

# the source

## Weather Update

A high pressure ridge remains in charge out West this week with warm temperatures as coastal regions remain under the influence of the persistent marine layer. Temperatures remain in the 60's near the coast with mid 90's in the inland valleys. The interior regions of the Central Valley will see very warm triple digit temperatures, 10-20 degrees above seasonal norms.

In the Southwest and Northern Mexico temperatures remain unseasonably warm as high pressure strengthens through the week. The warmer inland regions top out in the triple digits with Baja and the coastal regions of Mexico in the mid 80's to mid 90's. The Southeast and Mid-Atlantic regions will continue to see scattered showers and thunderstorms, mainly in the afternoons. A couple of cold fronts move through the region late this week adding moisture to the entire region. Temperatures look to remain slightly above average, generally in the upper 90's.

## Market Alerts

**Raspberry:** Supply continues to be extremely limited as we transition to CA.

**Lemons:** Demand exceeds supply. Summertime demand and lighter production caused by the California drought. Expect lighter supplies throughout the Summer and into the Fall.

**Cherries:** Excessive heat forecasted for the Eastern Washington growing region which could curtail harvest.



# Commodity Updates



## APPLES

Michigan continues to pack Red Delicious. They are peaking on 100's and larger and supplies of small fruit are relatively short. The quality has been fair due to lighter pressures. Washington Red Delicious are still being quoted steady but the price-flex for 88's and larger is still there. Most packers are still peaking on 88's and larger in the premium and Washington extra #1 grades with only limited supplies of 100's and smaller. Golden Delicious are still mostly steady on all sizes. 125 & 138 and Golden's are still more limited than the other sizes and are priced at a premium. Granny-Smith are also mostly steady and are still peaking on 72's and larger. Supplies of Granny 100s and smaller remain short. Fujis are steady and continue to peak on the larger sizes. Fuji volume is lower as the end of the season approaches and small Fujis are especially short. Galas are steady and are still peaking on 88/100's. The Gala volume is also down as the end of the season is getting close. Imported Cripps-Pink (Pink Ladys) are still available on both coasts and the markets are steady to slightly lower. They are still peaking on 70's and 80's.

## ASPARAGUS

The asparagus market remains steady out of Mexico and Peru. Quality on all is being reported as only fair. Sizing is running heavily to the standard and large sizes. Availability of extra large and jumbo asparagus is much more limited and these sizes are commanding a premium price. We see no change in this market through next week.

## AVOCADO

**California:** We are past peak volume for the season and lower volumes are beginning to come out of the fields. California harvest volume dipped last week, but has picked up a little this week. Expect to dip down again next week and hold fairly steady through July before gently declining thereafter. Still peaking on 60's, with good supplies on 48's. Very good demand is keeping supplies of 48's and larger fairly snug. Quality and flavor are both excellent.

**Mexican:** Mexican production remains good and looks to stay this way for the next couple of weeks. Look for supplies to dip by 25% after the first week of July. Smaller fruit is limited coming out of Mexico and we are see some upward market pressure on 60's and 70's.

## BELL PEPPERS

**East:** Georgia is showing signs of quitting pepper this week. Volume is light and quality is poor. Additionally, the temperatures continue to heat up down south, causing further quality issues. The Carolinas have started in a light way and quality has been excellent from that region. However, strong demand and limited volume have caused this market to spike. We most likely will not see relief in this market until after July 4, when Michigan kicks in.

## BELL PEPPERS (CONTINUED)

**West:** Colored and green bells crossing through Nogales from Mexico are done. Southern California production is increasing on green and colored bell production. Loading locations in California are Coachella, Fresno, San Diego & Oxnard. Higher markets on green and colored bells.

## BERRIES (BLACKBERRIES)

Blackberry availability remains limited through the weekend. California (Salinas/Watsonville) supply continues to slowly increase, but we won't see any significant volume until later in the summer. Regular business is being covered, however, very there is limited volume on open market purchases. Market prices remain firm due to the shortage in supply. I expect the same through the weekend and into next week for CA fruit. There is some better availability out of GA and FL, if you can load in these areas. Quality continues to be good with occasional red cell, soft berries and mildew. CA fruit will continue to improve in quality and volume as we move forward.

## BERRIES (BLUEBERRIES)

Supply continues to be abundant with good volume and quality coming from several growing regions. Demand and markets remain steady with promotional opportunities available. We are currently shipping blueberries out of California, Georgia, Oregon, North Carolina, Washington, British Columbia and New Jersey. Volume will continue to increase as we move forward and quality is strong. Excellent time to promote.

## BERRIES (RASPBERRIES)

Supply has been extremely limited all week and is expected to remain a challenge over the next several weeks. Demand has been strong due to the holiday pull, however, the shortages are a result of supply issues during the CA transition. Due to temperature swings and varietal shifts, shippers are experiencing a temporary gap in supply. As we move forward the Salinas / Watsonville region is expected to slowly improve, but numbers are expected to remain light until mid July. Shortages are on a day to day basis. Limited availability out of other regions. Quality has been reported as strong.

## BERRIES (STRAWBERRIES)

Strawberry demand remains strong this week as we continue through the weekend with the holiday pull. Retail ads are consuming a large amount of the available fruit and are keeping the market prices firm. Supply is steady with orders being covered, but there is not a lot of volume "spot buy" opportunities. Salinas and Watsonville are the main growing/shipping regions.



# Commodity Updates



## BERRIES (STRAWBERRIES) (CONTINUED)

The weather has been warm over the last several weeks and has brought on ripe, red fruit that is not reaching full maturity. Sizing continues to be on the smaller side with occasional soft spots. We expect the availability and prices to remain consistent through the weekend with possible flex toward the middle of next week.

## BROCCOLI

The broccoli market is flat with excess supplies and light demand. Broccoli crowns especially are plentiful with all shippers. Salinas and Santa Maria are in an oversupply position with production out of Mexico about steady. We expect this situation to continue though the remainder of this week.

## CARROTS

Bakersfield crop is now in full swing on production. Weather has been warm and size is coming on and we're seeing much better production of Jumbo carrots.

## CAULIFLOWER

The cauliflower market is adjusting down as supplies improve in the face of light demand. Quality has been average overall with some light spotting being reported in the cauliflower 9's especially. We expect to see this trend continue for the coming week. Forecasting two weeks out shippers are expecting supplies to drop and the market to firm back up.

## CELERY

Celery production in Oxnard has finished. Shippers in this region expect to be totally clean of inventory by the end of this week. Santa Maria and Salinas suppliers are expecting a slight bump up in the market as this excess inventory cleans up and buyers choices become more limited. This promises to be a temporary situation only as Michigan is projected to start production by the middle of July.

## CHERRIES

The cherry market continues to be very strong with light supplies and very good demand. The cherry season should run through the second week of July. The one caveat to that is the heat. Weather forecasts for Eastern Washington are for excessive heat over the next 1-2 weeks. If this happens you may see a lighter than expected daily harvest and an earlier than expected finish to the season.

## CITRUS (LEMONS)

Crop is peaking on 140's and smaller. Demand is exceeding supplies on all sizes and grades of fruit. Very good demand and drought conditions in growing areas means production of less fruit and no size growth are the major factors for the demand exceed conditions.

## CITRUS (LIMES)

The lime market continues to perk up from last weeks levels on all sizes. The prices remain nearly the same still on all sizes whereas in the past the spread has been several dollars. Growers continue harvesting less due to low market conditions. Lower prices have helped spur demand on all sizes. The overall quality is very good on the crop that is being harvested. Growers are starting to get into old crop limes now. We should start seeing thinner skin with lighter color in some lots coming up. Scattered rain showers are in the forecast over the next few weeks in the growing area of Veracruz Mexico.

## CITRUS (ORANGES)

California Navel crop is coming to it's end. Still a few left and peaking on 72's/56's. California Valencia oranges are going in good volume on 72's, 88's, 113's, 138's. Quality on Valencias is very good.

## CUCUMBERS

**East:** The cucumber market is showing signs of weakness with Georgia. North Carolina and New Jersey still plugging along. As the weather grows warmer, many Georgia growers will quit their fields any day now. Michigan will start this weekend.

**West:** Market is slightly higher. Production from Sonora is about wrapping up. Market is becoming unsettled as some Sonora growers are wrapping up, pressing the market higher as supplies lighten up. Baja California is shipping with good quality.

## EGGPLANT

**East:** The eggplant market remains steady and demand is light this week. Georgia will continue for another 7-10 days with eggplant, unless the high temperatures cause growers to pull the plug sooner. Michigan is still a few weeks away but volume is decent out of North Carolina and New Jersey.

**West:** California is the main source of eggplant in the west. Due to lighter supplies markets are slightly higher.



# Commodity Updates



## GRAPES

**Green:** The green grape market is steady to lower. The Mexican harvest is virtually done and Coachella is winding down. We are looking at a minor gap in the green grape harvest. The impact of this should be negligible as most shippers have stockpiled enough inventory to cover their needs. The Arvin district is expected to start as early as next week in a very small way.

**Red:** The market on red seedless grapes is depressed with three growing regions shipping simultaneously. Mexico has finished harvesting but is still trying to clean up inventories. Coachella is winding down as well but Arvin is ramping up production daily. We do not expect to see any chance for strengthening until Mexico and Coachella are completely done and cleaned up (1-2 weeks).



## GREEN ONIONS

The green onion market is steady with good supplies on imported and domestic onions. Quality on the domestic production especially is being reported as excellent. Demand is good on all. We see no change in this market through the coming week.



## ICEBERG LETTUCE

The lettuce market is showing signs of firming up by this weekend. While we are experiencing a temporary lull in the market, supplies appear to be tightening up for the end of the week. Additionally, weather forecasts are projecting a spike in temperatures that, if true, will negatively impact quality for several weeks to come. Size and weight continue to be a challenge for many shippers with weights running in the 35 to 40 pound range.



## LEAF LETTUCE

The market on red leaf, green leaf and butter lettuce is about steady with adequate supplies and average demand. Romaine continues to enjoy a strong market with very good demand and lighter supplies. Yields in the field on romaine are the problem. Most growers are having to cut earlier than "normal" due to quality and demand issues. Consequently, they are way ahead of projected harvests and yielding much less than average per acre. The projected spike in temperatures in the growing regions will only serve to exacerbate this situation. We see no relief in this situation until the various regional deals start up and relieve the demand on product in California.



## MELON (CANTALOUPE)

The desert has good demand for melons right now. Overall supplies are not as heavy as they were during their peak production a few weeks ago and currently 9's are very hard to come by. The peak size is 15ct right now. Overall quality is good with some growers in the Brawley, Holtville and El Centro areas experiencing lesser quality. Growers in these areas are also experiencing 50% lower yields than normal due to a crop disease called Fuserium which was brought on by the past rains followed by excessive heat and humidity. The condition was aggravated further by the lack of wind which would have dried out the fields. The Maricopa area is not reporting this issue. The "west side" is set to mainly start the week of July 6th with but a few growers have started this week with small volumes. The market is up on 9's, sideways on 12's and down on 15's because of supplies for each of them.



## MELON (HONEYDEW)

The desert supplies have remained steady so far this week. The domestic honeydews have excellent quality and are commanding a premium compared to the product from Mexico. The quality on Mexican and domestic honeydews is very nice. The peak size is 6ct on the domestic honeydews coming in right now. Supplies out of Mexico remain at low levels with 6's and 8's being the main sizes coming in.



## MELON (WATERMELON)

Production in Sonora is winding down as crops and weather are taking its course. Market is higher. Most product coming in bins cartons packed upon request. Some light supplies are coming from Southern California. With impending 4th of July pulls, watermelons are lighter in supply with higher FOB's, Southern Texas has also few supplies.



## ONIONS

The Yellow onion market is slightly firmer out of California due to a few shippers gaping on supplies until the week of July 6th. Medium Yellow onion are short out of both growing areas. This is due to sizing on the Yellow onions peaking on Jumbo's and larger. New Mexico Yellow onion market is steady with good supplies of Jumbo and larger. Red onions are in fair supply out of California with a steady market. Supplies of red onions in New Mexico are limited as a few shippers are gaping on supplies. This should get better as we get into next week. Quality is being reported as good out of both growing areas on all colors. Walla Walla and Vidalia Sweets are available. Market is active with the 4th of July pull going in full swing.



# Commodity Updates



## PEARS

Washington continues to ship D'anjou pears and they are peaking on US#1 80-100's. Most packers are limited on all sizes in the fancy grade. The D'anjou market is steady on all sizes. Washington will have D'anjou pears through July.

For imports we have Chilean Packhams and Bosc being imported on both coasts. Both the Packhams and the Bosc are steady to lower. The Packhams are peaking on 100s while the Bosc are peaking on 100/110s.



## POTATOES

**Idaho:** Market on large cartons (40-60) has seen a decrease in prices due to lighter demand. All other sizes are holding steady. Trucks have good availability with reasonable rates. Roughly six weeks left before new crop. New crop has potential to be a week to 10 days ahead of last year. Quality is good to fair.

**Washington:** Market on the large cartons has made a slight downward correction due to the Idaho market coming off. All other sizes are steady. Quality is good.

**Colorado/Wisconsin:** Market is steady on all sizes and packs. Some of the smaller sheds have finished for the season which has tightened supplies slightly. New crop looks to be ahead of schedule by a few days earlier than normal. This should be creating a seamless supply transition between storage and new crop. Large cartons are limited in supply. Quality is being reported as good.



## COLORED POTATOES

Bakersfield, California is packing red, white and gold potatoes. All colors are peaking on A-size and the markets are steady for all sizes except red Bs which some suppliers are higher on. All colors have better availability of premium and baker size. The quality has been good. Phoenix, Arizona continues to pack golds, but they have finished with reds. The gold market is steady, but this is their last week to pack. The golds continue to peak on A-size. The quality has been good. North Carolina is packing whites and a few sack reds and both are heavy to A-size. The quality is being reported as good. They will have golds and more volume of reds next week depending on maturity.



## SQUASH

**East:** Georgia is finishing up on squash this week as Summer's hot temperatures move in. North Carolina, New Jersey and Michigan are all into squash now and the volume is decent. With Georgia finishing and growers in the North wanting to start out on a strong market, we will see the squash market up a few dollars for the weekend.

**West:** Italian squash is mostly steady along with yellow squash. Yellow squash has wide range of quality and better lots are selling at the higher end of the quotes. Southern California has started as well as Santa Maria, CA.



## STONE FRUIT

The apricot deal is firming up as we approach the final two weeks of harvest in California. Quality is fair to good but availability of sizes is spotty. The peach and nectarine markets have flattened out with steady demand. Sizing on peaches and nectarines is peaking on the larger 40-50 size tray packs. Plums and Pluots are available in a range of sizes and colors. This market is steady.



## TOMATOES

### East:

**Round/Romas** – There are lots of players involved in the East. Northern Florida and South Carolina are finishing up with their crops. South Carolina may be going for another week. The hot weather has accelerated the crops and has caused an earlier finish. North Carolina has started and Alabama will be starting soon. Georgia has begun harvest and volume and quality look good. Tennessee and Virginia got a late start planting, but with a little warm weather help those crops should be ready as early as the 4th of July. Product is available, but you may need to shop around a bit to find them.

**Cherry/grape** – Quality on the Cherry tomatoes is a concern with all the hot weather. The current crop is also winding down. This is causing a slight gap, but cherries should see better quality and volume by next week. Demand for grape tomatoes is rising and supplies are on the low side, which may cause a slight price increase.

### West:

**Rounds** - Production from Culiacan has finished for the season. Product in Eastern Mexico remains in decent supply and quality. In the San Joaquin Valley, growers continue to begin production with good quality. Product should be in full swing by the beginning of July. Production in Northern Baja continues to increase in supply and quality is good. Smaller sized fruit is limited.

**Roma** - Growers out of Southern Baja are done for the season. The Northern and Central Mexico growing areas are experiencing a slight decline in volume. We may see a rise in the market. We are also seeing some quality issues. California's Central Valley has started with light production this week.

**Cherry/grape** - Product crossing into Southern California from Baja Mexico remains steady with a slight decrease in volume and color being an issue. Central Mexico is still seeing good volume and quality. This region is carrying the load for the Midwest and some Eastern volume. Production in California is beginning to hit its peak as they have been experiencing good weather creating good quality and supply.



# Commodities at a Glance



Apples	Market	Quality
Coopersville/Belding/Sparta, MI	Steady	Fair
Wenatchee/Yakima, WA and Hood River, OR	Steady	Good
Chile	Steady	Good

Asparagus	Market	Quality
Coborca, Mexico	Steady	Fair
Ica, Peru to Trujillo	Steady	Fair

Avocado (California)	Market	Quality
Oxnard/Ventura, CA	Steady/Higher	Excellent
Temecula/Escondido, CA	Steady/Higher	Excellent

Avocado (Mexico)	Market	Quality
Michoacan, Mexico	Steady/Higher	Good

Bell Peppers (East)	Market	Quality
Lee / Grady County, GA	Higher	Fair

Bell Peppers (West)	Market	Quality
Oxnard, CA	Steady/Higher	Good
Salinas Valley, CA	Steady/Higher	Good
Coachella Valley, CA	Steady/Higher	Good

Berries (Blackberries)	Market	Quality
Salinas, CA	Steady/Higher	Good
Watsonville, CA	Steady/Higher	Good
Alma, GA	Steady	Good

Berries (Blueberries)	Market	Quality
Central Valley, CA	Steady	Good
Pitt Meadows, BC	Steady	Good
Salem, OR	Steady	Good
Mossyrock, WA	Steady	Good
New Jersey	Steady	Good

Berries (Raspberries)	Market	Quality
Watsonville, CA	Higher	Good

Berries (Strawberries)	Market	Quality
Salinas Valley, CA	Steady/Higher	Good
Watsonville, CA	Steady/Higher	Good

Broccoli	Market	Quality
Salinas Valley, CA	Steady	Good
Oxnard/Santa Maria, CA	Steady	Good

Carrots	Market	Quality
Bakersfield/Santa Maria, CA	Steady	Good

Cauliflower	Market	Quality
Oxnard/Santa Maria, CA	Lower/Steady	Good
Salinas Valley, CA	Lower/Steady	Good

Celery	Market	Quality
Oxnard/Santa Maria, CA	Steady	Good
Salinas Valley, CA	Steady/Higher	Good

Cherries	Market	Quality
Yakima, WA	Steady/Higher	Good

Citrus (Lemons)	Market	Quality
Merced/Bakersfield, CA	Higher	Good
Oxnard/Ventura, CA	Higher	Good

Citrus (Limes)	Market	Quality
Veracruz, Mexico	Steady/Higher	Excellent

Citrus (Oranges)	Market	Quality
Merced to Bakersfield, CA	Steady	Excellent
Riverside, CA	Steady	Excellent

Cucumber (East)	Market	Quality
Lee / Grady County, GA	Lower	Good
Henderson / Buncomb County, NC	Steady	Excellent

Cucumber (West)	Market	Quality
Southern Baja California Sur, Mexico	Steady/Higher	Good
Northern Baja California Norte, Mexico	Steady/Higher	Good

Eggplant (East)	Market	Quality
Lee / Grady County, GA	Lower/Steady	Fair

Eggplant (West)	Market	Quality
Southern CA	Steady/Higher	Good



# Commodities at a Glance



<b>Grapes (Green)</b>	<b>Market</b>	<b>Quality</b>
Caborca, Mexico	Steady	Good
Coachella Valley, CA	Steady	Good

<b>Grapes (Red)</b>		
Caborca, Mexico	Lower/Steady	Good
Coachella Valley, CA	Steady	Good
Arvin, CA	Steady	Excellent

<b>Green Onions</b>		
Mexicali, Baja	Steady	Good
Salinas Valley, CA	Steady	Excellent

<b>Lettuce Iceberg</b>		
Oxnard/Santa Maria, CA	Steady/Higher	Good
Salinas Valley, CA	Steady/Higher	Good

<b>Lettuce Leaf</b>		
Oxnard/Santa Maria, CA	Steady	Good
Salinas Valley, CA	Steady	Good

<b>Melon (Cantaloupe)</b>		
Maricopa, AZ	Steady	Good
Brawley, CA	Steady	Good
Holtville, CA	Steady	Good

<b>Melon (Honeydew)</b>		
Maricopa, AZ	Steady	Excellent
Holtville, CA	Steady	Good
Hermosillo, Mexico	Steady	Excellent

<b>Melon (Watermelon)</b>		
Phoenix, AZ	Steady/Higher	Good
Coachella Valley	Steady/Higher	Good
McAllen, TX	Steady/Higher	Good

<b>Onions</b>		
Huron/Metler, CA	Higher	Good
Las Cruces, NM	Steady	Good

<b>Pears</b>	<b>Market</b>	<b>Quality</b>
Wenatchee/Yakima, WA and Hood River, OR	Steady	Good
Chile	Lower/Steady	Good

<b>Potatoes</b>		
Hamer/Rupert, ID	Steady	Fair
Quincy/Hermiston, WA	Steady	Good
Eastern Colorado	Steady	Good
Plover/Bancroft, WI	Steady	Good

<b>Potatoes (colored)</b>		
Bakersfield, CA	Steady	Good
Phoenix, AZ	Steady/Higher	Good
Elizabeth City/Camden, NC	Steady	Good

<b>Squash (East)</b>		
Lee/Grady/Echols County, GA	Steady	Fair
Seneca / Summit County, OH	Steady/Higher	Excellent
Ottawa / Kent / Berrien County, MI	Steady/Higher	Excellent
Henderson / Bucomb County, NC	Steady/Higher	Excellent

<b>Squash (West)</b>		
Santa Maria, CA	Steady/Higher	Good
Southern Coast CA	Steady/Higher	Good

<b>Stone Fruit</b>		
Madera south to Arvin, CA	Steady/Higher	Good

<b>Tomatoes (East)</b>		
Northern Florida	Steady	Good
Charleston, SC	Steady	Good
Eastern North Carolina	Steady	Good

<b>Tomatoes (West)</b>		
Northern Baja California Norte, Mexico	Steady	Good
Coachella Valley, CA	Steady	Good



# Freight Information



## Truckin' Along

Trucks in California are steady, but will tighten up toward the end of the week and into next week due to the retail pull for 4th of July. Washington and Idaho are adequate, but trucks heading to the North East are harder to come by out of Idaho. Fuel is at \$2.85 this week. Crude is steady at \$60.38 per barrel.

	06/08/15	06/15/15	06/22/15	week ago	year ago
U.S.	2.884	2.870	2.859	↓ -0.011	↓ -1.060
East Coast (PADD1)	2.980	2.968	2.959	↓ -0.009	↓ -1.026
New England (PADD1A)	3.076	3.073	3.085	↑ 0.012	↓ -1.017
Central Atlantic (PADD1B)	3.122	3.117	3.102	↓ -0.015	↓ -0.969
Lower Atlantic (PADD1C)	2.853	2.834	2.824	↓ -0.010	↓ -1.069
Midwest (PADD2)	2.774	2.754	2.746	↓ -0.008	↓ -1.129
Gulf Coast (PADD3)	2.783	2.777	2.755	↓ -0.022	↓ -1.058
Rocky Mountain (PADD4)	2.825	2.808	2.799	↓ -0.009	↓ -1.114
West Coast (PADD5)	3.121	3.101	3.097	↓ -0.004	↓ -0.956
West Coast less California	3.001	3.001	3.007	↑ 0.006	↓ -0.966
California	3.217	3.182	3.170	↓ -0.012	↓ -0.949

## Transitions & Temperatures

**Potatoes:** Texas and Alabama start packing red potatoes this week. North Carolina will start packing more volume of reds. They will start with golds next week. Virginia will start packing white potatoes the week of July 6th and reds & golds the week of July 13th. Stockton, California will start packing red & gold the week of July 13th.

**Apricots:** Finishing in California and starting in Washington.

**Pears:** California will start packing new-crop Bartlett pears the week of July 6th in Courtland/Lodi.

### Grapes:

**Red-** Mexico and Coachella are finishing while Arvin is ramping up volume daily.

**Green-** Mexico and Coachella are finished or finishing and Arvin starts next week with light supplies.

