



FARMER'S REPORT

MARKET TRENDS | 5.29.2015

US.
FOODS
KEEPING KITCHENS COOKING.®

AVIAN INFLUENZA

Avian Influenza (AI) continues to be an issue with new cases being report each day. To help you better understand the current and potential future impact of AI on the food industry; below is information on categories of products affected by the outbreak.

SHELL AND FURTHER PROCESSED EGGS

Over 31 million egg-laying hens have now been lost to the bird flu, with more farms expected to test positive this week. Despite strict biosecurity procedures that are in place at farms, the outbreak continues to spread. Supplies of further processed egg items are running extremely tight and prices are going up. Shell egg markets are increasing dramatically across the country due to short supply and in most areas have now hit record high levels. Unfortunately this is not a short term situation. Supply concerns are long term and are expected to continue for at least 12 to 24 months.

PORK

Ham prices are expected to gradually trend higher from June through October supported by a lack of turkey breast and frozen whole turkeys. Retail Deli and Foodservice operators are expected to replace their summertime "turkey features" with various ham products. Similarly, hams are expected to play an important role in retail "holiday" promotions.

CHICKEN

The broiler industry, for the most part, as not been affected by the Avian Flu. To date, two breeder farms have been lost, though in each case these were relatively small operations. The Broiler Chicken Industry and the USDA are in constant communications discussing bio-security and a possible vaccine if the event the bird flu starts affecting the Eastern, Southeastern and Southern Regions of the United States, the heart of the broiler growing areas. At this time, the bird flu has not affected market prices or supply. On the other hand, the supply of fowl meat, the egg laying chicken mentioned above, is normally used in producing pulled and diced products. There has been and will continue to be a shortage with the product.

TURKEY

Approximately 8 million turkeys have been killed or depopulated as a result of the bird flu, with the majority of these turkeys dedicated to go to further processing. To further complicate the issue, the breeder houses used to maintain the flow of pullets to these farms were also lost. Hormel (Jennie-O) made a statement that 82% of their turkey grow-out programs have been affected, and with the loss of their breeder operations, their situation will not recover until the summer of 2016. As with the egg business, the situation with the flu and turkeys remain fluid. Two more turkey farms were infected with the flu yesterday. The market price for boneless turkey breast has inflated dramatically in the past three weeks and is nearing a record market high. Despite the fact that only two major players in the industry were directly affected by the bird flu, the entire turkey industry is being impacted. Allocations of further processed turkey, such as deli roasts and RTC turkey breast products, will continue at least through the end of the year.

COMMODITY

The situation has impacted the availability of dried eggs used in the production of bakery mixes with egg suppliers limiting access or stopping production. There is also a concern for egg pastas. As of now supply is not impacted but that could change in the coming months along with the likelihood of higher costs.

VALUE ADDED

Categories affected are Mayo and Salad Dressing. Current EB supply for Mayo is covered for the short term. We do not expect to see any interruptions in supply of Mayo for US Foods private label brands. Our supply partners are on allocation from their egg distributors but will cover our needs for mayo production. However, the shortages may create additional demand in the market that our suppliers will not be able to absorb if the situation gets worse. Price for finished goods of mayo and salad dressing are currently holding but it's anticipated to increase in the near future. Mayo uses approximately 6% to 12% egg depending on the brand and quality. Salad Dressings generally contain approximately 3% - 6% of egg yolk. Among the flavors most impacted are Cole Slaw, Thousand Island, Blue Cheese, Caesar, Ranch, and Honey Mustard.

BAKERY

Eggs are a key ingredient in most of the breakfast and dessert products that we supply. We are working closely with our suppliers to maintain a stable supply of products and get as much information as early as possible to understand potential impact to service levels and pricing. Early indicators are that we should expect some level of disruption in the supply chain of bakery goods as well as higher costs.



BEEF

Holiday needs have now been met, and the beef market is feeling the pressure of expected increase in production, competing meats at lower prices, lower summer demand, and expected lower cattle cost. Pricing will reflect this in the coming weeks.

ROUNDS

INSIDES: Inside rounds are not finding support and pricing has moved lower. The lower prices are expected to be modest and the market is expected to reach its seasonal low sometime early July.

FLATS: Bottom round flats will be higher. Further processors are still in the market trying to buy product to make into roast beef rather than turkey. They may move a little lower for a few weeks, but probably not much.

LOINS

STRIPS: Strip loins and short loins are finally seeing price declines. More significant declines are expected in the coming weeks.

TOP BUTTS: Choice top butts are higher and select lower. They are of interest as they are seen as a better value than other middle meats. They will fall under the same pressures as the other middle meats but at a much more moderate pace.

BALL TIPS: Ball tips are higher this week and will be again next week. Retail demand for a less expensive sirloin cut compared to top butts enticed the buyers to enter the market, and firmed the cut. They will eventually move lower once all the summer holiday needs for grilling items is met.

TENDERLOINS: Tenders are starting to weaken and will follow the other middle meats as well. Price declines till the end of July will be much more moderate than ribeyes and strips.

RIBS

RIBEYES: Ribeyes are starting to fall and should continue to do so moving into summer. There may be some added interest before the 4th, but for the most part, they should modestly move lower with the expected seasonal low in late July or early August.

CHUCKS

CHUCK ROLLS: Chucks are lower as expected. They will most likely price more sideways for several weeks.

THIN MEATS & GRINDS

FLAP MEAT: Flap meat is falling fast, and more dramatic declines are expected in the coming weeks. Pricing will be lower next week.

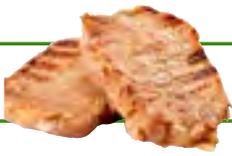
FLANK: Flank is higher as buyers recover from the Cinco festivities. Flank will be higher next week and only modestly adjust downward into summer.

BRISKETS: Briskets are higher on good demand and are expected to move modestly upward the next week order so before peaking middle June.

GRINDS: Grinds just failed to get any ground, and actually moved lower late week. They are expected to trend more sideways with maybe a possible increase in front of the 4th, but this is expected to be minimal. They should move modestly lower after the 4th before seasonal fall gains.

SKIRT MEAT: Skirt is finally moving lower, and expected to do so only moderately into summer.





PORK

Base hog prices were mixed this week as buyers find themselves in variable inventory positions for late this week and early next week. Hog prices are expected to trade steady to slightly higher through June. Packer margins continue to improve and are expected to hold steady to trend higher through June.

Slaughter numbers were running about 9.0% above year ago levels. This week slaughter numbers are expected to come in about 7 % above 2014 levels. Weekly slaughter numbers are expected to remain above 2014 levels through June, however week over week hog slaughter numbers are beginning their seasonal decline which continues through late summer.

Hog weights moved lower week over week. Weights are forecast to trend sideways to slightly lower through the summer months.

On the demand side, we continue to experience strong demand for all pork items. In the areas where weather cooperated, retailers and foodservice operators reported good product movement over the long holiday. Pork prices are expected to hold steady early June then trend higher through late June supported by increased retail and foodservice promotions.

LOINS

Bone in and boneless pork loin prices were steady to slightly higher as buyers evaluate their current inventory positions. Prices for both bone in and boneless pork loins are expected to hold steady through late May/early June then gradually move higher as retailers promote both items for grilling season. Boneless and bone in loins are expected to gradually trend higher during June. Increased export demand may support higher price points.

TENDERS

Pork tenders moved higher last week supported by strong retail and foodservice demand. Prices are expected to continue trending higher through early June then hold steady as retailers step out of the market to assess their inventory levels. Prices are expected to gradually move higher mid June through early July.

BUTTS

Pork Butt prices continued higher supported by strong retail demand for holiday features. Prices are expected to hold steady early June then gradually move higher during June due to retail promotions for country style ribs. Warmer temperatures are expected to support higher prices.

RIBS

Spareribs and St Louis Ribs moved higher due to increased retail and foodservice demand. Spareribs remain in tight supplies as packers convert them to St Louis ribs. Back Ribs traded higher due to improved retail and foodservice demand. Prices for the entire rib complex are expected to trade steady to slightly lower last week in May/early June then gradually move higher during June.

BELLIES/BACON

Bacon/Belly prices moved higher in week over week trade supported by increased retail and foodservice promotions. Bellies are expected to continue their gradual increase through early August supported by stronger seasonal demand. Increased retail/foodservice promotions for bacon may support rapidly rising belly prices during June.

HAMS

Ham prices traded higher supported by strong demand (due to the continued concern over the availability of turkey breast meat for the summer sandwich season). Ham suppliers are expecting consumers and foodservice operators to switch their deli meat needs from turkey breast to ham items during the summer "sandwich season". Ham prices are expected to gradually move higher through mid July.

TRIM

The following market dynamics will impact finished goods pricing during the June timeframe. Pork trimmings prices have firmed on strong demand and are expected to continue their seasonal move higher through July. Prices are gradually trending higher which may result in higher all meat hot dog prices for the June/July time frame. Conversely ample supplies of beef trimmings may result in lower prices for beef hot dogs during the June timeframe.

PICNICS

Pork Picnics continued higher last week supported by strong domestic and export demand. Picnics are expected to continue their seasonal move higher through late June. This could result in higher prices for dinner sausage items during the June/July timeframe.





TURKEY

WHOLE FROZEN TURKEY

The Whole Turkey Market continues to inflate this week as the bird flu continues to scare a lot of buyers, thus most of the smaller whole birds are being bought and stored to cover their Thanksgiving bookings.



POULTRY

Hatcheries in the United States weekly program set 219 million eggs in incubators during the week ending May 16, 2015, up 3 percent from a year ago. Hatcheries in the 19 State weekly programs set 211 million eggs in incubators during the week ending May 16, 2015, up 3 percent from the year earlier. Average hatchability for chicks hatched during the week in the United States was 84 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier

Broiler growers in the United States weekly program placed 178 million chicks for meat production during the week ending May 16, 2015, up 3 percent from a year ago. Broiler growers in the 19 State weekly programs placed 171 million chicks for meat production during the week ending May 16, 2015, up 3 percent from the year earlier. Cumulative placements from the week ending January 10, 2015 through May 16, 2015 for the United States were 3.34 billion. Cumulative placements were up 3 percent from the same period a year earlier.

WHOLE CHICKEN & CUT-UP PARTS:

With a Holiday weekend a little slower than normal, the Georgia Dock continued it's sideways trend in costs. There is still pressure on this market due to the lack of small birds. With slow trading this week, this market should continue on to be flat.

BONELESS SKINLESS BREASTS

The jumbo breast market deflated this week, a continued sign that the supply continues to outpace demand. With all jumbo bird suppliers fighting the random problem of tough and stringy texture, the market should continue to deflate this week. More customers are switching to sized breast to satisfy their needs. The medium breast market deflated primarily due to the retail segment featuring frozen breasts. With retail features for this product being sold below present day market values, this market deflated slowly. The small bird market remain level this week, with a slower than anticipated Memorial Day. This market should trend sideways to down slightly in the next two week. The trend of customers requesting sized breasts over random will continue to hold this market fairly steady.

BONELESS SKINLESS TURKEY BREASTS

The current results of the bird flu have left 8 million turkeys lost, about 14%-16% of the slaughter given the time period in question (about 2.5 months). To add misery to the situation, baby turkey poults have also been killed, leaving the upper Midwest with no replenishment for their lost birds. Breast meat is going to be extremely short the next several months.

CHICKEN TENDERLOINS

The supply of tenderloins continues to be more than adequate for the market needs, thus the market deflated again this week. This market will continue to deflate slowly over the next couple of weeks.

WINGS

The small wing market trended slightly up with the demand being generated by further processors. This market should continue sideways in price for the next several weeks. As soon as the further processors catch up, this market should start deflating. The jumbo wing market continues to be well supported. This was one market that did very well over the holiday weekend. Though sales will not dip much during the summer, the supply of wings should grow, causing this market to deflate in the near future.

BONELESS SKINLESS THIGHS

As has been the case for the last few weeks, the boneless thigh market has hit a price point that continues to represent a fair market. This market will continue on a sideways trend.





COMMODITY GROCERY

SOYBEAN OIL

SOY COMPLEX SUMMARY:

- Soybeans are about 30% planted this year – ahead of schedule. US weather has been good for planting both corn (75% planted) and soybeans.
- Oil inventory is at a 10 year low, waiting cautiously to see what happens with this year's crop.
- Bird flu talk should subside with the warmer weather. However, they still have not found a way to control the outbreak; the fear is that the flu will start up again in the fall when birds begin migrating.
 - The impact now will be on soy meal, due to lessened demand. (Soy oil is a byproduct of the soy bean crushing process).

DOMESTIC CROP & PRODUCTION:

- Traders are anticipating the 5/12 USDA to report a lower inventory number in the 2014/15 due to the more beans being exported than thought.
- A lower than expected oil yield number, an increase in the value of the U.S. dollar (affecting exports) and inventory at an all time low has kept oil prices range bound.
- Record imports of Canadian canola oil since Q3 of last year have helped to supplement tighter U.S. soybean oil supply.

INTERNATIONAL CROP:

- Weather is being watched closely during harvest. The Brazilian soybean harvest is now at approximately 90% complete with Argentina expected to be at 50% complete by week's end.
- The trade is expecting a Brazil soybean crop of 95+ million
- Brazilian trucker strike seems to be a non- threat. Things are starting to get back to normal
- Indian total edible oil imports –soybean oil imports during October 2014 - March of 2015 were up 74% because their oilseed crop production fell short again.

BIODIESEL:

- Recent strength in energy markets has made bio-diesel production profitable in the U.S
- Expected that June 1st the courts are going to force the government to make a decision regarding the EPA/Blenders credit to issue a mandate.
- The general perception is that there is little chance that the news will be considered bearish for the soybean oil market especially if the 2014 mandate is set at the actual production level.



DAIRY

BUTTER

Market is starting to show some weakness. Cold storage numbers came in higher than expected for April. Markets are expected to trade near the current range through the next month.

CHEESE

Milk production continues to be at high levels which are leading to strong cheese production. Pricing is expected to hold firm for the longer term.

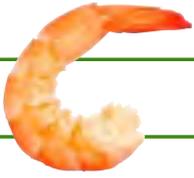
SHELL EGGS

All markets continue to rise. Avian Influenza continues its devastation with more farms hit this week. Expect further inflation.

MILK & CREAM

For the month of June pricing is mixed with a decrease to Skim I and II and increases to all other categories. This translates into slightly lower pricing on cottage cheese and flat to higher pricing on sour cream, creams and half & half. Pricing is expected to remain flat to higher across most items next month.





SEAFOOD

SHRIMP, DOMESTIC (WHITES AND BROWNS)

The Domestic Shrimp market is open and in full swing. Fishing/catch has been good with suppliers very happy to get back to work. Time will tell on pricing but expectation is market will be soft over the next month or so.

DOMESTIC PUDS: Pricing is weaker now with lower pricing and plenty of inventories. New season is strong and inventories are in good shape. Next week pack should set the tone for the season.

SHRIMP, IMPORTED (BLACK TIGER AND WHITES)

After many weeks of saying there is still downward pressure on imports some Importers are now thinking pricing is now level and we may be close to the bottom if not at the bottom. Mexican Browns, have turned steady.

CATFISH, DOMESTIC & IMPORTED

DOMESTIC: Talk at the Boston Show on Domestic Catfish was positive. Live fish population is good. Once water becomes warmer and fish start to grow we look to see more product in the market place. Pricing is now stable.

IMPORTED: The market is starting to see some upward movement this week as product is getting tighter. Inventories in the US are getting tighter, and in some cases not available.

SALMON

CHILEAN FARMED SALMON: There is strike going on in Chile that is causing an increase in price. Once the strike is over there will be plenty of fish coming back into the market. We are good on portions so sell with confidence.

NORWEGIAN SALMON: With the current exchange rate Salmon from Norway may be a fish you see promoted this year. Inventories look good and many suppliers are looking to move fish.

MAHI MAHI

Fishing is now over for Central American Mahi. The catch was not as good as hoped but we were able to secure product to get us through until new pack. Look for stronger prices as the summer season gets going.

SCALLOPS

SEA: Market is now steady. We are looking at June as the bottom of the market; time will tell. Catch was good this past week with good weather.

BAY: Pricing unchanged this week.

TILAPIA

This could be a good summer for tilapia pricing. A mild winter in China has created more fish for the market. Outlook seems to be steady to lower pricing. Time will tell but we could be in for a good year.

WHITEFISH COMPLEX (COD, POLLOCK, HADDOCK)

COD: The market for Atlantic Cod is on the rise. Pacific Cod is showing signs of lower prices.

POLLOCK: The market remains stable to lower. Inventories are good and the Alaska Seafood Marketing Association is looking to promote heavy in the US. Look for bargains in the near future on Alaskan Pollock filets and imported Pollock filets.

HADDOCK: Inventories have rebounded and we will see lower prices in May coming out of the Lenten season. Current outlook for the summer is good, with higher inventory and lower pricing.

TUNA, YELLOWFIN (FROZEN STEAKS & LOINS)

The portion business is seeing a rise in price due to new fishing rules being put in place. Outlook for the next few months is higher prices.

KING CRAB

RED & GOLDEN: Smaller King Crab is starting to tighten up with supply. We can expect higher prices on smaller crab. Large crab seems to be in good supply and pricing is stable.

CRABMEAT

(BLUE & RED, PASTEURIZED)

Imports on Blue Swimming continues to be good and pricing is lower. Red Swimming crab imports have slowed down and movement is strong. Prices are going to rise in the next week. Projections of movement are being down with most packers talking about putting suppliers on allocation.

SNOW CRAB

(CANADA & ALASKA)

Alaskan catch is done for the 2015 season 8ups are very tight. There are some 5-8's still in the market but crab is getting tight and now is time to buy. Canadian: There is still about 63% of the crab catch to come out of the water. The next 2 weeks will really set the market on price as crab starts to back up and sellers look for buyers. Many believe that we are at the bottom and now is the time to book. Larger crab 10ups and 12ups will be at a premium as the catch has been mainly smaller crab.

LOBSTER TAILS

WARM WATER AND NORTH AMERICAN LOBSTER: Both lobster tail markets were steady for the week. As seasons start to come in to play packers are looking at inventories and trying to get as low as possible for new pack. Lobster meat has stayed firm in pricing.

PRODUCE

VEGETABLES

POTATOES

Russets: Idaho market remains stable although prices continue to inch up on 60's counts and bigger size russets. Non-Idaho crops are available through Colorado, Washington and New Mexico. The availability on these russets help control the FOB costs out of Idaho. Many Idaho users are making the switch over to non-Idaho russets as substitutes. Market for non-Idaho russets remain stable and quality reported to be good in all growing regions.

Reds and Golds : Florida reds market continues to remain high as harvesting transition farther north. Prices have started to come off this week. California is still going with good supplies. Midwest deals in Wisconsin and Minnesota is projected to start up mid-July.

White/Yellow Potatoes: Same as Florida reds, the yellow market has also become very active this week. Growers are cleaning up their storage supplies and are anticipated to be finishing in the next two weeks. California and Colorado crops are also available. All growing regions have similar profiles and quality.

GARLIC

Chinese Peeled Garlic is now available in all markets. The quality is a problem due to the old age of the product which is causing decay. Peeling of the Argentine Garlic is complete and the peeling of Mexican Garlic has commenced. The new California crop is on track for an August availability date.

CABBAGE

The market on cabbage is steady this week with light supply and moderate demand.

LEAF LETTUCE

Green and red leaf supplies are improving which help bring prices down this week. This market however continues to remain stronger than normal. Quality is good on all varieties but sizing is a bit smaller than normal for green leaf. Green will be 21-22lbs per carton with heads only measuring 9-10" long. Red leaf is weighting in 23-24lbs per carton with 10-11" long heads. Romaine supplies continue to be budgeted this week and look to remain light next week. There has been some light but occasional fringe burn. The carton will be weighting between 38-39lbs with heads measuring 11-12" long.

ICEBERG LETTUCE

Light supplies available this week and the market is slightly up. Quality is reported to be variable with growth crack, insect damage, and mildew stain depending on growing region.

ONIONS

The Imperial Valley (CA) crops is wrapping up while San Joaquin Valley onions started with light volume to help fill demand. The market continues to remain active this week. Look for better volume as production out of San Joaquin Valley and New Mexico increase by the first part of next week. If next week's harvest volume meets grower expectation, we should see the market stabilize and potentially settle a little lower.

CHILE PEPPERS

The market is down this week on jalapeños with moderate demand.

CUCUMBERS

Prices continue to be at the low levels. Good supplies continue to produce out of Florida and Georgia. There is also a little volume available out of the South Carolina growing area. Quality is generally good. Look for this market to remain low as more growing regions come into play.

SQUASH

Zucchini and yellow squash markets are slightly up this week. East coast supplies are now available out of Georgia, South and North Carolina. Look for this market to get softer early next week as volume increases.

GREEN BEANS

The market is down this week on bushel green beans with moderate supply and moderate demand.

EGGPLANT

The market is stable with products available out of Florida and South Georgia. West coast demand continues to shift east but there is enough volume to keep prices remains stable.

BELL PEPPERS

The green pepper market is stable to down a little this week. Plant City Florida crops are winding down as Georgia volume continues to increase. Quality is generally good although we're seeing some sun damage on the Florida crops. West coast market is getting weaker as there are more supplies available out of Coachella. Look for this market to continue to go down as supplies increases.



PRODUCE



TOMATOES

Rounds: Supplies for round tomatoes harvested from the Palmetto-Ruskin fields in Central Florida are starting to decrease as these fields age. Quality is variable due to some decay caused by frequent rains. North Florida harvesting is projected to start next week. Look for lighter volume from this region compared to last year due to decreased plantings and yield issues. Prices are expected to get stronger until South Carolina crops start. West coast supply continues to be strong and should be stable through mid-June. Nogales and Baja are the main crossing point for the west market. The market is stable and quality is good in all growing regions.

Romas: The Palmetto region is finishing up but due to light demand, the Roma market is stable this week. Nogales crossing is finishing up as Baja crossings continue to increase. Texas crossing is also available. Quality is variable especially through Texas crossing.

Cherry and Grape: Both markets are stable this week. Quality is good for both Florida crops and Baja crossing.



CARROTS

The carrot market is steady this week with lighter supply and moderate demand. Sizing on Jumbos is better, and demand continues to be steady.



CELERY

The market on celery is steady this week with good supply and good demand. Quality continues to be good.



GREEN ONIONS

The green onion market is steady this week with light supply and moderate demand.



CAULIFLOWER

The market on cauliflower is down this week with better supply and moderate demand. Florets still remain on trigger. Quality continues to be good.



ASPARAGUS

The asparagus market is steady this week with light supply and light demand. The supply out of California and Peru is steady.



BROCCOLI

The market is up this week on broccoli with light supply and good demand.



TROPICAL

PINEAPPLES

Mostly 6/7/8 CTs on the market at the moment, larger 5's have better supply this week. Market volume is back to normal, with pricing stabilizing. Quality and supply is good from Costa Rica.



BANANAS

There is steady movement of fruit this week, and the market is well supplied with plenty of fruit available. Steady supply and demand for tropical's, and plantains. We might see a slight drop in demand as summer is upon us and the tree/stone fruit season is ramping up.



AVOCADOS

The avocado market is steady at the moment. Smaller sizes are plentiful, and larger ones are still the hardest to find and sought after. Mexican Avocado crop production is still going strong and will continue to do so until the season ends. Volume projections look steady through mid June.



MELONS

CANTALOUPE

Market has eased as we are packing out of Arizona, and the California desert with excellent quality due to very good weather and a nice set of fruit throughout, we are peaking on volume this week and then will see the volumes taper off a bit next week but a good steady supply of fruit available through the first of July and then transition up to the Central Valley around the end of June or first of July. The overall sugar content is excellent and the fruit is very clean on the exterior it is one of the best overall quality starts we have had in years.



HONEYDEWS

Market is split as there is a fair amount of Mexican fruit crossing as well as USA fruit coming out of the Arizona and California deserts. The overall quality is excellent out of both regions with weather a bit milder we are seeing excellent sugar content, beautiful interior color and nice white to cream exterior color with a clean appearance overall. We will be harvesting through June in the desert and then start up here on the Westside around the first of June.

PRODUCE

BERRIES



BLACKBERRIES

The blackberry market is in a supply exceeds demand position. Supply has been relatively steady for the past couple of weeks, and the fruit has been moving. However, some of our shippers are saying that demand has tapered off from last week. Look for some great deals moving forward. We are currently sourcing from a variety of locations including Central Mexico, Baja, Northern California and Southern California. Quality is ranging from average to excellent.



RASPBERRIES

The raspberry market has remained firm through the weekend, with demand exceeding supply, slightly. May and June are typically the peak months for raspberry production, so production will likely be steady from now until late June. Currently we are sourcing from Mexico and California, with a majority of the product being sourced from Southern California. Our quality is ranging from good to excellent.



STRAWBERRIES

The strawberry market has softened from last week. The weather disturbances that moved through California and parts of Baja had very little effect on supply, and demand has faltered. Moving through the week look for some good deals here at Valley with strong quality, as the weather is forecasted to be temperate in both Southern and Northern California throughout the week.



GRAPES

This market is fluctuating as we have started new crop California and Mexico. There has been some big pack outs out of the Mexico fruit and there is plenty of reds loading out of Nogales with some deals being made the overall quality is excellent with very good size and color and good availability on all sizes of fruit. The Coachella valley fruit is also coming on good with good volume of reds and starting to see better volumes of sugarones with perlettes finished up out of there. Expect to have good volumes of fruit out of both of these regions through the end of June and we will probably start up here in the Central Valley around the end of June and then we will be going through December here in the Central Valley and the overall crop has a good set on it up here and we expect a descent overall crop.



BLUEBERRIES

The blueberry market has been steadily increasing with volume and yet the market remains steady. The quality is ranging from average to excellent, depending on the grower and the location.



APPLES & PEARS

The apple and pear markets for week 21 are pretty much unchanged for the last two reporting periods. You can expect prices on Fuji and Gala apples to increase in price due to supply and demand, but the increase should not be too drastic. A few varieties such as Romes, Cameos, and Grapples have been discontinued and will only be available on a limited basis. Pears virtually remain unchanged with D'anjou, Red D'anjou, and Bosc being the only domestic fruit available at this time. All the varieties such as Comice, Forelle, and Packhams are still being imported and the supplies look good.



STONE FRUIT

Volumes have started and are getting better each week with Cherries, Nectarines, Peaches, Plums, and Apricots. Quality is very good and will only get better going forward.



CITRUS

LEMONS

Market is extremely strong and demand exceeds supply on all sizes and grades and expect things to be this way for a while depending on the amount that is imported from Chile and how much Mexico will bring across as well. But we do expect the prices to be at or above what we experienced last year during this time frame. The overall quality is fair to good, but with our lack of water trees are stressed as well as the fruit which means weaker fruit. We will do our best to cover orders but we will need to prorate at times depending on our pack schedules, and availability it is going to be a rough ride but we will get through it. We will be in this tight and demand exceeds situation through August and then we will start dist. 3 which will hopefully start early with good volume as the crop set looks very good at this point barring any major weather issues.

PRODUCE



ORANGES

The market is very strong across the board with excellent demand, we are packing navels and Valencia's with very good demand on late navels, which we are peaking on 56's and 72's and very few 88's and smaller which is keeping things very tight on all sizes and both varieties. Expect to have supplies of navels for another month and then be dependent on Valencia's until we see some Chilean navels start to arrive around the end of June. The Valencia crop is about 20% lighter than last year so expect prices to keep firm and increase as we go through the summer. The overall quality is fair with good juice content on the Valencia's and some hit and miss dry cell on the navels, but overall strength of the fruit is a little weak, due to the lack of water that we are experiencing. The really tough times as far as availability and fruit quality will be around the end of August through October until we start navels towards the first of November.

LIMES

Pricing on limes continues to come off. There is more movement on the larger sizes (110's, 150's and 75's) then on the smaller sizes. This trend should continue over the next two weeks or so until pricing is back to a more normal range. Quality continues to be very good, there is some shading and blanching but that is normal for this time of year. Limes are a bit tight on the 110's and 150's but their volume should increase in the next week or two.

