



The Source

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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

Blueberries are tight on the west coast as Chilean shipments are delayed

Cantaloupes are very short this month due to cooler than normal growing temperatures

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

Asparagus will gap in production out of Mexico for about 4-5 weeks



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 remain 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 dropped again and is currently at 3.535 per gallon. CA price is down as well and is now 3.655 per gallon. Crude oil went down again and is currently \$62.12 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 steady on 88's and larger and higher on 100's and smaller due to light supplies of the smaller sizes. Granny-Smith is still 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 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 varietals are peaking on the larger sizes. Honeycrisp supplies are short and the market is stronger. 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 continues to gain strength. Peruvian product is light in availability. Mexico's production will be finished up this week and production will not start up again until the middle of January. This region will gap in production for about four weeks. Shippers are extremely light on jumbo sizing. This will continue through the month of January.

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	Higher/Steady
Bell Pepper (Eastern)	Good	Higher
Berries: Strawberries	Fair	Higher
Berries: Raspberries	Fair	Higher
Berries: Blackberries	Fair	Lower
Berries: Blueberries	Fair	Higher
Broccoli	Good	Steady
Carrots	Good	Higher
Cauliflower	Fair	Steady
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Good	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Good	Lower
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Good	Steady
Lettuce: Leaf	Good	Lower
Lettuce: Iceberg	Good	Lower
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Fair	Steady
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Steady
Tomatoes (Eastern)	Good	Steady
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 Florida is beginning to wind down on pepper and a few of the larger shippers in South Florida are still about a week away from starting up. Additionally, cool temperatures and morning showers have significantly slowed picking. Product will be limited and prices will climb over the next several days, with off grades becoming the most difficult.

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. Some quality issues being reported with soft fruit and mold.

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

Commodity Updates continued

week and markets have firmed up. Fruit on the west coast is very tight this week, very little volume available.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady. Good supplies exist out of Santa Maria, Yuma, Scottsdale and Mexico. 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 steady. Escalated pricing is in effect. Some suppliers have come off a few dollars on pricing, but overall, production is still light. 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 end of the week with a few suppliers.

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 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 higher. 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 and the off shore deal officially kicked in yesterday. There is some play in the select market but supers and carton 24's will remain snug through the weekend.

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*

Quality on the green seedless continues to be a problem as the last of the domestic storage grapes all show varying degrees of ambering / discoloration. The market continues to be strong for the last of the domestic greens' but the best quality is in the Peruvians. You can expect to pay a premium for the imported fruit. The Chilean green seedless are on the water and are now being projected to be available around the 28th of December. The red seedless are still readily available out of storage with somewhat better quality than the greens' but they too are beginning to show their age. This market is firm and steady with the Peruvian grapes as the best alternative if quality is an issue.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is flat. Demand has fallen off. Production in Mexico is expected to have good availability for the entire week. Small sizing

Commodity Updates Continued

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 softer, overall. The 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 more readily available. Colossal romaine hearts have better suppliers compared to past weeks. Regular romaine hearts have good availability.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is softer. There are multiple suppliers looking for business on this commodity. Demand is off. Weights continue to be reported between 40-44 pounds. Slight seeder still exists but the quality is definitely getting stronger. Expect good 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*

Market is steady at low levels on Yellow and Reds on all sizes. I don't see this changing anytime soon. Trucks have gotten a little better on most lanes but are still limited. I would still recommend staying ahead on your onions. Quality is being reported as good.

POTATOES *Mike Gorczyca*

Idaho – Market has finally stabilized on 60ct and smaller. 40ct and 50ct are still very limited. Retail for Christmas has started but is not as active as they expected. Trucks are still tight and will be till the middle of January. Quality is 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 – all colors are steady and the sizing is average. Premium and Bakers reds and gold's are still short. Western Washington – the markets for all colors and sizes are also steady. Their reds and whites are peaking on A-size while the golds are more evenly split between A's & B's. Washington shippers are still dealing on volume of A-size red orders.

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 better availability of Premium and Baker size 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*

Homestead's volume has picked up recently. 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 steadied out and is holding at current levels. The fruit available is still air freight with the first containers expected to hit around 12/15. Apricots, though pricey, are still available by air freight. The first of the

Commodity Updates Continued

Chilean peaches and nectarines will be arriving by water with the grape shipments the last week of December.

TOMATOES *Aaron Aliotti*

Western/Mexico:

Availability remains very limited on rounds and Romas in the West. Very little product is coming in from Eastern Mexico and Baja as they pick light yields and variable quality from existing, storm-damaged fields. Western Mexico growers anticipate starting in about two weeks, which should put more product in the pipeline. Until then, promotions are not recommended on rounds or Romas. Roma supply should pick up after Christmas, when Culiacan gets in full production. Grape supply is starting to increase as more growers begin their season.

Eastern/Tomatoes:

Round tomato volumes are increasing in Florida, as Immokalee growers begin to harvest. Initial reports show nice quality and size on Southern Florida fruit. Meanwhile, Ruskin/Palmetto growers are headed toward the seasonal decline and are bringing a lot of small fruit to market. Roma and grape supplies should also begin to increase as farms get past the weather challenges of the last few weeks. While supply is increasing, the market remains elevated due to increased demand from the West.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies will be steady throughout the week. Lettuce supplies are abundant. Broccoli supplies are good. Cauliflower pricing is still on escalated pricing.

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.