

The Source

January 11, 2012

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THINGS YOU SHOULD KNOW:

Weather is improving in most growing areas with temperatures becoming more seasonal.

Rain in Florida Strawberry growing areas has limited supplies

Markets are unsettled because of holiday and weather interruptions last week. It has now temporally affected a good portion of the available commodities. Production and availability ought to improve next week and thereafter.

Cantaloupe and Honeydew will remain extremely limited into next week



Weather: Tim Lynch

A weakening high pressure ridge will remain in charge in the Southwestern growing regions of California and Arizona keeping temperatures near seasonal norms this week. A weak low pressure system off the Baja coast will enter the mix over the weekend bringing a slight chance of rain and cooler temperatures to the region. This system is expected to approach the Southern California and Baja coast Sunday possibly bringing light rain to the region before quickly moving east. Desert area temperatures in the low 70s with lows in the mid 30s and frosts possible in the coldest valley locations are expected into next week.



Freight: Mike McIntire

Trucks in California will be steady this week. Washington, Eastern and Western Idaho trucks continue to be extremely tight. Crude oil continues to be near 100 dollars a barrel and is currently at \$101.88. The National Average for diesel remained steady and is currently 3.828.



Commodity Updates

APPLES/PEARS *John Tole*

Not many changes in apples right now although the eastern availability is more limited than it was. Washington reds are still peaking on 88/100's with higher color so expect limited availability in the lower grades. Golden delicious are also peaking on 88/100's and the higher grades. Many shippers have less Golden's planted this year. Granny-Smith are also producing mostly 88/100's and they are also heavy extra-fancy grade fruit. Galas are still peaking on 88's and smaller and are also producing more of the extra-fancy grades. Gala demand remains strong and the supplies limited. Washington Honey Crisp is peaking on 88/100's but the availability is low as most shippers will finish packing them this month. Cameos, Pink Lady's, Jonagolds, Fuji's, Braeburns and the other varieties are all still available. Washington Bartletts are heavy to the US#1 grade and are peaking on 100's and smaller but the availability is light. Most packers will finish Bartlett Pears in February. D 'Anjou's are also peaking on the US#1 grade and are evenly spread across the size spectrum. Washington Bosc pears are peaking on 100/110's and smaller and the availability is really good. Red D'Anjou and Stark Crimson red pears are also still available.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is softer. Supplies out of Mexico have picked up on all sizes except extra large and jumbos. These particular sizes will be light throughout the week. Peruvian product continues to have extra large and jumbos available if needed. The Peruvian product loads in Florida and LA.

AVOCADO *Tim Kelley*

Mexico harvest will be good and steady as we move through the week. Market is firm and looks to stay this way until after the Super Bowl pull concludes. Chile's volume coming to the US is slowly increasing as the demand in Europe for their fruit drops.

BELL PEPPERS *Jaime Contreras*

Western: Green Bells and Colored Bells: Bell pepper production is light for this week. Most production is heavy towards large fruit with light supplies on medium size. Colored bells are starting to trickle in but, mostly in

Commodities at a glance...

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

Commodity Updates continued

hothouse variety and packs. Conventional colored bells continue demand exceeds. Cool weather has hampered open field bells and has delayed normal production schedules. Markets remain strong and do not foresee relief for another week or so.

Eastern Bells: *Janine Bair*

Supplies have been extremely limited the last few days due to the recent cold snap. This market has been very active and the prices have increased dramatically going into the weekend. While the supplies are a little better, the prices are high and the quality is fair.

BERRIES *Mike Gorczyca*

Strawberries: Supplies are limited out of all three loading areas the middle of this week (California, Florida and McAllen, TX. Demand has increase with the retailers coming back in and running ads that started this week. This has firmed the markets up. Florida supplies are slowing improving from the freeze last week. Rain yesterday night and this morning in the Florida growing areas has slowed harvest slightly. Market very active. California is in the middle of transition from the fall crop winding down and the new spring crop just breaking ground. The spring crop is about three weeks away before they will have any constant numbers as long as long as Mother Nature stays away. Mainland Mexico supplies are limited but will increase in the next two to three weeks when they hit peak production. Quality is still being reported as good.

Raspberries: Quality remains good with moderate demand and supplies. The market is steady.

Blackberries: Quality remains good to fair with moderate supplies and a slightly firmer market.

Blueberries: All growers have switch to 6oz packs and larger. The market is steady at lower levels. Quality is being reported as good.

BROCCOLI *Gabe Romero/Mike Pacheco*

Warmer weather in the growing regions has increased supplies on both bunched product as well as crowns. A few suppliers are offering special pricing, especially on broccoli crowns for large volume orders. Expect supplies to be good throughout the week. Salinas continues to have light production if needed. There

continues to be supplies available in Scottsdale if the need arises.

CARROTS *Tim Kelley*

California carrot supplies remain good, but with the cooler winter weather growth is slowing sizing and volumes on the jumbo size carrots are beginning to lighten and market is firming.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market overall is softer. Lack of demand has allowed some suppliers to have higher than normal supplies; hence there are a few offers available on sixteen counts. Growers are continuing to deal with brown spotting and yields have been affected. The overall quality has been fair.

CELERY *Gabe Romero/Mike Pacheco*

This market is active on large sizing. Suppliers continue to have better availability on the smaller sizes, mainly 30 and 36s. Santa Maria as well as Oxnard and Yuma are the main areas of production on this commodity. The quality is good with no major issues to report at this time. Large sizing is commanding a higher price.

CITRUS *Tim Kelley*

Lemons: Demand is still exceeding supplies of the small fruit (140's, 165's, 200's, and 235's). Tight supplies will go through January. The fruit is sizing up quicker with the lighter crop hanging on the trees of the Desert crop this year.

Oranges: The Navels are in full production. Quality looks very nice and fruit is now full natural color. Pack outs are running heavy to fancy grades.

Limes: Supplies expected tighter with weather in the growing areas. Demand continues on 110's-200's resulting in a rising market.

CUCUMBERS

Western Cucumber: *Jaime Contreras*

Lighter supplies across the board. Market is creeping up as demand exceeds current availability. As weather and harvesting gets back on track, availability ought to steady the market. We foresee relief next couple of weeks.

Eastern Cucumbers: *Janine Baird*

This market has spiked in recent days as

Commodity Updates continued

domestic cukes are now at an end and the offshore deal has yet to truly ramp up. The gap in product has driven the market up and it is expected to stay at current levels going into the weekend. Quality on offshore product has been excellent.

EGGPLANT

Western Eggplant: *Jaime Contreras*

Supplies are stabilizing this week. Market is steady, possibly edging upwards as last month's cold snap has lessened production.

Eastern Eggplant: *Janine Baird*

This market has remained steady and should continue to do so for the next week or so as supplies out of Florida increase and quality is excellent.

GRAPES: *Amy Grolnick*

California product is for the most part cleaned up. Shippers are going much longer than expected. Quality is marginal at best. Chilean fruit is now coming in to both coasts with good quality. The red and green grapes are both very small this first fruit coming in is still mostly 9/16 to 10/16. The market is very soft as there is plenty of fruit with no demand.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is firm. Supplies have tightened up with many suppliers. The quality continues to have a few issues with decay upon arrival. Pencil sizing will have the best availability. Supplies are expected to be light to moderate for the rest of the week.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is getting stronger. Blister and peel continues to be a problem with all suppliers. This is an industry wide issue. Demand is better. Yields are down with all suppliers. Thirty count packs are being done from some suppliers in hopes of having a cleaner pack. Blister, tip burn and epidermal peel are issues we will be dealing with for the next couple of weeks. Green and red leaf will have similar issue as romaine, but not as drastic. The main growing area is in Yuma. The Thermal area has picked up in production numbers. Supplies out of Santa Maria are light in availability.

LETTUCE *Gabe Romero/Mike Pacheco*

The lettuce market is steady. Better weather in the desert has brought on good supplies with most shippers. Epidermal peel and blister are still seen upon arrivals, but the quality is expected to get better sooner, compared to romaine. Lettuce carton weights are averaging 44-48 #s. The availability is good and demand is light.

MELONS: *Amy Grolnick*

Cantaloupe: Offshore fruit is extremely limited. They are transitioning growing regions right now from Guatemala to Honduras. Product this week and into next will be more limited so getting orders in early is advised. Quality is very good and the market is up. Mexican fruit is all but done for the season.

Honeydew: Offshore fruit is extremely limited as well with very good quality and running to large size fruit mostly 5's and 6's. Nogales has Mexican fruit crossing but with very limited numbers. Quality is good as well.

ONIONS *John Tole*

The yellow onion market is flat in all areas! Idaho/Oregon & Washington have good volume available and will still discount for volume. Colorado has finished for the season. Texas still has Mexican sweet onions and a few sacks now too. The yellow quality has been excellent in the northwest. Washington red onions are steady with flex for larger orders. Idaho/Oregon reds remain higher than Washington but are also steady with some flex for volume. White supplies are fairly limited but steady along with the market.

POTATOES *John Tole*

Idaho norkotahs are slightly higher on 80's and larger and are still limited due to stronger demand. Most Idaho shipper is packing more Burbanks right now though and they are smaller, thus the larger counts are also higher. Idaho is now peaking 70-count and smaller Burbanks so 90-120's are now cheaper than the larger counts. Washington remains steady on all sizes and they continue to peak on the larger counts. Colorado is still peaking to 70-count and larger. The Colorado market is steady on all sizes. Russet quality has been

Commodity Updates continued

excellent in all areas. Bakersfield, California is still packing reds, golds, and whites and pricing is steady but the availability is questionable due to skinning. Washington & North Dakota continue packing reds and golds and both areas are heavier to A-size. Gold supplies are limited in both areas. Wisconsin is also packing reds, whites, and golds and their market is also flat but whites and golds are limited. Idaho is still packing reds and golds and they are also peaking on A-size. Quality has been fair to excellent in all areas.

SQUASH

Western Squash: *Jaime Contreras*

Markets are very unsettled due to gaps in harvesting as a result of previous cold snap. Currently demand exceeds availability and we foresee some relief until the next week.

Eastern Squash: *Janine Baird*

The recent cold snap has taken its toll on Florida squash. Supplies of squash will remain limited to none going into the weekend. Pricing will fluctuate day to day with all quotes being at the high end.

STONE FRUIT *Amy Grolnick*

Offshore fruit is available with limited supplies on both the west and east coast on nectarines, peaches and cherries.

TOMATOES *Jay Martini*

Western: This is the first week that the potential of Mexican tomato volume has had an effect on the overall market, with downward pressure in pricing. Although crossings are still only slowly increasing, pricing is aggressive with shippers at Nogales, AZ hoping to wrest control of the buying from the East. Early reports on quality are good to very good.

Eastern: In the days since the cold weather in Florida, even though potential tomato yields moving forward are forecast to be far less than before the frost, the post-holiday business has not picked up considerably and consequently prices have eased off. Size profiles are still heavy towards x-large, with those prices continuing to be less than the large & medium sizes. However, look for many of the shippers in the Immokalee/Naples area to drop off in harvesting over the next couple weeks, as Mexico picks up volume.

WATERMELON: *Jaime Contreras*

Markets steady. Current availability on Seedless watermelons is heavier towards 4ct as most are now receiving from Jalisco. FOBs are stabilizing as transitioning takes place to Jalisco growing areas. Anticipate some gaps as transition takes place. Seeded watermelon will be available in light supplies as Jalisco gears up.

VALUE ADDED *Gabe Romero/Mike Pacheco*

The lettuce supplies are much stronger with all suppliers. Romaine supplies will be moderate, but quality will be suspect. Broccoli supplies are strong. The cauliflower supplies have increased due to a lack of demand. Expect all value - added products to have less of a shelf life, due to weaker raw material being used. Although warmer weather is in the forecast, damage has occurred to all crops.