



PRO\*ACT QUALITY CONTROL

## MARKET REPORT

September 4, 2008

© 2008, Pro\*Act, LLC

### \*\*\* COMMODITY ALERT \*\*\*

**Potatoes-** #2 Potatoes are extremely limited. Idaho shippers are using #1 product in place of #2 product so FOB's are very high. This is typical for new crop Norkotahs that are packing out 90-95% #1s'.

### FREIGHT

Trucks in California continue to get tight from the middle to the end of the week and teams continue to stay extremely tight. Trucks in the Northwest and Idaho are tight as well with many trucks deadheading to California where they can get top dollar. The National avg. took another dip this week, although the decrease was not as large as in the previous two weeks. Diesel still dropped and is currently at \$4.121. Crude Oil is currently trading at \$107.78 down \$1.57 today as the dollar rebounded slightly against the Euro. The crude oil market will continue to be very shaky the next week as Hurricane Ike is a Cat 4 Hurricane and if it maintains its current course could hit southern FL next Tuesday according to NOAA.

### APPLES/PEARS

The Washington new crop apples that have started including Ginger Gold and Royal Gala are going, but ONLY in a light way and even starting out demand continues to exceed the available pack out numbers. Sizes are to the smaller for the new crop fruit than that of storage apples and now are peaking on 100's for those new varieties. In the coming weeks (7-14 days+/-)\*expect some new crop Red and Gold Delicious as well as new crop Fuji Apples. Also expected to start within the next 7-10 days are D'Anjou, Bosc and Red D'Anjou Pears. At the moment small red apples are still in a demand exceeds supply situation, even in California. Furthermore, California will have limited production and relatively low yields on their upcoming varieties, which include Fuji and Braeburn. Due to the expectations for the upcoming new Washington Red to be light overall throughout the entire season, projected prices will be much higher this year than last and demand to keep a steadily strong pace.

### ASPARAGUS

The market will be steady for the rest of the week. Supplies are still steady out of Mexico. Standard, Large, and small sizes are heavier in production. Supplies are still short on Extra Large and Jumbo sizes. Our Mexican production will finish in about 2 weeks. Then all supplies will be Peruvian. Baja Mexico will be the next location to have asparagus. This will start by the second week of October. Peruvian grass is running about the same in their production. The quality from both growing regions is reporting to have good quality. Volume orders are available at discounted pricing. **MARKET STEADY**

### AVOCADO

**California fruit** – California's season is 90% completed; volume will be declining day to day through September. Demand for California fruit is very good and eating quality is excellent. Sizing is running to 40's through 60's; smaller fruit volume remains light, and very little #2 fruit is being packed. The market is steady. **Mexican fruit** – New season Mexican fruit is starting to come in some volume and should see a consistent supply crossing into the States. New fruit will be light in oil content and will ripen slowly. Quality will improve as we move into the autumn. **Chilean Fruit** - Chilean fruit is arriving in containerized shipments of limited volume. The Chilean first vessel is scheduled to arrive the first week of October. This early fruit will be low in oil content and will ripen slowly.

# MARKET REPORT Page 2

## **BELL PEPPERS**

**Western Green Bells and Colored Bells:** The Gilroy / Hollister / Santa Maria areas are in good volume of both green and colored bells. Market is steady at lower levels. **Eastern Bells:** The pepper market has softened a bit, particularly in the bigger sizes, as there is plenty of volume in several eastern states. This market is not expected to drop much past these current low levels and could well increase a bit at the front of the week. Quality is good at this time.

## **BERRIES**

**Strawberries:** strawberry production this week has slowed slightly due to warmer temps along with a significant portion of fruit diverted to freezer and juice. The strawberries will continue to be on the softer side along with bruising. Current production in the Salinas valley will be ending towards the end of October for some shippers and others will try to go as long as they can. Oxnard production has started and we can expect to see better quality in the south opposed to the fruit in Salinas valley. Baja and central Mexico will get started next month. **Raspberries:** Raspberry production continues to increase this week with multiple growing areas producing currently, such as Salinas Valley, Santa Maria and Oxnard. Along with local Californian raspberry production, we also have the option of Mexican imported berries. Overall quality is good. **Expect weaker market. Blackberries:** Black berry production continues low and will continue to do so until we see new crop. Expect shippers to be running very short on product and cutting orders due to shortages. We will see this trend until more shippers come on line in Mexico. There are a small percent of shippers currently receiving Mexican product but not enough to make up the difference. Quality is fair. **Market steady / firm Blueberries:** Blueberry production recently hit a slight lull due to rain but with increasingly better weather, the Pacific Northwest is getting back to normal production. Most to all shippers have gone to the 4.4oz. and 6oz. pack. Quality remains good. **Market steady / expect weaker.**

## **BROCCOLI**

This market is reacting a little. The heat that we are having has taken its toll on the normal growing pattern. The excess supplies are no longer available. Most shippers have firmed up pricing and look to take their prices higher towards the end of the week. Santa Maria and Salinas have better supplies of bunched broccoli. Suppliers are tight on crowns. **MARKET HIGHER**

## **CARROTS**

Quality and availability continue to remain steady on the West Coast. Harvest is still coming out of Bakersfield. Texas Carrots are still crossing the border from Mexico. Carrots are crossing into Texas on a daily basis now. Market is steady.

## **CAULIFLOWER**

This market has perked up some also. Demand has picked up with supplies becoming less abundant. Prices look to get stronger as the week finishes. Look for availability to be tighter next week. The overall quality is very clean with good color and weights. **MARKET HIGHER**

## **CELERY**

The market is steady with plenty of supplies. With Michigan and California in production, prices will continue to be competitive through the rest of the week. Most shippers have heavier supplies on 24 count and 30 count. Good weights are the reports on this commodity. **MARKET STEADY**

# MARKET REPORT Page 3

## CITRUS

**Lemon:** Supplies are good. Fruit continues to peak on 140's and 165's. Quality and condition remains good. The market is steady. **Oranges:** Valencia orange supplies remain good on large fruit, but getting very short on smaller sizes. Demand for small choice fruit continues to increase, and **demand is exceeding supplies on 88's and smaller.** Quality is very good. The market is steady on large fruit; and smaller sizes will continue to firm up.

## CUCUMBERS

**Western Cucumber:** Baja supplies look to improve in 7 to 10 days. Fresno should start their fall next week. The Western Washington will have limited production for another 1 week. Market remains firm. **Eastern Cucumbers:** Cucumbers are now available in most of the northeastern growing regions. After a few weeks at the lower levels of the market, we should see this market strengthen next week.

## GRAPES

Flame red seedless grapes are almost finished with harvest and there are only light supplies left in storage between the last part of this week and into the beginning of next. Crimson, Ruby, Sweet Scarlett, and other un-named red seedless varieties are starting in a light way, but there is very good demand which will keep the markets higher into next week. There are also Thompson and Princess Green seedless available in ample supply and the markets remain at lower levels there. Black Seedless and Red Globe Seeded grapes are also available in very good supply and there is still PROMOTIONAL PRICING available.

## GREEN ONIONS

There continues to be reports of slimy, brown product upon arrival on Mexican onions. California quality is stronger but demands a higher price. Mexico has had erratic weather. For this reason, growing has been difficult. Mexican onions will continue to have complaints on browning and decay. Domestic green onions are heavier to medium and large sizes. **MARKET STEADY**

## KIWI

California Kiwi is still slated for the first part of October on new crop harvests and availability. Chilean and New Zealand Kiwi are still available as we move into the last few weeks of their import season. Continued strong demand for the currently light supplies will keep the market at higher into next week.

## LEAF LETTUCE

This market has firmed up once again. This is mainly due to the warm temperatures we are currently experiencing. This has affected the quality of all leaf. Some defects showing up are Tip Burn, Internal Burn, Mildew, and Dehydration. Shippers are finding that they no longer have excess supplies. Growers are working through the fields in to harvest the best product possible. **MARKET STEADY**

## LETTUCE

Supplies have become tighter due to the holiday. Pricing is stronger. Many growers chose not to harvest over the weekend in most of the growing regions. Most suppliers have caught up with their excess inventories and this has made the market stronger. There continues to be some reports of lightweight lettuce. The color and texture continues to be strong. **MARKET STRONGER**

# MARKET REPORT Page 4

## MELONS

**Cantaloupe:** The market is reacting as ONLY light supplies of fruit are available in the California's Westside growing district's main growing areas. There are more of the mid range sizes available now rather than the larger or smaller cantaloupes and expect the market to be firm and higher as we move into next week on all sizes. Growers are into lighter plantings now and there is less fruit available against the current demand. **Honeydew:** Similar to the Cantaloupes, there are lighter supplies going into the weekend and again next week paving the way for stronger markets. Demand is very strong and looks to remain that way well into this coming second week of September. Water availability issues have forced growers into light plantings for the last blocks of the Westside melons and it will be reflected in the coming weeks and market conditions.

## ONIONS

**White onions are very limited in all areas with the market rising quickly mixer volume only available.** California is finishing up with limited supplies this week. Market is steady Good supplies of new crop are starting to come out of the Idaho/Oregon area. Sizing is to jumbos as Colossal and Supers are in limited supplies. Colorado still with very limited availability and prices are still high. More volume will come on in the next couple of weeks. Washington with reds and yellows and extremely limited availability on whites. Yellows are running jumbo and smaller with most shippers still with no availability on Supers. **Market higher**

## POTATOES

**With the Holiday Monday and new crop Norkotahs just starting; availability this week is again limited.** Our main shippers started last week with new crop Norkotahs and it is slow go as they get into the fields and start running and see what they have. Better volume expected by the 2<sup>nd</sup> or 3<sup>rd</sup> week of September until then product will be limited. Washington Norkotahs with better availability and prices are coming off as more supplies become available. Colorado has started with new crop Norkotahs. Availability is getting better as they get into better supplies and the price is coming off. Wisconsin shippers have started in a light way with limited availability. Nevada is all but done for the season. New crop is scheduled to start September 8. Northern California varietal potatoes are coming to an end with only a couple of sheds still running. Washington has started in a light way and should have more supplies coming on in the next couple of weeks. Wisconsin, Minnesota and Colorado colored potatoes are going with reds and golds. There is limited availability on whites. **#2's and consumer packs are extremely limited in all areas on all varieties of potatoes.**

## SQUASH

**Western Squash:** Production coming from Santa Maria and Salinas/Watsonville areas is starting to lighten. The Central Valley is going with the fall crop with light production. The market has firmed on Zucchini and Yellow. **Eastern Squash:** The squash market is stable. Quality and supplies are good at this time and are expected to continue as such into next week.

## STONE FRUIT

Fall Nectarine production is decent along with black plums and fall varieties are yielding very good numbers. Furthermore, the warm days and cool nights are bringing sugar levels and eating quality to excellent levels! Peaches are starting to wind down as well as Red Plums. There is very good demand on all tree fruit, especially for the foodservice/school sector of the market and the expect market conditions to be stronger next week.

# MARKET REPORT Page 5

## TOMATOES

**Western:** Tomatoes this week continue abundant and at the bottom of the market. Quality continues to be great and shippers are making deals. **Market steady/low. Eastern** Recent past rain has kept the eastern market a bit higher than the west and we are now anticipating yet another dose from the spin off from the current hurricane in the south. Quality overall is good. **Market slightly higher.**

## WATERMELONS

California as well as many regional areas with Watermelon supplies continues to wind down production. Indicative of the wind down is smaller sizes, and there will only be light supplies available moving through the first few weeks of September. However, demand will drive the market.

## VALUE ADDED

Romaine issues continue in the processing facilities. These issues are that the romaine is breaking down too quickly. The lettuce-based items have also shown some quality problems. Some lots will have an occasional brown discoloration of lettuce pieces in the bag. Green onions continue to have lots with some decay present but the quality is getting better overall. Spinach processors continue to fight mechanical damage and excessive wetness from the spinach that is being harvested. These issues had existed the previous week.