



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 6, 2014

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Weather *Tim Lynch*

An upper level low pressure system over Central California moves southeast 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.



Freight: *Mike McIntire*

Trucks in California, Washington and Idaho remain steady this week. 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 100/113's but the availability is low. Most packers will finish packing in the next couple weeks. The color for the remaining California fruit is still average to good. The market for Washington Red Delicious is starting to rise especially on the small fruit. The remaining fruit is peaking on 80/88/100's. Most suppliers are still subbing to the higher grades to cover any volume of small reds. Golden Delicious is still heavy to 100's but the volume as light as most packers are finished or close. Several suppliers have switch to packing Ginger-gold's and/or Early-gold's. Washington Granny's are peaking on 88/100/113's still. Some shippers will still flex for volume on the smaller sizes but the market for the larger fruit remains 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 essentially finished for the season. California Bartlett pears continue to peak on 80's and 90's. The market for larger fruit is steady with good availability while the 120's and smaller are steady with limited volume. Washington has started packing Bartlett pears. California Bosc pears are available but the volume is light and the market is strong. California Red pears are also steady and peaking on larger fruit.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market looks to be steady for the rest of the week. 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 thought August. Their fruit is mostly 48's and larger,

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Steady
Avocado (California)	Good	Steady
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Fair	Steady
Berries: Raspberries	Good	Steady
Berries: Blackberries	Good	Steady
Berries: Blueberries	Fair	Higher
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Good	Steady
Celery	Good	Steady
Citrus: Lemons	Fair	Higher
Citrus: Oranges	Good	Higher
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Good	Down
Eggplant (Western)	Good	Higher
Eggplant (Eastern)	Good	Steady
Grapes, Green	Good	Steady
Grapes, Red	Good	Steady
Green Onions	Good	Higher
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	Higher
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Steady
Watermelon	Good	Steady

Commodity Updates *continued*

with a limited amount of 60's. Fruit quality is good with very good maturity levels. As we get 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*

Volume in Michigan has ramped up, softening the market somewhat. Decent weather should hold this market down for several more days.

BERRIES *Mike Gorczyca*

Strawberries: We are experiencing ongoing quality issues with strawberries. Unusually warm night time temperatures, humidity have adversely affected strawberry quality. For the last three weeks, we have seen night time temperatures range 57-66 degrees and still no break in sight. Optimum nighttime temperatures should be 48-51 degrees. Humidity in the strawberry growing areas on and off the last two weeks has added mildew showing up in some packs. Expect bruising and high colored soft berries upon arrival. Some shippers are quoting their fruit with as high as 20% bruising. Also, expect much smaller berries than normal. Normal counts this time of the year are 17-22. We are commonly seeing counts in the high 20's currently. These issues will probably be with us for the next 3 -4 weeks. It is time to only order what you need and to make sure the cold chain is not broken. The small sizing is making it hard to get Stem strawberries and what is being harvested is basically a strawberry with a long

stem. Market is weak.

Raspberries: Good supplies and moderate demand has this market slightly weaker. The warm night time temperatures are keeping this fruit soft.

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. The Pacific North West growing areas have also passed their peak. Quality is fair but should get better as this week moves on.

BROCCOLI *Gabe Romero/Mike Pacheco*

Supplies are tighter with many shippers on bunched product as well as crowns. This market is stronger. School business is starting to kick up demand. 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, overall. 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 is steady. There is a gap in pricing of three-four dollars depending on the shipper. 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

Commodity Updates continued

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 exceeding supplies. The market is rising across the board with the larger sizes increasing more than the smaller ones. A new growing area has been producing mostly small sizes which have good quality. The overall quality of the old crop is acceptable with some yellowing and minor defects showing.

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*

With Michigan, Ohio and New Jersey into good volume the market has dropped to the lower levels.

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 continues to gain strength 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 light for the entire week. The quality out of the Mexico region continues to be good, overall.

LEAF *Gabe Romero/Mike Pacheco*

The romaine market is firm. 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. Pricing may be higher by the end of the week. Some suppliers are expecting to be sold out after contracts are filled. Demand is up. 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: Still good volume available due to light demand. Quality is good. Sizes peaking to 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*

Jumbo yellows are steady in New Mexico and steady to lower in California. Most shippers in both areas will still flex on volume orders of Medium yellows. Super-colossal and Colossal supplies are still short in California, Washington, and New Mexico. New Mexico had rain last weekend which is still limiting availability for all sizes and colors. One shipper in Oregon has started packing and they are heavy to jumbo and larger yellows. 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. Washington red onions are steady. 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 California & New Mexico and the market is steady.

POTATOES *John Tole*

Storage potatoes are steady on all sizes. The availability is lighter than we thought it would be

Commodity Updates Continued

and they will finish earlier than we originally thought, sometime in the next couple weeks. Several Idaho shippers have started packing new-crop Norkotahs and the market is slightly lower than Monday. Washington new-crop Norkotahs are peaking between 70's and 80's and the market is steady to slightly lower with light demand. The new-crop quality is good, the potatoes are clean internally, and the maturity is good. A couple Colorado shippers have started running new-crop potatoes and they are steady on all sizes. One Nebraska shipper is packing new-crop Norkotahs and they are steady as well. 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 and N.C. have finished for the season. Alabama & Texas are still shipping a few reds but they are almost finished for the season. Minnesota has started packing red potatoes. Idaho continues to pack reds and gold's and both colors are heavy to A-size. The Idaho market is steady. Washington and Wisconsin continue to pack reds and the markets in both areas are steady.

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*

Michigan, Ohio and New Jersey are all working squash. However, the weather has not been as warm as they all would like to bring on decent volume. Yellow has become a bit tighter than green. No change expected.

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 nectarines. Both red and black plums and pluots remain available with excellent quality and good promotable volume.

TOMATOES *Aaron Aliotti*

Western/Mexico: As is the norm for this time of year; Eastern Mexico continues to cross minimal volume through Texas due to lighter plantings with the west coast continuing to find their footing this week. Baja is harvesting from both their spring and summer acreage providing steady supply. Southern California is in the midst of the summer plantings. Volume will not increase from this district until the fall production begins in September. Mexico is producing lighter volume of Romas this week through Texas due to rain they experienced last week. Production is expected to remain moderate until early to mid October. With demand for Romas slowing down, expect prices to drop. Cherry tomatoes are still very limited while the grape tomato is widely available and expected to be plentiful for the next 2 weeks.

Eastern/Tomatoes: Round tomatoes have seen a steady hold on pricing with less available product available on all sizes due to rainy weather and disrupted harvest schedules. With product tightening this week higher prices are expected to follow as we head into the middle of the month. With scattered local programs in the east, small operations have flooded the market with a conglomerate of roma tomatoes keeping prices low for the next several weeks. Grape tomatoes are available in steady volume with cherry tomatoes harder to come by.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Supplies have tightened up on carton romaine. Fringe burn is an issue. Demand is stronger. 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.