



The Source

December 8, 2014

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Heavy rains forecasted for Central and Southern CA will likely disrupt strawberry production later this week.

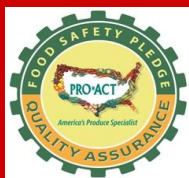
Strawberry demand exceeds supply. Very limited availability

Cantaloupes continue to be very short in supply this week.

Idaho large cartons 60 counts and larger very limited

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

Apples-the eastern shippers are short on the smaller sizes and Washington is into larger fruit so stay ahead on the smaller sizes



Weather *Tim Lynch*

A strong cold front out west will bring much needed rain to most of California late this week (Thursday-Friday) with between 2-10 inches expected in the various regions. High pressure early this week in the Southwest Desert locals will keep the region warm, upper 70s to low 80s, into Thursday. The powerful approaching storm system looks to bring a chance of rain to the desert regions over the weekend. This system will bring very strong winds and substantial rainfall to California beginning on Thursday. On the East Coast high pressure remains in charge keeping the Southeast region (Florida) dry through the week.



Freight: *Mike McIntire*

Trucks in CA and AZ are steady. 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 fuel was 3.605 per gallon last week and should trend steady when it comes out later today. Crude oil went down again and is currently \$63.89 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

New York continues to pack McIntosh, Empires, Red Romes, Red Delicious, Golden Delicious, and a few Honeycrisp. The New York shippers have lighter availability on 88's and larger due to a size shift. There is better availability for eastern 100-size and smaller now but there have been a few quality issues. Michigan continues to pack Braeburns, Empires, Fuji's, and Gala's, Golden Delicious, Honeycrisp, Jonathans, McIntosh, Red Delicious, and Red Romes. Most Michigan varieties are 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 continues to peak on 80's and larger in the WX#1 and premium grades. 113 and smaller reds remain short. Golden Delicious are steady on and are still producing mostly 88's and larger. Granny-Smiths are also steady on all sizes and continue to peak on premium 80/88's. Small Grannies are still very short. Washington Gala's are steady and are still are peaking on 88/100's. The Fuji market is steady on 100's and smaller while 88's and larger are steady with some volume-flex. 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. Washington Bartlett pears are steady and are peaking on US#1 90/100's & larger. Smaller Bartlett's are still short. Washington D'Anjou pears are also steady and continue to peaking on 80/90's now. Small D'anjou's are also short. Washington Bosc is steady and is peaking on 80/90's now. Small Bosc are now limited. Washington red D'anjou's are steady on all sizes and they are peaking on 45/50's.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is active. Peruvian product is light in availability. Mexico has had cool weather in the growing regions, and availability has become tight as well. Shippers are extremely light on jumbo sizing. This will continue through the month of December.

Commodities at a glance...

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

Commodity Updates continued

AVOCADO *Tim Kelley*

Mexico's is still coming in with steady volume. A supply on 48's have improved with 60's and 70's volume holding steady. Demand for the 60's and 70's have improved and pricing on these sizes have firmed up, narrowing the gap with the 48's. Maturity of fruit is much better and is 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 lightening up and we are experiencing extreme demand exceeds on colored bells. Current supplies on red bells are not meeting demand and we anticipate with transitions, gaps in supplies to occur. Texas has light supplies in mostly hothouse colored bells with some open field bells available. We have some colored hot house bells in Nogales. We are currently in an active market now as the lack of production from Baja California has pressed markets up. Nogales will have its traditional start in bell pepper production by mid-December for colored bells there are however; some availability on green bells in Nogales from early starting fields and product brought in from other districts. Markets are higher due to added demand on colored bells. Green bells have gone up also due to some fields experiencing lower than expected yields and added demand. Gold bells market is steady as transitions have taken place. Some greenhouse gold bell peppers are crossing through South Texas and Nogales.

Eastern Bells: *Janine Baird*

Central and South Florida are both now working pepper. However rain in central Florida has slowed picking causing this market to be up for the front part of the week.

BERRIES *Tom Smith*

Strawberries: DEMAND EXCEEDS SUPPLY.

We are extremely short on fruit in all areas. This will likely be the situation through mid December when FL and MX should be crossing better volumes of strawberries. Shippers are focused on covering contracts and we are being fill-rated on a daily basis. Extremely limited quantity available for open market orders going into this

week. Special packs such as stems and pints will not be available. A significant winter storm is forecasted to reach Central CA late Wednesday evening and move into Southern CA by Thursday evening. This system will likely bring the most wind and rain in a cold front to hit CA in recent years. Strong southerly winds develop on Wednesday with gusts up to 50 MPH in the Salinas Valley. Heavy rains should hit the Monterey Bay area very early Thursday morning then quickly spread south with strengthening winds Thursday afternoon. The rain reaches the Los Angeles Basin and Oxnard region Thursday evening. Rain totals along the Central coast are expected to reach 3-5 inches in the valleys and bays, 6-10 inches in the mountains with snow at 4000 feet and higher. If this storm develops and transpires as forecasted, it will disrupt berry production in Southern CA later this week. We will continue to monitor as this develops and keep you updated with any new information or projected disruptions. We are beginning to see more fruit available in Florida this week and should see increasing numbers out of Mexico in the following weeks. We will be looking at all options for loading this week.

Raspberries: Cooler weather along with rain has slowed production in the MX growing regions. Market has firmed up and fruit is lighter availability this week.

Blackberries: Cooler weather along with rain has slowed production in the MX growing regions. Demand has been lighter and markets have loosened some.

Blueberries: Argentina growing regions have past their peak and significant weather events have mostly ended their season. Quality issues being reported in ARG fruit that remains in the market: mold, shrivel, soft.

Chilean fruit production has been delayed by recent rain and also delayed at the ports due to the inspectors strike. Both air and water shipments have been slow to hit US ports. Mexican volumes are light as many plants have gone dormant after recent rains and pest issues earlier in the season. Availability is lighter this week and markets have firmed up.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is softer. Good supplies exist out of Santa Maria, Yuma, Scottsdale and Mexico.

Commodity Updates continued

Salinas still has some production as well. Supplies are going to be good throughout the week. Good quality is expected from all suppliers.

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 volume on Jumbo size carrots continue to drop off in supplies. We expect tight supplies on Jumbo and medium carrots for next 2 to 3 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 a steady. Escalated pricing is in effect. Suppliers have been able to come up with more open market product compared to past weeks. Santa Maria and Yuma are the main growing regions for this commodity. The quality continues to be up and down with issues of brown spotting, discoloration and small sizing. Availability is expected to be better by the middle of the week.

CELERY *Gabe Romero/Mike Pacheco*

This market is firm. Supplies are expected to be light throughout the week. Production continues to be out of Santa Maria, and Oxnard. There is currently no production in Yuma. There are no major quality issues to report at this time.

CITRUS *Tim Kelley*

Lemons: The market is steady. Desert fruit size in 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. 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. Sonoran supplies are making up for the affected Baja production due to the past storm damage. We ought to see some production start from Sinaloa this week.

Eastern Cucumbers: *Janine Baird*

Florida is beginning to see the end of the domestic cuke season. Volume is tapering off. However, many shippers will get started with off shores this week. Market should continue to rise.

EGGPLANT

Western Eggplant: *Mike Cantu*

Demand is still outpacing supplies. Mexican production is heavy towards 24ct and very light on 18ct. Current market somewhat unsettled but supplies are meeting demand albeit very light on 18ct size.

Eastern Eggplant: *Janine Baird*

The eggplant market has finally loosened up a bit with more availability in Florida.

GRAPES: *Brad Tremblay*

Domestic green seedless continue to climb in price and decline in quality. Even the best extra large grape, though expensive, is showing some ambering. The less expensive medium large and large are showing up with even more trouble. To get a very good quality green grape it is becoming necessary to look toward the Peruvian greens. These are expensive but excellent quality. The red seedless are also winding down but holding up much better than the greens for quality. We still have a split market due to size on the different varieties (Crimson versus Vintage). However, the bigger fruit is starting to dwindle in size and the market is reflecting this with higher pricing on the large fruit. The Chilean fruit is on the water now with the first container available right around Christmas.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is softer as supplies have picked up out of the Mexico region. Demand has fallen off. Production in Mexico is expected to have good availability for the entire week. Small sizing continues to be the sizing most readily available. Mexico's weather in the growing regions continues to be favorable.

LEAF *Gabe Romero/Mike Pacheco*

The romaine market is steady, overall. The

Commodity Updates Continued

quality in Yuma continues to get better with less seeder and tip burn compared to past weeks. The weights on romaine have been averaging 34-38 pounds. Green and red leaf items are steady as well. Colossal romaine hearts have better suppliers compared to past weeks. Regular romaine hearts have good availability.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady. This week has started out with many suppliers looking for business on this commodity. Demand overall is off. Weights continue to be reported between 40-44 pounds. Slight seeder still exists but the quality is definitely getting stronger. Expect steady supplies throughout the week. Pricing is flexible for volume type orders.

MELONS *Jim Murphy*

Cantaloupe: Offshore melons are arriving 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 climbing up 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 finish. Offshore dews are arriving now 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 higher on all sizes. Quality is good on all of them.

ONIONS *Mike Gorczyca*

A chance of light snow later this week in Idaho could slow down trucks, or I should say what trucks. Trucks are still the biggest issue. All colors and sizes of onions are available. Market is low, but steady. I don't see this changing anytime soon. Quality is being reported as good.

POTATOES *Mike Gorczyca*

Idaho – Nice weather for Idaho this time of year, with lows in the high twenties and the highs hitting around fifty with no change going into the weekend. Large cartons (40ct-60ct) still limited with a firm market. Need 4 to 5 days notice on all

orders with large cartons being ordered to get them out on the day you are looking to load. The storages are peaking on 80ct and smaller. Christmas retail ads for bale potatoes have started this week. Quality is being reported as good.

Washington/Colorado/Wisconsin – Market is steady on 70ct and smaller with 60ct and larger having a firm under tone. Quality is good. There seems to be better availability of trucks out of these areas.

Color Potatoes *John Tole*

Bakersfield, California – they are steady Washington red, white, and gold potatoes. The market for all colors and all sizes is steady. Premium and Bakers reds and gold's are still short. Western Washington – the markets for all colors and sizes are steady. Their reds and whites are peaking on A-size while the golds are more evenly split between A & B-size. Washington shippers are still dealing on volume for A-size reds.

North Dakota - reds are steady and 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 both are still peaking on A-size. Idaho also has good availability on Premiums/Bakers in both colors.

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

SQUASH

Western Squash: *Mike Cantu*

Market is very unsettled as some new farms come online. It is still a demand exceeds but signs of markets are weakening on Italian squash, yellow squash continues very short and demand exceeds supplies.

Eastern Squash: *Janine Baird*

With winds dying down and recent temps significantly warmer, Homestead's volume has picked up. However, shippers are holding the market where it has been in anticipation of this flush being short lived due to a cold front expected to be sitting over that region for the better part of the week.

STONE FRUIT *Brad Tremblay*

The cherry market has reacted upward as the recent rains have adversely impacted supplies and quality out of Chile. The nectarine and

Commodity Updates Continued

peach markets have not shown any real effect and are still expected to show up in U.S. ports about the third week of December. There is limited availability of apricots by air but the price has proven to be prohibitive.

TOMATOES *Aaron Aliotti*

Western/Mexico:

The West has light supply and color on both Romas and Rounds. The demand is strong, but supplies are short. Quality on a lot of the Mexican crossings is very questionable. A lot of that fruit is coming from growing areas that were hurt by storms. It is essentially a salvage crop for some areas. Most of the fruit showing up at the border crossings are very light in color or actually green in color. So like Rounds, color is a major issue for Romas. Southern California will be finishing up this week, which sends us to Mexico for all Western products. Both Mexico growing areas in production are experiencing reduced yields due to normal seasonal decline and past weather issues. Availability is expected to remain tight until Western Mexico gets back in the swing in late December.

Eastern/Tomatoes:

With Ruskin moving toward its seasonal decline, the East is expecting continued light supply on Romas and rounds getting better this week. Quality is reported as being good. Rainy weather has affected yields on existing crops and the cold weather could stunt growth even more. Poor weather slowed harvests last week however Immokalee comes into full this week assuming temperatures stay above freezing. Grape supply is steady as both Ruskin/Palmetto and Immokalee are bringing fruit to the table. Lower demand has allowed the market to soften a bit since last week. Rain and cold weather in Florida is going to keep supplies short. Florida is the main area for cherries at this time. Demand is down and prices are adjusting however remain high for this time of year.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies will be steady throughout the week. Lettuce supplies are abundant. Broccoli supplies are good. Cauliflower production will be better this week and shortages on orders should be finished by the middle of the week.

WATERMELON *Mike Cantu*

There is current production in South Texas and some in Sonora. Watermelons are becoming very 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.