

FRESH DIRECTIONS

WEST CREEK FRESH

Weekly Produce Trend Report for Week Ending September 5, 2014

MARKET OVERVIEW

Lettuce prices are strong and will likely rise further by late week. Romaine is firm and steady. Green leaf supplies are finally increasing. The Salinas Valley is in the midst of a prolonged period of high lettuce prices. An extended high lettuce market tends to fuel the prices of the other major commodities. Broccoli remains incredibly tight, especially Asian crowns. Cauliflower prices are firm and rebounding higher. Celery supplies are rising and shippers are quietly offering volume discounts on 24s and 30s. Strawberry production continues to decrease and shippers are forced to prorate. Prices are gaining additional momentum. Driscoll is now \$20.00 FOB on 8/1# clamshells. Berry counts are in the mid- to upper-20s per 1# clamshell. Unusual weather is the primary factor behind the current market cycle. Over the past six weeks, the central coast has experienced unusually high humidity and above normal temperatures. Overnight humidity has steadily been reaching 92% to 94% with temperatures near 60 degrees, which is 7-10 degrees above normal. One explanation is the temperature of the Pacific ocean is approximately 5 degrees above normal. The mouth of the Salinas Valley meets the Pacific ocean along the Monterey Bay and daily afternoon winds bring the humid air down the Salinas Valley. This humid air and warm overnight temperatures are the catalyst to today's mildew problem and above normal insect populations. Growers can combat the mildew and insects, but their efforts can only go so far. This helps explain production yield decreases of 30% or more. In addition, iceberg lettuce needs cool night temperatures (50 to 52 degrees) so the plants stop growing overnight and form a tight, solid head. The unusually warm nights allow the plants to grow continuously which leads to puffy heads and a higher degree of small head sizes. The other factor is light summer plantings. Shippers reduce their summertime acreage so they don't have to compete so aggressively with the regional summer growing areas of Michigan, the Ohio Valley and eastern Canada. A 30% yield reduction during a period of light plantings results in tight supplies and expensive lettuce prices.

****Please note the report on the Oranges and Lemons below. Water shortage is causing critical issues and shortages.****

COMMODITY	PRICE	QUALITY	PRICE TREND
Avocados-Californian & Mexican	Moderate	Good	↕
Blueberries	Moderate to High	Good	↑
Blackberries	Moderate to High	Good	↑
Strawberries	Moderate to High	Good	↑
Raspberries	Moderate to Low	Good	↔
Grapefruit	Moderate	Good	↑
Lemons	Extreme	Good	↑
Oranges, Navels, Valencias	High	Good	↑
Limes	Moderate	Good	↔
Pineapples	Moderate	Good	↑
Green & Red Leaf Lettuces	Moderate	Fair	↔
Iceberg Lettuce	Moderate	Fair	↑↑
Romaine Lettuce	Moderate	Fair	↔
Romaine Hearts	Moderate to High	Good	↔
Cucumbers	High	Fair to Good	↑
Green Beans	Moderate to Extreme	Good	↔
Green Bell Peppers	Low	Good	↓
Red Bell Peppers	Moderate to High	Good	↑
Yellow Squash	Moderate to High	Good	↔
Zucchini	Low to Moderate	Good	↔
Green & Red Seedless Grapes	Moderate	Good	↔
Peaches, Nectarines, Plums	Moderate	Good	↔
Cantaloupes, Honeydews	Low	Good	↔
Artichokes	Moderate	Excellent	↑
Asparagus	Extreme	Good	↔
Arugula, Bok Choy, Carrots, Green Onions, Frisee, Mache, Napa, Spring Mix	Moderate	Good	↔
Baby Spinach	Moderate	Fair	↔
Cauliflower	Moderate to High	Very Good	↑
Broccoli	Moderate to High	Good	↑
Snow & Sugar Snap Peas	High	Good	↔
Cilantro	Moderate	Very Good	↔
Celery	Low to Moderate	Excellent	↔
Parsley (Curly & Italian), Red Cabbage	Moderate	Excellent	↔
Spinach (Bunched)	Moderate	Excellent	↑
Fennel/Anise	Moderate to High	Good	↓
Peeled Garlic	Extreme	Good	↑
Kale (Green)	Low	Excellent	↔
Red & Yellow Onions	Moderate	Good	↔
White Onions	Moderate to High	Good	↔
Potatoes	Low	Good	↔
Round, Roma, Plum, Grape Tomatoes	Low	Very Good	↔
Red & Golden Delicious, Bosc Pears	Moderate	Good	↑
Galas, Granny Smiths, Fujis	High	Good	↑



FRESH DIRECTIONS



APPLES & PEARS

The California season is ending; stocks are limited. The transition from Washington storage crop to the 2014-2015 new crop season has started. Gala and Gingergold supplies are on the market. Sugar levels measure 12 to 14 Brix (sugar to acid ratio). The California Bartlett, Bosc, and Red Crimson markets are below those in the Pacific Northwest. The new crop Washington Bartlett season just started.

ASPARAGUS

Prices are stable to slightly higher than last week. Stocks are available from Mexico and Peru; jumbo and extra-large sizes are limited. Flavor is grassy and stalks are straight.

AVOCADOS

The market is steady; California supplies are starting to diminish. Mexican growers are harvesting the Flora Loca crop; No. 2 grade stocks are tight. California quality is excellent: oil content is high and texture is creamy.

BELL PEPPERS

The market remains elevated, but is expected to ease next week when stocks increase. Quality is excellent; shape is elongated and flavor is sweet, yet peppery.

East: Demand continues to be weak. FOB prices remain low and look to go lower. Western NC, NJ and MI are the major supply regions. Transportation out of MI is a challenge. We are seeing variable quality due to rain in MI.

West: Good supplies continue causing FOB prices to remain weak in the West. Oxnard and Stockton continue to harvest.

BLACKBERRIES

Prices are starting to inch up; seasonal production is slowing, tightening stocks. Quality is good: texture is firm and flavor is sweet. Sugar levels range from 12 to 13 Brix.

BLUEBERRIES

The market is rising; volume is low. Rain in the Pacific Northwest is bringing about an earlier end to the season. The primary pack will be the 4.4-ounce clamshell until the new crop Argentine season starts in October. Quality is very good: berries are juicy and sweet. Sugar levels measure 14 to 18 Brix.

BROCCOLI

Prices are high at steady levels. Elevated temperatures pushed harvesting ahead of schedule and created a supply gap; stocks are scarce. Expect an elevated market for a few more weeks. Quality is average, although issues include bracketing, pin rot, hollow core, and branching.

CABBAGE

Cabbage supplies are limited with Georgia being done. Cabbage is available in N.Y.

CANTALOUPE

Market steady to strengthening as demand has increased and some production numbers have slowed a bit this week, we anticipate picking up on production first part of next week, the overall quality is excellent with beautiful interior color and sugar and very nice clean netting and shape. We expect to be packing on the Westside through mid-October and then transition to the desert through November.

CARROTS

Conventional carrot market is steady to slightly weaker, with product shipping from Bakersfield. Quality is good.

CAULIFLOWER

Strong demand and tight Salinas Valley supplies have pushed up prices. Quality is very good: color is snowy white, texture is creamy, and flavor is earthy.

CELERY

The market is unchanged. Supplies are abundant in Salinas and Santa Maria, California; large sizes dominate both crops. Quality is very good; flavor is zesty.

CILANTRO

Supplies have somewhat decreased from last week, but are expected to remain steady for the next few weeks. Quality and appearance continue to be very nice with bunches averaging 9-11 inches in length with good green color.

CUCUMBERS

East: MI continues to be the major growing region. Quality is variable due to rain. FOB pricing is weaker.

West: Baja crossings continue. However, this region is experiencing water and insect issues which may cause an earlier than normal end to that crop. A little more supply is available in the west this week. The level of demand will determine how FOB prices react.

EGGPLANT

Eggplants are done in Georgia. North Carolina has limited availability.

FENNEL/ANISE

Fennel supplies are in line with demand for this week. Demand continues to be decent so the market is expected to remain strong and prices steady.



FRESH DIRECTIONS



GARLIC

Volume from China is down substantially due to tariff increases for the majority of importers. This has resulted in a large increase in demand for California and Mexican growers. Although a few containers from China have arrived on the West coast recently, demand will continue to exceed supply. In addition to the shortage of Chinese garlic, there are fewer planted acres in California, further contributing to the shortage.

GRAPES

Market steady and strengthening on most varieties as we are moving into a few different red varieties and demand is very good with excellent sugar and quality on all varieties. We expect to continue packing in a good way through November if there is no major weather issues. Expect quality to continue to stay strong. This is a great time to promote California Table Grapes.

GREEN BEANS

Adequate supplies in the East, tight availability and high prices in the West.

GREEN ONIONS

Plentiful supplies with moderate prices on iced and ice-less products.

HONEYDEW

Market steady to strengthening as demand has been very good on all sizes and should continue to keep steady, the overall quality is excellent as we have been cooling down a bit at night which is helping to keep the fruit strong with excellent sugar and a nice green to cream color. We should finish here on the Westside mid October and then transition to the desert.

ICEBERG LETTUCE

Prices are very high. Hot weather continues to cause issues with aphids and mildew; growers are removing damaged outer leaves, resulting in lighter, paler lettuce. WCF Premium Iceberg Lettuce is limited due to low weights and insect pressure.

JALAPEÑOS

East: Good supplies and good quality continue in the east with most supplies coming from NC, MI and NJ. FOB prices generally steady. Quality is very good.

West: Supplies out of Baja and San Maria continue. Quality is very good. FOB prices are weaker.

KALE (GREEN)

Plentiful supplies this week. Overall quality and appearance

is outstanding with bunches and lengths measuring 14-16" and dark green color.

KIWI

Kiwi are shipping Chilean fruit. This is good quality, firm fruit.

LEMONS

We are in a **demand exceeds supply situation** on all sizes and grades, and will be in this situation until we start California Desert (dist. 3) around the third week of September. We are packing fruit from Dist. 2 (California Coast) this fruit is generally high in maturity and experiencing some clear rot problems due to the weakness of the fruit. The internal condition should be good with fair to good juice content but overall quality is fair at best. The Mexico fruit we have packed has been very small in size and limited juice content and experiencing some brown rot problems as well, we have stopped packing Mexican fruit until we see some better sizes and we will treat it here to help ease the spread of the brown rot. The Chilean fruit has been light in supply due to the global shortage on lemons and Chile exporting to the Pacific Rim and other foreign countries, the overall quality of the Chilean fruit is fair, but you will see some quality issues as the fruit has 14 day ride from Chile and upon arrival we need to have the fruit warmed up and fumigated which causes problems to the fruit and typically we are re-packing due to decay.

LETTUCE (GREEN & RED LEAF)

Prices are average despite limited supplies. Heat continues to cause quality problems such as insect pressure, mildew, and fringe burn.

LIMES

Prices are level; stocks are adequate. Quality is average: light color, brown spots, scarring, and stem decay are minor quality issues.

NAPA

Good availability and favorable prices from selected shippers.

ONIONS

New Mexico will end for most shippers on Friday of this week. Most shippers will be transitioning all sales to Idaho/Oregon with any manifest shipping Monday of next week. With New Mexico leaving and a short production week due to the holiday we should see this market firm up by Friday 9/5. Quality is very nice with these fresh onions but we will see an appearance improvement once



FRESH DIRECTIONS



we start coming out of storage. The time these onions spend in storage allows the skin to cure and that's what gives the Idaho/Oregon onion the firm bronze husk.

ORANGES

Market is extremely tight and demand exceeds supply on 88's and smaller as we are peaking on 56's and 72's, we have packed more fruit to date than normal due to our water situation and some regions not having any surface water and depending on wells which a majority are producing about half of normal gallons per minute therefore the trees and fruit are very stressed. The tree is carrying the crop we are currently harvesting which is about 16 months old and has gone through the elements and next year's crop is trying to survive which is causing the tree and this year's crop lots of stress. The oranges we are harvesting now as well are in a re-greening process which is something that happens during our hot summers. We are gassing some of the blocks to help bring on the color, you will see some green color but internal condition is excellent with very good sugar and juice content. We are going to be fighting to cover orders on the 88's and smaller and also quality issue due to weaker than normal fruit until we start navels around the third week of October.

PARSLEY (CURLY)

Plentiful supplies this week. Quality continues to be superb. Bunches are measuring 8-10" in length with good dark green color.

PARSLEY (ITALIAN)

Plentiful supplies this week. Quality is excellent and bunches are averaging 9-11" in length with a rich, dark green color.

PINEAPPLES

Prices are average despite low volume; early ordering is recommended to ensure coverage. Supplies should start increasing this week. Overall quality is very good, but some lots are exhibiting soft spots. Sugar levels range from 13 to 14 Brix.

POTATOES (IDAHO)

Everyone has made the transition from old crop to new crop. Over the past few weeks we have seen very strong supplies of larger carton potatoes such as 70ct all the way to 40ct. This available supply from most sheds has really help drive FOB carton prices down. That appears to be changing as some of the sheds move into fields on the eastern side of the state. Right now these early fields are yielding a lot of smaller potatoes and that heavy

supply of large cartons we had is really going to shrink. This smaller profile could be around anywhere from 2-4 weeks. If this all comes to fruition we could be looking at a stronger carton market as early as next week. With all that we don't see FOB prices going crazy, but firming up is likely.

RASPBERRIES

Prices are stable; supplies are sufficient. Quality is good: softness and bleeding are occasional issues. Sugar levels remain high, ranging from 13 to 14 Brix.

RED CABBAGE

Steady supplies, great quality and sizing should continue to be steady for the next week to 10 days.

ROMAINE HEARTS

Good supplies with strong demand. Fringe burn continues to be an issue in the fields. Crews are being diligent to what is harvested and put into the final product. Expect issue to continue for another few weeks. Otherwise, quality is steady with light green color and a nice amount of cupping.

ROMAINE LETTUCE

The market is steady; supplies are bit tight, but demand is weak. Quality problems like fringe burn, insect pressure, internal burn, mildew, and seeders persist. If processor demand increases, the market will rise. WCF Premium Romaine is sporadic.

SNOW AND SUGAR SNAP PEAS

Adequate supplies on snow peas; tight availability, poor quality and high prices for sugar snap peas.

SPINACH (BABY)

Demand exceeds supply; production has dropped significantly due to growing conditions during August; growers are fighting issues with mildew.

SPINACH (BUNCHED)

Steady supplies with strong demand. Overall quality is excellent (bunch sizing is large and full with lengths 11-12" in length and weights of 22-23 lbs.

SPRING MIX

Although the market is level, supplies are scarce. High temperatures and humidity continue to cause quality problems such as aphids, heat-related defects, and mildew. Maintaining the cold chain is critical to shelf-life, particularly in the summer.



FRESH DIRECTIONS



SQUASH (YELLOW)

East: Continue harvesting out of SC and NC with light volume. NJ and MI continue to be the major suppliers. Demand is weak. Market is active. Rain is causing quality to suffer. Scarring is seen on much product.

West: Supplies are light and quality is fair to good due primarily to scarring. Harvesting is primarily from the Santa Maria area. Like the east, market is active.

SQUASH (ZUCCHINI)

East: Limited supplies available from SC and NC. NJ and MI are major providers. Quality is good and demand is weak.

West: Supplies continue from Baja. Santa Maria region is harvesting. Quality dictates FOB pricing, which is generally higher from last week.

STRAWBERRIES

The market is starting to climb. The Salinas/ Watsonville season is wrapping up; volume is decreasing. New crop Santa Maria berries are now on the market, but supplies will remain tight for several weeks. Quality is fair; many lots are smaller than normal and overripe. Flavor is sweet: sugar levels range from 14 to 15 Brix.

TOMATOES

EAST

Rounds: Ample supplies continue from several growing regions. Western NC and SC, TN, Eastern Shore of VA, NJ, MI, and AL (vine ripens) are all still producing. Demand nationwide continues unusually weak. FOB prices for all sizes have fallen. Quality is still generally very good. We see good volume in the East into September unless rains interrupt.

Romas: Primary harvesting areas continue to be Western NC, the Eastern Shore of VA and MI. Demand is weak. FOB prices are down on all sizes. Quality remains very good.

Grapes: Supplies from VA, TN, NC, SC and AL continue strong. FOB prices generally steady to up slightly. Quality remains very good. Demand continues weak.

Cherries: Supplies continue to be relatively tight. FOB prices are steady from last week. Quality remains very good. The Eastern Shore of VA is the primary sourcing area.

WEST/MEXICO

Rounds: Supplies continue to be strong as demand continues to be weak. FOB prices are down again on all sizes. Quality is very good. The weather has been excellent for growing tomatoes. The forecast calls for warmer days but not excessive. We see good supplies continuing at least through mid-September. Mexican crossings of vine ripens continue at Olay Mesa and McAllen. Quality is variable and so are FOB prices depending on quality.

Romas: Crossings continue at McAllen and Baja. CA growers continue this week. Quality remains good but variable. Demand is weak. FOB prices are steady to lower on all sizes.

Grapes: Crossings from Baja and McAllen continue. We see no major gaps in grape supplies for the foreseeable future. Quality is good to very good.

TREE FRUIT

(PEACHES, NECTARINES, PLUMS, CHERRIES)

The nectarine market is inching up, the peach market is slightly lower, and plum prices are stable. The California season is nearly finished. Quality is very good: fruit is sweet and juicy. Sugar levels range from 12 to 13 Brix.

WATERMELON

Market is steady with good supplies and very good demand, the overall quality is excellent with great sugar and nice firm internal meat with excellent color. Expect market to keep steady as demand has been excellent going through the month of September.