



The Source

January 5, 2015

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Cold weather last week had shipper running limited packing. Slightly warmer temps this week should help. Idaho large cartons 60 counts and larger very limited

Truck availability for Onions and Potatoes are in a demand exceeds supply situation

Apples-Washington is into larger fruit so stay ahead on the smaller sizes

Severe cold temperatures in the Southern California region as well as Yuma and Mexico has made production of row crop commodities difficult to come by



Weather *Tim Lynch*

Another couple days of cold morning temperatures are on tap for California and the Southwestern Desert growing regions, as a strong high pressure ridge brings warmer temperatures through the week. This strong high pressure ridge will deflect storm systems to the north and bring warmer (70s) afternoon temperatures while also keeping the region clear with cold mornings likely to continue in the coldest valleys.

The extended freezing temperatures received in the Desert regions will impact all commodities and shippers with damage likely to be present for the remainder of the season. Lesser carton weights, quality and especially texture and shelf life will be the norm for some time to come.



Freight: *Mike McIntire*

Trucks in CA and AZ will be steady throughout the week. Washington and Idaho trucks continue to be very tight which is normal for this time of year. Please continue to get your orders in as early as possible. The national average on diesel continues to drop and was 3.213 per gallon last week. Look for prices to continue to fall when they come out later today. Crude oil remains steady and is currently \$50.31 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

New York is down to packing McIntosh, Empires, Red Romes, and Red Delicious. Golden Delicious and Honeycrisp are finished. New York is steady on everything but the availability is light. Michigan continues to pack Braeburns, Empires, Fuji's, and Gala's, Golden Delicious, Honeycrisp, Jonathans, McIntosh, Red Delicious, and Red Romes. Most Michigan fruit is still heavy to 88/100's and larger. Most Michigan shippers are only packing the larger fruit to order because the Washington markets are so low. Washington Red Delicious is steady and is still peaking on 80's and larger in the WX#1 and premium grades. 113 and smaller reds are limited. Golden Delicious are steady on all sizes and are still producing more 88's and larger. Granny-Smiths are steady on all sizes but the market for 100's and smaller is still very strong! Granny-Smith is peaking on Washington extra 80/88's. Washington Gala's are steady and are still are peaking on 88/100's. The Fuji market is steady on all sizes and they are still peaking on 88's and larger. Braeburns, Jonagolds, Sweeties, Jazz, Red Romes, Cameo's, Honeycrisp, and Pink Lady's are all available in Washington. Most of the Washington varieties are peaking on the larger sizes. The Honeycrisp market is steady but remains strong. Cameo availability is light on all sizes. Washington Bartlett pears are slightly higher on all sizes due to strong demand and less in storage. The Bartlett's are still peaking on US#1 90/100's & larger while 110's and smaller remain short. Washington D'Anjou pears are steady & continue to peaking on 80/90's. Small D'Anjou's are still limited. Washington Bosc is steady and is peaking on 80/90's now. Small Bosc is still short. Washington red D'Anjou's are steady on all sizes and they are peaking on 45/50's.

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)	Done	Done
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Lower
Berries: Strawberries	Good	Steady
Berries: Raspberries	Fair	Steady
Berries: Blackberries	Fair	Steady
Berries: Blueberries	Good	Steady
Broccoli	Fair	Higher
Carrots	Good	Steady
Cauliflower	Fair	Higher
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Excellent	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Fair	Higher
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Fair	Higher
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Steady
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Lower
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Lower
Tomatoes (Eastern)	Good	Lower
Watermelon	Good	Steady

Commodity Updates *continued*

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is firm. Ice in the Mexico region has caused delays in harvesting. The quality is good however. This commodity can withstand cold weather much better than other produce items. Standard and large are the main sizing available. Extra large and jumbos are very scarce in availability. This will continue through the month of January. Peruvian product is available but only moderate to light supplies exists.

AVOCADO *Tim Kelley*

Mexico's volume this week is still light due to limited harvest over the holiday work weeks. Supplies should be improving by the end of this week as fruit begins crossing in the USA. The demand for all sizes of fruit is good and market remains fairly stable, with some slight firming trend. Maturity of fruit is good and still improving weekly, but will still have a tendency to remain green when ripe and ready to eat, and also have a thicker skin making it difficult to detect the degree of ripeness.

BELL PEPPERS

Western Bells: *Mike Cantu*

Supplies are beginning to show improvement on color bells and green bells are starting to increase in supplies also although some districts are gapping slightly. Current supplies on colored are improving and with mid-week holidays market is settling slightly. Green bell remain steady and so is market. Gold bells market is steady. Some greenhouse gold bell peppers are crossing through South Texas and Nogales.

Eastern Bells: *Janine Baird*

Florida pepper market is beginning to weaken a bit as volume increases and demand is off.

BERRIES *Tom Smith*

Strawberries: Increased volumes started coming out of both McAllen and Florida last week which has helped to soften the market

in all areas. This is offering relief to loading fruit in California and giving us better availability and options for loading. Both McAllen and Florida fruit is being reported with good quality, some white shouldering. Oxnard region has reported increased quality this week. Increased volumes of fruit coming out of Coachella, Irvine and Oceanside have been reported with better quality. Good availability in all major growing regions.

Raspberries: Market has steadied but fruit is still lighter availability as we move into early January. Fruit quality reported as good coming out of MX.

Blackberries: Demand has been lighter and markets have loosened. Volume continues to increase and promotional opportunities are available. Fruit is reported to be in better quality than previous weeks.

Blueberries: Chilean fruit shipments have increased arrivals at US ports. Fruit availability has increased in both CA and on the east coast. Fruit is reported with good quality. Mexican volume crossings have increased and more fruit is available on the west coast than weeks prior. Good quality reported with this fruit as well.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is stronger on bunched product as well as crowns. A few reports indicate already that in two weeks, supplies will be extremely light. Cold weather has created harvest delays and pin rot is an issue. This is industry wide. Yields continue to suffer because of this. Pricing will continue to gain strength of the next few weeks. Demand will exceed supplies. Santa Maria, Yuma, Scottsdale and Mexico are the main growing regions for his commodity

CARROTS *Tim Kelley*

The long hot California summer and drought is now really showing on the Bakersfield crop. The fields are not sizing well and the volume on Jumbo size carrots continue to drop off in supplies. We expect tight supplies

Commodity Updates continued

on Jumbo and medium carrots for next month until we get into the desert crop. Markets have stabilized on Jumbos. Quality of carrots is still good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is active. Freezing temperatures again has delayed harvesting with all suppliers. The pricing gaps have diminished. Early reports indicate that product will be extremely light within two weeks. Demand will exceed supply. Santa Maria and Yuma continue to be the main growing regions for this commodity. Yellow discoloration and slight spotting is still being reported sporadically upon arrivals.

CELERY *Gabe Romero/Mike Pacheco*

This market is steady. The cold weather has not affected this commodity like others. The harvesting has been delayed due to frost, but the overall quality is good. The best availability is coming in the smaller sizes, thirties and smaller. Production continues to be out of Santa Maria, and Oxnard. Yuma production is light. There are no major quality issues to report at this time.

CITRUS *Tim Kelley*

Lemons: The market is steady. Desert fruit size is now much larger and is peaking on 140's and larger with the 165's and smaller fruit getting tight on supplies.

Oranges: Navels are in full production. External color continues to develop with cooler nights. Internal maturity on the Navels is ahead of normal. Size is currently peaking 88's/113's/72's/138's/56's.

Limes: The market is rising on all sizes. Supplies are lightening up. Demand is steady but with lighter supplies the market is heading up. The overall quality continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is on the rise. Production from Sonora is steady but we're experiencing some lots with quality issues. Production has slowed as cold/ cool weather has hampered production. We are waiting for preliminary reports of crop damage in some Sonoran growing districts that are still in production.

Eastern Cucumbers: *Janine Baird*

The off shore deal is in full swing now and the quality has been excellent. Supplies on carton 24's will be limited this weekend then pick up again by Monday.

EGGPLANT

Western Eggplant: *Mike Cantu*

Adequate supplies are meeting demand. Market continues to be in single digit markets. Promotable production is available.

Eastern Eggplant: *Janine Baird*

The eggplant market is back up slightly as supplies are limited.

GRAPES: *Brad Tremblay*

The red grape market is showing strength as supplies are cleaning up, especially on large grapes. We anticipate a continued strong position for the market on red grapes as supplies are barely adequate to cover demand and many shippers are waiting on the next vessel to sell. This looks to be the situation for the first 2 weeks of January. The green grape market looks to remain steady with supplies just sufficient to cover light demand. This should continue well into mid-January when we can expect to see a steady increase in product.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is active. Bitter cold weather in the growing regions of Mexico has severely damaged the quality of this crop. Wilted tops and flopping is a common characteristic of

Commodity Updates Continued

this commodity. Production in Mexico is expected to be light throughout the week. Demand has up. Shippers are not harvesting heavy to one size. It has become a hit and miss as to what size will be available.

LEAF *Gabe Romero/Mike Pacheco*

Bitter cold weather in all growing regions has made epidermal peel and blister standard characteristics on all romaine and leaf products. Demand exceeds supply on romaine. This defect will continue for the next three to four weeks, minimum. Shippers are cleaning up the product as much as possible. Lighter weights are being packed by all shippers. Weights are ranging from 25-30 pounds. Green and red leaf items are available, but have the same issues as romaine. All leaf items are active.

LETTUCE *Gabe Romero/Mike Pacheco*

Blister and epidermal peel is the hot topic. This will continue over the next two to three weeks minimum for this commodity. Demand clearly exceeds supply. Cold freezing temperatures has slowed down production with all shippers. Delays in harvesting will exist due to ice. Weights on lettuce will be less due to crews having to peel down this commodity. Weights will fluctuate between 35-40 pounds. Expect delays on truck loading due to crews starting four five hours later to harvest.

MELONS *Jim Murphy*

Cantaloupe: Offshore melons continue to arrive very slowly in Florida and are extremely tight. The sizing continues to peak on 9's and 12's with fewer 15's and even fewer 18's. Offshore melons have been arriving on the west coast but are extremely limited also. The market is steady on what little is available. Lower than normal temperatures in the growing areas have slowed down production. Growing areas are in transition and Honduras is taking over as our main area while

Guatemalan growers are finishing up for the season. Quality is good on all lopes.

Honeydew: Offshore dews are arriving with 5's and 6's being the main sizes. Supplies are adequate for the current demand. The market is steady on all sizes. Quality is good on all of them.

ONIONS *Mike Gorczyca*

Market is steady on most sizes and colors. Super Colossal and Colossal supplies are lighter as the shippers move into the later storages that have smaller sizing. Expect this trend to continue for the balance of the season. Expect a slightly firmer market for the big yellows onions. Reds and whites are steady in Washington and Idaho and the quality is good. Trucks are still limited and most likely will not get any better until mid January or after.

POTATOES *Mike Gorczyca*

Idaho – Weather should not be a factor for shippers this week on hauling potatoes. Market on 60ct and larger is firm with a steady market on 80ct and smaller. Burbank's are still peaking on 80ct and smaller while the Norkotahs are peaking on 60-90's. The Quality is has been good in both varieties. Some Idaho shippers are bringing over Washington 40's and 50's to fill orders. Trucks are still tight and will be till the middle of January.

Washington/Colorado/Wisconsin – the market has firmed up slightly on 40-70's which is due to other states not having enough size to cover the demand. The smaller sizes are steady. Quality is good. Trucks are still the hardest thing to cover.

COLORED POTATOES *John Tole*

Bakersfield, California – Reds and Gold's are steady and the sizing is heavier to the A's. Premiums and bakers remain limited in both colors. White supplies are short and that market is higher on all sizes. Western Washington – the markets for Reds and Gold's are steady along with the sizing.

Commodity Updates Continued

Whites are higher due to light supplies. The Washington reds and whites continue to peak on A-size while the golds are more evenly split between A & B's.

North Dakota - the red market is steady on all sizes and they are still heavier to size-A while B's are limited. Gold's are steady on all sizes.

Idaho - reds and gold's are both steady and both are still peaking on A-size. Idaho also has better availability of Premium and Baker size in both colors.

Wisconsin - reds and gold's are both steady. The Wisconsin reds are still heavier to A-size while the Gold's are split between A's and B's.

SQUASH

Western Squash: *Mike Cantu*

Market is unsettled as some new farms come online. Supplies' improving on newer field product as older field product and/or as number two product is available; the market remains unsettled and two tiered market follows. Yellow squash continues short but is starting to settle slightly. Also affecting markets are reports of some cold weather damage in some Sonoran growing areas. We are waiting for preliminary reports.

Eastern Squash: *Janine Baird*

The squash market remains on the floor this week and most likely into the front part of next since there is very little demand and the forecast is for good squash growing weather.

STONE FRUIT *Brad Tremblay*

Supplies of peaches and nectarines continue to improve with the preponderance of volume still in the 50-60 count tray pack and volume fill. Supplies of smaller fruit (70 volume fill) is improving as well. This should create some buying opportunities for the school and institutional markets in the near future. Plums are just beginning to make a stronger appearance with the numbers available projected to rise this week. Cherries continue to be readily available

with the peak of the season projected for the next 2 weeks.

TOMATOES *Aaron Aliotti*

Western/Mexico:

Roma volume from Mexico is finally starting to pick up as new growers begin crossing fruit into Nogales. Round volumes are in steady, but limited supply from Eastern Mexico while Western Mexico is beginning to increase in production. Mainland Mexico is hitting its stride on grape tomatoes and expects good quality and volume for the next several weeks, pending no weather disturbances.

Eastern/Tomatoes:

The East remains steady, limited supply of round and roma tomatoes. Large sizes from new crops are snug, but there is an abundance of small fruit in the market. Grape and cherry tomatoes are in good supply as Florida growing areas have made it past previous weather issues.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies will be light all week. Blister and peel has made this commodity weak in terms of shelf life. Lettuce supplies are extremely light with peel and blister a major issue. Broccoli supplies as well as cauliflower are going to tighten up daily. All value added items are going to have shorter shelf lives so please go lean and move as quickly as possible. Issues of pin rot continue to be a characteristic of broccoli. Cauliflower has had reports of discoloration upon arrivals.

WATERMELON *Mike Cantu*

The current production is in South Texas and Jalisco. Watermelons are extremely short as the transition has taken place. The northern crop has wrapped up and Jalisco will be the main source of watermelons until the spring. The market will continue short although there is slight increase in production in the next week or so.