



The Source

March 23 2015

© 2015 PRO*ACT, LLC

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

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



Weather: *Tim Lynch*

The tail end of a low pressure system brushes the Salinas Valley with light showers today with the bulk of the energy impacting regions to the north. A strong high pressure ridge returns out west following this system bringing a warming trend with temperatures well above normal by weekend. Warm temperatures (80s to low 90s) along with gusty winds (20-35mph) are forecast throughout the Southwest this week as weak low pressure systems pass well to the north.



Freight: *Mike McIntire*

Trucks in AZ remain steady. Look for trucks to tighten up in CA as products continue to transition up to the Salinas area. Washington and Idaho trucks remain steady. The national average on diesel dropped slightly last week to 2.917 per gallon. Look for prices to trend steady when they come out later today. The price of crude oil went up over the weekend and is now at 47.03 per barrel.

Commodity Updates

APPLES / PEARS: *John Tole*

New York continues to pack McIntosh, Empires, Red Romes, and Red Delicious. The markets are all steady and most of the New York fruit is still large. Michigan continues to pack Empires, Ida-reds, Jonathans, Jonagolds, McIntosh, Red Delicious, and Red Romes. Most of the Michigan fruit is large and the markets for all varieties are steady. Many packers are finished with Braeburns, Gala's, golden delicious, and Fuji's. 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 surprisingly enough is steady to begin the week. Demand was expected to be strong for the Easter pull but this has not transpired as of yet. Moderate supplies exist on Mexican product. 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

PRO*ACT The Source

Commodities at a glance...

Commodity	Quality	Market
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Steady
Avocado (California)	Good	Steady
Bell Peppers (Western)	Good	Steady
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	Good	Steady
Citrus: Lemons	Good	Steady/Higher
Citrus: Oranges	Good	Steady/Higher
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Excellent	Higher
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	Fair	Higher
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	Steady

sizes. 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 is available out of Miami. The quality is good from all growing areas.

Commodity Updates *continued*

AVOCADO: *Tim Kelley*

Supplies from Mexico are lighter. Mexico's growers are currently in clean up mode in some groves. 48's and larger continue to be very short. California fruit is coming to market in 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 are meeting current demand. Market is slightly higher on green bell peppers due to demand and supplies leveling out. Green bells are getting active with larger size becoming short and quoted at a premium. Smaller size and choice green bells are more readily available. Some Culiacan acreage has had lower production and/ or starting to wrap up for the season. Sonora green bell acreage is traditionally lower volume and slow to start. All making for a very active green bell market especially on large fruit. Southern California has started in light volume and production should increase in the next couple of weeks. 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 decent and market has pushed up a bit, finally bringing it off of the floor. As south Florida winds down and central Florida is still a few weeks off from production, this market will work its way upwards.

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 volumes continue to rise with lighter volumes available out of the northern districts. Watsonville received one half inch of rain Sunday evening / Monday morning which resulted in some harvests being cancelled today. We will see increased

demand this week as we get into the pull for Easter fruit.

Blackberries: Market is steady and quality will be suspect this week as recent rain and hail in central Mexico have disrupted harvests and diminished projected available volumes. Availability will be lighter and loading will be affected out of all areas. 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, 5-7 days.

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. Few 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, best availability in 11oz, 18oz and 6oz clams.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market has remained unchanged from the previous week. Demand is light and supplies are moderate at best. Like cauliflower there is a pricing gap but not as extensive. The gap is around five dollars pending the shipper. Multiple suppliers continue to harvest in Salinas. Yuma production is drying up with most shippers. Santa Maria has production if needed as well as Scottsdale. 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 is light to start the week. Overall, this market has a pricing gap of eight to ten dollars pending the shipper. Yuma continues to have light supplies overall. Salinas' production is moderate at best. There is production in Santa Maria if needed. 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*

Large celery continues to have big production numbers and shippers are listening to offers. Overall this market is unchanged from the previous week. Small sizing continues to demand a higher price. Oxnard and Yuma continue to be the growing regions at this time. Santa Maria has been in and out in terms of availability. Some shippers will load celery in Salinas but a transfer fee will be tacked onto the fob price.

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. Demand exceeds supplies on smaller fruit, 113's & 138's. External color is very good. Internal maturity is good and eating quality is excellent.

Limes: The market has jumped up and the trend for the next month or so is upward. Demand has increased and supplies have dropped. 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 is steady by all accounts. Production from Sonora is lower volume with the majority of the production still coming from Sinaloa. Expected warmer weather ought to increase production and keep market steady for the foreseeable time.

Eastern Cucumbers: *Janine Baird*

Cucumber market remains steady as many off shore shippers come to the end of their Honduran deals. A few growers started working a small amount of domestic cucumbers but supplies are not significant enough to affect the market.

EGGPLANT:

Western Eggplant: *Mike Cantu*

Market is slightly higher as some growers are experiencing gaps. 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 anticipate market to continue strong as some growers are slowing in production.

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*

The red seedless grape market has firmed up as the old crop flames are mostly gone and the new crop crimsons are available in slightly less numbers. Quality has improved dramatically with the crimsons. The green seedless market is in a free fall as supplies of all sizes are building in inventories and demand is weak at best. The black seedless market is firming up with lighter supplies of all sizes available.

GREEN ONIONS: *Gabe Romero/Mike Pacheco*

This market is unchanged to start the week. Supplies are moderate to good out of the Mexico region. Most sizing is available, with the predominance sizing being in the small and

Commodity Updates Continued

medium sizing. A few arrival complaints include the product being slightly limp, and pale.

LEAF LETTUCE: *Gabe Romero/Mike Pacheco*
The romaine market has a pricing gap of seven to eight dollars so please be aware. Overall, this market is steady. The reports on romaine include staining and discoloration existing due to epidermal peel and mildew. 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. Shippers have been spraying heavily in the attempt to minimize the bug issue.

LETTUCE: *Gabe Romero/Mike Pacheco*
A lot of offers for lettuce have surfaced at the beginning of this week. Good supplies exist with a number of suppliers in the Yuma region. 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 with gnats and bug problems as well.

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 dews are peaking on 6's. Supplies are going to remain below normal for the next week. Rainy weather during the planting stages and abnormal overcast weather has caused low yields. The market is rising slightly on all sizes. Demand is a touch better so far this week and supplies have come down

causing the market to rise a bit. Mexican dews 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 onion market is active on Yellow, Red and White Onions out of growing areas. The Northwest season is starting to wind down and will finish up the around the end of April. Supplies out of Mexico have been interrupted the last week and half due to wet weather. We should see supplies coming into to McAllen this week. Supplies will be limited the following week due to the Easter holiday and the worker talking the week off. The Texas growing area should start harvesting around the second week of April followed by California. Quality is fair with a few good lots coming out of the Northwest and out of Mexico. Demand is good.

POTATOES: *Mike Gorczyca*
Idaho – Large cartons 40ct through 60ct are the tightest items in the potato world. All other sizes have good to moderate supplies. Quality is still being reported as good. Just a reminder, many shippers will finish packing Norkotahs at the end of the month. All growing areas are looking for Retail bale business.

Washington- Demand is still good on large cartons (60ct and larger) which has this market firming. All other sizes have good to moderate supplies with a steady market. Quality is being reported as good.
Colorado/Wisconsin – No retail demand has the carton market extremely 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 three colors are peaking on A-size. White supplies are limited and will remain so until they start packing desert product in early

Commodity Updates Continued

April. Western Washington – the market for Reds is steady, most packers aren't quoting gold's anymore. The reds are still peaking on A-size. North Dakota - reds are steady on all sizes but supplies are lighter. They continue to peak on A-size. Gold's are steady to higher with light availability.

Idaho - reds and gold's are both higher due to light supplies. Both are still peaking on A-size. Florida - reds, gold's, and whites are all available. The reds are peaking on A-size and are steady. The Gold market is steady while the whites are slightly lower. Both whites and gold's 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*

Warmer evening temps in south Florida and new crops in Plant City area have brought on a flush of squash, bringing the market down. This downward trend will continue as Plant City and South Florida overlap their seasons.

STONE FRUIT: *Brad Tremblay*

Nectarines now dominate the Chilean stone fruit market as peaches are all but gone from current inventories. The nectarine market has strengthened due to the increased demand for supplies as the peaches have finished. The plum market is also strengthening with lighter supplies of both red and black plums available. This situation looks to continue as the Chilean season winds down. Preliminary reports are now projecting domestic stone fruit to begin in mid-April although substantial volume will not be seen until the end of May.

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.

VALUE ADDED: *Gabe Romero/Mike Pacheco*

Romaine raw material has issues of discoloration. Supplies are moderate. Lettuce supplies are good, but quality is average at best. Broccoli supplies look to be moderate throughout the week, pending demand in the market. Cauliflower supplies are better due to demand falling off due to past high pricing.

Commodity Updates continued

Shelf life on value added items will be shorter at this time of year.

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.