

Jul 30, 2015

# the Source

## Weather Update

High pressure brings the warmest days of the year to the West Coast mid-week with temperatures 5-15 degrees above normal. Coastal regions will remain in the 70s to 80s with triple digits in the interior valleys into next week. Increasing monsoonal moisture will bring a chance of showers and thunderstorms each afternoon, especially over the higher terrain. Warm, humid overnight temperatures will continue to push crops ahead of schedule affecting yields, texture and shelf life. And thus continues what looks to be a very challenging growing season out west.

Excessive heat warnings continue for the Southern portions of the Midwest stretching to the East this week with scattered showers possible each day.

The Southeast regions will continue to see showers and thunderstorms heavy at times, especially in the Southern Georgia and Northern Florida region as a couple of cold fronts move into the region. Temperatures look to remain in the mid to upper 90s slightly above seasonal averages.



## 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):

Demand exceeds supply. Quality issues are prevalent in all labels, industry wide.

### 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

Trucks in CA are steady but look to tighten up on Friday. WA trucks remain steady. The national average on diesel dropped .05 from last week and is now 2.723 per gallon. A drop of 1.135 from the same time last year. CA pricing dropped as well and is currently 3.072 per gallon. Crude oil remained steady and is now 48.84 per barrel.

U.S. On-Highway Diesel Fuel Prices\* (dollars per gallon)

[full history](#)

	07/13/15	07/20/15	07/27/15	Change from	
				week ago	year ago
U.S.	2.814	2.782	2.723	↓ -0.059	↓ -1.135
East Coast (PADD1)	2.915	2.873	2.809	↓ -0.064	↓ -1.101
New England (PADD1A)	3.029	2.996	2.932	↓ -0.064	↓ -1.112
Central Atlantic (PADD1B)	3.038	2.985	2.918	↓ -0.067	↓ -1.075
Lower Atlantic (PADD1C)	2.797	2.762	2.701	↓ -0.061	↓ -1.116
Midwest (PADD2)	2.704	2.679	2.619	↓ -0.060	↓ -1.182
Gulf Coast (PADD3)	2.708	2.674	2.611	↓ -0.063	↓ -1.156
Rocky Mountain (PADD4)	2.787	2.770	2.735	↓ -0.035	↓ -1.153
West Coast (PADD5)	3.037	3.004	2.957	↓ -0.047	↓ -1.060
West Coast less California	2.919	2.873	2.814	↓ -0.059	↓ -1.114
California	3.133	3.111	3.072	↓ -0.039	↓ -1.018

## A Peek at Peak Seasons

### Berries (Blackberries):

Early-mid August

### Berries (Raspberries):

Early to mid-August

## Transitions & Temperatures

### Apples:

Some suppliers will start packing Galas next week in Washington. Most should also start packing Earligolds and Gingergolds.

### Pears:

A couple suppliers were supposed to pack Bartletts this week but nobody has yet. They should pack Monday for sure and maybe even this Friday.

### Potatoes (colored):

Western Washington will start packing red potatoes in 4-5 weeks.



# Commodity Updates



## APPLES

California galas are still higher in color and are peaking on 100/113s while 80s and larger are limited. The market is steady on all sizes but the 88s and smaller have slight price-flex.

Washington Red Delicious are steady on all sizes but the market is firm. Most shippers are peaking on 88s and larger in the premium and Washington extra #1 grades and have limited supplies of 113s & smaller. Golden Delicious are also steady to slightly higher on all sizes due to stronger demand and lighter supplies. Gold 125/138s remain limited. The early golden varieties are available from some suppliers. Granny-Smith are steady to higher and the market remains firm due to strong demand. The fruit is still peaking on 72s and larger while 100s and smaller remain short. Fujis and Galas are cleaning up quickly and supplies are limited. Many shippers are finished packing for the season and are selling from inventory. The markets for both varieties are active and strong and will remain so until the CA fruit cleans up.



## ASPARAGUS

This market is steady. Production out of Peru is moderate. Jumbo packs continue to be light in availability in all of the growing regions. Supplies are heavier to standard and large packs. Supplies out of Mexico are moderate at best. This product can be loaded in Salinas or LA. The quality is reported to be good in all of the growing regions.



## AVOCADO (CALIFORNIA)

California harvest is declining weekly and looks like the season will be ending by the end of August. The Southern region is already wrapping up its harvest. Peak sizing is on 40s and 48s with very little smaller fruit. Very good demand is keeping supplies on all sizes tight and is beginning to exceed 48s and smaller fruit. 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 has started in a small way which should bring this market down.



## BELL PEPPERS (WESTERN)

Green and colored bell peppers continue to be in a demand exceeds situation. Production has slowed and weather has been affecting yields. Green bells are still demand exceeds but market is softening slightly as some production is increasing. Red bell pepper demand is pressing market slightly higher as supplies are leveling out.



## BERRIES (BLACKBERRIES)

Availability has improved this week and we are seeing better volumes of fruit coming on. Quality has been good overall. Peak season and volume are just around the corner and should hit by early-mid August.



# Commodity Updates



## BERRIES (BLUEBERRIES)

Overall volume has begun to sharply decrease. Big packs such as 18oz, pints and bulk packs are all becoming very scarce to non-existent. Shippers will continue to pack into smaller clamshells as the volume continues to decrease. Many of the regional areas are finishing or are packing storage fruit from their middle and late season varieties. Some reports of disease and insect pressure coming out of the Pacific Northwest regions. Labor has also been an issue as pickers try to beat the declining crop and move to regions with more work.



## BERRIES (RASPBERRIES)

We have good availability and overall good quality in raspberries. This is an excellent time to promote fresh California raspberries as the current crop looks to peak by early-mid August!



## BERRIES (STRAWBERRIES)

Demand exceeds supply. We have passed the peak of the spring/summer season and we're expecting the volume to now continually decrease in this area. Warm and humid weather continue in the Salinas/Watsonville strawberry growing regions and quality continues to suffer. Bruised, soft and full-red to overripe berries are prevalent in all labels, industry wide. Fruit is very small and more susceptible to bruising occurring as it is harvested and packed or while in transit. Bruising will lead to early decay. Mildew has also been reported with the ongoing high humidity. Mold may occur if the berries are exposed to warm temperatures so it is of utmost importance to maintain the cold chain and keep the fruit between 32-34\* at all times. Strawberry shippers are quoting quality issues at loading and are becoming more particular about where they will ship the fruit. Expectations must be adjusted to the current quality available as shippers are putting the best available fruit into the fresh packs. There are no other available loading locations or different growing regions to go to that will offer better quality at this time. Shelf life expectations must also be adjusted as fruit will not last as long as you are used to. Order for very quick turns.



## BROCCOLI

Overall, supplies are meeting demand. Although the temperatures have been high in the growing regions, the quality has been strong overall. Expect stronger markets by the end of the week. The main production on this commodity continues to be out of the Salinas valley. The Southern California region will have light production all week. Production out of Mexico is light to moderate. Texas is in production as well.



## CARROTS

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



## CAULIFLOWER

This market is steady. There have been offers for large sizing, nine counts in particular if there is an interest. The quality overall is good with this commodity. Demand continues to be light. The Santa Maria region as well as Salinas have good production. Expect good supplies for the rest of the week. There is a gap in pricing that continues. A few suppliers are striving for higher pricing.



## CELERY

This market is active, especially on large sizing. Production in Michigan is moderate on this commodity. Santa Maria continues to have production, if needed in the Southern California region. The Salinas Valley has lighter production compared to past weeks. Expect good quality from all the regions. This market is likely to gain strength daily.



## CITRUS (LEMONS)

Crop is peaking on 140s and smaller. Demand is exceeding supplies on 140s 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.



# Commodity Updates



## CITRUS (LIMES)

The lime market continues it's steady level on all sizes. Growers continue to harvest less due to low market conditions. Lower prices are helping to keep good demand on all sizes. The overall quality is good on the crop that is being harvested. Growers are getting into old crop limes and we may see thinner skin with lighter color in some lots.



## CITRUS (ORANGES)

California Valencia oranges are going with good volume on 72s, 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 increases, we should see this market hover at the lower levels.



## CUCUMBERS (WESTERN)

Market is softening as new growers come online. Quality is generally good, but available lots do vary in quality and condition. Markets are lower. Promotable volumes on cucumbers are available.



## EGGPLANT (EASTERN)

Eggplant in the east continues to be scarce. Michigan is still several days 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 supply and markets remain high.



## GRAPES (GREEN)

The green seedless market has adjusted downward to match the red seedless market. We are seeing much better supplies of multiple varieties (Sugarone, Thompson, Princess) out of all growing regions. Steady demand with increased volume will keep this market about the same for the next few weeks.



## GRAPES (RED)

The red grape market continues to strengthen as supplies of all sizes tighten up. This market should continue to be firm until we move into the new crop Crimsons and Scarlet Royals over the next few weeks. Quality is reported as excellent everywhere.



## GREEN ONIONS

This market is flat and product availability is plentiful. The weather in Mexico has had less rainfall than in previous weeks. Good supplies are expected all week. Demand is minimal. Supplies will continue to exceed demand. All sizing is available, with the heavier availability coming in small and medium packs.



## LETTUCE ICEBERG

This market is flat. High temperatures in the growing regions are creating multiple defects with the product. Quality issues include puffiness, insect damage and internal burn that have been seen upon arrivals. Supplies look to be good all week in terms of quantity. The weights on palletized are averaging 42-47 pounds. Salinas and Santa Maria are the two main growing areas at this time. Production in Santa Maria is moderate.





# Commodity Updates



## LETTUCE LEAF

The romaine market is steady. High temperatures in the growing regions continue to exist and these high temperatures will continue for the entire week, at a minimum. Fringe burn, insects, dehydration and internal burn will be seen upon arrival. The weights on romaine cartons continue to average 31-36 pounds. Chopped romaine as well as romaine hearts continues to show pinking upon arrival. Fringe burn, mildew damage and insect pressure are defects associated with red and green leaf as well. This is an industry wide issue.



## 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 peak size is currently 5s and is continuing to shift towards larger sizes. The quality and sugar contents are really good for honeydews right now and this trend looks to continue. The market is currently steady on dewes with a hint of upside in the cards. If demand picks up from the current levels we may see a slight uptick in process. We are experiencing decent demand on honeydews right now which is allowing their price to remain steady given the shorter supplies we have right now.



## 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 demand exceeds situation. We anticipate other districts to come online soon, possibly softening the market. This is contingent on good weather.



## ONIONS

Supplies out of both California and New Mexico are finally back on line. Market is steady across the board on all colors on Jumbos and smaller. A few California shippers are making deals on Colossal and Super Colossal yellows due to good supplies and light demand.

Washington continues to increase volume as more shippers come online. Sizing is still peaking on mediums. Red onions out of all areas are tight on supply with a firm but steady market. Quality is being reported as good out of all areas.

Idaho has started on Yellow onions with limited supplies.



## PEARS

California Bartlett pears are available from the Lodi area and continue to peak on US#1 80-100s. The market is steady on all sizes and the demand has been steady but there is slight price-flex on certain sizes. Stark Crimson pears are peaking between 35 & 55 size half cartons and they are steady on all sizes. The quality for both colors 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 and supplies are light.

The Chilean pears are cleaning up.



## POTATOES

The potato market continues to be steady with light demand out of all growing areas. Larger sized cartons in Idaho have better availability which has weakened this market slightly. Idaho will be harvesting and packing early new crop potatoes next week.

Washington is already packing and shipping new crop. Pricing is steady with great quality being reported.

Wisconsin/Colorado markets are steady with supplies slowly winding down.



# Commodity Updates



## POTATOES (COLORED)

Bakersfield, California continues to pack all colors. The market is steady to lower on all sizes and colors and all are heavy to A-size. The quality has been good.

Stockton, California continues to pack reds, whites and golds. All three are peaking A-size and the markets are also steady. Premium and baker golds are limited as are the #2 reds. The quality is really good right now with a high percentage of #1 reds.

Parma, Idaho is starting to pack reds and golds.

Muleshoe, Texas is packing red and a few gold potatoes. Both are peaking on A-size and the markets are steady to lower. The quality has been good.

Alabama is steady on reds but supplies are light as they are almost finished packing for the season. They still have better availability of bags versus cartons.

North Carolina still has a few cartons but is cleaning up.

Virginia is packing reds and golds and has better availability of As and Bs, there are no Cs. The markets for all sizes of reds and golds is steady but they will flex for large orders. The quality is good.

Wisconsin continues to pack reds and the market is lower. All sizes are available but As are the bulk of the volume. C reds are more limited. The quality is good. Wisconsin will have golds next week.

Minnesota reds are steady to lower and are also peaking on A-size. The quality has been good with only minor skinning. They will also start packing golds next week or the week after depending on the shipper.



## 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.



## 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. Better lots are moving at higher quotes.



## STONE FRUIT

The market on peaches and nectarines is about steady. Demand is about steady with supplies tight on some of the smaller sizes. Quality continues to be reported as very good. Plums are about steady with red plums showing a little strength on select sizes due to varietal supply gaps. This is only temporary and will adjust itself in the coming week as growers move into better supplies of reds. Quality is reported as generally very good.



# Commodity Updates



## TOMATOES (EASTERN)

Rounds - Unlike last year, the summer price of tomatoes has been able to hold relatively strong pricing on all sizes. On the east coast, volume is increasing weekly, though the customer base for this product remains local, as dictated by the FOB price for all sizes and freight rates (USDA reporting EASTERN FOB \$16.95 all sizes – same as last week). As of this week, more local programs have started, which should signal the beginning of a market downturn in price. With Michigan product available and Tennessee harvest still putting out large enough volume to take care of local buyers, less focus will be put on western shippers, calming the market even more. In California, low yields coupled with a gap in harvests due to planting schedules, have caused market pricing to remain high for the past 2 weeks. With more volume on the horizon out west and in the east, one can safely assume the market should find some equanimity by this time next week.

Romas - Supplies have increased this week, easing the market. Local programs are ramping up. By the second week of August we should see a very good supplies and pricing come down.

Cherry/Grapes - Cherry market remains tight. Do not see any relief for the rest of the summer. Will rely heavily on west coast product. Grape market is steady with some availability. Volume should meet demand but product is also available in the west.



## TOMATOES (WESTERN)

Rounds - Market has not seen much change and remains steady. Availability will continue to meet demand and quality is good. Again, a reminder that September and October will be challenging with light plantings and the weather issues keeping supplies very low.

Romas - Market is steady. Baja continues to have limited supplies but with the East coast supplies increasing we should still remain steady to favorable. Quality in Baja is fair. Central California volume is light with some growers in either a gap or between harvest. Quality is good.

Cherry/Grapes - Cherry market continues to be strong. East coast is all in on the west coast cherries. With pricing continuing to increase demand should start to fall. This should allow for availability for those who want to pay from them. Grape market is steady with volume meeting demand. Color is still an issue but improving.





# Commodities at a Glance



Commodity / Region	Market	Quality
<b>Apples</b>		
Stockton, CA	Steady	Excellent
Wenatchee/Yakima, WA and Hood River, OR	Steady/Higher	Good
<b>Asparagus</b>		
Coborca, Mexico	Steady	Good
Ica, Peru to Trujillo	Steady	Good
Salinas Valley, CA	Steady	Good
<b>Avocado (California)</b>		
Oxnard/Ventura, CA	Steady/Higher	Excellent
<b>Avocado (Mexican)</b>		
Michoacan, Mexico	Steady	Good
<b>Bell Peppers (Eastern)</b>		
Henderson / Buncomb County, NC	Lower	Good
Ottawa / Kent / Berrien County, MI	Lower	Good
<b>Bell Peppers (Western)</b>		
Oxnard, CA	Lower/Steady	Good
Salinas Valley, CA	Lower/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>		
Hammonton, NJ	Higher	Good
Demotte, IN	Higher	Good
Grand Junction, MI	Higher	Good
Salem, OR	Higher	Good
Mossyrock, WA	Higher	Good
Pitt Meadows, BC	Higher	Good

Commodity / Region	Market	Quality
<b>Berries (Raspberries)</b>		
Salinas, CA	Steady	Good
Watsonville, CA	Steady	Good
Santa Maria, CA	Steady	Good
Oxnard, CA	Steady	Good
<b>Berries (Strawberries)</b>		
Salinas Valley, CA	Higher	Fair
Watsonville, CA	Higher	Fair
<b>Broccoli</b>		
Celaya Guanajuato Mexico	Steady	Good
McAllen, TX	Steady	Good
Salinas Valley, CA	Steady	Good
Oxnard/Santa Maria, CA	Steady	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	Higher	Good
Oxnard/Santa Maria, CA	Higher	Good
Salinas Valley, CA	Higher	Good
<b>Citrus (Lemons)</b>		
Oxnard/Ventura, CA	Lower/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



# Commodities at a Glance



Commodity / Region	Market	Quality
<b>Cucumbers (Eastern)</b>		
Henderson / Buncomb County, NC	Lower	Good
Seneca / Summit County, OH	Lower	Good
Ottawa / Kent / Berrien County, MI	Lower	Good
<b>Cucumbers (Western)</b>		
Southern Baja California Sur, Mexico	Lower/Steady	Good
Northern Baja California Norte, Mexico	Lower/Steady	Good
<b>Eggplant (Eastern)</b>		
Ottawa / Kent / Berrien County, MI	Steady/Higher	Fair
<b>Eggplant (Western)</b>		
Fresno, CA	Steady	Good
Southern CA	Steady	Good
<b>Grapes (Green)</b>		
Arvin, CA	Lower/Steady	Excellent
Delano, CA	Lower/Steady	Excellent
Fresno, CA	Lower/Steady	Excellent
<b>Grapes (Red)</b>		
Arvin, CA	Steady/Higher	Excellent
Delano, CA	Steady/Higher	Excellent
Fresno, CA	Steady/Higher	Excellent
Madera, 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

Commodity / Region	Market	Quality
<b>Melon (Cantaloupe)</b>		
Mendota, CA	Lower/Steady	Excellent
Firebaugh, CA	Lower/Steady	Excellent
<b>Melon (Honeydew)</b>		
Firebaugh, CA	Steady	Excellent
Mendota, CA	Steady	Excellent
<b>Melon (Watermelon)</b>		
Coachella Valley	Steady/Higher	Good
McAllen, TX	Steady/Higher	Good
<b>Onions</b>		
Huron/Metler, CA	Steady	Good
Las Cruces, NM	Steady	Good
Quincy/Hermiston, WA	Steady	Good
Ontario, OR to Nampa, ID	Steady	Good
<b>Pears</b>		
Wenatchee/Yakima, WA and Hood River, OR	Steady	Fair
Stockton, CA	Steady	Excellent
<b>Potatoes</b>		
Hamer/Rupert, ID	Steady	Fair
Quincy/Hermiston, WA	Steady	Excellent
Eastern Colorado	Steady	Good
Plover/Bancroft, WI	Steady	Good
<b>Potatoes (colored)</b>		
Bakersfield, CA	Lower/Steady	Good
Stockton, CA	Steady	Good
Rupert to Rexburg, ID	Steady	Good
Muleshoe, TX	Lower/Steady	Good
Ider, AL	Lower/Steady	Good
Big Lake Minnesota	Steady	Good
Plover, WI	Lower/Steady	Good



# Commodities at a Glance



Commodity / Region	Market	Quality
<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	Good
<b>Tomatoes (Eastern)</b>		
Charleston, SC	Steady	Good
Exmore, VA	Steady	Good
Benton Harbor/Byron Center, MI	Steady	Good
<b>Tomatoes (Western)</b>		
Northern Baja California Norte, Mexico	Steady	Good
Northern San Joaquin Valley, CA	Steady	Good
Coachella Valley, CA	Steady	Good

