightly on 40-70's which is due to other states not having enough size to cover the demand. The smaller sizes are steady. Quality is good. Trucks are still the hardest thing to cover.

COLORED POTATOES *John Tole*

Bakersfield, California – Reds and Gold's are steady and the sizing is heavier to the A's. Premiums and bakers remain limited in both colors. White supplies are short and that market is higher on all sizes. Western Washington – the markets for Reds and Gold's are steady along with the sizing. Whites are higher due to light supplies. The Washington reds and whites continue to peak on A-size while the golds are more evenly split between A & B's.

North Dakota - the red market is steady on all sizes and they are still heavier to size-A while B's are limited. Gold's are steady on all sizes.

Idaho - reds and gold's are both steady and

Commodity Updates Continued

both are still peaking on A-size. Idaho also has better availability of Premium and Baker size in both colors.

Wisconsin - reds and gold's are both steady. The Wisconsin reds are still heavier to A-size while the Gold's are split between A's and B's.

SQUASH

Western Squash: *Mike Cantu*

Market is unsettled as some new farms come online. Supplies' improving on newer field product as older field product and/or as number two product is available; the market remains unsettled and two tiered market follows. Yellow squash continues short but is starting to settle slightly.

Eastern Squash: *Janine Baird*

The squash market remains on the floor this week and most likely into the front part of next since there is very little demand and the forecast is for good squash growing weather.

STONE FRUIT *Brad Tremblay*

Peaches and nectarines continue to be readily available. Supplies are light but steady at current levels and promise to keep the market steady well into the first week of January. Demand remains about steady. This should continue to be the case until schools reconvene and supplies create a more promotable price point. Cherries, apricots and plums continue to show light but steady supplies and light demand.

TOMATOES *Aaron Aliotti*

Western/Mexico:

Roma volume from Mexico is finally starting to pick up as new growers begin crossing fruit into Nogales. Round volumes are in steady, but limited supply from Eastern Mexico while Western Mexico is beginning to increase in production. Mainland Mexico is hitting its stride on grape tomatoes and expects good quality and volume for the next several weeks, pending no weather disturbances.

Eastern/Tomatoes:

The East remains steady, limited supply of round and roma tomatoes. Large sizes from new crops are snug, but there is an abundance of small fruit in the market. Grape and cherry tomatoes are in good supply as Florida growing areas have made it past previous weather issues.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies will be moderate to light in availability for the rest of the week. Lettuce supplies are lighter compared to last week. Processors will deal with epidermal peel on both lettuce and romaine. Broccoli supplies are decent. Issues of pin rot have been reported. Cauliflower has had reports of discoloration upon arrivals.

WATERMELON *Mike Cantu*

There is current production in South Texas and some in Sonora. Watermelons are extremely short as transitions begin. The northern crop is wrapping up and Jalisco is a week or so away from starting. The market will continue short and high FOB's for the rest of the winter.