



The Source

February 25, 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*

Strong winds will continue in the desert regions with temperatures in the mid 70s into the weekend. An approaching cold front will bring rain to much of California late this moving into the desert areas week over the weekend. A chance of widespread showers is forecast for Sunday as temperatures cool to the low 60s in the desert regions.

The cold front moving towards the East Coast will bring another round of widespread freezing temperatures as far south as Central Florida over the next few days.



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 up slightly again this week and is now 2.900 per gallon. CA price continues to rise as well and is up .06 cents to 3.208 per gallon. Crude oil remained steady and is currently 49.92 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's. The markets are all fairly steady but there is a little flex on some sizes. Most of the New York fruit is 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 the larger sizes. The Michigan markets are all steady but they will flex for volume on some sizes. Washington Reds are steady on 100's and smaller and steady to lower on 88's and larger. There is some volume flex on the larger sizes. 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. The availability of 80's and larger is good while the 88's and smaller are short. Grannies continue to peak on Washington extra-fancy 72/80's. Washington Gala's are steady and are still are 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 steady 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...

| <u>Commodity</u> | <u>Quality</u> | <u>Market</u> |
|------------------------|----------------|---------------|
| Apples | Good | Steady |
| Asparagus | Good | Steady |
| Avocado (Mexican) | Good | Higher |
| Avocado (California) | Good | Higher |
| Bell Peppers (Western) | Good | Higher |
| Bell Pepper (Eastern) | Good | Steady |
| Berries: Strawberries | Good | Steady |
| Berries: Raspberries | Fair | Steady |
| Berries: Blackberries | Fair | Higher |
| Berries: Blueberries | Fair | Higher |
| Broccoli | Good | Steady |
| Carrots | Good | Steady |
| 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 | Steady |
| Lettuce: Iceberg | Fair | Steady |
| Melons: Cantaloupe | Good | Higher |
| Melons: Honeydew | Good | Higher |
| Onions | Good | Steady |
| Pears | Good | Steady |
| Potatoes | Good | Higher |
| Squash (Western) | Good | Higher |
| Squash (Eastern) | Fair | Steady |
| Stone Fruit | Excellent | Higher |
| Tomatoes (Western) | Fair | Steady |
| Tomatoes (Eastern) | Fair | 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; quality remains good and market firm.

BELL PEPPERS

Western Bells: *Mike Cantu*

Colored bells are steady in production and supplies meeting current demand. Market is slightly higher due to demand and supplies leveling out. 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 steady, quality is fair to good. Southern CA received some light rain over the previous weekend with some shippers reporting disruption in production in the Oxnard region. Another chance of showers appears Friday with possible precipitation up to 1.00" for the weekend. This may disrupt production on the front side of next week depending on the severity. 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. Several shippers have ended their McAllen program shipping MX strawberries for this season.

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. Most damage was to blackberries. Some quality issues being reported are mold and red cell. Harvest volumes have been reduced. Shippers will be managing quality at both the field and cooler levels to divert as many issues as possible. Raspberries do not seem to have been affected as much but some shippers reported reduced production. CA production on raspberries is slowly increasing.

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. Some reports of soft fruit and shrivel in Chilean blues. 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. Market is split with MX fruit getting a premium over Chilean.

Commodity Updates continued

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady. Good supplies on crowns continue to be harvested out of Yuma, Santa Maria, Salinas, 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.

CARROTS: *Tim Kelley*

California desert crop is going well with fair 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 is firm. Demand is moderate at best. 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 are expected to be moderate throughout the week. Salinas has begun production.

CELERY: *Gabe Romero/Mike Pacheco*

This market is flat. 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 and looks to continue picking up. Supplies have weakened a bit and demand is good. New crop is trickling in but not enough to stop the upward pressure.

The forecast of lighter supplies March and April will probably support these higher prices. 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 Lenten season has begun. 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 remain relatively unchanged but we are experiencing a swing in prices quoted due to quality. Red Seedless grapes are especially impacted as the Chilean growing regions are changing. The older Flame seedless grapes are showing splits, mold and decay in many of the lots currently available. The newer Flames, Crimson and generic red's are much better in quality but limited in volume and are commanding a better price overall. The recent port slowdown and weather on the East Coast have only exacerbated this issue. The Green Seedless Grapes are exhibiting some of the same issues but to a much lesser extent.

GREEN ONIONS: *Gabe Romero/Mike Pacheco*

Demand is minimal for this commodity. This, coupled with the increased production out of Mexico, has softened the marketplace. There are still sporadic complaints of wilted tops, light color,

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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 is firm in pricing. The quality of romaine, green and red leaf continues to have issues of blister and 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 steady with most suppliers. Please emphasize that **ALL suppliers** continue to declare the issues of blister and peel.

LETTUCE: *Gabe Romero/Mike Pacheco*

This market is steady. 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 strong throughout the week.

MELONS: *Jim Murphy*

Cantaloupe: Melons supplies are lower this week and demand is remaining good. The market is continuing to rise. 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 in light volumes and 9's and 12's are available. Quality is good on all lopes.

Honeydew: Offshore dewes are peaking on 5's and 6's. Supplies are going to remain below normal until the end of February to first week or two of March. 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 Jumbo and smaller in both yellows and reds. Supplies of Yellow Colossal and Super are starting to tighten up which has this market starting to firm up. White supplies are winding down and the market is firm. 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 –The market is firming on 70ct and larger as most shippers are in small storages currently. 80ct and smaller are steady. 40ct and 50ct are still very limited with most shippers. Most suppliers are still packing both Norkotahs and Burbanks, but will finish with Norkotahs the middle of March. 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, Gold's, and whites are steady on all sizes. All three colors are peaking on A-size. White supplies are more limited.

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. They continue to produce mostly A-size and will deal for

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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 on A-size reds. Gold's are supplies are more limited.

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 are packing reds, gold's, and whites. All are 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 peach market has firmed up as we have moved into a temporary drop in supplies. The availability of peaches on the West Coast is being impacted to a greater extent than the East Coast as much of the fruit that would have been available has been held up on vessels waiting to unload. Nectarines are currently more readily available with this market about steady. Quality on peaches and nectarines are both being reported as good. Sizing in both continues to run heavily to the tray pack 40's and 50's with the volume fill running heavily to the 60's and 70's. The plum market is about steady with sizing running heavily to the tray pack 50's and volume fill 60's. Quality has become more of an issue for the plums as they are shipped with the fruit a little softer than a peach or nectarine and the time between harvest and the end user has been extended (due to weather and port issues).

TOMATOES: *Aaron Aliotti*

Western/Mexico:

Growers in Eastern Mexico see minimal amounts of fruit cross the border as they await the beginning of their spring yields. Production in Western Mainland Mexico has slowed as they faced rainy weather over the weekend. With the rain, quality could have lingering effects on the supply of rounds are expected to pick back up by the end of the week. Like Round Tomatoes, Florida growers continue to see limited yields of Romas due to their typical seasonal decline and colder weather. Eastern Mexico is seeing handfuls of fruit as growers anticipate their spring production. Roma production is beginning to see a slight decrease out of Western Mainland Mexico as rain has hit their crop. Growers are beginning to sort through the fruit to find quality issues from the rain. Yields are expected to pick back up to full force by the end of this week. Growers in Mainland Mexico are past their peaks in production and still working through challenges from the ever changing weather they have been dealing with over the last 3-4 weeks. Grape production is dwindling in Nogales as March approaches. Keep an eye on quality as there are more splits, and softer fruit surfacing.

Eastern/Tomatoes:

Florida continues to struggle as they are declining in production and battling the challenges the weather has presented over the weekend. The extreme cold front that most of the eastern US has been experiencing is helping to keep demand down, easing the pressure slightly. Cold weather last week in Florida did minimal damage to plants. It did cause a bloom drop that will show a skip in the tomato production in about 40 days. Florida volume is very light right now and rain is forecasted for the rest of the week. Florida has shorter supplies, but the quality is very good. Production should really slow up later this week due to rain in the forecast. After the rain, production will pick up because the higher temperatures will bring some more fruit on. Grape supplies are short in Florida. They are in production, but not with major volume. They

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will more than likely only pick the first few days this week because rain is forecasted every day after Wednesday. The temperatures are warming up this week and if they do not pick for a few days, that should mean high volume when they go back in.

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*
The current production is Jalisco. Watermelons are becoming short due to fields running their course with lighter production out of Jalisco. 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.