



The Source

December 15, 2014

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Strawberry demand exceeds supply, very limited availability in all areas

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

Cantaloupes and Honeydews are very extremely 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 is extremely limited due to lack of supplies from Mexico and Peru



Weather *Tim Lynch*

A series of cold fronts out west will bring much needed rain to most of California this week. The approaching storm systems look to bring a chance of rain to the desert regions mid week into the weekend. Temperatures cool to the upper 60s as these systems roll through the desert regions.



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 last week to 3.535 per gallon. Look for prices for this week to drop again when they come out later today. Crude oil continues to drop and is currently \$56.59 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

New York continues to pack McIntosh, Empires, Red Romes, Red Delicious, Golden Delicious, and Honeycrisp. The New York shippers have lighter availability of 88's and larger in all variety's except Honeycrisp. The availability for 100-size and smaller is generally better now. 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 peaking on 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 all sizes and are still producing more 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 varieties 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 is extremely active with limited supplies on product from Mexico. Peruvian product is light in availability as well. Mexico has started a new region but is extremely limited in supply. 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	Steady
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	Steady
Lettuce: Iceberg	Good	Steady
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. 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. OXNARD/Southern CA received anywhere between 1.5"-2.5" of rain in strawberry growing regions since last Thursday. Availability will be

light all week due to the rain and cool weather. Quality issues will also continue to be present with water damage, bruising and soft fruit. Expect fruit to be lighter in color as crews picked any useable fruit ahead of the rain. *FLORIDA* has started off slowly due to cooler weather. We should see increasing volumes toward the end of next week, reporting good quality in this fruit. *MEXICO* volumes continue to increase. We should see better availability this week and increasing next 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 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 showing some slight market increases due to the Christmas Holiday. Good supplies still 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

Commodity Updates continued

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 at the higher price levels. Escalated pricing is in effect. 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.

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. Smaller size celery is extremely limited. 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. 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*

The domestic green grape supply finished much more rapidly than expected. Poor quality on the last of the storage crop as well as limited numbers overall contributed to this abrupt finish. Although there are small pockets of supply left the principal supply for quality is now the import fruit. Peruvian grapes are currently available but in limited numbers. This has resulted in a sharp spike in fob prices across the board. We expect this to continue until the Chilean grapes hit the market with volume. The eta on these is now the week of December 28. The domestic red grape supply is in better shape, at least for the short term. There are currently enough of the red's to adequately supply demand at least through Christmas. We should then see the Chilean fruit the following week with little or no interruption in supply. The one caveat to this is the quality available. While we will have plenty of fruit sizing is moving more towards the larger fruit and many shippers are experiencing late season quality issues upon arrival (soft and breaking down). This is causing a rise in price as the better fruit is commanding a premium in price. Although the price rise is not as severe as with the green grapes we expect this trend to continue until the Chilean fruit is available in volume.

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 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 quality in Yuma continues to get better with less seeder and tip burn compared to past weeks.

Commodity Updates Continued

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 steady. 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. Quality is being reported as good. Trucks have gotten a little better on some lanes but are still limited. Mexico is starting to cross some light numbers of Onions into McAllen, Texas. Quality is being reported as fair and I would recommend holding off on loading till the first of the year.

POTATOES *Mike Gorczyca*

Idaho – Market is steady on all sizes. Quality is being reported as good. 40ct and 50ct are still very limited. Some Idaho shippers are bringing over Washington 40ct and 50ct to fill orders.

Trucks are still tight and will be till the middle of January.

Washington/Colorado/Wisconsin – Market has firmed up slightly on 40ct through 70ct which is due to other states not having enough large size to cover the demand. Smaller size potatoes are steady. Quality is good. Trucks are still short.

COLORED POTATOES *John Tole*

Bakersfield, California – Reds and Gold's are steady and the sizing is still average. Premium and Bakers reds and gold's are short. White supplies are low and that market is higher on all sizes. Western Washington – the markets for Reds and Gold's colors are also 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's & 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 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 first of the Chilean peaches and nectarines are available on the East Coast. The volume is limited on both and the market firm. We will not see good volume until the last week of December. Even then the number will be more limited than we would like and we believe the

Commodity Updates Continued

market will continue to be firm and steady until we move into January. The last of the air freight cherries are now cleaning up in anticipation of the first cherries arriving in port during the coming week. This market also continues to maintain steady and firm with the expectation of an easier market as supplies increase. The quality of the first cherries arriving on the water is suspect due to the rains in the Chilean growing regions a few weeks ago.

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.