



The Source

March 18 2015

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Blackberries will be increasingly tighter this week and quality issues will be present following recent weather in Central Mexico growing regions.

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

Northwest Yellow Onion market is active as supplies get into fewer hands.

Warm temperatures in Yuma and Huron are creating issues of gnats and bugs on lettuce and leaf items.



Weather: Tim Lynch

Warm temperatures (upper 80s) continue in the desert regions as cut-off low pressure system moves over the area mid week bringing a slight chance of showers. High pressure out west keeps the Central Coast in the 70s into the weekend.



Freight: Mike McIntire

Trucks in AZ remain steady. Look for trucks to continue to tighten up in CA as products transition up to the Salinas area. Washington and Idaho trucks remain steady. The national average on diesel dropped slightly and is now 2.917 per gallon. CA price dropped as well and is currently 3.202 per gallon. The price of crude oil continues to fall and is now down to 42.33 per 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 most of the New York fruit is still large. Michigan continues to pack Braeburns, Empires, Fuji's, Ida-reds, Jonathans, Jonagolds, McIntosh, Red Delicious, and Red Romes. Most of the Michigan fruit is large and the markets for all varieties except golden's and galas are steady. There are a few Gala's and Golden delicious left in Michigan but supplies are limited as the end of the season is close. Washington Red delicious is steady on all sizes. Most packers will still flex on prices for volume of 88's and larger. 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. Granny-smith remains steady on all sizes. The availability of 80's and larger is excellent while the 88's and smaller remain short. 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, Honeycrisp, Cameo's, Pink Lady's, and the other varieties are still available but the availability is light. The Honeycrisp market is steady to higher with light availability. Many packers will finish shipping them within the next couple 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 is 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 is more active. Moderate supplies exist with most shippers. The main packs continue to be in standard and large sizing out of the Mexico region. Supplies will be very tight on extra large and jumbo packs. A premium price will be demanded for these sizes. Domestic supplies are available to

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Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Higher
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	Steady
Carrots	Good	Steady
Cauliflower	Fair	Lower
Celery	Fair	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady/Higher
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Excellent	Higher
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	Steady
Onions	Fair	Higher
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Fair	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Steady
Tomatoes (Eastern)	Fair	Steady
Watermelon	Good	Higher

load out of Salinas but pricing 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. Expect pricing to get stronger on this commodity over the next two weeks as the Easter pull is near.

Commodity Updates continued

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. Sonora green bell acreage is traditionally lower volume and slow to start. All making for a very active green bell market. 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 today but supplies are tightening up and we should see a significant jump in the market, if not by the weekend, then by early next week.

BERRIES *Tom Smith*

Strawberries: Market is steady, quality is fair to good. Volume is increasing out of California with fruit now available out of Oxnard, Santa Maria, Salinas and Watsonville. Oxnard and Santa Maria estimate volume continue to rise with lighter volumes available out of the northern districts. Most Florida shippers ended their seasons abruptly in the past weeks as sizing and quality continued to decline. Florida's fresh production is very limited as most fruit is going into freezer/juice markets. Mexican fruit crossing through McAllen is mostly finished for the season due to inconsistent

quality and sizing.

Blackberries: Market is steady, quality will be suspect this week as rain and hail in central Mexico have disrupted some harvests and diminished projected available volumes. Availability will be lighter and loading will be affected out of all areas. Continued rain is forecasted throughout the week. Overall, volume should be increasing for this period of the season so we look for this disruption in supply and quality to be short lived.

Raspberries: Market is steady and quality has improved with fewer reports of soft fruit. Production out of Santa Maria has increased as Oxnard and Mexico have come off. We are likely to see issues with delayed transfer product out of Mexico as rain and weather in transit may delay trucks crossing.

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. Much of this fruit will go into controlled atmosphere packs for storage until the Chilean fruit volume decreases and the markets level out. Quality reported as good with domestic fruit. Varying/split markets and quality based on country of origin. Pints are limited this week, best availability in 11oz, 18oz and 6oz clams.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady on bunched product as well as crowns. There is a pricing gap of four to five dollars on crowns depending on the shipper. Multiple suppliers continue to harvest in Salinas. Yuma production is drying up with most shippers. Santa Maria is offering some sharper pricing if trucks can make the pick. Expect most suppliers to split orders in Salinas and Yuma throughout the week if orders consist of broccoli and lettuce, for example.

Commodity Updates continued

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 has fallen off as pricing has deterred business. This market is softer. Yuma is drying up and Salinas' production is moderate at best. The production in Santa Maria will be light all week. Issues on quality include rough curd, brown spotting and yellow casting. Mixed orders, cauliflower and lettuce for example will be split to two picks with most shippers.

CELERY: *Gabe Romero/Mike Pacheco*

This market is steady, overall. Large sizing is abundant and offers are being listened to so don't be bashful. Small sizing is commanding a higher price as production is light. 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.

CITRUS: *Tim Kelley*

Lemons: The demand is picking up. Crop is peaking on 140's and larger right now with the 165's and smaller remaining tight in supply.

Oranges: Navels are moving very well with supplies peaking on 72's and larger. Smaller fruit, 113's & 138's are tight and very limited. External color is very good. Internal maturity is good and eating quality is excellent.

Limes: The market has lifted and continues picking up. Demand continues to remain steady while supplies are dropping. Less than favorable weather in the growing areas has slowed down production. Winter crop is the lowest volume crop of the year and we are into that crop now. The forecast of lighter supplies from April through mid May will probably continue to 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 creep up again. Production from Sonora is lower volume with the majority of the production now coming from Sinaloa. Cool and rainy weather has interrupted harvesting along with transitions to other growing districts contributing to shorter supplies.

Eastern Cucumbers: *Janine Baird*

Cucumber market is gaining strength as many off shore shippers wind down and price out of Mexico increase. A couple of growers started working a small amount of domestic cucumbers last week.

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*

Market is softening and quality is starting to get much better. Also a wider variety of sizing is now available.

GRAPES: *Brad Tremblay*

Red seedless grapes are now primarily Crimsons out of Chile. The market is steady with good availability on most sizes. The green seedless market is currently in a glut of supply with deals being made on all sizes to spark some movement. This market looks to be unchanged for the foreseeable future. The unseasonably warm temperatures have accelerated the domestic grape harvest. Early projections currently call for the Coachella harvest to start the last week of April.

GREEN ONIONS: *Gabe Romero/Mike Pacheco*

This market is steady. All indications suggest this market will remain unchanged throughout the week with most suppliers. There continues to be sporadic complaints of light color and burnt tips. The complaints however have been much less

Commodity Updates Continued

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 market has remained unchanged. 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 stronger production compared to the previous week. Warm temperatures are creating issues. These issues include bugs and gnats pretty widespread. Please emphasize that **ALL suppliers** continue to declare the issues of blister and peel.

LETTUCE: *Gabe Romero/Mike Pacheco*
This market is steady in Yuma. Bugs and gnats are an issue with this commodity as well. 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 throughout the week. Huron production is stronger.

MELONS: *Jim Murphy*

Cantaloupe: Melons supplies are light again this week and demand remains good. The market is continuing to rise. The sizing is peaking on 12's and 15's with fewer 9's. Offshore melons are arriving on the west coast in very light volumes and 12's are the main size. Availability on melons in California is less than favorable and supplies are mainly being used to cover contract orders. Quality is good on all lopes.

Honeydew: Offshore dewes are peaking on 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 is steady and supplies have stabilized matching the current demand. Mexican dewes have been coming into Nogales but demand for them is light right now. Quality has been good overall

with a few issues scattered around and looks to stay this way.

ONIONS: *Mike Gorczyca*

The Northwest onion market is active on Yellows and Reds as they get into fewer hands. White Onions are all but finished. Demand has picked up due to the weather warming up across the US. Mexican onion growers have been hit with heavy rain last week which has interrupted supplies coming into McAllen, Texas. Weather is forecasted to slowly clear up as this week moves on. We will see how this plays out, and will keep everyone up to speed as the markets are moving, for the time being expect stronger overall trend in the fresh onion market moving forward. Looking forward, we will be loading out of Idaho till around the end of April with some shippers going into May as long as the storage onions hold up. Quality is being reported as fair with a few good lots. Market is Active.

POTATOES: *Mike Gorczyca*

Idaho – the markets for large cartons (40ct and 50ct) is firm with limited supplies. The 60ct and 70ct are tight but have a better availability with firm market. The 80ct and smaller carton potatoes have moderate to good supplies with a steady market. Quality is being reported as good. Just a reminder, many shippers will finish packing Norkotahs at the end of the month.

Washington- Demand is good on large cartons (60ct and larger) which has this market firming. Carton 70ct and smaller have moderate supply and demand which has this market steady. 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 – Red, Gold, and white potatoes are steady on all sizes. All

Commodity Updates Continued

three colors are peaking on A-size. White supplies are more limited and will remain so until they start packing desert product in early April. Western Washington – the markets for Reds and Gold's are steady. 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 but supplies are lighter. 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. Gold's supplies are limited and the end of the season is approaching.

Wisconsin – they are finished with their own product but are bringing N.D. product in for mixers. Reds and gold's is both steady. Florida - reds, gold's, and whites are all available. The reds are peaking on A-size and are steady. The Gold's and Whites markets are slightly lower and both colors are heavier B-size.

SQUASH:

Western Squash: *Mike Cantu*

Markets are unsettled in some respects with some growers 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 is extremely tight with yellow being at critical levels. The freezing temperatures and high winds of a couple of weeks ago caused significant bloom drop and as a result, there is a gap in supply now. By early next week, we should be back into a good flush of squash.

STONE FRUIT: *Brad Tremblay*

The Chilean peach deal is essentially done with only limited supplies of late season fruit still available. The nectarine market has firmed up as demand has shifted from peaches to nectarines. Both black and red plums are currently available in mostly larger sizes. The

plum market has firmed up with generally good quality being reported.

TOMATOES: *Aaron Aliotti*

Western/Mexico:

Mainland Mexico continues to work through challenged fruit that has been through some sweltering weather. Hot and humid conditions are bringing about splits, soft fruit and advanced color in some cases. Mexican production has been able to take care of western demand as the east continues to support their own. Prior rains this past month out of Mainland Mexico have hindered roma tomato quality and created less than desirable pack outs. This has created a strong National Market in Mexico, along with bi-coastal demand across America. Growers are looking to get past this rained on fruit and get to pickings higher up on the plants. A significant increase in production is expected in May when San Quentin comes into play with lighter numbers coming from Baja Mexico as soon as next week. Baja is slowly increasing the amount of grape tomatoes crossing into Nogales with light numbers reported out of California to meet Western demand.

Eastern/Tomatoes:

Florida continues with their winter production of round tomatoes from the Immokalee/Naples growing Region where volumes are lighter than usual for the season. Come early April, growing regions will include not only Naples, but also Palmetto/Ruskin with new crops to harvest keeping Eastern Demand met with Florida grown fruit. Florida does not plant large volumes of roma tomatoes this time of year due to the sheer number crossing the border from Mexico usually, however weather conditions have caused Florida to fall short of Eastern demand causing buyers to look out west where there is also a shortage sending prices up more than \$5 a box this week. An elevated market is expected until new crops begin in April to help meet increasing demand Nationwide. There is plenty of grape and cherry tomatoes to be had and prices are relatively flat not moving much from last week.

Commodity Updates *continued*

VALUE ADDED: *Gabe Romero/Mike Pacheco*

Romaine supplies continue to have blister, mildew and peel. Supplies are moderate at best. Lettuce supplies are moderate. Broccoli supplies are moderate to light with orders being shorted slightly this week. Cauliflower supplies are better due to demand falling off due to high pricing in the market. 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 is expected to start later this week; Jalisco will be the main source of watermelons until the spring. Supplies are extreme demand exceeds. The market will continue short although there is slight increase in production by week's end. We don't foresee markets settling any lower unless it is inferior fruit.