

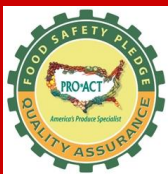


THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Small Granny-Smith apples are extremely short

Seeder is an issue with celery that all suppliers are dealing with. This is an industry wide issue



The Source

May 13, 2013

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Weather: *Tim Lynch*

A fairly typical spring weather pattern will take shape in California as a weak ridge of high pressure builds into next week. The result will be a gradual warming through the weekend. Temperatures will reach the 80s to low 90s inland with low 70s expected near the coast with typical marine layer each morning.



Freight: *Mike McIntire*

Trucks in California and the Northwest should be steady this week. Crude oil remained steady and is 95.17 per barrel. The national average on diesel fuel remained steady at 3.845 per gallon last week and should trend steady when it comes out later today.



Commodity Updates

APPLES/PEARS *John Tole*

New York is finished packing for the season. Washington Reds are steady to slightly higher and continue to peak on extra-fancy 88/100's. The smaller sizes and lower grades remain short especially now that the varietal supplies are low. Golden Delicious is steady to higher as well and is also peaking on extra-fancy 88/100's. Lower grade Golden's are also short. Granny-Smiths are also steady to higher and continue to peak on extra-fancy grade 64-80's. Small granny-smiths are still extremely limited in all grades. Galas are still heavy to the 80-100 sizes but supplies are very limited. Washington Fuji's continued to peak on 64-80's and are producing more of the Washington extra-fancy grade. The market for small Fuji's is higher. Pink-Lady's, Braeburns, Rome's and the other varietals are almost finished for the season. Washington D'Anjou's are still peaking on the larger sizes and the US#1 grade but the availability is light esp. on the 110's and smaller. There are a few Red pears left but supplies are very limited.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This asparagus market continues to be strong as domestic supplies are moderate at best. Due to the extremely light supply situation most shippers are quoting 11/1# only with no promotional pricing for the month of May. Imported product continues to be very short supplied as well. Expect this situation to continue for the foreseeable future.

AVOCADO *Tim Kelley*

Mexico is holding steady on harvest and supplies coming into the US. California growers are harvesting good volumes on 48's and smaller fruit.

BELL PEPPERS

Western Bells: *Mike Cantu*

Green bell market is very unsettled; market is settling. Supplies are mostly on choice and smaller fruit. New spring crops are currently shipping. Southern California has started with mostly large fruit available. Open field colored Red bell market is strong and generally steady. We're at extreme demand exceeds as fields are sizing down and approaching lighter supplies the next couple weeks. We expect

Commodities at a glance...

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

Commodity Updates continued

Southern California to start mid May.
Gold bells market continues unsettled as production is sporadic. Demand exceeds.

Eastern Bells: *Janine Baird*

The pepper market has tightened up. With Georgia growers still 10-14 days away, Central Florida is pressed on supplies. Expect this market to continue trending upward through the week.

BERRIES *Mike Gorczyca*

Strawberries: Demand is still good as we move into the Memorial Day pull which starts this week. Look for the market to be firm with good demand into the middle of next week. Quality is being reported as good out of Santa Maria and Salinas/Watsonville which are the main growing areas currently. Sizing out of Santa Maria and the Salinas/Watsonville is running large to medium. We are in typical summer time weather pattern with low clouds, fog and moderate winds.

Raspberries: Supplies have started to improve with a slightly weaker market. Quality is being reported as good.

Blackberries: We are in a demand exceeds supply situation as supplies are winding down quickly in Mexico and California is still a few weeks away before they start to harvest out of California.. Quality is being reported as fair to good depending on the lot.

Blueberries: Building supplies are being harvested out of California and will continue to build as each week moves on. Look for this market to slowly weaken. Quality is being reported as good. Georgia growers finally had a few dry days the tail end of last week and where able to get into their fields. Supplies are still limited and quality is fair out of this area.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market continues to strengthen as bunch broccoli remains in short supply. Broccoli crowns are more readily available but good demand for these continues to push the market. We expect the recent warm weather in the Santa Maria and Salinas's growing areas to help the supply situation but all shippers are quoting light supplies for the remainder of this week.

CARROTS *Tim Kelley*

California carrot supplies are lighter will yields

lower and sizing is small. JBO carrots are short in supply. Demand remains good and market is firm.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is stronger as supplies drop in all growing areas. Sizing has dropped from glut of 9's last week to predominantly 12's and 16's this week due to cooler weather. We expect this cycle to continue for the short term. Warmer temps in all growing areas should bring some improvement in overall supplies by the end of this week.

CELERY *Gabe Romero/Mike Pacheco*

This market is stronger due to lighter supplies. Although we have moved past the worst of the seeder problems in Oxnard overall volume is down. Santa Maria is beginning to improve in volume and quality but supplies overall continue to be light there as well. All sizing is up in price. This market will likely be active throughout the week.

CITRUS *Tim Kelley*

Lemons: The Ventura and the Central Valley are now the lemon producing areas. Volume is good on the small sizes of 165's and 200's, while the larger sizes are less abundant. We are seeing good demand. Quality is good.

Oranges: The Navel crop is starting to run short on small size, 113's/138's fruit. Fruit is currently peaking heavy to the Fancy grade and on 88's/72's, with 56's and larger are very tight with heavy export demand. Navels will be finishing up by the end of the month. Shippers are packing Valencia oranges steady now.

Limes: Supplies are better on smaller sizes, but the larger ones are still very short. Still some quality issues showing. Demand is good.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is firming up. Demand has increased as some domestic supplies have lightened up. Demand slightly exceeds for Nogales cucumbers.

Eastern Cucumbers: *Janine Baird*

As South Florida winds down and Georgia is still a week away from working any cukes, this market is strengthening. Central Florida has started showing the initial signs of demand

Commodity Updates continued

exceed supply and that trend is expected to follow through the next several days.

EGGPLANT

Western Eggplant: *Mike Cantu*

Market is steady and strong some growers have begun to wrap up their season. Demand slightly exceeds current supplies.

Eastern Eggplant: *Janine Baird*

Though the eggplant market looked to be dropping for awhile, it has evened back out as shipper continued to struggle for quality eggplant. No real change is expected for another week or two.

GRAPES: *Amy Grolnick*

Good availability and quality on offshore Crimson grapes this week. The offshore green grapes are very limited on fair quality fruit and the market is very strong. There is a limited amount of Mexican green Perlettes now crossing into Nogales, the market is very strong. Offshore grapes will finish up mid to the end of the month on red. Domestic red flames have started in a very light way in Coachella with small fruit, limited volume and a very high market. The black grape has cleaned up. Globes are available with good quality. Both new crops look to have good volume and quality.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is steady. Supplies are good as demand has fallen off. There are a few issues of yellowing, slime and decay being reported upon arrivals. The complaints are sporadic. Good production numbers are expected throughout the week.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

All leaf items show some signs of the market firming up. Steady supplies but slightly improved demand, are reflected in current pricing that ranges from steady to slightly higher. We expect this to continue throughout the week.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady. Supplies continue to be good. Many shippers have had to "walk around" fields and leave lettuce unpacked. Because of this quality and weight have actually improved slightly as the lesser quality product is left behind. We expect this to continue for the near term.

MELONS: *Amy Grolnick*

Cantaloupe: The market is steady lower on the offshore fruit with shippers cleaning up. There is still a good supply of offshore fruit on the east coast with limited availability out west as vessels are late and getting held up by inspections. We should continue to see offshore fruit available through next week. There are Mexican cantaloupe available loading in Nogales with good availability. Brawley has started up in a very light way with the first of the domestic fruit.

Honeydew: Offshore dews are cleaning up with most shippers but we should still have some availability with a limited number of shippers through next week. Mexican dews are still available in Nogales mostly peaking to small fruit. Domestic fruit should be available by the end of May.

ONIONS *John Tole*

California is steady on yellows. Mediums and supers are relatively short out west but there are good supplies of jumbos. Texas is steady but with limited availability in the valley. The winter-garden area of Texas continues packing and shipping, and they are steady but have limited supplies. Most of the Texas suppliers are transitioning out of the valley and up to Winter-garden. Washington is finished for the season. California and Texas are steady on reds. Jumbos are the bulk of the red supplies in both states while mediums are limited. Whites are steady in both areas. The onion quality has been good in all areas and on all colors.

POTATOES *John Tole*

Idaho cartons are slightly higher on all sizes. Most shippers are still peaking on 80-count and smaller and are short on 70's and larger. Demand has been steady. There are volume deals on small #2's and consumer bags. Idaho is finished packing Norkotahs for the season. Washington is following Idaho up on the count cartons and is slightly higher on all sizes. Colorado is also higher on all sizes and they continue to steal some of Idaho's business on the larger counts. Colorado is still peaking on 60's and larger. The russet quality has been good to good to excellent in all areas. Bakersfield, California continues packing all colors but they are packing San Joaquin valley potatoes now. California reds, gold's, and

Commodity Updates Continued

whites are smaller starting off. Arizona is also packing red potatoes. Florida is still packing all colors but the availability is light as they are almost finished. The markets for all three colors are slightly higher. Idaho is essentially finished for the season. The new crop quality has been good in California and Arizona.

SQUASH

Western Squash: *Mike Cantu*

Market continues unsettled on both Italian and Yellow S/N. Lighter supplies of yellow s/n as some older fields have played out. Italian squash showing an upward tick as some older fields play out also.

Eastern Squash: *Janine Baird*

The market on green and yellow squash has stabilized. Unseasonably cool temperatures in South Georgia are preventing that crop from coming on as it should. However, there are some growers working squash this week with more volume expected by the end of the week.

STONE FRUIT *Amy Grolnick*

The California stone fruit season is started and still somewhat limited on nectarines and peaches. Apricot volume is increasing but still mostly small fruit. Quality is excellent and sugars are ok. Brix will continue to increase over the coming weeks as will volume. Fruit is still running small mostly 60's and 70's. June will have good promotable volume. Cherries are going with limited availability as well.

TOMATOES *Aaron Aliotti*

Western: Mexico's supply remains limited and larger sizes remain scarce. Prices are near premium for quality fruit due to late season pickings in Nogales and grape and cherry tomatoes are experiencing strong demand. Prices will firm up even more in the coming weeks until quality improves and supplies increase.

Eastern: The forecast for larger sized fruit over the next few weeks remains light on larger sized fruit. Newer crops being harvested in the Palmetto/Ruskin region are coming online, however rain is causing harvest delays and plants are producing smaller sized fruit due to poor weather in previous weeks. Quality varies and is reported as average.

VALUE ADDED *Gabe Romero/Mike Pacheco*

The supplies on lettuce will be strong

throughout the week. There have been a few issues on quality. The Romaine supplies are good. Most of the leaf is now being harvested in Salinas. Broccoli supplies have increased with some suppliers. The cauliflower supplies have picked up and there will be plenty to fill the processors needs.

WATERMELON *Mike Cantu*

Market continues unsettled but availability is improving. Larger fruit are light supplies due to cool evenings. Demand exceeds on s/less watermelon. Supplies however continue light. Availability on seeded watermelon is sporadic.