

# The Update

August 18, 2014

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**THINGS YOU SHOULD KNOW:**

**COMMODITY ALERT:**

Strawberry Quality is fair at best

Apples and Pears- the eastern supplies are short and Washington is in large fruit so stay ahead on the smaller sizes

Lemon demand is exceeding supplies on all size and grades

Oranges getting very tight on the small sizes 113's and 138's

## Weather

An upper level low pressure trough over Central California moves southeast allowing for substantial cooling over the next few days. A couple of tropical systems off Baja may bring some monsoonal moisture from the south into Central California keeping the threat of lightning and thunderstorms in the region over the next few days. Moderate to heavy on shore flow will keep the coastal areas moist with inland areas only reaching the upper 80s. High pressure builds into the weekend with slight warming trend



## Freight:

Trucks in California seem to be steady but will tighten up toward the end of the week. Washington and Idaho remain steady this week but are getting tighter now that onions have started in the Parma, ID area. The national average on diesel fuel was 3.843 last week and will adjust when they come out later today. Crude oil continues to be just under 100.00 per barrel and is now at 95.98 per barrel.

# Commodity Updates

## **APPLES/PEARS**

New York should start packing a few Jersey Mac's and Ginger-gold's at the end of the week. California Gala's are steady with limited availability as many shippers will finish packing in the next week. The remaining fruit is peaking on 100/113's and the color is average to good. California Fuji's are steady and are still lighter in color. California fruit is peaking on 100/113's. The market for Washington Red Delicious continues to slowly rise especially the 113's and smaller. The reds continue to peak on 80/88/100's.

Most suppliers are still subbing to the higher grades to cover any volume of small reds. Golden delicious are finished for the season. Ginger-gold's and/or Early-gold's are available and they are heavy to the lower grades. Washington Granny's are still peaking on 88/100/113's. Some shippers will still flex for volume on the smaller sizes. Washington Fuji volume is very light but they are available from a few suppliers. The remaining Fuji's are mostly large. California Bartlett pears continue to peak on 80's and 90's. The market for larger fruit is steady with good availability while the 120's and smaller are steady to higher with limited volume. Washington Bartlett pears are available and have better numbers of the smaller sizes. California Bosc pears are available but the volume is light and the market remains very strong. California Red pears are also steady and peaking on larger fruit. Washington will begin packing Red pears next week.

**ASPARAGUS** This market is extremely active with all suppliers. Bad weather in the growing regions of Mexico has made this commodity extremely scarce. Demand clearly exceeds supply and this will continue for the entire week. Production in Peru is moderate to light. Loading directly in Miami is an option. Jumbo sizing continues to be very light and demands a premium price.

## **AVOCADO**

California is going strong, and quality is excellent, with sizes peaking on 60's and larger. Mexico is beginning their Flor Loca crop

## Commodities at a glance...

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

# Commodity Updates continued

harvest. This fruit will take longer to ripen as mature levels are low. Peruvian fruit supplies are good and will continue through August. Their fruit is mostly 48's and larger, with a limited amount of 60's. Fruit quality is good, with very good maturity levels. As we get into the second half of August, supplies of all origin will begin to decline and market looks to get very active.

## **BELL PEPPERS**

### **Western Bells:**

Supplies are improving on green bell peppers from Fresno. Bakersfield and Arvin area are about wrapping up. California red bell market is settling. We believe this will be short lived as some current districts' production is projected to be very light. Red bells both open field and hothouse is crossing through South Texas... Demand Exceeds on Red and Gold bell peppers from both districts. Colored bell peppers supplies from California will continue to be a challenge for the remainder of the season until Baja California kicks in this fall. Gold bells markets continue at HIGH fobs and very light supplies availability depends on growing district. Mexico has

basically wrapped up on both hothouse and open field gold bells. Some greenhouse gold bell peppers are crossing through South Texas.

### **Eastern Bells:**

Volume in Michigan has ramped up, softening the market somewhat. Decent weather should hold this market down for several more days.

## **BERRIES**

**Strawberries:** Same old story in the strawberry world. Quality is fair at best and I don't see this changing anytime soon. Market is firming due to seasonal lighter supplies with moderate demand. Shippers are selling out a day or two in advance and a few Shippers having to fill rate orders. Fruit size is small with full color fruit being shipped. Quality issues showing up upon arrivals: Bruising, overripe fruit, and light mold. Some shippers are quoting their fruit with as high as 20% bruising. The small sizing is making it hard to get Stem strawberries and what is being harvested is basically a strawberry with a long stem.

**Raspberries:** Growers have past their peak production for the season. Supplies are lighter this week which has this market starting to firm up. Quality is fair. The main issue showing up in

the pack is soft fruit due to the warm nights. Look for this market to continue rise.

**Blackberries:** Blackberries market is starting to firm up as the growers have passed their peak. Moderate to good demand with lighter supplies has this market firming. Quality is fair due to the warm nights which is keeping the fruit soft

**Blueberries:** Supplies are winding down out of the Northwest. Wet weather followed by heat has hurt the quality. Market is firming. Next area to come into play will be Argentina which is about 3 to 4 weeks away. Look for the market to continue to creep up over the next couple of weeks.

## **BROCCOLI**

Supplies will be extremely light all week on bunched broccoli as well as crowns. Demand clearly exceeds supply. This market will continue to gain strength throughout the week. Processors are buying as much acreage as possible. This will put the pinch on carton production. Contracts will have priority with all suppliers. Santa Maria, Salinas and Mexico are the growing areas for these commodities. Knuckling is being seen on the crowns.

## **CARROTS**

Bakersfield crop is producing good volumes of good quality carrots with good size.

**CAULIFLOWER** This market has remained unchanged to start the week. Some suppliers are indicating this market will be up by mid week, so purchasing more at the beginning of the week would prove to be a prudent move. Demand is steady, overall. Production continues mainly out of Santa Maria and Salinas. The quality has been reported as good.

## **CELERY**

This market is steady. Small sizing, thirty-six counts in particular continues to demand a higher price as opposed to the larger sizes. Santa Maria and Salinas continue to be the main growing regions for this commodity. The quality continues to be strong with most shippers. Demand is moderate at best.

## **CITRUS**

**Lemons:** Demand continues strong and is exceeding supply on all sizes and grades. Fruit is

# Commodity Updates continued

especially tight on 165's and larger fruit due to lack of growth because of drought conditions in California. Expect these tight supplies to get worse before they get better over the next 8 weeks.

**Oranges:** Valencia supplies are steady. Sizing continues to favor the 88's/72's/113's sizes. Demand is increasing on the smaller fruit 113's and 138's have become very tight with this increased demand brought on by school demand starting.

**Limes:** Demand continues to exceed supplies. The market is rising across the board with the larger sizes increasing more than the smaller ones. The new growing area continues to produce mostly small sizes which have good quality. The overall quality of the old crop is acceptable with some yellowing and minor defects showing. Volume overall is lower due to quality caused by warmer than normal temperatures.

## CUCUMBERS

### **Western Cucumber:**

Market is starting to settle. California (Mex) cucumbers from Baja are becoming more plentiful. Supplies meeting demand. Supplies are available in South Texas but slightly higher FOB's.

### **Eastern Cucumbers:**

The cucumber market has nudged up just slightly but no big spikes are expected this week. Quality has been excellent.

## EGGPLANT

### **Western Eggplant:**

California is creeping up slightly as heat slowed down production slightly. Demand slightly outpacing supplies. We will see slight gaps due to transitions and weather.

### **Eastern Eggplant:**

Eggs are in good supply and quality.

## GRAPES:

The market is strengthening but supplies are still available on red, green, blacks and globes. Sizing is running anywhere from small to Extra Large on all fruit.

**GREEN ONIONS** This market is a little softer as demand has eased

up. Supplies have been upgraded to moderate from multiple suppliers. Pricing is likely to be steady for the entire week.

## LEAF

The romaine market is steady. Issues of fringe burn and decay continue to be defects reported upon arrivals. Green leaf is firm with most suppliers. Red leaf and butter are steady. Colossal romaine hearts continue to be light in availability and orders are being subbed with regular romaine hearts. Tip and fringe burn continue to be issues that most growers are dealing daily.

## LETTUCE

This market continues to gain strength. A few shippers were sold out to begin the week, while others were open in pricing. Supplies are on the light side as demand exceeds supply. Pricing will likely get stronger by the middle of the week with most suppliers. There have been complaints sporadically upon arrivals. Pinking, rib discoloration and russet spotting are the main defects being reported. The weights on palletized continue to average 39-44 pounds.

## MELONS:

**Cantaloupe:** Demand has increased and the supplies have lightened up. The market has begun to increase. Quality is good. Sizing for the most part is peaking to 9's and 12's with lesser availability on small fruit.

**Honeydew:** The Westside fruit is available, fruit continues to peak to large sizes. The market is steady.

## ONIONS

Yellow onions are steady to lower in most areas. Washington has light supplies of jumbo and medium yellows but the volume is increasing, Idaho/Oregon has mostly large yellows and will have better numbers this week, California has smaller yellows and limited volume but they are feeling the pressure from the northwest packers, and New Mexico has all sizes available and they are looking to clean up in the next couple weeks. California and New Mexico expect to pack for the next two to three weeks. The red market is steady to slightly lower as well. The northwest shippers are in command and California and New Mexico suppliers hope to retain enough business to get them finished up. Whites are steady in all

## Mountain Produce – The Update

# Commodity Updates Continued

areas but supplies are limited since the northwest hit full production. The quality has been good on all colors in all areas.

## **POTATOES**

Idaho is steady to slightly lower on new-crop Norkotahs. Most packers continue to peak on 60/70/80/90's and have a nice average size with good maturity. The availability is improving as more shippers get started but intermittent thunder storms are in this week's forecast and could cause temporary availability issues. Most packers have finished running Burbanks. Washington new-crop Norkotahs are peaking between 70's and 80's and the market is lower on 70's and larger and steady on 80's and smaller.

The new-crop quality Washington quality remains good. A few Colorado shippers have started running new-crop Norkotahs and they are steady on all sizes. The Colorado shippers remain relatively high priced. One Nebraska shipper is packing new-crop Norkotahs and they are also steady but relatively high-priced. Wisconsin russets are also steady and peaking on the smaller counts. Bakersfield gold potatoes are still peaking on A-size but supplies are limited. Stockton, California is steady on all colors and they are peaking on A-size for all varieties but has plenty of B-size as well. Texas is still shipping a few reds but they are almost finished for the season. Minnesota red potatoes are steady and they are peaking on A-size. Minnesota will start packing gold's this week. Idaho continues to pack reds and gold's and both colors are heavy to A-size. The Idaho market is steady for both colors. Wisconsin continues to pack reds and the market is steady. Wisconsin reds are heavy to A-size.

## **SQUASH**

### **Western Squash:**

California squash currently shipping out of Santa Maria and Fresno. Supplies are lightening up due to hot weather in Fresno. Demand also pressing and slightly lower production may push market to creep up slightly later this week especially on yellow straight neck squash. We ought to see some squash starting up again in Fresno.

### **Eastern Squash:**

Michigan, Ohio and New Jersey are all working squash and the market remains steady

## **Mountain Produce – The Update**

throughout all regions. As the weather holds, no big changes are expected.

## **STONE FRUIT**

California stone fruit is available with a mixed bag of colors and sizing available from different shippers. Small fruit remains very limited on nectarines. Both red and black plums and pluots remain available with excellent quality and good promotable volume.

## **TOMATOES**

**Western/Mexico:** As is the norm for this time of year; Eastern Mexico continues to cross minimal volume through Texas due to lighter plantings with the west coast continuing to find their footing this week. Baja is harvesting from both their spring and summer acreage providing steady supply. Southern California is in the midst of the summer plantings. Volume will not increase from this district until the fall production begins in September. Mexico is producing lighter volume of Romas this week through Texas due to rain they experienced last week. Production is expected to remain moderate until early to mid October. With demand for Romas slowing down, expect prices to drop. Cherry tomatoes are still very limited while the grape tomato is widely available and expected to be plentiful for the next 2 weeks.

**Eastern/Tomatoes:** Round tomatoes have seen a steady hold on pricing with less available product available on all sizes due to rainy weather and disrupted harvest schedules. With product tightening this week higher prices are expected to follow as we head into the middle of the month. With scattered local programs in the east, small operations have flooded the market with a conglomerate of roma tomatoes keeping prices low for the next several weeks. Grape tomatoes are available in steady volume with cherry tomatoes harder to come by.

**VALUE ADDED** Supplies are moderate on carton romaine. Fringe burn is an issue. Demand is steady. Lettuce supplies are lighter with all shippers. The quality problems of pinking and russet spotting will likely continue sporadically. This is industry wide. Broccoli supplies are extremely light. Processors will be watching twelve week averages for the next two weeks, so please be aware. Cauliflower supplies are fine for now. Lighter supplies are expected by the end of the week.

# Commodity Updates Continued

## WATERMELON

Current crops are mostly packed in bins and cartons packed by request. South Texas and Mendota California are currently shipping.