



# The Source

February 23, 2015

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**THINGS YOU SHOULD KNOW:**

**COMMODITY ALERT:**

Issues of quality continue to come up on many row crop items. Past weather conditions has created mediocre quality for many commodities.

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

## Weather: *Tim Lynch*

A strong high pressure system remains over the Southwest this week with unseasonably warm temperatures (upper 70s to mid 80s) in the desert growing regions. Mid-range forecast show the possibility of another Cut-off low forming off the Central Coast over weekend. This will bring a cool down and a chance of light showers, however confidence is low as to the exact track and formation of this system at this time.

The cold front moving off the East Coast will bring widespread freezing temperatures as far south as Central Florida over the next few days before moving out over the weekend.



## Freight: *Mike McIntire*

Trucks in CA and AZ continue to be plentiful. Washington and Idaho trucks are steady as well. The national average on diesel is trending up the past few weeks. Look for pricing to climb again this week from last week's price of 2.865 per gallon when it comes out later today. Crude oil dropped slightly today and is currently 49.08 a barrel.

# Commodity Updates

## **APPLES / PEARS:** *John Tole*

New York is still packing McIntosh, Empires, Red Romes, and Red Delicious as well as a few Fuji'. The markets are all steady and most varieties remain large. Michigan continues to pack Braeburns, Empires, Fuji's, Gala's, Golden Delicious, Ida-reds, Jonathans, Jonagolds, McIntosh, Red Delicious, and Red Romes. Most Michigan varieties are peaking on 88/100's and larger. The Michigan markets are all steady, Gala volume remains limited. Washington Reds are steady on all sizes. There is some volume flex on 80's and larger. The availability of 100's and larger is fairly good while 113's and smaller are limited. Red delicious continues to peak on 80's and larger in the WX#1 & premium grades. Golden delicious are steady on all sizes and continue to peak on 88/100's but all sizes are available. Granny-smith is steady on all sizes but the availability of 80's and larger is good while the 88's and smaller are short. Granny-Smiths are still peaking on Washington extra-fancy 72/80/88's. Washington Gala's are steady and are still peaking on 88/100's. Fuji's are also steady and continue to peak on 64/72's. Braeburns, Jonagolds, Jazz, Red Romes, Honeycrisp, Cameo's, Pink Lady's, and Lady Alice are all available in Washington. Honeycrisp are steady to higher with light availability. Most packers will finish shipping them this month so expect the market to remain strong. They are still peaking on 48/56's. Washington D'Anjou pears are steady & continue to peak on 80/90's while 120 are short. Washington Bosc are steady and continue to peak on 80/90's. Small Bosc is also short. Washington red D'Anjou's are steady on all sizes and they are peaking on 45/50 half-cartons.

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

This market is softer with most shippers. Good supplies are expected this week out of Mexico. Standard and large sizing will be the main packs available. Domestic supplies are

## Commodities at a glance...

<b>Commodity</b>	<b>Quality</b>	<b>Market</b>
Apples	Good	Steady
Asparagus	Good	Lower
Avocado (Mexican)	Good	Higher
Avocado (California)	Good	Higher
Bell Peppers (Western)	Good	Higher/Steady
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Fair	Lower
Berries: Raspberries	Fair	Steady
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Fair	Higher
Broccoli	Good	Steady
Carrots	Good	Lower
Cauliflower	Fair	Steady
Celery	Fair	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Higher
Eggplant (Eastern)	Fair	Higher
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Fair	Steady
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Higher
Squash (Eastern)	Fair	Steady
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Steady
Watermelon	Good	Higher

# Commodity Updates *continued*

available to load out of Salinas. Standard and large sizing will be the main sizing available as well. Extra large are becoming more readily available. This will continue throughout the week. Peruvian product is available as well.

## **AVOCADO:** *Tim Kelley*

Supplies from Mexico have dropped. Mexico's growers are currently in clean up groves with lighter supplies and have raised their field prices to the shippers and market prices moving higher. 48's and larger continue to be short. California fruit is coming to market with light supplies. Overall supplies are light and quality remains good.

## **BELL PEPPERS**

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

Colored bells are increasing in production and supplies are promotable levels. Market is slightly unsettled, we anticipate them slowly settling. Green bells are getting active with larger size becoming short and quoted at a premium. All other green bells are following suit. Gold bells market is steady. Some greenhouse gold bell peppers are crossing through South Texas and Nogales.

### **Eastern Bells:** *Janine Baird*

Florida's recent freeze did not damage the crops in the way many had expected. Pepper supplies remain good and with light demand, the market remains unchanged.

## **BERRIES** *Tom Smith*

**Strawberries:** Currently loading in three primary areas: Southern CA, Central FL and McAllen, TX. Market is lower, quality is fair to good. Southern CA received some light rain over the weekend and a chance remains for more today. Shippers do not anticipate any disruption in production from this front. After today, a dry and warming trend to Friday when another chance of showers appears for the weekend. FL is forecasted for showers by mid-week, some areas expecting more than 1.00", scattered showers for most of the growing regions. Production may be disrupted by regions depending on amount of

rainfall. McAllen fruit is sizing down and shippers are monitoring for quality out of MX.

**Blackberries and Raspberries:** In recent weeks, Central Mexico received both heavy rain and hail in the blackberry and raspberry growing regions. The percentage of damage was decreased after more recent assessments to total about 20% rather than the 40% originally being reported. Harvest volumes have been significantly reduced. Shippers will be managing quality at both the field and cooler levels to divert as many issues as possible. Both of these items will present a challenge this week and possibly into the following weeks.

**Blueberries:** Supplies are limited in all pack sizes (4.4 oz, 6 oz and pints.) There are several factors with blueberries that could be leading to a tight period. Chilean blues season is coming to a close in about 2-3 weeks and domestic fruit out of FL, GA, then CA will not be available in good volume for 4-6 weeks. The recent CA port shutdown was leaving vessels carrying tons of Chilean blues out on the water. Many vessels bound for CA ports have since been diverted to FL as well which delays the planned transit and arrival time by several days. Once they arrive, transfer trucks will be waiting to bring some of the fruit over to the West coast. Between the seasonal declines of fruit coming out of Chile, the issues with CA ports and East coast fruit transfers, there are a lot of factors in play. Many shippers will be relying on their Mexican fruit programs to help supplement fruit at this time as well. These programs present their own set of challenges with weather in transit and border crossing/inspections.

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

This market has remained unchanged. Good supplies on crowns continue to be harvested out of Yuma, Santa Maria, Mexico and Phoenix. Shippers are willing to deal on volume orders so promote as much as possible all this week. The quality is strong. There will be good supplies of bunched product available as well. Salinas has begun production if loading in this region is an option.



# Commodity Updates continued

## **CARROTS:** *Tim Kelley*

California desert crop has started and we are seeing an improvement in size on coming out of the fields. Jumbo size carrots availability has improved. Quality of carrots is good.

## **CAULIFLOWER:** *Gabe Romero/Mike Pacheco*

This market has leveled off with most suppliers. Demand has fallen off to start the week. Santa Maria and Yuma continue to be the main growing regions for this commodity. Issues on quality include rough curd, brown spotting and yellow casting. Weights are ranging 26-34 pounds. Supplies in Yuma is expected to be moderate throughout the week. Salinas has begun production.

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

This market is steady, overall. Good supplies exist on large sizing with most shippers. Santa Maria, Oxnard, and Yuma are the main growing regions at this time. There are a few issues on quality such as slight bowing, leafy and light insect damage. The complaints have been minimal.

## **CITRUS:** *Tim Kelley*

**Lemons:** The market is steady. The Desert crop is done. We are now into the Ventura crop and growers are only slowly working this new crop. Smaller fruit remains 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 is currently peaking on 88's/72's /113's/56's/138's. The 138's are beginning to get tight.

**Limes:** The market has lifted. Supplies have weakened a bit and demand is good. New crop is set to be arriving at the end of February. We should have good supplies through February with a forecast of lighter supplies March and April. The overall quality continues to be acceptable with some yellowing and minor defects showing.

## **CUCUMBERS:**

**Western Cucumber:** *Mike Cantu*

Market has started to settle at current quotes.

Production from Sonora is lower volume with the majority of the production now coming from Sinaloa. Cool weather may keep production steady and market firm or climb the next few days.

**Eastern Cucumbers:** *Janine Baird*

Cucumber market remains steady with excellent quality.

## **EGGPLANT:**

**Western Eggplant:** *Mike Cantu*

Market will begin edging up as Lent will soon be approaching. Production has been steady and warmer weather should keep pace with demand. We are seeing some adverse effects of the warm weather on some lots of eggplant. We foresee a demand exceeds for the next couple of weeks.

**Eastern Eggplant:** *Janine Baird*

Supplies are very limited and decent quality is difficult to come by this week.

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

The markets on green and red seedless are showing the strain of the port issues on the West Coast and the historically bad weather on the East Coast. Quality is suffering as inventories build in the East with most markets able to take only minimal orders. Quality is suffering on the West Coast as fruit waits off the coast waiting to unload and the fruit loses shelf life. Demand on all grapes is minimal at best and the market is beginning to reflect this with lower prices (especially on the smaller code fruit) being offered out.

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

Demand for this commodity has fallen off. This, coupled with the increased production out of Mexico, has softened the marketplace. There are still some complaints of wilted tops, light color, burnt tips and flopping. The complaints however have been much less compared to the prior week. Most sizing is available, with the predominance sizing being in the small and medium sizing.

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

The market on romaine continues to gain strength. The quality of romaine, green and red leaf continues to have issues of blister and

# Commodity Updates Continued

epidermal peel. Overall, the quality is better compared to past weeks. Weights on romaine are ranging from 30-38 pounds. Green and red leaf pricing is up and down depending on the shipper. Please emphasize that **ALL suppliers** continue to declare the issues of blister and peel.

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

This market is steady, overall. There are shippers looking to move volume and flexing on pricing is available with many shippers. The weights continue to range from 42-48 pounds. Blister, misshapen heads, mildew, weak tip, and epidermal peel continues to be seen upon arrivals but the percentage is less than in past weeks. Supplies should be good throughout the week.

## **MELONS:** *Jim Murphy*

**Cantaloupe:** Melons supplies are lower this week and demand is remaining good. The market is rising now due to lower supplies and good demand. 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 9's and 12's are available. Quality is good on all lopes.

**Honeydew:** Offshore dews are arriving with 5's and 6's being the main size. Honduran supplies are the majority of volume. Supplies are going to remain below normal until the end of February. Rainy weather during the planting stages and abnormal overcast weather has caused low yields. The market is rising on all sizes. Good demand and lower supplies have begun to bump up prices. Quality has been good and looks to stay this way.

## **ONIONS:** *Mike Gorczyca*

The northwest Onion market is steady on all sizes of yellows and reds. White supplies are winding down and the market is starting to rise. Quality is still being reported as good. We are getting into the window where the outer layers of the onions could start to show up translucent. Storage supplies out of Idaho should last into the end of April. Mexico Yellow Sweet and

White onions have started crossing in a very light way loading out of McAllen, Texas.

## **POTATOES:** *Mike Gorczyca*

Idaho – Cartons are steady on all sizes and the availability is still heavier to 80's and smaller. There are some deals being made on product that has been sitting on the floors for up to a week. So be careful on what you are buying. Market on 40ct and 50ct are still limited with most shippers. Most suppliers are still packing both Norkotahs and Burbanks, but will finish with Norkotahs over the next month or so. The quality is being reported as good.

Washington- Demand and supply are moderate which has this market steady on most size cartons. Quality is being reported as good.

Colorado/Wisconsin – Light retail demand has the carton market tight out of these areas. Most shippers are only running limited hours. Market is steady but firm. Quality is being reported as good.

## **COLORED POTATOES:** *John Tole*

Bakersfield, California – Reds and Gold's are both steady on all sizes. Both colors are peaking on A-size. White supplies are limited on all sizes and that market is steady but strong.

Western Washington – the market for Reds is steady while the Gold market is higher, both colors are still heavy to A-size. The end of the season is approaching so expect stronger markets. North Dakota - reds are mostly steady on all sizes and they continue to produce mostly A-size and will deal for volume. Gold's are steady on all sizes.

Idaho - reds and gold's is both steady and are still peaking on A-size. Idaho also has good availability in A-size for both colors.

Wisconsin - reds are steady to higher and still peaking on A-size. Gold's are also steady but limited in volume. The gold's are still heavier to B-size.

Florida - they have started packing light supplies of reds, gold's, and whites. All are

# Commodity Updates Continued

peaking on A-size.

## **SQUASH:**

**Western Squash:** *Mike Cantu*

Markets are unsettled with some growers selling at higher FOBs on Italian squash. Yellow squash is unsettled and are showing signs of climbing also. Some lower quoted yellow squash is of inferior quality due to some rainy weather the past week.

**Eastern Squash:** *Janine Baird*

As with pepper, there was no significant damage to squash crops from the recent freeze. Market remains unchanged.

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

The market on peaches and nectarine is about steady with good quality being reported. The West Coast is struggling for supplies as much of the fruit anticipated for current shipments is still waiting to be unloaded at the port. This could potentially affect quality as the additional time will impact shelf life for the end user. The market on plums and pluots is also about steady on both coasts. Quality is being reported as only fair as the additional time on the ship for the West Coast ports and the slow movement due to the weather on the East Coast; is greatly affecting shelf life. Softer fruit with some breaking down is being reported due to the delays in shipment.

## **TOMATOES:** *Aaron Aliotti*

**Western/Mexico:**

In Mexico, the tune is slightly different for supply, though demand is relatively stable. More advantageous weather conditions have allowed this crop to prosper more so than its eastern counterpart. However, playing off Florida's lack of fruit has increased the Mexican market as more eastern buyers are looking west to fill orders. National demand has been too low to allow the market the extremely high prices it would command if demand was strong. Again, cold weather in the Midwest and Northeast has brought most business to a standstill, which should continue to remain

the situation for at least another week to come. Roma tomatoes found strength in pricing over the past ten days with some movement as high as multiple dollars for larger fruit. This supply in Mexico, though typically inundated with fruit, has slowed down recently, which also plays into the higher market price. In Florida, limited supplies continue to move for regional buyers, but not in any sort of volume. The poor weather in buying regions across the country will plague the demand until the sun shines on these growing regions again. Cherry and Grapes are more available than any domestic fruit, but the price has stayed in tune with Florida in order to capture the most money possible during these high-priced times

## **Eastern/Tomatoes:**

The market is on the rise. Supplies in Florida have not improved putting forth the higher market pricing that buyers began to see in the beginning of February. Arctic winds are pressing the temperatures down to barely above freezing have halted any maturation of the vines, abating the amount of available product for picking. Weather reports are forecasting abnormal cold temps this week keeping the fruit small and prices high. As cherries are mostly a domestic item, the cold weather in Florida has prevented any major picking. Without any real change on the supply or demand, both markets have remained relatively steady this week. Lower demand should prevent prices from climbing any higher and will most likely remain elevated in the coming week to 10 days.

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

Romaine supplies continue to have blister and peel. Supplies are on the lighter side. Lettuce supplies are strong. Broccoli supplies are plentiful. Cauliflower inventories are currently steady, but things could change by the end of the week. 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.

## **WATERMELON:** *Mike Cantu*

## Commodity Updates Continued

The current production is Jalisco. Watermelons are becoming short due to fields running their course with lighter production. The northern crop will not be in production until mid-March; Jalisco will be the main source of watermelons until the spring. The market will continue short although there is slight increase in production. We don't foresee markets settling any lower unless it is inferior fruit.