



# The Source

March 11 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

## Weather: *Tim Lynch*

Warm temperatures (upper 80s) continue in the desert regions as a weak low pressure system moves into Northern California. Strong winds will accompany the warm temperatures (20-35mph) over the next few days in Southern California and the desert locals

An approaching cold front will cool temperatures to the 60s mid week with light showers expected along the Central Coast. Temperatures quickly warm back to the upper 70s with possible record high temperatures 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 remained steady and is currently at 2.944 per gallon. California prices remained steady as well and are now at 3.233 per gallon. Crude oil remained steady and is currently 47.66 a barrel.

# Commodity Updates

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

New York is still packing McIntosh, Empires, Red Romes, Red Delicious, and a few Fuji's. The markets are all steady and there is some flex on certain 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 of the Michigan is large. Gala's and Golden delicious are close to the end of the season, all other varieties are steady. Washington Red delicious are steady on all sizes but 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 remain steady on all sizes. The availability of 80's and larger is excellent while the 88's and smaller remain 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 steady to higher with light availability. Many packers will finish shipping them within the next few weeks. Washington D'Anjou pears are steady & continue to peak on 80/90's while 120's and smaller remain short. Washington Bosc are steady and continue to peak on 80/90's. Small Bosc are also short. Washington red D'Anjou's are steady on all sizes and they are peaking on 45/50 half-cartons but their availability is light.

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

This market has remained unchanged. Good supplies are expected on standard and large sizing. Supplies will be very tight on extra large and jumbo packs. A premium price will be demanded for these sizes. Supplies out of Mexico look to be moderate to good

## 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	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	Steady
Cucumbers (Eastern)	Excellent	Lower
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Fair	Steady
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Fair	Steady
Lettuce: Leaf	Fair	Lower
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Steady
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	Steady

throughout the week. 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. Peruvian product

# Commodity Updates *continued*

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 have 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*

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. Light volume and limited availability out of the northern district. 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. Varying/split markets and quality based on country of origin. Pints are less available this week, best availability in 11oz, 18oz and 6oz clams.

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

This market continues to gain strength 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 will continue 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.

# Commodity Updates continued

Issues on quality include rough curd, brown spotting and yellow casting.

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

This market is steady. 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*

The eggplant market remains at the higher levels, but is showing signs of coming off this weekend.

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

Red seedless grapes are still showing a split market based on quality differences between the old crop flames and the new crop crimsons. This situation should improve over the coming 7-10 days as the crimson supplies will be improving and the old crop fruit is cleaning up. Size is still predominantly medium large to large. The green seedless grapes are more readily available with good quality. Sizing on these is running larger; creating buying opportunities for the big fruit. Quality is reported as generally good on both coasts.

## **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 a bit softer. 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 steady, overall. Huron has begun production on all leaf items if desired. Please emphasize that **ALL suppliers** continue to declare the issues of blister and peel.

# Commodity Updates Continued

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

This market is stronger. Expect pricing to climb throughout the week. The weights are ranging 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 steady on all sizes. Demand has come down and supplies have stabilized. Quality has been good overall with a few issues scattered around and looks to stay this way.

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

Northwest yellows are up slightly as supplies are in fewer hands and there has been some speculation on rain in Texas/Mexico. Large yellows are still relatively limited but there are good supplies of jumbos and smaller. Washington Reds are steady on both sizes while Idaho is higher on jumbo reds. White onions are in very few hands in the Northwest and that market remains strong. The Northwest will be shipping onion through April. Quality is being reported as good. Mexico continues to cross some limited amounts of yellow sweets and whites. Texas will start harvesting the first part of April. Southern California will start harvesting the middle to end of April. New Mexico will start harvesting the last week of May or the first week of June.

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

Idaho – the markets for all counts in both varieties remains steady. The demand has been fair. Most packers are still peaking on 80-count and smaller. Just a reminder, 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. 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. The California shippers will start pack new-crop desert product the week of April 6<sup>th</sup>.

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 the season. North Dakota - reds are steady on all sizes and the availability has tightened up. The reds continue to peak on A-size. Gold's are steady to higher with light availability.

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

Wisconsin - reds are steady and still peaking on A-size but supplies are light. Gold's are steady but limited in volume. Florida - reds, gold's, and whites. The reds are peaking on A-size while the Gold's and Whites have more B-size. All colors are steady.

## **SQUASH:**

**Western Squash:** *Mike Cantu*

Markets are unsettled with some growers

# Commodity Updates Continued

selling at higher FOBs on Italian squash and yellow squash. Yellow squash is very 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 has become extremely tight over the last couple of days and should continue to be so through the weekend. Quality issues abound in yellow varieties.

**STONE FRUIT:** *Brad Tremblay*

Peaches are cleaning up as the season in Chile is winding down and supplies are much tighter than previously reported. Nectarines are still readily available. The size profile on both nectarines and peaches is still heavy to the larger, retail friendly, fruit. Quality is reported as good on both. Plums are still running large with the red's the mainstay for about another week when the black plums will supplant them as the predominant variety available. Quality is being reported as fair to good with only larger sizes available. Early reports on the domestic stone fruit are predicting a much earlier than usual start; possibly as early as mid to late April for peaches and late April for the first cherries.

**TOMATOES:** *Aaron Aliotti*

**Western/Mexico:**

There are fewer rounds out of Mexico this week strengthening the western market however Florida pricing is forcing Mexico to be competitive. Roma supplies continue to run short this week. Recent rains have put a damper on Roma crops hampering yield and quality causing an excess of #2's crossing the border. Grape and cherry tomatoes are plentiful this week. Similar to the East, prices are steady going into next week until we see an increase in national demand

**Eastern/Tomatoes:**

The Florida market is adjusting down this week. Round volumes have increased while volumes remain fairly low. Quality is ranging from poor to very good because some of the growing areas were hurt by cold weather.

Florida also had a bloom drop a couple of weeks ago, so supply gaps should be expected in April. Roma production is short but increasing weekly. Quality is good and demand is increasing along with prices going into next week. Florida has moved in to heavy production of Grape and Cherry tomatoes this week. The supply exceeds demand situation is keeping prices very low and expected to remain flat into next week.

**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. Supplies are generally meeting demand but a demand exceeds still exists. 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.