



The Source

August 27, 2014

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Strawberry Quality is fair at best due to warm nights for the last two months

Stem Strawberries very limited due to sizing and quality

Apples and Pears- the eastern supplies are short and Washington is in large fruit so stay ahead on the smaller sizes

Lemon demand is exceeding supplies on all size and grades

Oranges demand is exceeding supplies on the small sizes 113's and 138's

Romaine Hearts and All Broccoli packs are extremely short in supply and the market will remain active all week



Weather *Tim Lynch*

High pressure builds out west with warming through the week. Temperatures will reach the mid 70s near the coast with 90s in the warmer inland regions into the weekend. A strong low pressure system is expected to arrive Sunday with cooler temperatures into mid next week. Active hurricanes in the Pacific and Atlantic are being monitored for potential impacts currently but guidance suggests little affect from these hurricanes.



Freight: *Mike McIntire*

Trucks in California are steady but will tighten up at the end of the week. Washington and Idaho trucks remain steady but are getting tighter now that onions have started in the Parma, ID area. The national average on diesel fuel remained steady again this week and is now 3.821 per gallon. CA diesel price remained steady and is currently 4.084 per gallon. Crude oil remains steady and is currently 94.08 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

New York is packing light volume of Jersey Mac's, Paula Reds, and Ginger-Gold's. The Macs and Paula Reds are peaking between 100's and 125's while the Gingergolds are peaking on 80-100's. California Gala's are essentially finished for the season. California Fuji's are steady and are still lighter in color but the supplies are light. The remaining California fruit is in 100's and larger. Washington Red Delicious continues to slowly rise as the supplies dwindle. 113 and smaller reds are especially short. The reds continue to peak on 80/88/100's. Most of the Washington suppliers will only pack reds for another couple weeks so we could see a small gap. Ginger-Gold's and/or Early-Gold's are available and they are heavy to the lower grades. Most shippers will flex on the Gingergolds. Gold Supremes and Golden delicious are getting started this week. Washington Granny's are still peaking on 88/100/113's but supplies are light on all sizes. New-crop Granny-smith will be packed as early as the middle of next week. Washington Gala's are available and are heavy to 80/88's with good color. California Bartlett pears continue to peak on 80's and 90's but supplies are light. The market for larger fruit is steady with good availability while the 120's is stronger. Washington Bartlett pears are available and have better numbers of the smaller sizes than California. The Washington Bartlett market is slightly lower on all sizes. California Bosc pears are available but the volume is light and the market remains very strong. California Red pears are also steady and peaking on larger fruit. Red pears in Washington are available and the market is steady. Washington has started packing a few Bosc pears.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market will be firm throughout the week. Expect light supplies of large, extra large, and jumbos. The bad weather in the growing regions of Mexico has made this commodity's supplies decrease. Demand clearly exceeds supply and this will continue for the entire week. Production in Peru is moderate to light. Loading directly in Miami is an option.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Higher
Avocado (California)	Good	Higher
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Lower
Berries: Strawberries	Fair	Higher
Berries: Raspberries	Fair	Steady
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Fair	Higher
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Good	Higher
Celery	Good	Steady
Citrus: Lemons	Fair	Steady
Citrus: Oranges	Fair	Higher
Cucumbers (Western)	Fair	Steady
Cucumbers (Eastern)	Good	Steady
Eggplant (Western)	Good	Higher
Eggplant (Eastern)	Good	Steady
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Lower
Pears	Good	Lower
Potatoes	Fair	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Steady
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Steady
Watermelon	Good	Steady

Commodity Updates continued

AVOCADO *Tim Kelley*

California supplies are beginning their decline as we near the end of this year's season. Quality is excellent, with sizes peaking on 60's and larger. Mexico is harvesting their Flor Loca crop, volumes are low. This fruit will take longer to ripen as mature levels are low. Mexican growers are raising their field price for their fruit. Peruvian fruit supplies are lightening as they near the end of their season. Their fruit is mostly 48's and larger, with a limited amount of 60's. Fruit quality is good, with very good maturity levels. As we move through September, we expect lighter supplies and the market to get very active.

BELL PEPPERS

Western Bells: *Mike Cantu*

Supplies are improving on green bell peppers from Fresno. Bakersfield and Arvin area are about wrapping up. California red bell market is settling slightly. California is currently experiencing slight gaps in supplies on red bells both open field and hothouse. Demand currently exceeds on Red and Gold bell peppers from both California and Texas districts. Colored bell peppers supplies from California will continue to be a challenge for the remainder of the season until Baja California kicks in this fall. Gold bells markets continue at HIGH fobs and very light supplies availability depends on growing district. Mexico has basically wrapped up on both hothouse and open field gold bells. Some greenhouse gold bell peppers are crossing through South Texas.

Eastern Bells: *Harry Sheaffer*

This market is on the floor and shippers throughout Michigan are dealing on pepper. Decent weather and little demand over the holiday weekend should hold this market down for a few more days.

BERRIES *Mike Gorczyca*

Strawberries: Market is still active with lighter supplies and good demand. Quality is still only fair at best this includes even the best of labels. Only order what you need, as the fruit will not hold up. Shippers are selling out two to three days in advance and having to fill rate orders. Fruit size is small with full color fruit being shipped. Quality issues showing up upon arrivals: Bruising, overripe fruit, and light mold. Shippers are quoting their fruit with as high as 20% bruising.

Raspberries: Market is steady the middle of this week. Quality is fair due to the warm nights. Growers have past their peak production for the season.

Blackberries: Supplies are winding down quickly with has this market on the rise. Quality is fair due to the warm nights, which is keeping the fruit soft.

Blueberries: Supplies are winding down out of the Northwest. Market is firming. Next area to come into play will be Argentina which is about 3 to 4 weeks away. Look for the market to continue to creep up over the next couple of weeks. Quality is fair

BROCCOLI *Gabe Romero/Mike Pacheco*

Supplies continue to be on the scarce side for bunched broccoli as well as crowns. Demand clearly exceeds supply. This market will continue to gain strength throughout the week. Processors are buying as much acreage as possible. This will put the pinch on carton production. Contracts will have priority with all suppliers. Santa Maria, Salinas and Mexico are the growing areas for these commodities. Knuckling continues to be seen on the crowns.

CARROTS *Tim Kelley*

Bakersfield crop is producing good volumes of good quality carrots with good size.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is stronger with all suppliers. Supplies have decreased with more of the sixteen count sizing available. Demand is definitely getting stronger. Production continues mainly out of Santa Maria and Salinas. The quality has been reported as good.

CELERY *Gabe Romero/Mike Pacheco*

This market is steady. Small sizing, thirty-six counts in particular continues to demand a higher price as opposed to the larger sizes. Santa Maria and Salinas continue to be the main growing regions for this commodity. The quality continues to be strong with most shippers. Demand is moderate at best.

CITRUS *Tim Kelley*

Lemons: Demand continues strong and is exceeding supply on all sizes and grades. Fruit is especially tight on 165's and larger fruit due to

Commodity Updates continued

lack of growth because of drought conditions in California. Expect these tight supplies to get worse before they get better over the next 6 weeks.

Oranges: Valencia supplies are steady. Sizing continues to favor the 88's/72's/113's sizes. Demand is exceeding supplies on the smaller fruit, 88's/113's/138's with the increased demand brought on by schools starting.

Limes: Demand has leveled off and for now supplies are increasing. The market is coming down on all sizes. The new growing area continues to produce mostly small sizes which have good quality. The overall quality of the old crop continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is settling slightly. Supplies will continue light from southern California until mid-September. California (Mex) cucumbers from Baja, supplies are not meeting current demand. Supplies are available in South Texas but also very light supplies and slightly higher FOB's.

Eastern Cucumbers: *Harry Sheaffer*

The cucumber market remains at the lower levels as demand continues to be weak. No changes expected for the next few days. Quality has been excellent.

EGGPLANT

Western Eggplant: *Mike Cantu*

California is creeping up slightly as heat slowed down production slightly. Demand slightly outpacing supplies. We will see slight gaps due to transitions and weather.

Eastern Eggplant: *Harry Sheaffer*

Eggs are in good supply and quality.

GRAPES: *Brad Tremblay*

The market on red grapes is showing signs of improvement as the Flames finish and we transition to Scarlet's and Crimson's. Greens continue to be readily available in both the Thompson and Princess varieties. Quality and size on all varieties continues to be very good.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is steady, overall. Supplies have been upgraded to moderate from multiple suppliers. Pricing is likely to be steady for the entire week.

LEAF *Gabe Romero/Mike Pacheco*

The overall leaf market is firm. Issues of fringe burn and decay on romaine continue to be defects reported upon arrivals. Green leaf and Red Leaf is firm with most suppliers. Boston is steady. Colossal romaine hearts are tight. Regular romaine hearts are on the light side of availability and there are as few shippers holding to twelve week averages.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is active with all shippers. Supplies are on the light side. Pricing is rising gradually on a daily basis. There have been complaints sporadically upon arrivals. Pinking, rib discoloration and russet spotting are the main defects being reported. The weights on palletized are decreasing along with head size. Mostly 30 count size which is causing decreased weights in the 34 to 38 pound range. Expect this market to be active for the entire week. Next week looks to be strong as well.

MELONS: *Jim Murphy*

Cantaloupe: Demand has leveled off and supplies have remained stable. The market has flattened out and looks to stay steady in the short term. Quality is good. Sizing continues to peak on 9's and 12's with lesser availability on small fruit.

Honeydew: The Westside fruit has good quality and continues to peak to large sizes. The market is staying flat at current levels on all sizes.

ONIONS *John Tole*

Yellows are steady in Washington, Idaho, and Oregon but there is some price flex on jumbo and medium yellows. The Washington onions are smaller. Some Idaho/Oregon suppliers have size but most are peaking on jumbos and mediums. Colossal and larger supplies are generally short. California & New Mexico have light volume and will continue packing for another week. The red market is steady to lower in Washington, Idaho, and Oregon. Whites are steady in the northwest but supplies remain light. The quality has been good on all colors in all areas.

POTATOES *John Tole*

Most Idaho packers have shifted from harvesting central potatoes to eastern potatoes and they are getting smaller size now. Expect the market for the smaller counts to drop slightly while the larger

Commodity Updates Continued

counts will go up a little. Most packers continue to peak on 80's and smaller and have good maturity. The availability is generally better now as more shippers are running. Number-twos remain short in Idaho because the Norkotahs don't yield many. Washington Norkotahs are steady and are peaking on 80's and smaller. The new-crop Washington quality is good. Colorado continues to pack new-crop Nebraska Norkotahs and they are steady on all sizes but are also small. Most are peaking on 90-count and smaller and poly bags. The Colorado shippers remain relatively high priced. One Nebraska shipper is packing new-crop Norkotahs and they are also steady but relatively high-priced. Russets in Wisconsin are also steady and peaking on the smaller counts. Bakersfield gold potatoes are still peaking on A-size but supplies are limited. Stockton, California is steady on all colors and they are peaking on A-size for all varieties but there is plenty of B-size as well. Texas is finished for the season. Minnesota red potatoes are steady and they are peaking on A-size. Minnesota has started packing a few gold's. Idaho continues to pack reds and gold's and both colors are heavy to A-size but the market is stronger now that they are packing potatoes from the eastern side of the state. Wisconsin continues to pack reds and the market is steady. Wisconsin reds are also heavy to A-size.

SQUASH

Western Squash: *Mike Cantu*

California squash currently shipping out of Santa Maria and Fresno. Supplies are lightening up due to hot weather in Fresno. Demand also pressing and slightly lower production may push market to creep up this week especially on yellow straight neck squash. We ought to see some squash starting up again in Fresno.

Eastern Squash: *Harry Sheaffer*

Michigan, Ohio and New Jersey are all working squash and the market remains steady throughout all regions. As the warm weather holds, no big changes are expected.

STONE FRUIT *Brad Tremblay*

California stone fruit market continues to be about steady on price but sizing on peaches and nectarines continue to be heavy to the larger sizes. Small fruit remains very limited. Black

plums and pluots remain available with excellent quality and good promotable volume. Red plums have tightened up on the smaller sizes.

TOMATOES *Aaron Aliotti*

Western/Mexico: California has heavy inventories of round tomatoes with smaller sized fruit being most abundant. Pricing is expected to remain low through the rest of August keeping pricing low on all sizes. The roma tomatoes out of California and Mexico have been matched with slow demand and low pricing as well this month with not much expected to change for the next several weeks. Cherry tomatoes are available in better volumes this week allowing prices to settle a bit while Grape tomatoes remain available in large numbers. Until local deals begin to go away next month, not all of change is expected next week.

Eastern/Tomatoes: Speculation of a higher market from previous weeks has proven to be false as many shippers are looking to be competitive moving inventories against local programs. Similarly, the roma tomato has seen a dip in demand with price falling slightly. There is no major change in grape and cherry tomatoes; large volumes of grape tomatoes are available while cherry are harder to come by. Pricing is steady with more of the same expected going through the end of next week although quality may be an issue as shippers attempt to clear out their backlogs.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Supplies continue to be moderate on carton romaine. Fringe burn is an issue. Demand is steady. Lettuce supplies are lighter with all shippers. The quality problems of pinking and russet spotting will likely continue sporadically. This is industry wide. Broccoli supplies are extremely light. Processors will be watching twelve week averages for the next two weeks, so please be aware. Cauliflower supplies have tightened up but all processors' needs are being met for now.

WATERMELON *Mike Cantu*

Current crops are mostly packed in bins and cartons packed by request. South Texas and Mendota California are currently shipping.