



THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Offshore small cantaloupe and honeydew will continue to be very limited the next few weeks

Large and extra large red and green grapes are limited

Florida strawberries are limited with fair quality due to weather

Freeze on California Navel oranges. Losses are now looking in the 50% or higher estimates. Small oranges a very limited



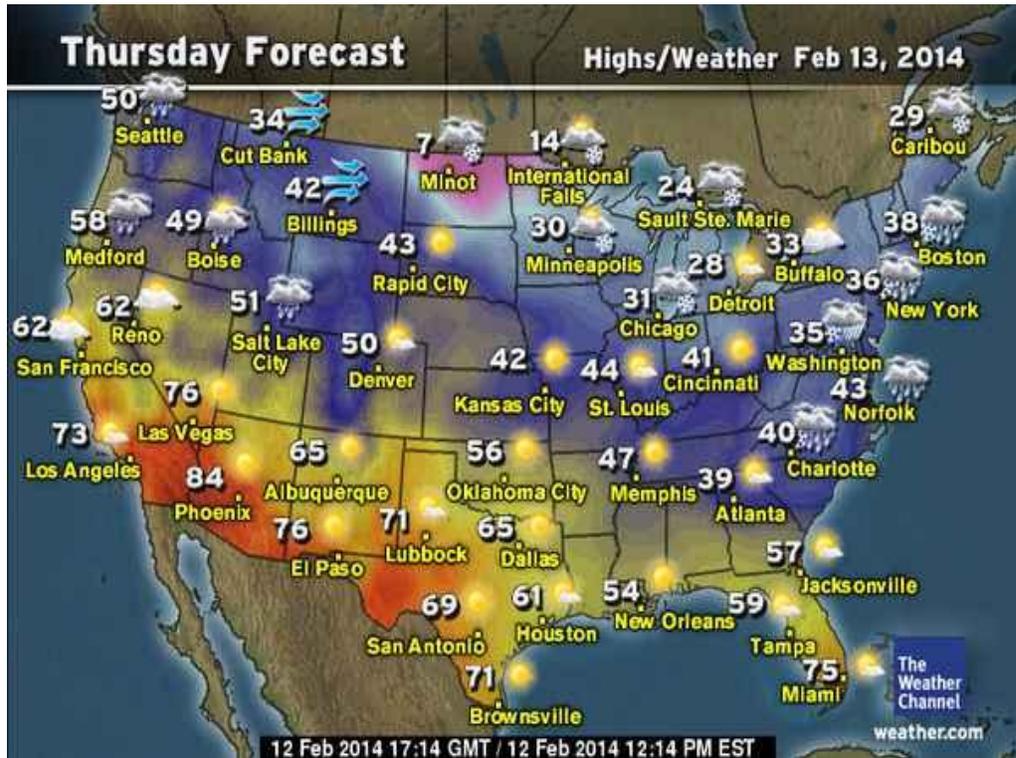
The Source

February 12, 2014

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Weather: *Tim Lynch*

A number of Pacific storm systems rolled into mainly Northern California over the weekend with much needed rain and snow. These systems brought only light precipitation to Southern California with just a trace of rain in the Desert regions. High pressure rebuilds today deflecting the storm track to the north once again this week. Desert area temperatures remain in the mid to upper 70s this week with strong winds likely (20-40mph) as these systems pass by to the north. Florida dry early this week will continue to see periods of rain mid-week week especially to the south drying out into the weekend.



Freight: *Mike McIntire*

Trucks in California and Arizona are steady. Trucks in Washington and Idaho are tight due to weather delays. The national average on diesel fuel rose slightly and is currently at 3.977 per gallon. CA price remained steady and is now 4.080 per gallon. Crude oil remains over 100.00 per barrel and is 100.87 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

New York is packing Empires, Macs', Rome's, Red Delicious, Galas, and Golden delicious. Most of the New York varieties are peaking on 88/100's and the markets are all steady. Michigan is packing mostly Red Delicious and Golden Delicious now but the volume is down because the smaller shippers are finishing up. Michigan C.A. fruit is still peaking on 113 and 125's with very few if any 138's. Washington Red Delicious is steady on the larger sizes and higher on 113's and smaller. The smaller size Reds getting tighter as the early varietal volume is disappearing. Golden Delicious is steady to slightly and are peaking on 80/88's in the Washington extra-fancy grade. Granny-Smith is steady to higher and they are peaking on extra-fancy 88/100's. Galas are still peaking on 88/100's but the market is starting to climb. Smaller size Gala's remaining very short especially 138's. Washington Fuji's are higher and most packers are still peaking on 80's and larger. Expect the Fuji market to continue to climb. Washington Honeycrisp is almost finished for the season. Braeburns, Pink Ladies, Cameos, and Jonagolds are all still available in limited quantities. Most of the varietal fruit is large but some varieties have smaller sizes. Washington Bartlett pears are steady and are still peaking on US#1 90/100's but supplies are light. D'Anjou pears are also steady and continue to peak on US#1 90/100's. Both pear varieties are short on 120's and smaller. Washington Bosc pears are steady and are producing more of the larger sizes as well. Washington Red Pears steady and are peaking on size 45's.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is firm. Supplies in Peru are light; however production in the Mexican region continues to be steady. Jumbo asparagus still is difficult to come by in Peru or Mexico. Salinas has begun production in a light way. The predominance of the crop continues to be on sizes ranging from standard to extra large.

AVOCADO *Tim Kelley*

Demand is good on all sizes. Mexico's supplies are steady. Fruit quality is nice. The market has stabilized for now on all sizes.

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)	DONE	DONE
Bell Peppers (Western)	Good	Higher
Bell Pepper (Eastern)	Fair	Higher
Berries: Strawberries	Good	Steady
Berries: Raspberries	Good	Higher
Berries: Blackberries	Fair	Steady
Berries: Blueberries	Fair	Steady
Broccoli	Good	Steady
Carrots	Good	Higher
Cauliflower	Good	Steady
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Lower
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Good	Steady
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	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Lower
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Fair
Watermelon	Good	Steady

Commodity Updates continued

BELL PEPPERS

Western Bells: *Mike Cantu*

Green bell market is unsettled as large fruit is maintaining strong FOBs. Crops are currently shipping mostly from Nogales. Sizing is heavier towards med and choice fruit; larger fruit is scarcer and moving well. Choice bells and small fruit seem to be moving better and market is higher. We anticipate warmer days and evenings and expect production will increase. Cold weather in the east has also tempered the market. Nogales will see increased crossings in the next coming weeks. Cool evening temps will still factor in production. Open field colored Red bell market is steady but, wide range of pricing as fields are starting to color up as evenings are starting to warm up. Mexico has started with increasing crossings through Nogales. Eastern demand may pressure market if their weather improves. Markets are very unsettled as both Hot House and open field color bells are trying to find their spot. Quality is good in both open field and hothouse colored bells. We do however see this market settling as warmer evenings may allow for better production. Gold bells markets continue steady availability depends on growing district. Demand exceeds as Mexican production has started in earnest. We are starting to see some hot house product crossing but still light.

Eastern Bells: *Janine Baird*

Pepper is tightening back up as many growers move into their fields that were affected by the recent freeze. However, there is little demand, keeping the pricing from getting too steep.

BERRIES *Jonathan Mule'*

Strawberries: The strawberry market is weaker the middle of this week with the holiday demand slowly backing off. California has the best quality currently with large to medium fruit size. Forecast for California, is calling for temperatures above normal thru the weekend. Mexico also has some nice quality fruit with medium size fruit. Volumes out of Mexico will slowly start to wind down as they have hit their peak production last week. Florida has quality issue due to high humidity and warm temperatures. Rain in the forecast starting today through Thursday will not help the situation.

Raspberries: Supplies will continue to be light for all shippers with good demand through February. Market is firm but steady. Quality is being reported as good with a few fair lots showing up.

Blackberries: Supplies are good with lower markets and demand. Quality is fair due to high humidity/temperatures in Central Mexico growing areas. This should correct itself in about two weeks.

Blueberries: Moderate supplies and demand has this market steady. Quality is being reported as fair to good depending on the lot. The main pack size is 6oz with limited supplies of larger packs (11oz). As supplies increase from Chile, we expect this market to weaken.

BROCCOLI *Gabe Romero/Mike Pacheco*

The broccoli supplies are steady. Supplies continue to be heaviest to crowns and this is where the best deals are being offered. Production areas include Santa Maria, Scottsdale and stronger in Yuma. The quality has been reported as good in all the growing regions. There is production in Salinas for West coast customers. Better pricing exists in this area.

CARROTS *Tim Kelley*

Supplies no JBO carrots are beginning to lighten. The market is starting to show some firming on prices. Quality is good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

The cauliflower market is firm with most suppliers. Supplies are light to moderate at best. This production pattern should continue throughout the week. The gap in pricing has diminished as demand has picked up. The quality has been good as weather has been ideal for growing conditions. There has been some occasional brown spotting, but minimally.

CELERY *Gabe Romero/Mike Pacheco*

The celery market continues on a steady path like the previous week. Production continues to be strong in Yuma and Oxnard. Production numbers are pretty equal in all sizing so promote any size as much as possible. The quality continues to be reported as being good. Shippers are listening to offers, so feel free to promote as much as possible.

Commodity Updates continued

CITRUS *Tim Kelley*

Lemons: The freeze in the Central Valley has now started to affect this districts lemon crop. This is not a larger crop, but will have an impact on overall supplies as we move in to the late winter through summer months. We already see the market beginning to firm up. Demand still remains very good on all sizes from all shippers. The Desert fruit supplies are good on 140's and larger. Demand on the smaller fruit (165's/200's/235's) are exceeding supplies.

Oranges: California Freeze may be over, but damage has been done. Growers are reporting at least 40 to 50% or higher for some. Supplies on the smaller sizes of 113's & 138's are very limited and now moving into 88's. Market is steady.

Limes: Supplies have become very tight. Past rains in the growing areas have taken their toll on the crop. Quality is just fair, with many lots showing weather related issues (Stylar, Brown spots and lighter color).

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is steady. Crossings through Nogales are increasing as weather improves. Market somewhat unsettled as some inferior lots are quoted on lower end as better lots are selling at quoted pricing to slightly higher than average quotes. The east coast weather is adversely affecting markets for lack of movement. We anticipate the weather and evening temps will improve and supplies to increase. Supplies are adequate.

Eastern Cucumbers: *Janine Baird*

Supplies on off shore product are plentiful and demand is off. The market has softened considerably and should remain so for the rest of the week.

EGGPLANT

Western Eggplant: *Mike Cantu*

Market is settling and supplies are improving. Weather is improving and production increasing. Warmer daily temps have brought up production and cold weather in the east has tempered demand. Movement is better and at quoted prices. We do expect the market to inch up as transitions will take place soon and the Lenten season will start.

Eastern Eggplant: *Janine Baird*

Eggplant supplies have tightened up. Market should remain steady through the week due to minimal demand.

GRAPES: *Amy Grolnick*

Chilean red and green new crop fruit is available on both coasts. The quality is good and the market is still in the low 20's to low 30's depending on size on both colors. Due to the freeze a couple months ago the fruit will continue to be very small with minimal large fruit available. The west coast is limited on product with very few vessels coming in.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market has remained unchanged. Production from the Mexico region is strong and the quality has been good. The weather has been warm in Mexico and supplies are expected to be good throughout the week. Mexico and California are the major growing regions currently.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market continues on a steady path. Suppliers continue to listen to offers as supplies flurry in the Yuma region. Supplies clearly exceed demand. Weights continue to range from 35-39 pounds in Yuma, Thermal and Santa Maria. The green and red leaf is plentiful as well. Blister, epidermal peel and fringe burn continues to be seen sporadically upon arrivals. Seeder is also been reported on romaine. Some suppliers have a large amount of romaine hearts and offers are being listened to. Please promote as much as possible.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady. The bad weather across the nation has left this commodity languishing for weeks in flat prices. The weights are ranging from 42-48 pounds depending on the supplier. Yuma production again will be good throughout the week. Epidermal peel, cracking, misshapen heads and ribbing appearance have been seen sporadically upon arrivals. A few suppliers continue to have offers available for large quantities, but there are definitely fewer offers compared to the previous week.

Commodity Updates Continued

MELONS: *Amy Grolnick*

Cantaloupe: Fruit is running very large to 9's with very limited availability of small fruit. Better volume on the east coast, the west coast is still struggling on availability.

Honeydew: As with the cantaloupe the honeydew are running large. The better volume is again on the east coast with the west struggling on availability. Nogales is still getting fruit in from Mexico that is also now very large fruit. Small fruit is extremely limited.

ONIONS *John Tole*

Idaho, Washington, and Oregon are all steady on yellows. Medium yellows are still relatively short due to retail demand and larger sizing. Above average shrink is still helping to keep the northwest market strong. Demand remains fairly light. Red onions are steady in all areas and on both sizes but the growers are still bullish. Mexico is still buying medium reds so the availability is low. White onions are steady even though most shippers have limited supplies. The quality has been good in all areas and on all colors. Mexico is crossing a few carton sweet yellows and the market is slightly lower.

POTATOES *John Tole*

The Idaho market is slightly lower on 60's and larger and fairly steady on 70-count and smaller. 100-count and smaller and consumer bags are very short due to the potato-lovers month demand. Both varieties are peaking on the larger sizes. The Washington market is steady to slightly lower and they continue to peak on 70's and larger as well. Colorado & Nebraska are also both steady and they also continue to peak on 70's and larger. Wisconsin russets are steady on all sizes and the availability is fair. Bakersfield, California has good availability on red and gold potatoes. The California market is steady to lower on both colors, while the Whites are steady but strong due to limited availability and strong demand. The California potatoes are peaking on A-size in all colors. Western Washington reds and Golds are both peaking on A-size and the markets for both are steady. Washington's season will end next month. Wisconsin red potatoes are mostly steady on all sizes now but supplies are light and they are nearing the end

of season. N.D. red potatoes are steady and continue to peak on Red A's. Florida continues packing Red and a few Whites. The Florida reds are heavier to A-size.

SQUASH

Western Squash: *Mike Cantu*

Market is slightly higher on Yellow S/N and Italian squash. Most production is from southern Sonora and Sinaloa. Warmer weather is in the forecast and we anticipate better production. Some lots offered will be of coming from older fields and expect the poorer quality on lower end of markets; better quality will sell at quoted market.

Eastern Squash: *Janine Baird*

Greater supply in Florida and a competitive market in Nogales have driven prices downward. This trend should continue through the week.

STONE FRUIT *Amy Grolnick*

Chilean cherries are available on both coasts mostly large fruit coming in. Chilean Peaches and Nectarines are now available as well. The sugars are low in this fruit but quality is good.

TOMATOES *Aaron Aliotti*

Western/Mexico: Round tomatoes in Mexico remain plentiful this week due to favorable weather and yields. Gas Greens remain snug but will improve as Florida supplies rebound late this week. Pricing should drop a little on packing house pinks and 2 layers into next week and should remain steady by mid next week. Roma tomatoes remain plentiful in Mexico and should stay that way for the next 2 weeks. Due to the supply exceeds demand situation there are deals to be made in order to move product. Mexican Cherry and Grape tomatoes will remain steady in both supply and demand for the next couple weeks. As Florida comes into more supply, especially on the Grape tomatoes, the pricing will continue to drop and remain low for this week and next. Hothouse and on-the-vine tomatoes stay relatively steady this week, as limited demands are being met with limited supply. Low pricing from a couple weeks ago tried to push the market up last week, but that did not work with buyers who knew the state of the Mexican round market. This market will continue to

Commodity Updates Continued

follow the regular rounds in Mexico, which, as mentioned previously, should remain stable for the next couple of weeks.

Eastern Tomatoes: The round tomatoes in Florida have found some relief this week. This has allowed for more supply on all sizes, especially the bigger fruit, in turn easing pricing. The weather across the country continues to affect the buying markets which are also driving the pricing down due to lesser demand. The weather together with Mexico flooding the market has allowed for deals to be made on all products, especially 6x6 and 6x7 varieties. As the Florida temperatures continue to rise and the growing regions avoiding rain the pricing should continue to drop into next week.

Roma tomatoes supplies in Florida remain low while demand has followed. There may be some deals to be found on the larger fruit but the smaller fruit remains competitive. The warmer weather predicted for the coming week will bring more fruit to the market and will bring pricing down to a more competitive level with Mexico. Cherry and Grape tomatoes in Florida are on the rebound with plants yielding more product. Pricing should continue to fall into next week with deals to be made on the grape tomatoes due to high volumes. Expect the pricing to fall and remain low for the next couple weeks, then shippers will harvest fewer products and drive the pricing back up.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Lettuce supplies will be ample for the entire week. Epidermal peel and misshapen heads are being seen upon arrivals. The Broccoli supplies are strong. Cauliflower inventories have tightened up with all suppliers, but there are no issues of orders being covered. The romaine production looks to be good with all shippers. Seeder is being seen with this commodity.

WATERMELON *Mike Cantu*

Market is definitely high. Current Nogales crossings are extremely low. Transitions are taking place and supplies are sporadic and very light. New district crops will be at a premium. Quality is varies as some are harvesting from tired fields volume will remain light for the rest of the month. Other districts have wrapped up and/or at same high FOBS. The Jalisco watermelons will be at premium. Growers are projecting this lack of supplies to continue for approximately a month or so until Northern spring crops start.