



THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Domestic garlic supplies will be light in availability until approximately August. Chinese supplies are extremely light as well. Twelve week averages are in effect for all garlic orders

Raspberries very limited due to warm weather the front part of July

Strawberry quality still fair

Potatoes continue with low pack outs



The Source

July 17, 2013

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Weather: *Tim Lynch*

A high pressure ridge begins to build out West today quickly warming through the weekend. Temperatures will once again reach triple digits in the warmest interior valleys with the expected sea breeze allowing for seasonal temperatures in the low 70s near the coast. This will once again bring excessive heat and humidity to these interior regions of California, rare for early summer.



Freight: *Mike McIntire*

Trucks in California remain steady but will tighten up toward the end of the week. Trucks in the Northwest and Idaho are slightly more available. The national average for diesel rose slightly to 3.867 per gallon. California price went up as well and is now 4.065 per gallon. Crude oil remained steady and is currently at 105.90 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

Washington Red demand is steady but light. Some suppliers will deal for volume on the smaller sizes. Reds continue to peak on extra-fancy 88/100's. Golden Delicious are steady and continue to peak on extra-fancy 88/100's. Granny-Smiths are also steady and they are still heavier to the 80's and larger. Some Granny-smith shippers will deal for volume orders of the smaller sizes. Galas are steady but extremely limited as they are almost finished for the season in Washington. California expects to start packing Gala's on approximately August 1st. Fuji's are still peaking on 88's and larger and the market is steady but supplies are very light. Washington D'Anjou's pear supplies remain light and the market is steady. The remaining fruit is mostly 100's and larger and the US#1 grade. California Bartlett Pears are steady on 90's and larger and slightly lower on 100's and smaller. There is good availability on the smaller sizes.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The supplies on grass are light out of Mexico and Peru. This market is active. The weather has been very cold in Peru and the growing regions of Mexico have had excessive rains and cool temperatures. Supplies will be light throughout the week and pricing will likely increase.

AVOCADO *Tim Kelley*

Demand remains strong and for avocados. Shipments are still setting industry records. Mexico's supplies have dropped drastically and Mexican growers are demanding much higher field prices than US shippers are willing or able to pay. California is seeing a drop in volume coming in from growers due to the current heat wave in California. The size curve has adjusted upward slightly producing more of the larger fruit and shorting the supplies of the smaller fruit; overall resulting in a rising market on the 60's and 70's and an industry not getting enough supply to meet demand. Peruvian fruit has arrived and is helping out the supplies of larger fruit, but not much on the small fruit.

Commodities at a glance...

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

Commodity Updates continued

BELL PEPPERS

Western Bells: *Mike Cantu*

Green bell market is higher. New spring crops are currently shipping from Southern California and have started with mostly large fruit available. Bells are loading from Bakersfield, Thermal, Gilroy, and Los Angeles. Recent weather though, has affected harvesting as some districts are experiencing stages of bloom drop. Open field colored Red bell market is generally higher as they have gone through recent hot weather also. Slight demand exceeds availability from Southern California. New districts are coming online soon. Gold bells markets continue steady availability depends on growing district.

Eastern Bells: *Janine Baird*

The pepper market will continue to rise for the next week or so. Georgia is finished and North Carolina continues to have mostly crown picking. There are small amounts getting started in New Jersey but, again, mostly crown picking. Michigan is still a week or two away from working any pepper.

BERRIES *Mike Gorczyca*

Strawberries- Quality is the main issue in the strawberry world. Arrivals are showing up with bruising, irregular sizing, over ripe and occasional decay. The quality has improved slightly this week with the cooler weather we have been getting the last 5 days. It is still critical to monitor the cold chain and inventory turnover as the fruit is not holding up like you are use to. Heavy fog along the coast, with near-normal temperatures is the forecast for this week in the growing areas. Watch what you are buying as there is some fruit being discounted due to quality. Market is steady

Raspberries: Supplies are still limited with a firm market. Quality is good with an occasional fair lot. The overall yields industry wide has been down significantly this year which is not helping this supply issue. We should see supplies start to improve the first or second week of August.

Blackberries: Demand and supplies are in check with a steady market. Quality is good to fair depending on the lot.

Blueberries: Light demand across the county with abundant supplies out of many growing areas (Oregon, Washington, British Columbia,

New Jersey and Indiana) has this market low. Quality is being reported as good.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is firm. Many suppliers have started the week with stronger supplies on crowns compared to bunched product. This pattern of production will likely continue throughout the week. Demand overall is on the light side. Pricing is competitive.

CARROTS *Tim Kelley*

Supplies and quality are good, and size is coming, bringing more JBO carrots to market and lower market.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

The cauliflower market is active with all suppliers. Supplies have weakened on large sizing as many suppliers have caught up with excess inventories. Prices will vary from shipper to shipper as some continue to be slightly better off than others. The overall quality is strong with very few complaints of yellow discoloration being reported.

CELERY *Gabe Romero/Mike Pacheco*

The celery market is firm. Shippers are varying in pricing as some suppliers are better off than others. With Oxnard finished in production, expect availability to be up and down over the next few months. Large sizing, twenty-four counts in particular continues to be the best sizing available. Santa Maria is in production as well. Michigan celery is not due to start until the third week of July.

CITRUS *Tim Kelley*

Lemons: Supplies are good on the smaller sizes and demand exceed on the 140's and larger. Seasonal demand is very strong, keeping market firming and on the rise. Quality is good.

Oranges: The Valencia oranges are fresh, in good condition and are eating well. Valencia sizing is currently peaking on 113's and 138's. Larger sizes are limited in availability.

Limes: Supplies are off with the continuing rains in the growing area of Mexico. Rain is expected for the next 7 to 10 days. Quality will become an issue with these rains (stylar, brown/sugar spots and lighter color).

Commodity Updates continued

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is unsettled and higher. Supplies' lightening up as demand has increased. Cucumbers are mostly from Baja California other from Fresno some gaps occurring.

Eastern Cucumbers: *Janine Baird*

The cucumber market appears to be loosening up this week. Weather in Michigan is dryer and warmer, as is the East Coast, which means supplies are increasing everywhere. However, with temperatures in those regions expected to get even higher in the coming days, we could see the markets tighten up again by next week as quality issues arise from the heat.

EGGPLANT

Western Eggplant: *Mike Cantu*

Market is settling as current supplies are increasing. There is a wide range of quality and lighter supplies due to impending transitions and awaiting new lots to come online. Some new districts have begun harvesting, supplies are light to adequate.

Eastern Eggplant: *Janine Baird*

Eggplant has become snug as Georgia finishes up and the East Coast is barely getting started. This market will only get tighter in the coming weeks.

GRAPES: *Amy Grolnick*

The Southern San Joaquin Valley is now in full production on red seedless. Supplies of good quality fruit are excellent and that market looks to remain about steady for the near term... Green grapes are more limited but will have better availability in the coming week. The Thompson seedless is improving in supply. It looks like we can expect a slight adjustment in price from the pressure of greater supplies by next week. High temperatures are expected to return to the valley by this weekend but we have no estimates as to any effect this might have.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

The green onion market is stronger with all suppliers. Supplies have lessened due to rains and cool temperatures in the Mexico growing region. Domestic green onions have begun. Quality overall has been nice from both growing regions.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is slightly stronger. Tip burn has been reported. Supplies are light to moderate. The green leaf market is very active. Low yields and smaller planting by growers has caused a gap in the marketplace. Tip burn and dehydration has been reported sporadically upon arrivals. This market continues to be competitive with most suppliers.

LETTUCE *Gabe Romero/Mike Pacheco*

This market continues to gain strength. Low yields are occurring with all suppliers. The reason for the low yields is primarily due to high temperatures in past weeks. Suppliers are scrambling to fill orders. Production is light. Early forecasts indicate lettuce numbers will be moderate to light for the entire week, and pricing will steadily increase. Some issues on quality include tip burn, some mechanical damage, and pink ribbing.

MELONS: *Amy Grolnick*

Cantaloupe: The Westside California cantaloupes are going and have excellent quality. Availability has been suffering on all sizes due mainly to the hot temperatures at night and during the days. Sugar is excellent with high Brix and fruit is still peaking to 12's and larger, with very limited availability of small fruit.

Honeydew: Mexican dewes have finished for the season. Domestic dewes are available with good volume. Demand is moderate and supplies have slowly increased. The market is still depressed. Quality and sugar content are both very good on our domestic honeydews.

ONIONS *John Tole*

Yellow are steady as can be in California and New Mexico. Some of the New Mexico shippers have changed varieties and are peaking on jumbos and smaller now, while many of the California packers are peaking on the larger sizes. Demand has still been only fair so many shippers will still flex for volume yellow orders. Reds are also steady. / California has more volume than New Mexico though and the volume flex on jumbos is still available out West. Whites are mostly steady in both districts but some suppliers are higher. The quality has been good on all colors.

Commodity Updates Continued

Washington will begin packing new-crop yellows in approximately 2 to 3 weeks.

POTATOES *John Tole*

Idaho continues to push higher due to poor storage quality. Old-crop supplies are only going to get tighter as we approach August so expect the market to keep rising. Continue to stay ahead on potato ordering to ensure timely coverage. The earliest reports of new-crop Idaho spuds are between August 5th and 8th. Colorado is also higher and supplies remain limited. Colorado is also having some issues with storage quality. Expect their market to continue to rise until new-crop starts. The Colorado shippers expect to begin bringing in Nebraska and Kansas potatoes between July 29 and early August. Washington will start packing new-crop Norkotahs by the end of July. Bakersfield, California has finished packing Norkotahs russets and they are cleaning up inventories now. Bakersfield is finished packing all colored potatoes except Whites. Stockton, California is packing new-crop red, white, and gold potatoes and they are all peaking on A-size. B-size is very limited in Stockton. The demand for colored potatoes has been very strong so stay ahead. Eastern Washington will start packing Reds and Golds next week. Minnesota & Wisconsin will start packing Red & Gold potatoes in early August.

SQUASH

Western Squash: *Mike Cantu*

Market continues unsettled on both Italian and Yellow S/N. Production has started in earnest with wide range of quality. Light supplies of yellow s/n squash causing market to inch up as demand pressures pricing. New districts started up in Southern California but, recent hot weather has affected harvesting and production.

Eastern Squash: *Janine Baird*

Squash continues to be tight as the heat in Michigan, followed so soon by heavy rains, is causing the product to blow up in the fields. Look for this market to stay high with limited supplies for the remainder of the week.

STONE FRUIT *Amy Grolnick*

The California stone fruit season is in full swing with plenty of good quality product. Peaches, Nectarines, Plums and Pluots are plentiful.

Brix are high and fruit is eating really well. There are several varietal stone fruits available as well. Washington cherries are available with increasing volume.

TOMATOES *Aaron Aliotti*

Western: High temperatures in California are expected to peak in the valley on Saturday with temps in excess of 105 degrees followed by a low pressure system that is expected to bring cooler temps by the end of next week. Prices remain elevated on rounds and Romas. Grape and Cherry tomato prices have firmed up.

Eastern: Tight supplies in the east coupled with harsh weather have caused prices to spike this week. South Carolina is finishing up their crops with supplies in the weeks coming from a combination of growing areas including Virginia, North Carolina, Tennessee and Kentucky. While Southern Florida is expecting more rain, growing regions north of the state are expecting warm weather as high temps sweep through the North East this weekend bringing on some local supplies. With more fruit entering the pipe line, prices should ease by the first week of August.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Lettuce supplies will continue to be on the light side throughout the week. Look for processors to attempt to buy fields which will inevitably take up the carton business. There are ample supplies of romaine to fill the processors' needs. Romaine quality has been suspect with signs of tip burn and some decay showing up in the finished product. Broccoli raw product supplies will be steady this week. The cauliflower supplies are not an issue for processors for now. The quality overall has been good.

WATERMELON *Mike Cantu*

Market settling availability is improving although some districts have suffered ill effects of recent hot weather and rains.