



# The Source

December 22, 2014

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**THINGS YOU SHOULD KNOW:**

**COMMODITY ALERT:**

Cantaloupes are very extremely short this month due to transition of growing regions

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*

High pressure strengthens on the west coast early this week with temperatures 10-15 degrees above norms (70s to low 80s). Strong, gusty winds (25-40mph) are expected in Southern California and the Desert regions into Tuesday. Approaching cold fronts bring cooler temperatures mid-week.



## Freight: *Mike McIntire*

Trucks in CA and AZ are available today but will be extremely tight the balance of 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 fuel dropped again last week to 3.419 per gallon. Look for pricing to drop again this week when it comes out later today. Crude oil remains steady and is currently \$55.48 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 all sizes but the market for 100's and smaller is still very strong. Granny-Smith is peaking on Washington extra-fancy 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. The Honeycrisp market is steady but remains strong. Washington Bartlett pears are slightly higher on all sizes due to strong demand. 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 also steady and 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 are now limited. 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	Higher
Avocado (Mexican)	Good	Steady
Avocado (California)	Done	Done
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Lower
Berries: Strawberries	Fair	Steady
Berries: Raspberries	Fair	Higher
Berries: Blackberries	Fair	Lower
Berries: Blueberries	Fair	Steady
Broccoli	Good	Steady
Carrots	Good	Higher
Cauliflower	Fair	Steady
Celery	Good	Lower
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Fair	Steady
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	Lower
Squash (Eastern)	Fair	Lower
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Steady
Tomatoes (Eastern)	Good	Steady
Watermelon	Good	Higher

# Commodity Updates *continued*

## **ASPARAGUS** *Gabe Romero/Mike Pacheco*

This market continues to gain strength as we enter the holidays. This commodity is a hot item for Christmas. Mexican supplies are light and will be gapping until the middle of January. Peruvian product is light in availability as well. Shippers are extremely light on jumbo sizing. This will continue through the month of January.

## **AVOCADO** *Tim Kelley*

Mexico's volume this week and next will drop as holiday work schedules will limit harvest. Supplies going in to the holiday weeks are good, but will get a little tight by the time we come to the end. The demand for all sizes of fruit is good and market remains stable. 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 both are still demand exceeds but signs of increasing volume ought to alleviate current markets. 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 this week which has helped to soften the market in all areas. This is offering some 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 some quality issues with soft and bruised berries. Light volumes of fruit coming out of Coachella, Irvine and Oceanside have been reported with better quality.

**Raspberries:** Market continues to firm up and fruit is lighter availability as we move throughout December and into early January.

**Blackberries:** Demand has been lighter and markets have loosened some. 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 volumes are light as many plants have gone dormant after recent rains and pest issues earlier in the season.

## **BROCCOLI** *Gabe Romero/Mike Pacheco*

This market is steady to begin the week. There was more activity last week on bunched product and crowns. This week, however looks to be slow. Expect steady supplies coming out of Santa Maria, Yuma, Scottsdale and Mexico throughout this 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 has leveled off in the industry. There is a pricing gap of three to five dollars

# Commodity Updates continued

depending on the shipper. Escalated pricing is no longer in effect. Overall production is up as demand has fallen off. 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 is softer to begin the week. Supplies are expected to be steady for the rest of the year. Production continues to be out of Santa Maria, and Oxnard. There is currently no production in Yuma. Smaller size celery has picked up in availability. There are no major quality issues to report at this time. Overall, demand is lighter.

## **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

is in good supply. Market is softer on the domestics. Quality on off shores is excellent.

## **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*

Both the green and red seedless markets show steady, though light demand. Supplies on green grapes especially continue to be light in volume but the light demand has served to make this a steady market at current levels. The red seedless continue to be adequately supplied with good quality grapes. These markets appear to have found a level that will maintain until the Chilean shipments hit port in volume; the last week of December to the first week of January.

## **GREEN ONIONS** *Gabe Romero/Mike Pacheco*

This market is steady. Production in Mexico is expected to be good throughout the week. Demand should be light. Small sizing continues to be the sizing most readily available. Mexico's weather in the growing regions continues to be ideal.

### **LEAF** *Gabe Romero/Mike Pacheco*

Supplies are strong on romaine. Many suppliers are listening to offers for bulk type orders so promote as much as possible. The quality is good and weights are ranging from 34-38 pounds. Green and red leaf items are readily available as well. Colossal romaine hearts have better suppliers compared to past weeks. There are good inventories on regular romaine hearts.



# Commodity Updates Continued

## **LETTUCE** *Gabe Romero/Mike Pacheco*

This market is unchanged from the previous week. Like romaine 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 overall quality is good. 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*

Super Colossal and Colossal supplies are lighter as the shippers move into some of their later storages that have smaller sizing. This could be the trend for the balance of the season and expect a slightly higher market for the big yellows in the short-term. All other sizes and colors are steady with good quality. Trucks are still limited and most likely will not get any better till after the first of the year.

## **POTATOES** *Mike Gorczyca*

Idaho – Market is steady on 70ct and larger with 80ct and smaller steady to slightly

weaker. Burbank's supplies are peaking on 80ct and smaller which is the main cause of the weaker under tone on the smaller sizes. Norkotahs are peaking on 60ct through 90ct. Quality is being reported as good on both varieties. 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 still heavier to 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 and Plant City continues to work squash. That coupled with no demand has weakened the market which should continue to drop into the weekend.

**STONE FRUIT** *Brad Tremblay*

Supplies of peaches and nectarines are beginning to ramp up with the early Chilean fruit now available on both coasts. Better volume on both of these items is expected over the next couple weeks. These markets are currently steady but should soften marginally as we move into the month of January. Quality on the peaches and nectarines is reported as good with sizing mostly in the tray pack 50's to the volume fill 60's. Cherries, too, are coming into much better volume with sizing mostly in the extra large to jumbo range. Quality continues to be good with minimal reports of troubles due to the rains several weeks ago. This market remains steady on pricing at current levels.

**TOMATOES** *Aaron Aliotti*

**Western/Mexico:**

As Mexican growers continue to work through the seasonal transition, there are minimal volumes of rounds and Romas crossing into the US. Quality is varied, as some fruit is harvested from older fields in Eastern Mexico and Baja. Availability and quality is increasing on grape tomatoes as new Mainland Mexico growers are coming on board each day. Grapes from older fields in Baja are on their last legs and quality is becoming a concern.

**Eastern/Tomatoes:**

As Immokalee growers get into full swing over the next week, the outlook for round tomato supply in the East is improving. Quality has been very nice thus far, although larger-sized fruit is a little light. With weather challenges behind us, grape

tomato quality and supply are looking good through the holiday.

**VALUE ADDED** *Gabe Romero/Mike*

*Pacheco*

Romaine supplies will be strong throughout this week. Lettuce supplies are abundant. Broccoli supplies are good. Cauliflower inventories have picked up. Escalated pricing is no longer in effect. Basically, processors will have good inventories of product for the rest of the year.

**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.