



# The Source

March 2, 2015

© 2015 PRO\*ACT, LLC

**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

Heavy rains in the Yuma region over this past weekend have slowed production to begin the week with many commodities.



**Weather: *Tim Lynch***

The second in a series of low pressures systems will move through the Southwestern growing regions with widespread precipitation today from Central California to Northern Mexico. These systems have brought much needed rain and even some snow to the upper elevations throughout California. Mid range forecasts expect another strong high pressure ridge to form over California mid-week with substantial warming into the weekend. Strong winds will continue in the desert regions today diminishing as the system moves out. Temperatures in the low 60s today will moderate to the upper 70s late this week.

**Tuesday Forecast** **Highs/Weather Mar 03, 2015**

02 Mar 2015 17:25 GMT / 02 Mar 2015 12:25 PM EST The Weather Channel weather.com



**Freight: *Mike McIntire***

Trucks in CA and AZ continue to be plentiful. Washington and Idaho trucks remain steady as well. The national average on diesel continues to rise and will trend up from last week's price of 2.900 per gallon when it comes out later today. Crude oil remained steady and is currently 50.44 a barrel.

# Commodity Updates

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

New York continues to pack McIntosh, Empires, Red Romes, Red Delicious, and a few Fuji's. The markets are all steady but there is a little flex on some sizes. Most of the New York fruit is still 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. Michigan is short on Gala's and Golden delicious, all other variety's are 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. The volume flex for the larger sizes is still there. 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 remains limited. Grannies are peaking 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 generally higher with light availability. Many packers will finish shipping them within the next month. The Honey's are still peaking on 48/56's. Washington D'Anjou pears are steady & continue to peak on 80/90's while 120's and smaller 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 firm. Supplies look to be moderate on standard and large sizing throughout the week in Mexico. Standard and large sizing will be the main packs

## Commodities at a glance...

<b>Commodity</b>	<b>Quality</b>	<b>Market</b>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Higher
Avocado (California)	Good	Higher
Bell Peppers (Western)	Good	Steady/Higher
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Fair	Steady
Berries: Raspberries	Fair	Steady
Berries: Blackberries	Fair	Steady
Berries: Blueberries	Fair	Steady
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Fair	Higher
Celery	Fair	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Lower
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Steady
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	Steady
Squash (Eastern)	Fair	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Steady
Tomatoes (Eastern)	Fair	Steady
Watermelon	Good	Higher

available. Domestic supplies are available to load out of Salinas but pricing is higher. Standard and large sizing will be the main sizing available as well. Extra large and jumbo sizing will be light in availability out of all the

# Commodity Updates *continued*

regions and will command a higher price. Peruvian product is available out of Miami. The quality is good from all growing areas.

## **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. Central and Southern CA received some moderate rainfall over the weekend with some shippers reporting disruption in production in the Oxnard region. Chance of showers continues though today and through tomorrow afternoon with possibility of another 0.50" precipitation. This may disrupt production on the front side of this week depending on the severity. We will have a better idea this afternoon once crews and supervisors get in the fields and all assessments have been made. Water related quality issues will likely follow this

event including bruising, soft spots and possible pin rot. White shoulders will be more evident in coming weeks following this weather event as well. 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. Florida is reporting dry conditions and warming through mid-week before the next cold front and scattered wet weather Thur/Fri. Mixed reports on FL fruit quality. Some shippers are already diverting product into freezer markets, others still reporting good quality with inconsistent sizing.

**Blackberries:** 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. Market is steady, quality is fair.

**Raspberries:** MX Raspberries do not seem to have been affected as much by the recent weather but some shippers reported reduced production. CA production on raspberries is slowly increasing. Market is steady. Quality is improving with more local production.

**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,

# Commodity Updates continued

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. Domestic fruit is beginning in a light way in CA, limited availability.

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

This market is active. Heavy rains in Yuma over the weekend, coupled with the fact that supplies are beginning to dry up in the desert has made for stronger activity in the marketplace. Multiple suppliers are harvesting in Salinas as well. Demand is up. Santa Maria, and Scottsdale are also producing this commodity, supplies are moderate to light however. This market looks to gain strength throughout the week.

## **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 stronger. Heavy rains have caused some shippers to be sold out to begin the week on this commodity. Supplies are expected to be moderate to light throughout the week. Santa Maria and Yuma continue to be the main growing regions for this commodity. Multiple shippers are harvesting out of Salinas as well. Issues on quality include rough curd, brown spotting and yellow casting out of the Yuma region.

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

This market is steady, overall. Some suppliers are better off than others. Large sizing continues to have the best availability. Oxnard and Yuma are the main growing regions at this time. Santa Maria has been in and out in terms of availability. 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 depending on demand. Expected mid-week rain may slow down harvesting.

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

Cucumber market remains steady with excellent quality.

## **EGGPLANT:**

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

Market is showing signs of settling slightly. 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. Expected mid-week rain may slow down harvesting.

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

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

# Commodity Updates Continued

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

Red seedless grapes are showing a split market now based on quality. The late season flames are showing some quality issues (splits, light mold and early decay). The newer Crimson's, Royal Red's and miscellaneous varieties are arriving with much better condition but in limited quantities. Consequently, they are commanding a higher price than the flames. The green seedless market is about steady with adequate supplies of all sizes.

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

This market is steady, overall. There continues to be sporadic complaints of light color and burnt tips. 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 steady but expected to get stronger by the middle of the week. A pricing gap exists depending on the shipper. The quality of romaine, green and red leaf continues to have issues of blister and epidermal peel. 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 for now. This market looks to get stronger by the middle of the week. The weights range from 41-46 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 look to be lighter by the end of the week. Rain over the weekend in Yuma has slowed harvesting to begin 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. 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. Idaho 80 count and smaller are steady. Idaho 40 count and 50 count are still very limited with most shippers. Most suppliers are still packing both Norkotahs and Burbanks, but will finish with Norkotahs the middle to end 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.

# Commodity Updates Continued

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

Bakersfield, California – Reds, Gold's, and whites are steady on all sizes and the availability has improved as they are packing their own raw-product. 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 but the Gold supplies are light as we approach the end of their season. North Dakota - reds are mostly steady on all sizes but there is some volume flex on A-size. The reds continue to peak on A-size. Gold's are steady to higher with light availability.

Idaho - reds and gold's is both steady and are still peaking on A-size. Idaho has good availability on A-size reds. Gold's are supplies are limited as some suppliers have finished packing.

Wisconsin - reds are steady to higher and still peaking on A-size. Gold's are also steady but limited in volume. Florida - they are packing reds, gold's, and whites. The reds are peaking on A-size while the Gold's and Whites have more B-size. Gold's and Whites are steady while the red market is slowly adjusting down.

## **SQUASH:**

### **Western Squash:** *Mike Cantu*

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

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

Squash market us up a bit and green is a bit more difficult than the yellow as a result of the recent freeze. We can expect prices to hold for the remainder of the week.

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

The peach market has firmed up as supplies have lightened up. Supplies of peaches look to be light for the next 10 – 14 days with sizing heavy to the larger tray pack 30's and volume fill 50's. Nectarines are more readily available with a wider range of sizes. Plum volume is

currently heavy to the red varieties. We expect this to continue for the next 2 weeks when supplies of reds will lighten up and the Black's will increase in availability. The market remains about steady on both.

## **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

# Commodity Updates Continued

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 will 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 moderate. Broccoli supplies are lighter but processors' needs are being met. 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.