



The Source

March 9, 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 ridge remains over California keeping Southern California and the desert regions well above normal through the week. Strong winds will accompany the warm temperatures (20-35mph) over the next few days in the desert locals.

In Central California an approaching cold front will cool temperatures to the 60s mid week with a slight chance of showers expected in the Salinas Valley. Temperatures quickly warm back to the upper 70s later this week. Mid range forecasts bring another chance of light rain in over the weekend.



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 was at 2.936 per gallon last week. Look for pricing to trend up again this week when it comes out later today. Crude oil remained steady and is currently 50.33 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 and flex remains for certain sizes & varieties. 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 of the Michigan is large as well. Gala's and Golden delicious are close to the end of the season, all other varieties are steady. 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 continues on a steady path. Good supplies are expected on standard and large sizing. Supplies will be very tight on extra large and jumbo packs. A premium

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Steady
Avocado (California)	Good	Steady
Bell Peppers (Western)	Good	Steady/Higher
Bell Pepper (Eastern)	Good	Lower
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	Steady
Cucumbers (Eastern)	Excellent	Lower
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	Higher
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Higher
Squash (Western)	Good	Higher
Squash (Eastern)	Fair	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Steady
Tomatoes (Eastern)	Fair	Steady
Watermelon	Good	Higher

price will be demanded for these sizes. Supplies out of Mexico look to be moderate to good throughout the week. Domestic supplies are available to load out of Salinas but pricing

Commodity Updates *continued*

is higher. Standard and large sizing will be the main sizing available as well. 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. Some Culiacan acreage has had lower production and is making market creep up. Gold bells market is steady. Some greenhouse gold bell peppers are crossing through South Texas and Nogales. Gold bells continue to be short and in limited hands

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 is soft.

BERRIES *Tom Smith*

Strawberries: Market is steady, quality is fair to good. Volume is increasing out of California as the Oxnard region hits their seasonal production peak and both the Santa Maria and Watsonville/Salinas areas begin production as well. Many Florida shippers ended their seasons abruptly last week as sizing and quality continued to decline. Florida's fresh production is very limited as most fruit is going into freezer/juice markets. With rain forecasted in Florida off and on

again this week, the remaining production will most likely be affected. Mexican fruit crossing through McAllen is mostly finished for the season due to inconsistent quality and sizing.

Blackberries: Market is steady, quality has improved. Volume has increased in a slow way and looks to continue to do so over the next few weeks. Favorable weather in Mexico has helped to improve quality and volume.

Raspberries: Market is steady, quality has improved. Fewer reports of soft fruit as both Mexico and California volumes continue to increase.

Blueberries: Market is steady, quality is fair to good. Chile's southern district's peak volume continues to arrive into U.S. ports, mostly to Florida and Philadelphia. Fewer vessels arriving on the west coast, product is being trucked across country for loading in California. Mexico volumes and quality are improving with some varieties scheduled to hit peak in mid-late March. Domestic supplies have begun in a small way with both FL and CA reporting small initial volumes. Quality reported as good with domestic fruit.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is very active on bunched product as well as crowns. Multiple suppliers are harvesting in Salinas. Yuma production is drying up with many shippers. Santa Maria and Scottsdale will have light production throughout the week. This market is expected to gain strength throughout the week on this commodity.

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*

Demand exceeds supply on this commodity. Expect this market to be active throughout the week. Yuma is drying up and Salinas' production is light at best. The production in Santa Maria will be light all week as well. Issues on quality include rough curd, brown

Commodity Updates continued

spotting and yellow casting out of the Yuma region.

CELERY: *Gabe Romero/Mike Pacheco*

This market is steady, overall. There is a pricing gap of three to four dollars depending on the supplier. Large sizing continues to be the main size available with shippers. Oxnard and Yuma are the main growing regions at this time. Santa Maria has been in and out in terms of availability. There continues to be a few issues on quality such as slight bowing, leafy and light insect damage. The complaints have been minimal, however.

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 tight.

Limes: The market has lifted and looks to continue picking up. Rains last week have disrupted supplies coming in this week. Demand continues to remain steady. 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. Cucumbers moving at quoted prices.

Eastern Cucumbers: *Janine Baird*

Cucumber market is weak and supplies are plentiful.

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.

GRAPES: *Brad Tremblay*

Red seedless grapes continue to struggle with quality and availability. The new crop Crimsons are arriving with very good quality but in light numbers. This situation should improve over the next few weeks but until then we will be dealing with less than excellent old crop flames. The market is about steady with a premium price being commanded for the new crop fruit. The green grape market is steady with good quality and size availability.

GREEN ONIONS: *Gabe Romero/Mike Pacheco*

This market is steady with most suppliers. There continues to be sporadic complaints of light color and burnt tips. The complaints however have been much less compared to the prior weeks. Most sizing is available, with the predominance sizing being in the small and medium sizing.

LEAF LETTUCE: *Gabe Romero/Mike Pacheco*

The romaine is firm to begin the week. There are better deals in Santa Maria if this is an option. The quality of romaine, green and red leaf continues to have issues of blister, mildew and epidermal peel. Weights on romaine are ranging from 30-35 pounds. Green and red leaf pricing is flat with most suppliers. Huron has begun production on all leaf items if desired. Please emphasize that **ALL suppliers** continue to declare the issues of blister and peel.

LETTUCE: *Gabe Romero/Mike Pacheco*

This market is active. Expect pricing to climb throughout the week. The weights are ranging

Commodity Updates Continued

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 moderate to light throughout the week. Huron has begun production if this is an option.

MELONS: *Jim Murphy*

Cantaloupe: Melons supplies are light this week and demand remains 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 very light volumes and 9's and 12's are the main sizes with little to no availability other than contract orders. Quality is good on all lopes.

Honeydew: Offshore dews are peaking on 5's and 6's. Supplies are going to remain below normal for the next week or possibly two. Rainy weather during the planting stages and abnormal overcast weather has caused low yields. The market is rising slightly on all sizes. Good demand and lower supplies have bumped up prices. Quality has been good overall with a few issues scattered around and looks to stay this way.

ONIONS: *Mike Gorczyca*

Yellows are up slightly due to speculation on rain in Texas/Mexico. Large yellows are still relatively limited but there are good supplies of jumbos and smaller. Reds are steady on both sizes. White onions are in very few hands in the Northwest. Northwest will be shipping onion through April. Quality is being reported as good. Mexico is starting to cross some limited amounts of yellow sweet onion. Texas will start harvesting the first part of April. Southern California will start harvesting the end of April. New Mexico will start harvesting the last week of May or the first week of June.

POTATOES: *Mike Gorczyca*

Idaho – the market for all sizes in both grades is steady. Most packers continue to peak on the smaller counts and some are trying to push the market for 70's and larger up.

Just a reminder that many shippers will finish packing Norkotahs at the end of the month. The quality has been good.

Washington- Demand and supply are moderate which has this market steady on most counts. 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 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 very

Commodity Updates Continued

unsettled and is very short. Some lower quoted yellow squash is of inferior quality due to some past rainy weather. We anticipate Sonora squash to start by mid-March and possibly relieve the market slightly.

Eastern Squash: *Janine Baird*

Squash market seems to be holding at current levels despite limited supplies on yellow. We can expect prices to hold for the remainder of the week.

STONE FRUIT: *Brad Tremblay*

Peaches continue to be light in volume as the crop finishes in Chile. Quality is reported as good with sizing running large. Nectarines are available in greater numbers with good quality and supplies. Plums continue to run heavy to the red varieties with good supplies and steady demand. Black plums are more limited but look to increase in volume over the next 2 weeks when they will supplant the reds as the principal plum available. Quality is reported as fair to good on all plums. The market is steady at current prices.

TOMATOES: *Aaron Aliotti*

Western/Mexico:

Growers in Eastern Mexico and Baja see minimal amounts of fruit crossing the border as they await the beginning of their spring yields. Production in Western Mainland Mexico continues to slow with rainy weather hitting the crops. Growers expect to return to steady production in 2-3 weeks in late March early April. Round and Roma production will decrease further this week with quality concerns to be had and expected to improve over the next 10 days. With Baja Mexico slowly gaining momentum while national demand is down, there is plenty of specialty fruit to be had across the country.

Eastern/Tomatoes:

Florida continues to run in short supply this week with quality reflecting the abuse of frigid temperatures coupled with the rain crops have endured. Round and Roma production has slowed due to seasonal decline with less fruit to harvest. There is a steady volume of grape tomatoes in the east and should remain

relatively flat for the next few weeks before seeing another upswing in production as new fields get underway. Scattered showers are forecasted for next week followed by a possible gulf storm. It is reasonable to expect an elevated market through the rest of the month until new crops begin harvest assuming no damage is sustained in those growing areas where weather is potentially negative.

VALUE ADDED: *Gabe Romero/Mike Pacheco*

Romaine supplies continue to have blister, mildew and peel. Supplies are moderate at best. Lettuce supplies are tightening up daily. Broccoli supplies are lighter but processors' needs are being met. Cauliflower will be very light all week. Processors will be watching averages closely. 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.