



THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Strawberry Quality is fair at best

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 getting very tight on the small sizes 113's and 138's



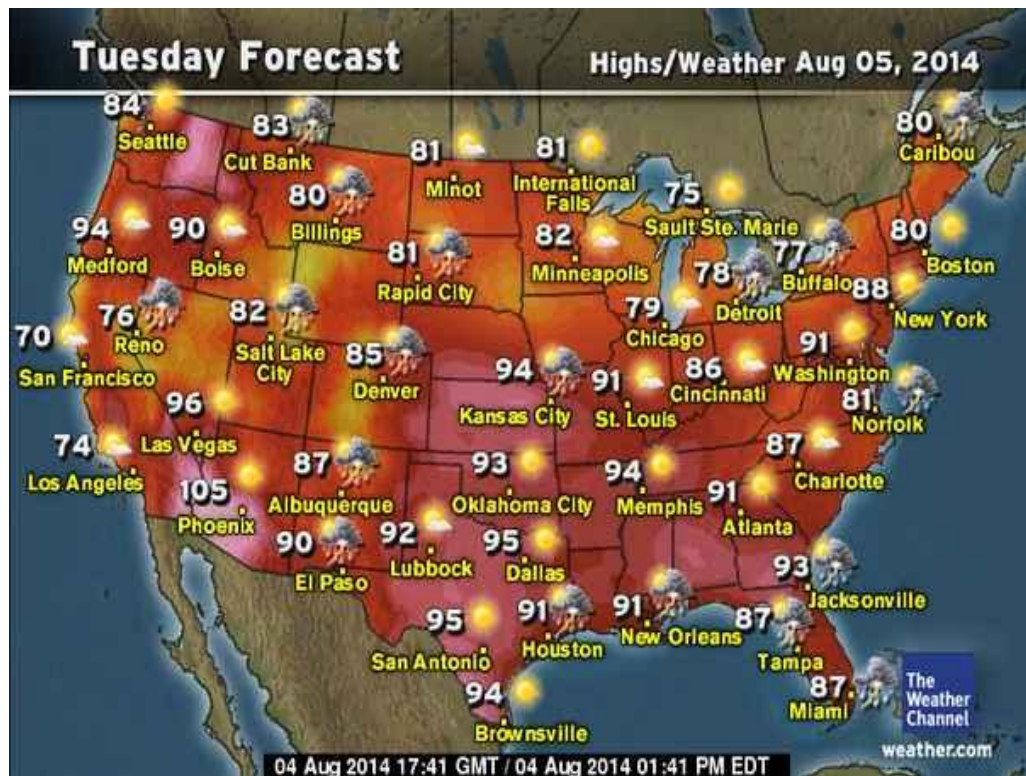
The Source

August 4, 2014

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Weather *Tim Lynch*

An upper level low pressure system over Southern California (which brought substantial precipitation to the southwest over the weekend) moves northeast today bringing monsoonal moisture from the south into Central California. This will keep the threat of lightning and thunderstorms in the region over the next few days. Moderate on shore flow will keep the coastal areas near norms with inland areas reaching the upper 80s to low 90s. High pressure returns late this week along with much warmer temperatures.



Freight: *Mike McIntire*

Trucks in California remain steady this week. Washington and Idaho trucks remain steady as well. The national average on diesel fuel dropped slightly again this week and is currently 3.858 per gallon. CA price remained steady and is now 4.090 per gallon. Crude oil continues to be over 100.00 per barrel and is now at 100.68 per barrel.



Commodity Updates

APPLES/PEARS *John Tole*

California Gala apples are steady and continue to peak on 100's and smaller. The color for California fruit is still average to good. Washington Red Delicious is fairly steady on the larger sizes and is still peaking on 80/88/100's. Most suppliers are still subbing to the higher grades to cover any volume of small reds. Small reds are higher now that the varieties are finished. Golden Delicious is still heavy to 100's. The Golden Delicious market is still being quoted as steady but supplies are low so expect the market to rise. Granny-Smith is still peaking on 88/100/113's. Some shippers will still flex for volume on the smaller sizes but the market for the larger Granny-Smiths is strong. Washington Fuji volume is very light but they are available from a few shippers. The remaining Fuji's are mostly large. Washington D'Anjou pears are still peaking on 90's and larger while 110's and smaller remain extremely short... California Bartlett pears continue to peak on 80's and 90's. The market for larger fruit is slightly lower while the 120's and smaller are steady and volume is limited. So far this season, 135's are the smallest size Bartlett pear that any shippers have packed. Bosc pears have started in California. California Red pears are also steady and peaking on larger fruit.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market continues to get softer. Production in Peru has picked up. Loading directly in Miami is an option for some. Mexico production continues to have good supplies. Jumbo sizing is light but available. This size will command a higher price. The overall quality is reported to be good out of all the growing regions.

AVOCADO *Tim Kelley*

California is at its peak of their season, with sizes peaking on 48's and 60's. Mexico has wrapped up their Old Crop and beginning their Flor Loca crop harvest, their volume is very low and they are raising their prices. Peruvian fruit supplies are good and will continue through August. 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 get

Commodities at a glance...

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

Commodity Updates *continued*

into August, supplies of all origin will begin to decline and market looks 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. We believe this will be short lived as some current districts' production is projected to be very light. Red bells both open field and hothouse is crossing through South Texas... Demand Exceeds on Red and Gold bell peppers from both 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*

Green peppers are in good volume.

BERRIES *Mike Gorczyca*

Strawberries: Bruising is the main issue in the strawberry patch. Warm nights of 58-62 degree are not letting the berries firm up. At these night time temperatures berries continue to color up and do not size up. All fruit is shipping with full color. No break from the warm nights in sight this week. Expect to see bruising as high as 20%. This is an industry wide problem and includes all labels. Market is steady. Only order what your need due to the short shelf life of the fruit.

Raspberries: Softer fruit currently from the warm night is the main issue currently. Good supplies and moderate demand has this market steady.

Blackberries: Supplies are good with moderate demand has this market steady. Quality is fair to good depending on the lot.

Blueberries: Market is starting to firm up due to wet weather in the North West last week and supplies winding down out East. Quality is fair but should get better as this week moves on.

BROCCOLI *Gabe Romero/Mike Pacheco*

Supplies are up and down depending on which shipper is talking. There is a spread of 3-4

dollars on bunched product and 2-3 dollars on crowns. Demand is definitely stronger. The beginning of schools opening likely is a big factor across the country. Santa Maria, Salinas and Mexico are the growing areas for these commodities. The quality has been reported as being good in all the growing regions.

CARROTS *Tim Kelley*

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

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is steady. A few shippers are really looking to move twelve count sizing and offers are being listened to. Demand is moderate at best. Production continues mainly out of Santa Maria and Salinas. The quality has been reported as good overall with most suppliers.

CELERY *Gabe Romero/Mike Pacheco*

This market overall is steady. Large celery, Twenty-four count sizes in particular are heavy in supplies with a few shippers. Small sizing is commanding a higher price. Santa Maria and Salinas continue to be the main growing regions for this commodity. The quality continues to be strong with most shippers. Demand has picked up.

CITRUS *Tim Kelley*

Lemons: Demand continues to rise and is exceeding supply on all sizes and grades. Fruit is especially tight on 165's and larger fruit due to lack of growth because of drought conditions in California. The market continues to firm on pricing on all sizes with this strong demand for fruit.

Oranges: Valencia supplies are steady. Sizing continues to favor the 88's/72's/113's sizes. Demand is increasing on the smaller fruit 113's and 138's have become very tight with this increased demand brought on by school demand starting.

Limes: Demand is steady to slightly lower on all sizes. The market is slowly coming down on all sizes. The supplies of smaller limes have leveled off and are remaining steady. Larger sized volumes continue to hold steady. Mexico is transitioning into another growing very area which looks to bring in good supplies of smaller limes.

Commodity Updates continued

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is starting to settle. California (Mex) cucumbers from Baja are becoming more plentiful. Supplies meeting demand. Supplies are available in South Texas but slightly higher FOB's.

Eastern Cucumbers: *Harry Sheaffer*

Expect the market to stay high and tight with good quality and less volume.

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 better supply and quality.

GRAPES: *Amy Grolnick*

Demand is low and there are plenty of good quality grapes available. Shippers are still willing to make deals on both red and green. Quality is excellent on all colors.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is up with all suppliers. The lighter supplies in Mexico, coupled with the fact that Salinas will have little to no production, has made supplies on the light side. Expect supplies to be moderate to light throughout the week. The quality out of the Mexico region continues to be good, overall.

LEAF *Gabe Romero/Mike Pacheco*

The romaine market is steady. There is a gap in pricing up to five dollars. A few shippers have experienced lowers yields compared to others. Issues of fringe burn and decay have been seen upon arrivals. Demand overall is steady. Green and red leaf is steady. Romaine hearts has shown better production numbers with most suppliers. Colossal hearts will be light in availability. Tip and fringe burn continue to be issues that most growers are dealing daily.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is firm. Demand has picked up and shippers are likely to react upward by the middle of the week. There continues to be issues of pinking, rib discoloration and russet spotting seen upon arrivals. The quality of product due to heats

in the Salinas valley as well as other growing areas has been suspect. The weights on palletized have averaged 39-44 pounds.

MELONS: *Amy Grolnick*

Cantaloupe: Plenty of fruit around as the demand is very low. Fruit is mostly running 12's and larger.

Honeydew: The Westside fruit is available but mostly peaking to 5's so small fruit will continue to be limited at best.

ONIONS *John Tole*

The yellow market is steady on jumbos and steady with flex on Mediums. Super-colossal and Colossal supplies are very limited in California, Washington, and New Mexico. New Mexico had rain over the weekend so supplies are limited until Wednesday of this week. California is still ahead on production and limiting their packing to cover contracts through mid to late August. The first Idaho/Oregon packer is supposed to run yellows on Wednesday of this week. The quality on yellows has been good in both California and New Mexico. Red onions are steady in all areas. The New Mexico shippers are still buying from California so inventories are limited there. Washington red onions are available and steady. We could also see more northwest reds onions as the week goes on as more shippers get started. Medium reds are still short in California. The quality on red onions has been fair to good in both New Mexico and California. White onion supplies are relatively light in both areas and the market is steady.

POTATOES *John Tole*

Idaho is steady on most sizes. Old-crop supplies will be available for the next couple weeks but supplies are disappearing quickly due to deteriorating storage quality. A couple Idaho shippers have started packing new-crop Norkotahs but most will pack new-crop next week. Washington new-crop Norkotahs are peaking between 70's and 80's and the market is steady to slightly lower. The new-crop quality is good, the potatoes are clean internally, and the maturity is good. Colorado remains steady on all sizes of old-crop but supplies are limited on 50's through 70's. The Colorado shippers are still relatively high priced. One Nebraska is packing new-crop Norkotahs but there supplies are

Commodity Updates Continued

limited. Bakersfield red and gold potatoes are still peaking on A-size but supplies are limited. The Bakersfield market is steady to lower. Stockton, California is steady on all colors and they are peaking on A-size for all varieties but they have plenty of B-size as well. Virginia continues packing red and white potatoes with some gold's. The Virginia market is being quoted as steady. Alabama & Texas are still packing reds and both states are steady but they will flex on volume Red A orders. North Carolina is still packing red, gold, and white potatoes and they are also steady. The N.C. Gold and White volume remains light. Idaho continues to pack reds and gold's and both colors are heavy to A-size. The Idaho market is also steady. Washington and Wisconsin has also started packing reds.

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 slightly later this week especially on yellow straight neck squash. We ought to see some squash starting up again in Fresno.

Eastern Squash: *Harry Sheaffer*

Squash is in Michigan quality is good.

STONE FRUIT *Amy Grolnick*

California stone fruit is available with a mixed bag of colors and sizing available from different shippers. Small fruit remains very limited on both peaches and nectarines. Both red and black plums and pluots remain available with excellent quality and good promotable volume.

TOMATOES *Aaron Aliotti*

Western/Mexico: California is enduring a heat wave causing fruit to mature quickly with shorter shelf lives. As a result larger sizes are harder to come by with fruit being harvested sooner than normal. Western roma tomatoes are seeing an influx in supply this week, causing pricing to again slide by a dollar or so. The quality of this product has remained steady on all sizes, with large and medium being the bulk of what is

currently being packed. At the same time, Mexico is beginning to ship more product across the border, which is helping in the relief effort in pricing. Cherries and grapes have remained steady in California, which both northern and southern shippers putting out quality product. This ample supply of product has helped the market slightly, but high freight rates keep this product fairly regional.

Eastern/Tomatoes: The eastern seaboard has seen another increase in production this week as this area begins to see increased yield daily. Even with Tennessee, Virginia, and the Carolinas harvesting strong quantities of round tomatoes, this market has remained high due to elevated freight rates required for Western alternatives. There is no noticeable change in the roma market out of the southeast. With steady supplies coming from several different local programs, demand has been kept at bay for the past couple of weeks. The market will remain reasonably priced until the smaller operations fade away creating more demand for Western items. Cherry and grape tomatoes in the American southeast continue to be scattered across the region in local programs. With such an influx in volume, pricing has come off slightly. Next week should bring steadier conditions as supplies and quality remain constant.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Supplies have loosened up on carton romaine. Fringe burn is an issue. Demand is moderate. Lettuce supplies are moderate to light. The quality issues of pinking and russet spotting will likely continue sporadically. This is industry wide. Broccoli supplies are lighter. Cauliflower will be moderate to good throughout the week with most suppliers. Some processors are indicating lettuce and broccoli items may be held to twelve week averages by the end of the week.

WATERMELON *Mike Cantu*

Market is steady Phoenix wrapping up harvesting. Current crops are mostly packed in bins and cartons packed by request. South Texas and Mendota California are currently shipping.