

Jul 23, 2015

# the Source

## Weather Update

The marine layer returns to the west coast mid-week as the battle between high and low pressure systems resumes. The high pressure wins late this week, with a warming trend to seasonal norms into next week. Extended forecasts keep the ridge in place through next week. Warm, humid overnight conditions continue to push crops ahead of schedule, continuing what looks to be a very challenging growing season out west. We continue to monitor another tropical disturbance off the coast of Mexico that looks to become the next named storm system of the season.

The Southeast will continue with scattered showers and thunderstorms, heavy at times as a couple of cold fronts move through the region. Temperatures remain in the mid to upper 90s through the week.



## Market Alerts

### Bell Peppers (Western):

Because of recent hot weather, western bell peppers are exhibiting some quality issues, sun scald, blemishing, and discolorations; this is industry wide in the west. Weather cooperating we should see quality improving in the next couple of weeks.

### Berries (Strawberries):

Quality issues are prevalent in all packs industry wide and availability is very light, demand exceeds supply as we head into the weekend.

### Citrus (Lemons):

Demand exceeds supply. Summertime demand and lighter production caused by the California drought. Expect lighter supplies throughout the summer and into the fall.



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## Truckin' Along

Look for trucks in California to be steady the balance of the week. Washington and the Northwest should hold steady as well. Crude oil dropped slightly and is currently 49.20 per barrel. Fuel prices remained steady again this week with CA pricing at 3.111 per gallon and the national average at 2.782.

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)				<a href="#">full history</a>	
	07/06/15	07/13/15	07/20/15	Change from	
				week ago	year ago
U.S.	2.832	2.814	2.782	↓ -0.032	↓ -1.087
East Coast (PADD1)	2.938	2.915	2.873	↓ -0.042	↓ -1.055
New England (PADD1A)	3.060	3.029	2.996	↓ -0.033	↓ -1.056
Central Atlantic (PADD1B)	3.073	3.038	2.985	↓ -0.053	↓ -1.029
Lower Atlantic (PADD1C)	2.810	2.797	2.762	↓ -0.035	↓ -1.074
Midwest (PADD2)	2.724	2.704	2.679	↓ -0.025	↓ -1.131
Gulf Coast (PADD3)	2.712	2.708	2.674	↓ -0.034	↓ -1.099
Rocky Mountain (PADD4)	2.785	2.787	2.770	↓ -0.017	↓ -1.119
West Coast (PADD5)	3.069	3.037	3.004	↓ -0.033	↓ -1.022
West Coast less California	2.978	2.919	2.873	↓ -0.046	↓ -1.069
California	3.142	3.133	3.111	↓ -0.022	↓ -0.985

## A Peek at Peak Seasons

### Berries (Blackberries):

California peak production is projected to hit by mid-late August!

### Berries (Blueberries):

Michigan has begun with peak volume production this week! Quality is excellent!

### Berries (Raspberries):

We are moving toward our peak volume season for California raspberries as fruit begun to come on strong this week and our very best volumes still to come in August-September!

### Berries (Strawberries):

California strawberries have passed through peak season and volume will continually decrease as we move through August. A very mild, dry winter brought on the spring strawberry crop 3-4 weeks earlier than normal which is now leading to an earlier volume decrease as projections show the season may also wrap up 3-4 weeks earlier than normal on this end.

## Transitions & Temperatures

### Potatoes (colored):

Minnesota will start packing red potatoes next Monday and they put out substantial volume so we expect the red market to adjust down by the end of next week.



# Commodity Updates



## APPLES

**California** gala apples are peaking on 100/113s, while the 80s and larger are limited. The early varieties are high in color. The market is steady on all sizes.

**Michigan** red delicious are peaking on 100s and larger and have limited supplies of 113s and smaller. The quality has been good but some fruit has had lower pressures.

**Washington** Red Delicious are steady but the price-flex for 88s and larger remains. Most packers continue to peak on 88s and larger in the premium and Washington extra #1 grades and have limited supplies of the smaller sizes. Golden Delicious are steady on all sizes but the market is firm due to stronger demand and lighter supplies. Gold 125 & 138s are still short. Granny-Smith are steady but that market is also firm due to lighter supplies. Washington Granny-Smith continue to peak on 72s and larger while 100s and smaller are limited. Fujis and Galas are cleaning up quickly and supplies are limited on all sizes. Most shippers have lots of holes in their manifests. The markets for both varieties are active and will remain so until the CA fruit cleans up.



## ASPARAGUS

This market is firm with all suppliers. Production out of Peru is light. Jumbo packs continue to be light in availability. Supplies are heavier to standard and large sizing. Supplies out of Mexico have fallen off. Product from Mexico can be loaded in Salinas or LA. Standard and large have the best availability. Jumbo sizing has tightened up. Overall, the quality has reported to be strong in all of the growing areas.



## AVOCADO (CALIFORNIA)

California continues to harvest steady volume. Harvest will begin to decline weekly as we move through August to season's end by early September. The Southern region is already wrapping up its harvest. Peak sizing is on 40s and 48s. Very good demand is keeping supplies on all sizes tight, but currently matching supplies. Quality and flavor are both excellent.



## AVOCADO (MEXICAN)

Mexico's Flora Loca crop harvest is going well, with good volume coming in on 40s and 48s followed by 60s. Limited volume on #2 fruit as quality is very good. Expect Flora Loca to have less maturity than the old crop with lower oil, brighter green color and will be slower to break. Ripe fruit could still be green in color as the skin isn't mature enough for it to darken. Color is not an indication of ripeness, pressure is.



## BELL PEPPERS (EASTERN)

The pepper market continues to be tight. However, relief is in sight as the Carolinas and New Jersey finally ramp up their volume. Michigan should start in a very small way this weekend. Markets should stay strong until that time.



## BELL PEPPERS (WESTERN)

Green and colored bell peppers continue to be in a demand exceeds situation. Production has slowed and lack of availability has pressed markets upwards. Green bell pepper continues to be in an extreme demand exceeds situation. Red bell pepper is starting to show some relief from high FOBs. Red bell pepper production is catching up and market is softening slightly.



## BERRIES (BLACKBERRIES)

Supply and availability have been day to day as some grower/shippers are gapping on volume in between fields. Projections have been off as the fruit is taking longer than expected to color up and therefore staying on the plants longer. As new fields come on, other blocks start to wind down so we are only maintaining our current volume which has been short for the past several weeks. We are looking at another 10-14 days of spotty availability before the plants actually catch up and should eventually begin to peak around mid-late August.



# Commodity Updates



## BERRIES (BLUEBERRIES)

With many regions still providing fresh blueberries, we are in good availability overall. Although, we are seeing transitions from region to region, some areas are going out of play for the season causing spotty availability due to fruit being transferred in from other regions for coverage. Some eastern U.S. regions have been challenged by local weather and loss of laborers transferring to new upcoming growing regions and some will look to end major production by end of this week. Fruit sizing varies by region, but quality has been good overall. Pints and larger packs are beginning to decrease and we'll see more packing into the smaller clamshells. Along with our domestic blues, Peru has begun fresh harvest and is beginning to ship by vessel to the US coasts and other markets. More information to come on the early arrivals and locations.



## BERRIES (RASPBERRIES)

Promotional opportunity is now available as we are coming upon peak season for California. Fruit has great flavor and appearance. This is a great time to promote fresh California raspberries! Warm weather is continuing to bring on fruit.



## BERRIES (STRAWBERRIES)

Warm and humid weather in California's Central Coast growing region continues to affect quality and availability of fruit. Fruit is ripening to full color very quickly, faster than it is sizing up so berries are full red to overripe, yet small in size. These berries are soft and very susceptible to bruising and subsequent decay. The humidity increases the presence of mildew and any exposure to warm temperature will accelerate mold. Other growers are harvesting the fruit lighter in color to try and avoid the bruising and decay. That fruit is showing up with more white shoulders and green tips. This will be a very challenging period for quality and availability. Growers are diverting much of their fruit into the processing market for frozen and juicing items as it is not reaching specification for the fresh market. They are packing the best quality available for fresh market orders, yet the issues we're seeing are in every label, industry wide. For the time being, we have to consider the situation and adjust expectations for receiving and shelf life. It is of utmost importance to maintain the cold chain on this product, keeping temperatures at 32-34 degrees.



## BROCCOLI

The market will continue to gain strength throughout the week. Supplies will be light all week on bunched product as well as crowns. The main production on this commodity continues to be out of the Salinas valley. The Southern California region will have light production all week and pricing will continue to rise. Production out of Mexico is light to moderate. Texas is in production as well. Good quality, overall continues to be reported in all growing regions.



## CARROTS

Bakersfield crop is in full summertime production. Jumbo size carrot production is good as is quality.



# Commodity Updates



## CAULIFLOWER

This market is unchanged. A pricing gap of three dollars exists within the marketplace on this commodity. Demand is light, overall. The quality on this item continues to be reported as good, with only slight discoloration and spotting being reported. Insect damage is minimal. Expect moderate to good supplies for the rest of the week. Availability will not be an issue.



## CELERY

This market is firm. Production in Michigan is stronger and the quality is reported as good in terms of color and texture. Santa Maria continues to have production, if needed in the Southern California region. The Salinas Valley has good production with lighter availability coming in the small sizing. Expect good quality from all the regions. Large sizing is the most readily available.



## CITRUS (LEMONS)

Crop is peaking on 140s and smaller. Demand is exceeding supplies on 165s and larger and on all grades of fruit. Very good demand and drought conditions in growing areas means less production of fruit and no size growth. These are the major factors for the demand exceeds supply conditions.



## CITRUS (LIMES)

The lime market once again continues to be steady on all sizes. Growers continue harvesting less due to low market conditions. Lower prices have helped demand on all sizes. The overall quality is good on the crop that is being harvested. Growers are starting to get into old crop limes now. We may see thinner skin with lighter color in some lots.



## CITRUS (ORANGES)

California Valencia oranges are going with good volume on 72s, 88s, 113s and 138s. Demand is improving on 88s/113s/138s and seeing prices firm up for some shippers as well as slowing the pace of packing fruit to begin stretching out this year's lighter volume crop. Quality on Valencias is very good.



## CUCUMBERS (EASTERN)

The cucumber market is finally turning around as the persistent wet weather clears up and temperatures warm up throughout the Eastern growing regions. As volume slowly increases, lower pricing should be the trend heading into the weekend.



## CUCUMBERS (WESTERN)

Market is steady although high FOBs. Because of some growing districts are wrapping up in Mexico, supplies are very light and in a demand exceeds situation. Baja California is shipping with good quality but their supplies are not meeting current demand. We're starting to see some new acreage coming online and market is softening slightly. Quality varies throughout the available lots.



## EGGPLANT (EASTERN)

Eggplant in the east is scarce this week. Georgia is done and Michigan is still a week away. That leaves the Carolinas and New Jersey, which are currently producing only limited volume. This market should stay at the higher levels for the remainder of the week.



## EGGPLANT (WESTERN)

California is the main source of eggplant in the west. Current production is having trouble keeping up with demand. Because of recent weather and transitions, supplies have been lagging. Demand exceeds current supplies and pressing markets up.





# Commodity Updates



## GRAPES (GREEN)

Supplies of the green seedless grapes continue to improve daily. Sizing is less of an issue as we move into several varieties that exhibit a wider range of sizes at maturity. This market is moderately easier and looks to continue this easing off as we move into next week. Quality is reported to be excellent on all.



## GRAPES (RED)

The red seedless grape market has firmed up. Sizing has improved with less of the medium large fruit and more of the large to extra large available. Demand is improving as well across all markets. Many shippers are reporting sold out on specific sizes with good advance orders for the remainder of the week.



## GREEN ONIONS

This market is steady. Demand is light. Expect supplies to be strong throughout the week out of Mexico. Supplies will likely continue to exceed demand. All sizing is available. Better supplies are being harvested in Salinas compared to past weeks. The heavier abundance of product is coming in small and medium sized packs.



## LETTUCE ICEBERG

This market has remained unchanged. Supplies are abundant and shippers are listening to offers. The weights on palletized are ranging from 42-48 pounds. Defects continue with most suppliers. These defects include misshapen heads, light insect damage and mildew. Salinas and Santa Maria are the two main growing areas at this time. Production in Santa Maria is stronger than the previous week. Although rains were strong over the past weekend in this region, there is still better availability compared to past weeks. Salinas will have strong supplies throughout the week.



## LETTUCE LEAF

The romaine market is steady. High temperatures in the growing regions are creating defects like fringe burn, insects, dehydration and mildew. The weights on romaine cartons are averaging 31-36 pounds. Hearts have good availability and suppliers are listening to offers. Chopped romaine continues to show pinking upon arrivals. Fringe burn, mildew damage and insect damage continues to be seen on red and green leaf. This is industry wide.



## MELON (CANTALOUPE)

The West Side is producing good volume on lope 9s, 12s and 15s now. Cooler temperatures last week held growth back for the first few days of this week but temps are good for growth now. The peak size is 12s and 15s but the size curve continues towards the larger sizes. The West Side has very good quality and good sugar content. The current market is lower on 9s and 12s but steady on 15s and 18s. We are currently experiencing very good demand on 12s right now.



## MELON (HONEYDEW)

The West Side is our main producer now. The peak size is currently 6s and is slowly shifting towards the larger sizes. The quality and sugar contents are high for the dews right now and this trend looks to continue. The market is currently steady on dew 6s and lower on dew 5s. We are experiencing very high demand on 6s right now which is holding their price steady.



## MELON (WATERMELON)

Most product coming in bins/cartons are packed upon request. Some light supplies are coming from Southern California, Southern Texas and Georgia. Market continues to be in a extreme demand exceeds situation. We anticipate other districts to come online soon possibly softening the market all contingent on good weather.



# Commodity Updates



## ONIONS

The onion market remains strong out of both California and New Mexico on all colors and sizes. The recent rains in both growing areas have made the supplies situation even tighter. Quality could become a factor in the next few weeks, which could also keep pricing up. Washington is now shipping transplants onions in small volume, but they won't begin shipping their main crop until mid-August. Idaho new crop should also be going at this time which could be the factor for this onion market to have a significant correction.

## PEARS

**California** Bartlett pears continue to peak on US#1 80/90/100s. The market is steady on all sizes and the demand has been strong. Stark Crimson pears are still peaking between 35 and 55 size half cartons and they are steady on all sizes. The quality for both has been good.

**Washington** D'anjou pears are still peaking on US#1 80-100s. Most packers are limited on US#1 110s and smaller and all sizes in the fancy grade. The D'anjou market is steady on all sizes. Washington will pack D'anjou pears through this month.

**Chilean** pears are cleaning up and should be finished soon.

## POTATOES

The Idaho Potato market continues to weaken on large cartons (40-70 count) toward the middle of this week. Demand is light and supplies have improved on the larger cartons, which is the main cause of the market weakening. New crop Idaho Potatoes will start with a few shippers the first week of August and will be in full swing by the middle of the month. Quality is still being reported as good. Washington has started with new crop potatoes this week. Size profile is looking to be peaking on 80 count and smaller. This should improve as they move into later fields. Quality is being reported as good. Market is steady but firm. Colorado and Wisconsin potato markets are steady with light demand. Quality is still being reported as good.

## POTATOES (COLORED)

**Bakersfield, California** continues to pack red, white, and gold potatoes but this is the last week for golds and reds, then it will be whites only. The market remains steady for now. All colors continue to peak on A-size. The quality has been good.

**Stockton, California** continues to pack red, white and gold potatoes. All are heavy to A-size and the markets are steady for all. The quality has been good.

**Muleshoe, Texas** is packing red potatoes and a few golds, they are both peaking on A-size. The markets for both colors are steady due to strong demand. The quality has been good.

**Alabama** is steady on reds and they are still peaking on As. They continue to pack mostly bags and have only light supplies of cartons. The market for A and B cartons is steady to lower, nobody there packs a C-size.

**North Carolina** is packing all colors and the availability of As and Bs is fair, many shippers are starting to finish up for the season. They will be finished by the end of the week. The quality is being reported as good.

**Virginia** is packing all colors and the availability of As and Bs is good, but there are no Cs available. The markets for all colors are steady. The quality is good.

**Wisconsin** is still packing red Bs and they have a few As and Cs. The market is lower on Bs and steady to lower on As and Cs. The quality is good but there has been light skinning with some suppliers.

## SQUASH (EASTERN)

Eastern growing regions continue to struggle with squash. The weather is starting to cooperate but because heavy rains have been pounding the Ohio/Michigan and New Jersey growing regions for some time, it will take awhile for them to catch up with volume. Expect a few more days at most of the tight markets before everything loosens up again by early next week.



# Commodity Updates



## SQUASH (WESTERN)

Italian and yellow squash are steady/higher. Because of recent weather and transitions, some production has slowed down and demand has pressed markets up. Currently in a demand exceeds market. Quality varies throughout available lots.



## STONE FRUIT

Small yellow peaches are becoming more scarce daily. Sizing on peaches now through August promises to be heavily skewed towards the larger tray pack sizes. Nectarines are showing a better range of sizing with more of the small volume fills available at a promotable price. Demand on peaches and nectarines is about steady. Plums of both colors are available in a range of sizes with the 70 to 50 volume fills more readily promotable. Quality is reported as very good on all.



## TOMATOES (EASTERN)

**Rounds** - Market is very strong. Supplies still very short due to weather issues which keeps demand high. Quality, where you can find them, varies but overall good. Weather will continue to play a big role in the market. If weather permits, we should see the market ease up.

**Romas** - Market is firm. Supplies are still short and demand is high. Quality varies right now with such limited supplies. Same as with the rounds, if the weather permits we should see the market improve.

**Cherry/Grape** - market is strong due to supplies being very tight. Demand is low. End of this week should show an improvement in supplies, weather permitting.



## TOMATOES (WESTERN)

**Rounds** - Market is strong with supply, quality and demand all good. Weather will continue to cause issues in California and Mexico. Still keeping an eye out for supply shortages in September / October. The effects of the weather recently (Heat/Rains) will be seen in about 6 - 8 weeks.

**Romas** - Market is steady/high with volume being tight. Baja's volume is selling out everyday. Central California still has decent volume, but cannot make up for the low volume coming up from Mexico. Quality is fair/good depending on the area and/or grower.

**Cherry/Grapes** - Market continues to be strong. Markets are about the same between the east and the west. Lighter color is an issue with Baja product but supplies are improving.





# Commodities at a Glance



Commodity / Region	Market	Quality
<b>Apples</b>		
Stockton, CA	Steady	Excellent
Wenatchee/Yakima, WA and Hood River, OR	Steady	Good
Coopersville/Belding/Sparta, MI	Steady	Fair
<b>Asparagus</b>		
Coborca, Mexico	Steady	Good
Ica, Peru to Trujillo	Steady	Good
<b>Avocado (California)</b>		
Oxnard/Ventura, CA	Steady	Excellent
Temecula/Escondido, CA	Steady	Excellent
<b>Avocado (Mexican)</b>		
Michoacan, Mexico	Lower/Steady	Good
<b>Bell Peppers (Eastern)</b>		
Henderson / Buncomb County, NC	Steady	Good
<b>Bell Peppers (Western)</b>		
Oxnard, CA	Steady	Good
Salinas Valley, CA	Steady	Good
<b>Berries (Blackberries)</b>		
Salinas, CA	Steady/Higher	Good
Watsonville, CA	Steady/Higher	Good
Santa Maria, CA	Steady/Higher	Good
Oxnard, CA	Steady/Higher	Good
<b>Berries (Blueberries)</b>		
Pitt Meadows, BC	Steady/Higher	Good
Mosbyrock, WA	Steady/Higher	Good
Salem, OR	Steady/Higher	Good
Demotte, IN	Steady/Higher	Good
Grand Junction, MI	Steady/Higher	Excellent
Hammonton, NJ	Steady/Higher	Good
<b>Berries (Raspberries)</b>		
Salinas, CA	Lower/Steady	Good
Watsonville, CA	Lower/Steady	Good
Santa Maria, CA	Lower/Steady	Good
Oxnard, CA	Lower/Steady	Good

Commodity / Region	Market	Quality
<b>Berries (Strawberries)</b>		
Salinas Valley, CA	Higher	Fair
Watsonville, CA	Higher	Fair
<b>Broccoli</b>		
Celaya Guanajuato Mexico	Higher	Good
McAllen, TX	Higher	Good
Salinas Valley, CA	Higher	Good
Oxnard/Santa Maria, CA	Higher	Good
<b>Carrots</b>		
Bakersfield/Santa Maria, CA	Steady	Excellent
<b>Cauliflower</b>		
Oxnard/Santa Maria, CA	Steady	Good
Salinas Valley, CA	Steady	Good
<b>Celery</b>		
Michigan	Steady	Good
Oxnard/Santa Maria, CA	Steady	Good
Salinas Valley, CA	Steady	Good
<b>Citrus (Lemons)</b>		
Oxnard/Ventura, CA	Steady	Good
<b>Citrus (Limes)</b>		
Veracruz, Mexico	Steady	Good
<b>Citrus (Oranges)</b>		
Merced to Bakersfield, CA	Steady/Higher	Excellent
Riverside, CA	Steady/Higher	Excellent
<b>Cucumbers (Eastern)</b>		
Henderson / Buncomb County, NC	Lower/Steady	Good
Seneca / Summit County, OH	Lower/Steady	Good
Ottawa / Kent / Berrien County, MI	Lower/Steady	Good
<b>Cucumbers (Western)</b>		
Southern Baja California Sur, Mexico	Steady	Good
Northern Baja California Norte, Mexico	Steady	Good
<b>Eggplant (Eastern)</b>		
Ottawa / Kent / Berrien County, MI	Steady/Higher	Fair



# Commodities at a Glance



Commodity / Region	Market	Quality
<b>Eggplant (Western)</b>		
Fresno, CA	Steady/Higher	Good
Southern CA	Steady/Higher	Good
<b>Grapes (Green)</b>		
Arvin, CA	Lower/Steady	Excellent
Delano, CA	Lower/Steady	Excellent
<b>Grapes (Red)</b>		
Arvin, CA	Steady/Higher	Excellent
Delano, CA	Steady/Higher	Excellent
<b>Green Onions</b>		
Mexicali, Baja	Steady	Good
Salinas Valley, CA	Steady	Good
<b>Lettuce Iceberg</b>		
Oxnard/Santa Maria, CA	Steady	Fair
Salinas Valley, CA	Steady	Fair
<b>Lettuce Leaf</b>		
Oxnard/Santa Maria, CA	Steady	Fair
Salinas Valley, CA	Steady	Fair
<b>Melon (Cantaloupe)</b>		
Firebaugh, CA	Lower/Steady	Excellent
Mendota, CA	Lower/Steady	Excellent
<b>Melon (Honeydew)</b>		
Firebaugh, CA	Lower/Steady	Excellent
Mendota, CA	Lower/Steady	Excellent
<b>Melon (Watermelon)</b>		
Coachella Valley	Steady/Higher	Good
McAllen, TX	Steady/Higher	Good
<b>Onions</b>		
Huron/Metler, CA	Steady/Higher	Good
Las Cruces, NM	Steady	Good
Quincy/Hermiston, WA	Steady/Higher	Good

Commodity / Region	Market	Quality
<b>Pears</b>		
Wenatchee/Yakima, WA and Hood River, OR	Steady	Fair
Chile	Steady	Good
Stockton, CA	Steady	Excellent
<b>Potatoes</b>		
Hamer/Rupert, ID	Lower/Steady	Good
Quincy/Hermiston, WA	Steady/Higher	Good
Eastern Colorado	Steady	Good
Plover/Bancroft, WI	Steady	Good
<b>Potatoes (colored)</b>		
Bakersfield, CA	Steady	Good
Stockton, CA	Steady	Good
Muleshoe, TX	Steady	Good
Hallwood/Horntown/Cape Charles, VA	Steady	Good
Elizabeth City/Camden, NC	Steady/Higher	Good
Ider, AL	Steady	Good
Plover, WI	Lower/Steady	Good
<b>Squash (Eastern)</b>		
Seneca / Summit County, OH	Steady	Fair
Ottawa / Kent / Berrien County, MI	Steady	Fair
Henderson / Bucomb County, NC	Steady	Good
<b>Squash (Western)</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 (Eastern)</b>		
Charleston, SC	Steady	Good
Exmore, VA	Steady	Good
<b>Tomatoes (Western)</b>		
Coachella Valley, CA	Steady/Higher	Good
Northern Baja California Norte, Mexico	Steady/Higher	Good

