



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 will be limited due weather related issues

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



The Source

February 5, 2014

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Weather: *Tim Lynch*

A number of approaching Pacific storm systems are set to impact mainly Northern California into the weekend with much needed rain and snow. The first system is expected to bring light precipitation to Southern California with just a slight chance of rain to the Desert regions Friday before moving to the east. Desert area temperatures remain in the mid to upper 60s this week with strong winds likely (20-40mph) as these systems pass by to the north with light to moderate lettuce ice possible through the week. Florida will continue to see periods of rain through the week especially to the North into the weekend.



Freight: *Mike McIntire*

Trucks in California and Arizona are steady. Trucks in Washington are steady but in Idaho they remain tighter than normal. The national average on diesel fuel rose slightly again this week and is currently at 3.951 per gallon. CA price was up as well and is now 4.072 per gallon. Crude oil remains steady at 96.95 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

New York continues to pack Empires, Macs', Rome's, Red Delicious, Galas, and Golden delicious. The New York fruit is peaking on 88/100's and the market is steady. Michigan is packing mostly Red Delicious and Golden Delicious as well as a few Fuji's and Rome's. Michigan C.A. fruit is still peaking on 113/125's with very few 138's. Michigan's availability will be limited this week by the cold front that is currently hitting. Washington Red Delicious is mostly steady and still peaking on the larger sizes. The smaller size Reds remain limited. Golden Delicious is also steady and is peaking on 80/88's in the Washington extra-fancy grade. Granny-Smith is steady to slightly higher and they are peaking on extra-fancy 88/100's. Galas are steady and heavy to 88/100's. Smaller size Gala's remaining short. Washington Fuji's are higher and most packers are still peaking on 80's and larger. Honeycrisp, Braeburns, Pink Ladies, Cameos, and Jonagolds, and the other varieties are all still available in limited amounts. Most of the varietal fruit is large but some varieties have smaller sizes. Honey crisp supplies are extremely limited. 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 steady. Mexico's labor force continues to produce big numbers on all sizes except jumbos. Product coming from Peru is light to moderate. Loading out of Miami is still an option if desired. Jumbo asparagus still is difficult to come by in Peru as well. 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	Steady
Bell Pepper (Eastern)	Good	Lower
Berries: Strawberries	Good	Higher
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	Lower
Cucumbers (Eastern)	Good	Steady
Eggplant (Western)	Good	Lower
Eggplant (Eastern)	Good	Lower
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	Lower
Squash (Eastern)	Fair	Steady
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	About Steady
Tomatoes (Eastern)	Fair	About Steady
Watermelon	Good	Higher

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 now getting heavier towards med and choice fruit; larger fruit is scarcer and moving well. Choice bells and small fruit seem to be coming off as production improves. Cooler evenings are still affecting production though. 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 but lack of eastern demand is causing unsettled markets. 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*

The pepper market is dropping as shippers discover recent freezes did not affect the plants as severely as they anticipated. Quality remains good and the market continues to be strong.

BERRIES *Jonathan Mule'*

Strawberries: Strawberries are going to be challenging for the next 6-7 day's as we hit the middle of the Valentine's Day pull. Florida received showers with temperatures now predicted to run between the low 50's and the high 80's thru the weekend. Florida supplies will remain very limited through next week and possibly longer. Currently, the best quality and availability will remain out of California and Mexico. These will be the ideal loading locations for the next couple weeks. California has excellent quality with full color fruit counting in the 16-20 range currently. The California growing regions have a chance of rain on

Wednesday/Thursday followed by colder temperatures with lows in the 30's and highs in the upper 50's. These cooler temperatures will slow down harvest numbers going into the weekend and the front part of next week. Currently, the Mexico growing regions have warmer temperatures ranging between the high 70's to the mid 80's all week. Quality out of this area will be excellent with slightly smaller fruit size in the 17-21 range. The best availability is coming out of this area for the next 7 days. Multiple picks, last minute loading changes as well as loading date changes are all possibilities. Expect this market to come off after the holiday with lighter demand and better supplies. The wild card would be the weather.

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 the 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. As supplies increase from Chile, we expect this market to weaken.

BROCCOLI *Gabe Romero/Mike Pacheco*

The broccoli supplies are good. Suppliers are heavier to crowns and are offering deals on large volume type orders. Production continues to be in Santa Maria, Scottsdale and stronger in Yuma. The quality has been reported as good in all the growing regions. Better pricing in Salinas on this commodity is available from a few shippers.

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. There is a two-three dollar spread in the industry. Supplies overall are light to moderate. Demand seems to

Commodity Updates continued

be picking up. The quality has been good as weather has been ideal for growing conditions. There has been some occasional brown spotting, but minimally. Expect there to be a gap in pricing throughout the week.

CELERY *Gabe Romero/Mike Pacheco*

The celery market is steady, overall. Production continues out of Yuma, Oxnard and Santa Maria. Production numbers are pretty equal in all sizing so promote any size as much as possible. Again, there is a spread of a few dollars amongst the different suppliers. The quality is reported to be good. Shippers are listening to offers, so promote as much as possible.

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 tightened up with rains in the growing areas. 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 to some higher. 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 starting to pick up. The market has softened considerably.

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. Availability is more than ample and good quality overall.

Eastern Eggplant: *Janine Baird*

Eggplant supplies have tightened up. Look for the market to continue climbing through the week.

GRAPES: *Amy Grolnick*

Chilean red and green new crop fruit is available on both coasts. The quality is good and the market is 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 commodity looks to be steady throughout the week. 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 is steady. Suppliers continue to listen to offers as demand is down. Weights continue to range from 35-39 pounds in Yuma, Thermal and Santa Maria. The green and red leaf is averaging 20-24 pounds and availability is also good. Pricing is steady. Blister, epidermal peel and fringe burn continues to be seen sporadically upon arrivals. Seeder is also been reported on romaine.

LETTUCE *Gabe Romero/Mike Pacheco*

This market continues to be flat. The weights are ranging from 42-48 pounds depending on the supplier. Yuma production again will be

Commodity Updates Continued

strong throughout the week. Supplies clearly exceed demand. Epidermal peel, cracking, misshapen heads and ribbing appearance have been seen sporadically upon arrivals. Shippers are listening to offers with good volume numbers, so don't be afraid to promote this commodity.

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*

Yellow onions are steady on all sizes and in all areas. Medium yellows are still relatively short due to retail demand. Above average shrink is still helping to keep the northwest market up. Demand has been steady. The red market is steady on both sizes but the growers are still bullish due to higher than average shrink. Mexico is still buying medium reds so the availability is low. White onions are mostly steady even though most shippers have limited supplies. The quality has been good in all areas and on all colors.

POTATOES *John Tole*

Idaho is steady to lower on 70's and larger and they are higher on 80-count and smaller. The cold front hitting Idaho is preventing many shippers from hauling potatoes so it is limiting their ability to pack. Consumer bags are steady but limited due to potato-lovers month demand. Both varieties are heavier to the larger counts now. The Washington market is steady to slightly lower and they continue to peak on 70's and larger. Colorado & Nebraska are both steady and they also continue to peak on 70's and larger. Wisconsin russets are steady on all sizes and the availability is good. 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. Western Washington reds and Golds are both peaking on A-size and the markets for both are steady. Wisconsin red potatoes are mostly steady on all sizes now. N.D. red potatoes are also steady and continue to peak on Red A's but they also have good availability on red B's.

SQUASH

Western Squash: *Mike Cantu*

Market is steady on Yellow S/N and Italian squash. Most production is from southern Sonora and Sinaloa. The cooler evenings are slowing down some harvesting. Yellow straight neck squash is holding its own as some lots of squash are poor quality; good lots are moving as quoted. We expect this week for most growing areas to warm up but, there is a chance of the cool evenings. The level of current FOB pricing may incur a grower imposed restrictions as to production in order to firm up markets.

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: Mexico is now in full swing of production with increasing volumes again this week. Nationwide demand and increasing supplies in the west are keeping the market similar this week. Larger sized rounds are available in abundance and of good quality while smaller sizes are limited. Roma tomato volumes are also in great abundance forcing prices to the mandated minimum. Grape and Cherry tomatoes prices have dropped slightly this week as yields continue to improve. Winter weather has caused demand to fall in southeastern buying regions and the flood of supply coming out of Mexico is expected to keep prices steady through next week.

Commodity Updates Continued

Eastern Tomatoes: Cold weather in Florida and frequent rain continues to keep the supply of round tomatoes limited, however production has picked up from last week. Prices remain firm for smaller sized fruit but Florida growers have been forced to reduce the price for larger sizes in order to be competitive with Mexican imports in the west where they are crossing in abundance. Likewise, the Roma tomato volume is improving however remain in limited supply and facing falling demand. Prices have softened to attract buyers in local markets while Roma imports in the west are also crossing in abundance. Grape and cherry tomato prices have come down slightly since January. Supplies are forecasted to grow over the next week and in turn prices are expected to slowly trend back downward. With warmer weather returning to Florida and harvest schedules becoming more regular compared to last week, pricing should reflect the increasing yields of fruit coming to market.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Good availability is in the forecast the entire week on this commodity. Epidermal peel has been seen sporadically upon arrivals. This may affect shelf life. The Broccoli supplies are strong. Cauliflower inventories have tightened up with all suppliers, but there are no issues of orders being covered as of now. Romaine is in surplus 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 good but volume is light. 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.