



# The Source

January 19, 2015

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**THINGS YOU SHOULD KNOW:**

**COMMODITY ALERT:**

Severe cold temperatures in the Southern California region as well as Yuma and Mexico has made the quality of row crop commodities suspect.

Light supplies on spring mix, spinach and all other baby leaf items will exist throughout the week.

Idaho large cartons 50 counts and larger very limited

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

## Weather *Tim Lynch*

The high pressure system out on the West Coast will continue to bring above normal temperatures (mid to upper 70s) to the region with possible record highs in the desert locals. This warming trend will continue through the week as a high pressure ridge dominates the forecast. Forecasts show the potential of a cut-off low system (Eddy) impacting Southern California with some light moisture mid-week. Long range forecasts keep the region dry with the next possible rain maker not expected until around the end of 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 remained steady last week at 3.134 per gallon. Look for pricing to remain steady when it comes out tomorrow. Crude oil remains below 50.00 per barrel and is now 47.93 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 peaking 88/100's and larger. The Michigan markets are also steady and some varieties have price-flex. 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 are smaller are still limited. Golden Delicious is steady on all sizes and continues to producing more 88/100's but all sizes are available. Granny-Smiths are steady on 100's and larger. 113 and smaller Granny's are mostly higher due to light supplies. The Northwest Granny-smiths are still peaking on Washington extra-fancy 80/88's and larger. Washington Gala's are steady and are still are peaking on 88/100's. The Fuji market is steady on all sizes and they are peaking on 64/72's now. Braeburns, Jonagolds, Jazz, Red Romes, Honeycrisp, Cameo's, and Pink Lady's are all available in Washington. Most of the Washington varietals are peaking on the larger sizes. The Honeycrisp market is steady but strong. 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 peak on 80/90's. D'Anjou 120's and smaller is still short. Washington Bosc is steady and they are peaking on 80/90's. 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	Steady
Avocado (Mexican)	Good	Higher
Avocado (California)	Done	Done
Bell Peppers (Western)	Good	Steady/Higher
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Fair	Higher
Berries: Raspberries	Good	Higher
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Good	Higher
Broccoli	Fair	Steady
Carrots	Good	Lower
Cauliflower	Fair	Lower
Celery	Good	Higher
Citrus: Lemons	Good	Higher
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Lower
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Good	Higher
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Fair	Lower
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Lower
Melons: Cantaloupe	Good	Lower
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
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 steady to start the week. Better production is expected out of Mexico this week. This commodity holds up better to cold weather compared to other crops. 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*

Supplies are still a little light at shipping points. Super Bowl pull is beginning and will keep avocado supplies tight. Supplies are coming in and going right back out. The demand for all sizes of fruit is good and market is firm on all sizes.

## **BELL PEPPERS**

### **Western Bells:** *Mike Cantu*

Colored bells are light supplies due to some cool/ cold weather they had in the growing areas previously last month. We ought to see production back to seasonal norms by next week with warmer weather in the short term forecast. Green bells are promotable 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*

The pepper market remains steady with good supplies.

## **BERRIES** *Tom Smith*

**Strawberries:** Florida received 2+/- inches of rain last week followed by cooler temperatures which has limited supplies. Quality is also fair. Market is firm. Forecast is for a warming trend which should help the supplies as we get into this week. The rain California received over last weekend has hurt supplies and the quality of the fruit. Cool temperatures last week and the front part of this week have shippers waiting for the fruit to color up. Market is active with

limited supplies. 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 showing up in the packs. It will take 4 to 5 days before you will see the improvement in strawberries after the rains. 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. Look for the strawberry supplies to be challenging the first half of this week at least.

**Raspberries:** Both Mexico and California supplies continue to come off and we will start to feel the raspberry market firm up as this week moves on. Cold weather in Mexico is really hurting production. Fruit quality reported as good coming out of MX.

**Blackberries:** Mexico has been experiencing high winds that have been whipping the plants around creating production issues. Pack outs have decreased as a result of this wind. This will be about a two week supply issue. Market is firm and quality is fair.

**Blueberries:** The main pack size is coming from Chile is switching from 6oz to Pints. Supplies are very limited in the small packs. Arrival delays from Chile have this market tightening up. Quality is being reported as good. 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 firm to start the week. Demand exceeds supply, overall. The crazy weather pattern over the last few months has made this commodity go up and down in the marketplace. Pin rot is a quality defect that all growers are dealing with. Yields continue to suffer because of this. Supplies are going

# Commodity Updates continued

to be light through the month of January. 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 softer. Many suppliers have good inventories due to warm temperatures in the growing regions. Deals are available so promote as much as possible. Production numbers are expected to be good throughout the week. Santa Maria and Yuma continue to be the main growing regions for this commodity. This crop will likely tighten up in the next two weeks.

## **CELERY** *Gabe Romero/Mike Pacheco*

This market continues to gain strength. Demand is up. The cold weather has not affected this commodity like others in terms of quality. The best sizing available continues to be in 36 count packs. Larger sizing is commanding a higher price. 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 is 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 is very good. Internal maturity is good and eating quality is excellent. Size Are currently peaking

8's/113's/72's/56's/138's.

**Limes:** The market is steady at the current higher prices on all sizes. Previous rains in the growing areas had disrupted harvesting causing supplies to lighten up. Demand is steady but with lighter supplies the market is holding at the current prices. The overall quality continues to be acceptable with some yellowing and minor defects showing.

## **CUCUMBERS**

### **Western Cucumber:** *Mike Cantu*

Market is slightly lower. Production from Sonora is lower volume with the majority of the production now coming from Sinaloa. Production has slowed as cold/ cool weather has hampered production. We ought to see some incremental increases in Sinaloa production.

### **Eastern Cucumbers:** *Janine Baird*

The off shore deal is in full swing now and the quality has been excellent. The market nudged up at the beginning of the week in reaction to the west. However, demand was weak, softening the market going into the weekend.

## **EGGPLANT**

### **Western Eggplant:** *Mike Cantu*

It appears production had slowed slightly due to previous cool/ cold weather. Production appears to be getting back to its normal seasonal rates. Supplies have been meeting demand.

### **Eastern Eggplant:** *Janine Baird*

The eggplant market has gained strength and will continue to climb for the next several days.

## **GRAPES:** *Brad Tremblay*

The short term outlook this week is subject late vessels on the West Coast, the Martin Luther King holiday and a threatened walkout by the longshoreman unloading the vessels. All that being said; the long term outlook is relatively unchanged. We expect to see plenty of red seedless, although small

# Commodity Updates Continued

sizing will still be the norm, and sufficient supplies of all sizes in the green seedless varieties. Pricing looks to be relatively steady on both red and green seedless on both coasts.

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

This market has softened. High pricing this past week has slowed demand down with most suppliers. Wilted tops, light color, burnt tips and flopping continues to be common defects with this commodity. Production in Mexico is expected to be steady in availability all week. Shippers are not harvesting heavy to one size.

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

The quality of romaine and all leaf items continue to be consistent. The past cold weather, along with light rains has made epidermal peel, blister and mildew standard defects that are being seen upon arrivals. Demand exceeds supply. Although warm weather is expected throughout this week in the desert region, the quality of product will just be marginal at best. Shippers are cleaning up the product as much as possible. Weights on romaine 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. Please emphasize that **ALL suppliers** are having the same issues and credits are going to be difficult to come by. The defects will not go away for weeks to come.

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

This market is softer. There is a price gap approximately by nine dollars in the industry. Blister and epidermal peel continue to be the hot topics of discussion with this commodity. This will continue over the next two to three weeks minimum. Demand is still strong. Cold freezing temperatures in the past weeks coupled with warm temperatures last week as well as this week has caused havoc to the growth of this commodity. Weights will

fluctuate between 38-44 pounds throughout the week. Shippers continue to be reluctant on issuing credit. Please educate customers as much as possible as to the situation in Yuma.

## **MELONS** *Jim Murphy*

**Cantaloupe:** Melons are coming in with better volumes than previous weeks. Supplies are increasing overall and look to remain in this helpful pattern!! Honduran cantaloupes are arriving while Guatemalan growers are finished or have moved to smaller secondary regions. The sizing once again continues to peak on 9's and 12's with fewer 15's and even fewer 18's. Offshore melons are arriving on the west coast and are becoming available. The market is trending lower. Quality is good on all lopes.

**Honeydew:** Offshore dewes are arriving with 5's and 6's being the main size. Honduran supplies are the majority of volume. Supplies are going to remain tight until the first week or so of February. The market is steady at the current high levels on all sizes. Quality has been suffering on the older crop Guatemalan dewes.

## **ONIONS** *Mike Gorczyca*

Trucks have gotten a little better depending on the lane. White onions market is starting too active as supplies start to wind down for the season out of the Northwest. Yellow and red market is steady with good supplies of most sizes. Quality is still being reported as good on all color and sizes. Trucks are still limited.

## **POTATOES** *Mike Gorczyca*

Idaho – Market is firm on large cartons and steady to slightly weaker on the smaller sizes. It is that time of the year that potatoes start to wake up and are starting to want to grow. The first sign of this is peepers showing up in the cartons. Shippers are using sprout inhibitor at the storage level. This will inhibit and slow down the growth of the sprouts. The second step is to apply

# Commodity Updates Continued

sprout nip directly to the potatoes as they are being packed at the shed. One very important thing to keep in mind is the sprout has to break the surface of the skin for the inhibitor to be effective. The result will be a small "peeper" that will be black on the end and have a cauliflower looking end. This is normal and the appearance of the black end shows that the cell has been disrupted and that elongation of the sprout has been stopped. 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. Trucks are still limited.

Washington/Colorado/Wisconsin – the market continues to firm 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 very short. Also affecting markets are reports of some cold weather damage in some Sonoran growing areas. From most reports yellow squash suffered the most ill effects of the cold weather.

### **Eastern Squash:** *Janine Baird*

The squash market is beginning to gain some strength, particularly in zucchini. Cold weather has moved into Florida, slowing the growth. Expect this market to climb over the next several days.

## **STONE FRUIT** *Brad Tremblay*

Peaches and nectarines are readily available now in promotable volumes. Sizing ranges fairly evenly between the 40 count tray packs to the 70 series volume fill packs. Quality is being reported as good and the market is steady. Plums are moving into more supplies of the black varieties. We are still seeing the red plum varieties as the predominant supply for the next few weeks. These markets are steady with the black plums commanding a slight premium due to their relative scarcity. Quality is being reported as good on both.

## **TOMATOES** *Aaron Aliotti*

### **Western/Mexico:**

As Baja growers near the end of their season, tomato quality and supply is diminishing. That being said, Western Mexico's supply of vine ripe and gas green and roma product continues to increase daily as they begin to hit their first peak of the season. Quality has been very good and prices are expected to meet the mandated minimums by next week. Low pricing in

# Commodity Updates Continued

Mexico will dictate counterpart pricing in the east. Reports of some cherry and grape tomato crops in Mexico being affected by cold weather have not proved any concern. With slower retail movement over the holidays plenty of fruit is to be had creating a buyer's market on these items. With volumes increasing weekly, shippers have excess product that is boasting strong quality, and is forecasted to continue its voluminous production for the next week or two.

## **Eastern/Tomatoes:**

Since seeing high prices through October, November and December, tomatoes of all sizes out of the American southeast have come to terms with the lower demand brought on by colder temperatures across the county. At the same time, volume has increased for many shippers over the past week, causing the demand exceeds market conditions to flip and a buyer's market to emerge. Florida's round tomato volume remains steady this week, with the size profile increasing. Volume is expected to remain consistent until spring acreage begins in March. Roma production is past its peak, but there's adequate volume to handle Eastern demand. Grapes and cherries are in strong supply with good quality. The market is expected to remain steady the next week or two until Superbowl ads bring about an increase in demand.

## **VALUE ADDED** *Gabe Romero/Mike Pacheco*

Romaine supplies continue to be light. Blister and peel has made this commodity weak in terms of shelf life. Lettuce supplies are light with peel and blister a major issue. Broccoli supplies are extremely tight, and this will continue throughout the week. Escalated pricing is in effect. Cauliflower supplies have eased up. 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.

## **WATERMELON** *Mike Cantu*

The current production is Jalisco. Watermelons are extremely short as they are the majority source of winter watermelons. 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.