



The Source

January 12, 2015

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Rain in the lime growing areas has disrupted short term supplies

Severe cold temperatures in the Southern California region as well as Yuma and Mexico has made production of row crop commodities difficult to come by

Idaho large cartons 50 counts and larger very limited

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

California Strawberry growing areas received up to 2 inches of rain over the weekend



Weather *Tim Lynch*

Light sporadic rain this morning in the desert regions will continue today as the low moves east. This cut off low brought substantial rain to southern California with over an inch of rain in Oxnard over the weekend. High pressure builds behind this system with slight warming (60s to low 70s) in the desert regions through the week.

The light rain and warmer temperatures recently will help crops to regain normal growth patterns and begin to show the extent of the damage inflicted by the freeze. Growers will be assessing damage over the next couple of weeks as fields recover. Temperatures look to remain above freezing over the near term with long range forecasts expecting another potential cold spell in late January.



Freight: *Mike McIntire*

Trucks in CA and AZ will be steady throughout the week. Washington trucks are steady but Idaho remains tighter than normal. Please continue to get your onion and potato orders in as early as possible. The national average on diesel continues to fall and was 3.137 per gallon last week. Look for prices to drop again this week when they come out later today. Crude oil remains below 50.00 per barrel and is now 46.41 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

New York is still packing McIntosh, Empires, Red Romes, and Red Delicious. The New York markets are steady on all varieties and small fruit remains short. Michigan continues to pack Braeburns, Empires, Fuji's, Gala's, Golden Delicious, Idareds, Jonathans, Jonagolds, McIntosh, Red Delicious, and Red Romes. Most Michigan fruit is still heavy to 88/100's and larger. The Michigan markets are also steady and there is a little price-flex in some. Washington Red Delicious is steady and continues to peak on 80's and larger in the WX#1 and premium grades. Red Delicious 113's & smaller remains short. Golden Delicious is steady on all sizes and is producing more 88/100's. Granny-Smiths are steady on all sizes but the 113's and smaller are very strong due to light supplies. The Granny's are still heaviest to Washington extra-fancy 80/88's and larger. Washington Gala's are steady and are still peaking on 88/100's. The Fuji market is steady on all sizes. They continue to peak on 88's and larger. Braeburns, Jonagolds, Sweeties, Jazz, Red Romes, Honeycrisp, and Pink Lady's are all available in Washington. Most of the Washington varieties are peaking on the larger sizes. Most Honeycrisp only ship through January so expect a market increase on them in the coming weeks. Washington Bartlett pears are steady but strong on all sizes due to strong demand and light supplies. The Bartlett's are now peaking on US#1 70-90's with 80-size being the bulk of the volume. Most Washington shippers will finish Bartlett's between the end of January and mid February. Washington D'Anjou pears are steady & continue to peaking on 80/90's. Small D'Anjou's remain limited. Washington Bosc is steady and is still peaking on 80/90's now. Small Bosc remains 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	Higher
Avocado (Mexican)	Good	Higher
Avocado (California)	Done	Done
Bell Peppers (Western)	Good	Steady/Higher
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Good	Higher
Berries: Raspberries	Good	Steady
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Steady
Broccoli	Fair	Higher
Carrots	Good	Steady
Cauliflower	Fair	Higher
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Higher
Eggplant (Eastern)	Good	Steady
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Fair	Higher
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Lower
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Higher
Squash (Western)	Good	Higher
Squash (Eastern)	Fair	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Lower
Tomatoes (Eastern)	Good	Lower
Watermelon	Good	Steady

Commodity Updates *continued*

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is stronger with all suppliers. Cold weather in the Mexico region as slowed the growth on this commodity. This commodity is more resilient to cold weather compared to other crops. The rain and freezing has not hurt the quality, just the availability. Standard and large continue to be the main sizes available. Extra large and jumbos are extremely tight. This will continue through the month of January. Peruvian product is available but only light supplies exist.

AVOCADO *Tim Kelley*

Mexico's volume this week is still light due to limited harvest over the holiday work weeks. Supplies should be improving by the end of this week as fruit begins crossing in the USA. 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*

Colored bells are slowing slightly in production due to some cool weather growing areas experienced this past week. We ought to see production back to seasonal norms by next week with warmer weather in the short term forecast. Green bells are adequate supplies and excellent quality. 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. However, with cold weather moving in the market could go back up should there be a freeze.

BERRIES *Tom Smith*

Strawberries: Limited availability in CA, TX and FL. California Strawberry growing regions (Oceanside, Oxnard) received ½ to 2 inches of rain over the weekend. The forecast for this week is dry as an upper ridge develops along the West Coast. The next chance of rain is the middle of next week. This rain hurt the quality of the fruit loading this week and harvest numbers. The strawberries are very healthy currently so the rain does not hurt them as bad but you will start to see some white shoulders, green tips, light bruising and water damage shoeing up in the packs. It will take 4 to 5 days before you will see the picture perfect strawberries. Market is active and most crews are on standby currently due to standing water in the fields. Florida has a cold front moving through over this last weekend which has slowed down the harvest. They are also forecasted to get hit with some heavy rain starting Wednesday. Market is active with limited supplies. Quality is being reported as fair out of this area. Mexico supplies are light mainly due to the low fob's the last couple of weeks. Most growers are keeping their fruit within Mexico currently.

Raspberries: Market is overall steady but fruit is still lighter availability as we move into early January. Fruit quality reported as good coming out of MX. The challenge has been with fruit crossing the border and transfer trucks being delayed at inspection or by weather in transit.

Blackberries: Light availability this week due to delayed transfers crossing from MX. A cold front (dipping as low as 32*) in the Los Reyes growing region has slowed production as well. Fruit is reported to be in better quality than previous weeks. The challenge has been with fruit crossing the border and transfer trucks being delayed at inspection or by weather in transit.

Blueberries: Chilean fruit shipments have been delayed but are on the water. Once

Commodity Updates *continued*

these boats hit there will be plenty of blueberries on both 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. The challenge has been with fruit crossing the border and transfer trucks being delayed at inspection or by weather in transit.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is strong. Demand exceeds supply on bunched product as well as crowns. Cold weather has created a nightmare for growers. Pin rot is a quality defect that all growers are dealing with. Yields continue to suffer because of this. Pricing will continue to gain strength. Supplies are going to be light through the month of January. Demand will exceed supplies. Santa Maria, Yuma, Scottsdale and Mexico are the main growing regions for his 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 volume on Jumbo size carrots continue to drop off in supplies. We expect tight supplies on Jumbo and medium carrots for next month until we get into the desert crop. Markets have stabilized on Jumbos. Quality of carrots is still good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is stronger with most suppliers. Production on this commodity will be light through the Month of January. Demand will exceed supply. 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 steady. Suppliers are looking to fill trucks as they run short on other commodities. The cold weather has not affected this commodity like others. The best availability is coming in the smaller sizes, thirties and smaller. Production continues to be out of Santa Maria, Oxnard, and 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 very 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 rising on all sizes. Rain in the growing areas has disrupted harvesting causing supplies to lighten up. Demand is steady but with lighter supplies the market is heading up. The overall quality continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is on the rise. Production from Sonora is steady but we're experiencing some lots with quality issues. Production has slowed as cold/ cool weather has hampered production.

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.

Commodity Updates Continued

EGGPLANT

Western Eggplant: *Mike Cantu*

It appears production is slowing and pressing markets slightly higher. Cool weather has slowed down some growing areas but warmer temps ought to get production back to normal by front end of next week.

Eastern Eggplant: *Janine Baird*

The eggplant market remains steady.

GRAPES: *Brad Tremblay*

Sizing continues to be the issue on red grapes. The market on large to extra large red grapes continues to be short supplied and unable to keep up with demand. The preponderance of red grape supplies is in the 300 code (9/16 to 11/16) size with medium large next in availability. This situation looks to continue for the next couple of weeks and we will consequently continue to experience a split market on price; with large sizes commanding a premium. The green grape market is steady with supply enough to meet the current demand regardless of size.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is much stronger to start the week. Cold weather in the growing regions of Mexico has severely damaged the quality of this crop. Wilted tops and flopping continues to be common defects with this commodity. Production in Mexico is expected to be light throughout the week. Demand is up. Shippers are not harvesting heavy to one size. Supplies are expected to be light for a minimum of two weeks.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

Cold weather, along with light rains has made epidermal peel and blister standard characteristics on all romaine and leaf products. Demand exceeds supply on romaine. This defect will continue for the next three to four weeks, minimum. Shippers are cleaning up the product as much as possible.

Lighter weights are being packed by all shippers. Weights are ranging from 28-36 pounds. Green and red leaf items are available, but have the same issues as romaine. All leaf items are active.

LETTUCE *Gabe Romero/Mike Pacheco*

Blister and epidermal peel continue to be defects that all shippers are dealing with. This will continue over the next two to three weeks minimum for this commodity. Demand clearly exceeds supply. Cold freezing temperatures in the past weeks has slowed down production with all shippers. Weights on lettuce will be less due to crews having to peel down this commodity. Weights will fluctuate between 35-41 pounds.

MELONS *Jim Murphy*

Cantaloupe: Offshore melons are coming in with slightly better volumes than previous weeks. Supplies are still tight overall and look to remain so for the next few weeks. Honduran cantaloupes are arriving while Guatemalan growers are finished or moving to smaller secondary regions. 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 remain extremely limited. The market is trending slightly lower on what is available. Quality is good on all lopes.

Honeydew: Offshore dews are arriving with 6's being the main size. Honduran supplies are arriving now. Supplies are adequate for the current demand. The market is steady on all sizes. Quality has been suffering on the older crop Guatemalan dews.

ONIONS *Mike Gorczyca*

The market is steady on all sizes and colors except white onions which are slowly winding down for the season. This has this market on the rise. Quality is still being reported as good on all color and sizes. Trucks are still limited.

Commodity Updates Continued

POTATOES *Mike Gorczyca*

Idaho – Large cartons (40ct to 60ct) are still very limited with a firming market. Light retail demand is not helping the carton market. 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.

Washington/Colorado/Wisconsin – the market has firmed up on 40-70's which is due to other states not having enough size to cover the demand and no retail 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 on all sizes and both colors are peaking on A-size. Premiums and bakers remain limited in both. 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. There are still volume deals on A-size reds. The Washington reds are peaking 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 continue to produce mostly size-A. Gold's are steady on all sizes.

Idaho - reds and gold's are both steady and still peaking on A-size. Idaho also has better availability of Premiums and Bakers in both colors.

Wisconsin - reds are steady while the gold's are higher due to light availability. The Wisconsin reds are peaking on A-size.

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. Also affecting markets are reports of some cold weather damage in some Sonoran growing areas. We are waiting for preliminary reports.

Eastern Squash: *Janine Baird*

The squash market is beginning to gain some strength, particularly in zucchini. Cold weather will be moving into Florida over the next few days which will affect the squash volume. Expect this market to climb over the next several days.

STONE FRUIT *Brad Tremblay*

The markets on peaches and nectarine are steady with adequate demand for the current supply. We expect this to change in the next few weeks as supplies out of Chile are increasing. Sizing continues to be heavy to the 40 to 60 series tray packs and volume fills. Supplies of the smaller sizes, 70's and smaller, are increasing and look to be promotable in the coming weeks. Cherries are running strong with steady volume and price for the next week to 10 days. Plum supplies are improving on red and blacks with a wide range of sizes available.

TOMATOES *Aaron Aliotti*

Western/Mexico:

Weather has been cool in Mexico's growing region, slowing down production of rounds. Volumes are expected to be at steady levels in another 3-5 days. Romas, grapes, and cherries are crossing in consistent volumes with average to good quality.

Eastern/Tomatoes:

Overall tomato supply is steady in the East. Palmetto area growers continue to harvest small fruit, while larger sizes are being harvested from early picks in the Immokalee area. Roma supply is light, but steady with good quality.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies will be scarce all week. Blister and peel has made this commodity

Commodity Updates Continued

weak in terms of shelf life. Lettuce supplies are extremely light with peel and blister a major issue. Broccoli supplies are extremely tight, and this will continue throughout the week. Cauliflower supplies will tighten daily. Please keep in mind that all value added items are going to have shorter shelf lives so please go lean and move as quickly as possible. Issues of pin rot continue to be a characteristic of broccoli. Cauliflower has had reports of discoloration upon arrivals. Escalated pricing will go into effect this week on all lettuce value added items.

WATERMELON *Mike Cantu*

The current production is in South Texas and Jalisco. Watermelons are extremely short as the transition has taken place. The northern crop has wrapped up and Jalisco will be the main source of watermelons until the spring. The market will continue short although there is slight increase in production in the next week or so.