

FARMER'S REPORT

MARKET TRENDS | 9.19.2014

US.
FOODS
KEEPING KITCHENS COOKING.®

MARKET HEADLINES

Beef and Dairy prices continue to rise to new record levels, even for this time of year. Now, Chicken wings are beginning to escalate rapidly too. Lower production and inventory levels are expected to drive prices higher through the fall on chicken wings, beef tenderloins, ribeyes, butter and cheese. If you have not yet set your fall menu, now would be a good time to review your pricing and incorporate these market trends. Have you considered market pricing for some items...an easy to use tool, Menu ProfitBuilder Pro[®], is available from your US Foods[®] rep.



TENDERLOINS

Tenderloins continue to be affected by several factors in the beef market:

- We continue to see reduced production of slaughter ready animals.
- Production continues to be 8-10% lower than last year at this time.
- Choice in greater demand than select.
- Buyers anticipating much higher costs this Holiday season.
- The choice market increased very quickly, but may become more steady the next couple of weeks before their seasonal increases in price.
- Select tenders are more vulnerable to price fluctuations than choice.
- Select tenders should not see the inflation like choice and will not increase in price at the same.

RIBEYES

Ribeyes continue to be in good demand and are for the most part, following the tender market.

- Continued lower cattle production.
- Buyers anticipating higher costs.
- Choice product in greater demand.
- Select more vulnerable because of the demand for choice.
- Select will increase in price, but not at the same rate as choice.



BUTTER

The butter market continues to show strength, shattering the previous record high and setting new record highs each day. Several factors are driving this market:

- US milk production in 2014 is not keeping up with domestic and international demand. This supply issue has driven prices up for all milk components, especially cream.
- Butter inventories did not build during the first and middle part of the year. Inventories are currently at the lowest point in 13 years and declining each month. July Cold Storage inventory levels were 42% less than last year and 9% less than the previous month.
- 50% of butter sales happen in the fourth quarter of the year as holiday baking season is the peak demand for butter. Butter inventory levels appear to be insufficient for meeting this demand.
- As there is little inventory to sell, the market price is attempting to curb demand. Markets are expected to remain high or potentially increase through the baking season and then retreat to more normal levels by the start of 2015.

CHEESE

Cheese markets are back at record high levels and have reaching levels that we have not seen since April. Domestic demand and butter prices are the two factors supporting cheese markets at their current level.

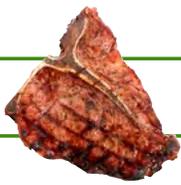
- Cheese markets have hit all time record high levels for the second time this year. This week barrel markets surpassed the all time record high.
- Domestic demand is not decreasing, which continues to put upward pressure on pricing. Until demand curbs and seasonal orders have been placed, no downward movement is expected.
- With record high demand, less cheese is going into cold storage which puts additional pressure on markets.
- Cheese and butter prices typically follow each other, and butter is at all time record high prices putting additional upward pressure on the markets.



CHICKEN WINGS

The wing market continues to inflate at a rapid pace.

- There is an extreme shortage of wings available in the market place.
- Wings will be short all football season due to the market conditions.
- Tenderloins, traditionally used to make boneless wings, were priced high throughout the summer for QSR promotions, thus creating a higher demand for the less expensive alternative, bone-in wings.
- Vendors have informed us that many distributors have started allocating wings this fall.



BEEF

Live cattle traded at \$161 last week, \$1 lower than the previous week. Beef production continues to be curtailed as pricing for beef is not keeping up with the cost of live animals. We are seeing more of a seasonal market on many items.

ROUNDS

INSIDES: Choice inside round took a very small price increase last week and selects are falling behind. They should slowly move downward into fall.

FLATS: Flat prices increased again last week on demand from retailers and export. Pricing is leveling off and should drift slowly lower into the fall months.

LOINS

STRIPS: Strips continue to move downward now that summer is over. Selects more so than choice. They will most likely follow this path into late fall.

TOP BUTTS: Top butts continue to be sporadic. Choice took a slight increase mostly from reduced production. We could see some renewed interests, but they should fall slowly into the fall.

BALL TIPS: All grades of ball tips were lower. It looks as if they will continue to weaken throughout early fall.

TENDERLOINS: Tenders were the hot item again last week, and it looks as if it will be the same this week as well. Pricing is expected to follow seasonal advances into the Holiday season.

RIBS

RIBEYES: All sizes of choice ribeyes were up in price last week, but the range of increase seems to have leveled for the time being. Selects are more vulnerable to price fluctuations as buyers chase the choice market, and the select buyers have yet to enter the market. All in all, expect pricing to follow seasonal increase moving into the Holiday months.

CHUCKS

CHUCK ROLLS: Chuck rolls were higher last week on demand from grind processors and export interests. They are expected to be more steady next week and are showing seasonal price weakness.

THIN MEATS & GRINDS

FLAP MEAT: Choice flap meat barely took a price increase and select succumbed to market pressures and were lower. They will continue to be price sensitive with reduced production, but should move downward into the fall.

BRISKETS: Brisket pricing was flat and they are showing some slight signs on weakening as the majority of the large demand has been seen in the late fall when they are expected to bottom. When they move downward, it is expected to be at a very, very slow pace.

GRINDS: They were higher last week due more to decreased production than demand. They are showing signs of weakening.

SKIRT MEAT: Skirt actually moved lower and are already lower this week. They remain vulnerable to price fluctuations with reduced slaughter, but are expected to slowly move downward into the fall.





PORK

Base hog prices were mixed this week as some buyers still needed hogs for late week arrive, while other buyers were already looking for animals for next week's schedule. Hog supplies remain limited and below year ago levels with last week's slaughter numbers coming in at 2.05 million head, down 5% from the 2013 harvest. This week numbers are expected to come in at 2.060 million head, which is about 6% below year ago levels. From a seasonal perspective, this is the time of year hog numbers begin to increase, however it is important to keep in mind that any reductions in hog supplies/pork availability could support higher price levels and create increased market volatility during the Q4 timeframe.

Hog weights came in slightly lower, with animals averaging 4% heavier than year ago. As we move into the cooler fall months, hog weights are expected to begin gradually moving higher through year end. Since animals started from a heavier point, hog weights are not expected to increase as much as in prior years, however it should be noted that larger animals may result in larger, heavier pork cuts and tight supplies of smaller sized items.

On the overall demand side last week, pork prices traded mixed. Bellies, Spare and Back ribs traded steady to slightly lower, while prices for Hams, Pork Butts and the Loin Complex continued their move higher on improved demand. Expect prices for commodity pork items to firm then gradually move higher late month as retailers begin promoting items for Pork Month. It is important to note that overall commodity pork prices are still averaging 10 - 20% higher than 2013 levels (due to PED virus). Prices for commodity pork cuts are expected to remain above 2013 levels through November.

On the processed meat side, hams prices continue to firm and move higher on improved demand while bellies are trading steady to lower due to weaker retail demand.

LOINS

The market for bone in loins and boneless loins continued their move higher last week on improved product demand from retail promotions. Prices for bone in loins are expected to move higher in anticipation of late month retail features/early October. Similarly, boneless pork loins are expected to move higher due to increased retail features on bone in product, leaving less boneless product available. Prices for both items expected to trade steady to higher through mid October.

TENDERS

Pork tenders continued their move higher last week as buyers booked product for late month and early October retail features. Prices are expected to trade steady to slightly higher this week then gradually move higher through mid October due to improved retail and foodservice demand.

BUTTS

Prices for pork butts moved higher last week due to increased domestic and export demand. Prices are expected to trade steady to higher this week then gradually move higher on increased retail promotions of country style ribs for October (Pork Month). Expect prices to trend higher through mid October then gradually move lower early November. Prices are expected to remain above year ago levels.

RIBS

Spareribs continued their seasonal move lower last week on weaker short term demand. Prices are trading steady to slightly lower this week as buyers review their inventory positions. Back Ribs traded lower last week on weaker demand. Buyers continue depleting their frozen inventories before stepping back into the market. Prices for both Spare Ribs and Back Ribs are expected to trade steady to lower through early October then firm late October/early November. Light Spareribs, St. Louis ribs and Back ribs, are expected to remain in limited supply due to heavier hog weights. Frozen ribs are in tight supplies as packers work to clean out their freezers.

BELLIES/BACON

Bacon/Belly prices traded lower (though the rate of week over week decline has slowed) due to lack of demand at the retail level. Belly prices are expected to trade steady to slightly lower through late September, then firm as retailers begin to feature bacon items for Pork Month. Foodservice is also expected to step in with seasonal bacon promotions that begin during the October timeframe. Foodservice bacon promotions may last through the holiday season.

HAMS

Ham prices moved higher last week on improved domestic and export demand. Ham prices are expected to continue trading steady to higher this week and gradually move higher as processors ramp up production for the holiday season. Ham prices are expected to remain above year ago levels through late fall.

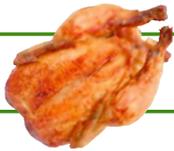
TRIM

The following market dynamics will impact finished goods pricing during October. Pork trimmings started their seasonal move lower during the last week. Further declines are expected during the September timeframe. Thus September prices for processed meat items, like hot dogs and dinner sausage are expected to move lower during the September time frame. Prices expected to remain above 2013 levels.

PICNICS

Pork Picnics moved higher on increased export demand and increased domestic sausage processor needs for Oktoberfest promotions. Prices are expected to trade steady to higher in the upcoming weeks' then move lower during October. Increased export demand may support higher prices during the fall timeframe.





TURKEY

WHOLE FROZEN TURKEY

The turkey market inched up slightly again this week as Thanksgiving bids are driving the demand. This trend should continue until the influx of young birds hit the market later this fall.



POULTRY

The market for boneless breasts has inflated which is a very unusual occurrence for the month of September. A large poultry company has taken the initiative to buy as much boneless breast, fresh or frozen, to support their retail and further processed obligations. Many further processors were trying to wait until the boneless breast market deflated prior to fulfilling obligations. The market has not deflated, now companies are struggling to fill their customer's needs. What are the causes? This year in the poultry industry has definitely been a trying one as far as supply and demand. The effects of the tornado damage were understated as we now hear of more breeder facilities that were damaged. The breeder hens are short in supply. One vendor stated that it is a 19 week lag between buying and receiving additional breeder stock. This is causing the poultry processors to keep their breeder stock past the prime age of 55 weeks. After the 55 week threshold, the hens are less productive in terms of number of prime eggs or quality chicks being placed in houses. Eggs are no longer culled out of stock due to the demand for broiler meat. Hatchability has remained extremely low; the quality and consistency of bird sizes continue to plague the industry. Add the fertility issues created by the Ross Roasters and the highest demand for chicken in history, the result is making the boneless breast market leaves all historical price trends useless for predicting this year's boneless breast market. Analysts insist that this market will adjust and deflate, the question remains when.

The wing market continues to inflate at a rapid pace. There is an extreme shortage of wings available in the market place as orders are not being filled in all regions. Wings will be short all football season due to the market conditions. Tenderloins, traditionally used to make boneless wings, were priced too high throughout the summer for QSR to put an emphasis on this offering for fall promotions, thus creating a higher demand for the less expensive alternative, bone-in wings. Vendors have informed us that many distributors have started allocating wings this fall.

Hatcheries in the United States weekly program set 210 million eggs in incubators during the week ending September 6, 2014, up 3 percent from a year ago. Hatcheries in the 19 State weekly program set 202 million eggs in incubators during the week ending September 6, 2014, up 4 percent from the year earlier. Average hatchability for chicks hatched during the week in the United States was 83 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

BONELESS SKINLESS TURKEY BREASTS

The record high of \$4.00 per lbs for boneless, skinless Turkey appears to be at or near the ceiling as the market remains steady. There are signs that the demand is settling back and this market will finally start trending down.

Broiler growers in the United States weekly program placed 174 million chicks for meat production during the week ending September 6, 2014, up 1 percent from a year ago. Broiler growers in the 19 State weekly program placed 168 million chicks for meat production during the week ending September 6, 2014, up 1 percent from the year earlier. Cumulative placements from December 29, 2013 through September 6, 2014 for the United States were 6.20 billion. Cumulative placements were up slightly from the same period a year earlier.

BONELESS SKINLESS BREASTS

The boneless breast market surprisingly inflated this past week. This has been supported by the largest poultry producer, in the United States, to pay a surplus to buy as much boneless breasts as they can find, leaving the market bare of any spot loads. Retail features continue to be strong. Though most feel this market will eventually deflate, the major question is when this will happen.

CHICKEN TENDERLOINS

The tenderloin market continues its rapid deflationary trend. This market will continue to slide as we enter the fall of the year. This trend will continue until the QSR segment feels the price is low enough to put back on their promotional calendar.

WINGS

The demand for wings, even for the start of football season, is higher this year than in the past. Usually shortages of wings start occurring around the NFL playoffs due to higher demand and plant closures for the end of the year holidays. This year, we are already being shorted wings. The market will continue to inflate until the demand and supply come into a better balance.

BONELESS SKINLESS THIGHS

The boneless thigh market remained unchanged. The freezer inventory of dark meat continues to grow until the industry finds a permanent home for the dark meat complex that was originally destined for export. This market should continue its sideways trend.



COMMODITY GROCERY

SOYBEAN OIL

With very limited frost damage over the weekend. We should be in great shape weather wise (based on the 10 day outlook) to finish out this record crop. Beans being harvested in south are coming in with the high expected yields. This week's crop rating report put the soybeans at 72% good to excellent, unchanged from last week and still well above the five year average of 54%. Pod setting is complete across the U.S. and active harvesting continues in the Delta region with record yields being reported. The recent surge in new crop meal sales should lead to an even higher crush as we move to Q4, resulting in the producing of more soybean oil. Thursday's USDA reported the 2014/2015 soybean ending stocks at 475 million bushel, up from 430 million in August and 130 million bushels in 2013/2014. The national average soybean yield was raised to 46.6 bushel per acre vs. 45.4 bpa in August and 43.3 bpa in 2013/2014. South American soybean planted acreage is expected to be up nearly 5% this fall as growers had ample opportunity to hedge their crops at higher prices. Many traders still anticipate the EPA to hike the biodiesel mandate and reestablish the \$1 per gallon blender's credit retroactively in October. Also, with increased bio-diesel percentages globally, the U.S. could be a supplier to the export market.

CANOLA

Less acres were planted this year (1M acres). About a quarter of the canola has been harvested. Winepeg and Manitoba had some freeze conditions over the weekend, resulting in harvesting being behind as well as the potential of some crop loss. Harvesting will continue until about mid- October. The canola crop will be about 15% less than last year's record crop.



DAIRY

BUTTER

The butter market continues to climb, shattering previous record highs and setting new record highs each day. Current market is 101% higher than this week last year. Domestic demand continues to outpace year ago levels. Year to date butter production is down 2.4% from 2013. Cold storage inventory levels are at 13 year lows. Holiday baking season is almost here and the concerns continue over insufficient inventory levels to meet this peak demand.

CHEESE

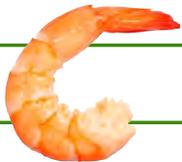
Cheese prices are back at levels that we have not seen since April which were the highest cheese prices on record. Wednesday barrel markets hit the highest level they have ever reached. Demand is the main factor supporting cheese prices and even at all time record high levels, demand has not decreased. Markets are expected to trade within the current range or higher until the seasonal orders are completed. Expect cheese markets to remain within the current range for most of Q4.

SHELL EGGS

Egg markets are showing some weakness. Supplies are available across all sizes. California is instituting new shell egg laws effective in 2015 which will impact the entire shell egg industry. Expect inflation on shell eggs as we get closer to 2015.

MILK & CREAM

For the month of September, fluid milk prices are beginning to see slight declines. Overall production is in line with increased demand due to the start of school. Unfortunately, butterfat prices are increasing and overall cream demand continues to outpace availability. Right now, heat stress in dairy cows is causing general output to have lower butterfat levels. Cream demand from butter churns will continue to keep cream prices at their current levels or higher through the holiday season. Items that have high butterfat content will have increases, specifically, heavy cream and sour cream.



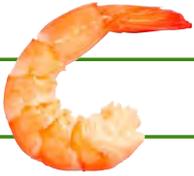
SEAFOOD

SHRIMP, DOMESTIC (WHITES AND BROWNS)

The Brown shell on market is showing signs of weakening as packers are seeing weaker movement and shrimp coming in at a good pace. The White shell on season is starting with good catches and the thought is price will weaken based on lower imports and more inventories on Wild Caught Domestic.

SHRIMP, LATIN – CENTRAL AMERICA (WHITES)

41-50 count and smaller are barely steady at listed levels with some slight discounting noted on the 41-50 and 51-60 due to quiet demand. Although pricing is not changing a lot this week, it has been on the rise the past few weeks as a result of the typhoon in China.



SEAFOOD (CONT'D)

SHRIMP, IMPORTED

(BLACK TIGER AND WHITES)

TIGER: The HLSO market is on the rise as supply remains tight, especially in the very larger sizes. The new economics of growing shrimp has farmers pulling the ponds before the shrimp reach the larger sizes. Beside the fact that leaving the shrimp in the ponds longer has more expense, there is a great risk of crop failure. EMS disease, in Asia, is being managed, but has not been completely conquered. As we've been recommending, conversion to whites remains a sound strategy, as the market will now dictate large gaps in pricing between the Tigers & Whites.

WHITES: The Asian White HLSO is largely unchanged, but conditions are pointing toward upward pressure on pricing. Cooked and P&D markets, in Asia are steady firm. Central/South America steady with 31/35s and 36/40s showing an increase this week.

CATFISH, DOMESTIC & IMPORTED

DOMESTIC: The domestic catfish was steady this week and supplies are adequate for demand.

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. This is a result of the spring harvest that was considerably lower than LY. Awaiting fall harvest to set pricing that will take us into December.

SALMON

CHILEAN FARMED SALMON: The Chilean frozen fillet market remains unsettled. Both higher and lower offerings are noted on all sizes. Due to the Russian sanctions, there may be upward pricing pressure on frozen fillets, but to date we have not seen any changes in pricing. The Chilean whole fish is showing signs of weakening as the Russian sanctions have not effected the overall harvest and supply.

WILD ALASKAN SALMON: The net king market trended lower and a few still lower offerings are noted. Supplies of net kings are fully adequate for a lackluster demand. The troll king market is unchanged along with the Sockeye, Chum, and Coho markets.

MAHI MAHI

Another spike in fresh mahi-mahi market prices was noted; a result of increased replacement costs. Watch to see how the frozen markets react.

SCALLOPS

SEA: Prices were steady this week, but have a firm bias.

BAY: Pricing unchanged this week.

TILAPIA

Pricing was stable this week on Tilapia, due to this year's supply being better than earlier in the year. However, with China's growing demand for this fish we may see pricing increasing in the fall, especially on larger sizes.

WHITEFISH COMPLEX

(COD, POLLOCK, HADDOCK)

COD: The market for Atlantic and Pacific Cod was stable this week.

POLLOCK: The market remains stable on both domestic and imported Pollock fillets.

HADDOCK: The market was steady this week.

KING CRAB

RED & GOLDEN: Alaska has called for a ban on Russian seafood imports in retaliation for Russia's ban on US food shipments. Despite the justice of this, it may be a case of be careful what you wish for. For King crab, a shutdown of Russian product - which supplies about 90% of the US demand - would destroy the market. After years in which the Deadliest Catch gave a huge boost to crab consumption, nothing would make consumers madder than boosting a product that is unavailable. No retailer or restaurant wants to put themselves in that position of making their customers mad - so there would be a massive migration away from King Crab.

TUNA, YELLOWFIN

(CO TREATED)

The market rallied due to higher replacement costs and thinning inventories in the U.S. The undertone is full steady.

CRABMEAT

(BLUE & RED, PASTEURIZED)

Both Blue and Red markets are stable this week. Blue Swimming crab meat seems to be in better shape as the pipe line is filling up. Red Crab production has started and we feel as product hits the US in 60 days we may see some weakening in price.

SNOW CRAB

CANADA: Pricing remained steady this week. Supplies are adequate to barely adequate for active demand.

ALASKA: The market was stable this week with quiet demand. There may be a bit of discounting on the horizon as traders look to convert inventory to cash so they can participate in the King markets.

LOBSTER TAILS

WARM WATER: Brazil is full steady to firm with a few lower offerings noted on 4 and 5 oz. tails. Production has been related as slow. Caribbean quotations are listed. Most offerings are within the listed range although the market remains unsettled at the beginning of the season.

COLD WATER: Markets firm with some higher offerings.

NORTH AMERICAN LOBSTER: We see another increase in North American Tails on 3-4, 4 & 4-5 oz. tails. Pricing will continue to climb as inventories continue to sell off. Factors including fishing in Maine that has been slow to ramp up, a good live demand and an active Asian demand have contributed to the stronger undertone. 7-9 and 8-10 oz. tails continue mixed with some lower offerings noted. Lobster meat is also firm.

PRODUCE

VEGETABLES



POTATOES

Russets: ID shippers continue to see great quality Norkortah russets but sizing continues to be a concern. There is limited availability on the larger sizes, which is reflecting in the current FOB prices. Smaller sizes (80/90/100s) are plentiful and prices remain steady. Harvesting of the Burbank variety in ID should start next week. Trucking continues to be a concern out of ID, which is affecting the pricing and delivery dates.

Reds: Harvesting continues in multiple growing areas, including WA, TX, ID and WI. CO and MN will be in the next few weeks. There are ample supplies but only moderate demand. The FOB pricing on B-sized potatoes is firming up as many growers only have 5% of their fields producing this size. Prices on the larger sizes saw an increase also.

White, Yellow and Fingerling: White round potatoes remain steady with most of the demand coming from the Northeast. Yellow potatoes are available from multiple growing areas. The quality and appearance has been great, with steady volume and pricing.

Sweet Potatoes: Growers are seeing excellent quality sweet potatoes out of NC, MS and LA. Jumbo sizes are limited for the time being but more should be available in the upcoming weeks. FOB prices are up currently. Many shippers do have cured product available.



GARLIC

There are still extremely limited quantities of Garlic from China. Prices have stabilized but do not look to be coming down in the near future. Limited supply out of California garlic.



CABBAGE

Red cabbage market is up with good demand. Green cabbage market is steady with good supply and demand. Product quality and supply remains very good across the country. This is expected to continue through October in the Midwest.



LEAF LETTUCE

Romaine supplies vary by grower, but most are reporting good quality. Shippers continue to report fringe burn, ribbing and pest damage. The demand is strong. The market is down.



ICEBERG LETTUCE

Iceberg continues to have a strong demand but running light on supplies. The quality remains okay with concerns regarding heat damage and pest damage. The market is off a little this week.



ONIONS

The onion market is down a little this week. Harvesting continues out of multiple areas, primarily the Pacific Northwest and East Coast. Recently, the quality has been hit or miss due to the rain, which is causing issues with the drying process.



CHILE PEPPERS

The market is up because of light supply. The hot weather has increased production in some peppers, but others like Pasillas and Poblanos are short this week, leading to higher pricing.



CUCUMBERS

In MI, the rain continues to cause quality issues with the cucumber crop as this harvesting season is coming to an end. Harvesting of the fall crop in NC, SC and GA has started with good quality. The East coast is experiencing a strong FOB due to the limited availability at the moment. On the West Coast, the rains are causing a negative effect on supplies in Baja. Nogales is harvesting, but the volume is light. The FOB is steady on the West coast.



SQUASH

Nationwide, we are seeing light volume from several growing regions for both yellow and green squash. Quality has been variable; some areas are still seeing scarring. Although demand is moderate, the FOB pricing is increasing across all regions, but more drastically on the West Coast.

PRODUCE



TOMATOES

Rounds: Many harvesting areas on the East Coast are coming to the end of their harvesting seasons for round tomatoes. The volumes out of these fields are lower and some are still experiencing quality issues with the shelf life. FOB price are up on several sizes, including 5x6s, 6x6s and 6x7s. In the West, yields are also declining as the crop ages, causing the FOB pricing to increase. It is expected that there will be shortages or gaps in the next couple of months.

Cherry and Grape: On the East coast, good quality cherry tomatoes are plentiful, with weak demand and steady prices. As for grape tomatoes, the quality is good and demand weak, but FOB prices are up slightly. On the West Coast, the quality is good but that may change in the near future. FOB price are higher this week, but it is still lower than previous years.

Romas: We are seeing a shortage of Romas nationwide. The planting gap on the West Coast is limiting the availability in all regions. The upcoming storms may worsen the situation. East Coast shippers have good quality but the FOB prices are on the rise. The West Coast has good quality Romas, but it can be variable. FOB prices are up and demand is moderate.

GREEN BEANS

Green bean market is up considerably this week due to very light supply and good demand. New fields out of Fresno and coastal California will start next week which should pull the market down a bit.

EGGPLANT

The Eggplant market is currently stable with moderate demand across the country. Currently supplies are shipping from MI, NC and Fresno.



BELL PEPPERS

Harvesting in MI, MN and NY is coming to an end. Crop from these regions is variable in quality. Eastern NC has begun harvesting and GA will follow shortly. This week the FOB is strong due to the limited supplies and strong demand. The West coast shippers are seeing tighter supplies and increasing FOB. The quality is good at this point but could change with the impending weather conditions.



CARROTS

Carrot supplies and markets remain steady. Bakersfield is continuing to produce good quality and sizing. Industry is in good shape overall.



CELERY

The market continues to remain steady with good supply coming out of Santa Maria and Salinas. There are reports of black heart, pith and insect damage in Santa Maria.



GREEN ONIONS

Market for green onions continues to be strong due to bad weather in the growing districts and prices are up sharply this week. Prices are on the rise and quality will be affected.



CAULIFLOWER

Supplies continue to be light this week. Market is steady and quality is good to fair.



ASPARAGUS

Market is down for asparagus this week. A steady supply is coming out of Peru and light supply out of Baja. Hurricane Odile could create supply, quality and logistical problems in that area. Demand is moderate.



BROCCOLI

Maine has a good supply and quality continues to be good with an down market. Supply on the West coast continues to be lighter and mildew has affected the yield and quality.



PRODUCE



TROPICAL

PINEAPPLES

Supplies of quality fruit have decreased due to a drop in production. There is a strong decline in demand in every region. We anticipate the demand for pineapples to remain light for the next few weeks. Total volume was down and pricing was flat.



BANANAS

The banana demand has remained steady over the past week. Weather in North Guatemala suffered a blow down toppling over 400,000 plants. Costa Rican market will feel some of the demand from this. Quality issues continue on organics out of Ecuador, expect higher volume on organics starting next few weeks.



AVOCADOS

Mexico volumes have improved, but the market is steady on 48s and larger. There is some limitation on smaller sizes so prices there are more stable. The fruit has good flavor, fair oil content and is ripening a little longer for being Aventajada. Mexico is supplying most of the U.S. market. We can expect good volumes to continue to increase. The harvesting in California has declined rapidly. The fruit profile is great, with good eating and a short time for ripening. This year's California crop can be expected to be smaller than last years as it is almost done. Peruvian fruit will be ending very soon. Some fruit has been reported with age problems, other fruit is excellent. Some Chilean fruit has started to come into the U.S. in a very small way. No volume is expected out of this region until the last quarter of the year.

MELONS



CANTALOUPE

The market is strengthening on all sizes as we are slowing down on production and we will see things continue to strengthen. The overall quality is very good with high sugar and excellent internal color and nice clean net.



HONEYDEWS

Market is steady to strengthening as production numbers are slowing as well as there are about another 3 weeks to go on the Westside and market will continue to strengthen. The overall quality is excellent with high sugars and great internal quality with some scarring on fruit.



BERRIES

BLACKBERRIES

The market has decreased this week. Supplies have been relatively stable in California. Mexican production should begin in a couple weeks. This is delayed due to the recent hurricane in Mexico. Expect pricing to hold steady for the remainder of September.



STRAWBERRIES

The market is still tight but relief is in sight. Santa Maria is starting to see some consistent production for this loading period and the weather has been cooperating which will provide better quality. The market is flat. Expect supplies to continue to increase from Santa Maria and Oxnard beginning next week.



RASPBERRIES

Raspberries are past peak production and we are still seeing good quality with diminished supplies. There was a slight increase this week but no changes are expected moving forward with a stable market. Mexico will be starting soon.



BLUEBERRIES

Supplies are winding down as growers are finishing up with fresh pick over the next couple of weeks. Growers are pulling the majority from California storage. Expect the pricing to increase as supplies decrease and storage fruit begins to be used up.



GRAPES

The market is flat as we are harvesting several very nice varieties of reds and greens, the overall quality is excellent with good sugar and eating quality. We will continue to harvest through November barring any major weather. Excellent quality is expected.

HANGING FRUIT



APPLES

The truck capacity out of Washington has become very tight. Shipments were up to 420 truckloads last week compared to the week prior. The harvest is moving along very quickly with Pinks, Brae burns and cameos the only three mainstream varieties that have not been picked. It is a bit of a challenge to get small sized fruit on Reds and Galas in volume.



PEARS

The northwest pear harvest is in full swing, Bartletts, Anjou's and Red Pears are all available. Projection for this year's crop is slightly smaller than last year's record crop. Overall, the quality has been great so far and with no weather events between now and the end of October, a good year is anticipated.



CITRUS

LEMONS

The lemon market is still very strong and demand exceeds supply on 140's and larger with most fruit coming out of the coastal growing area. Harvest has started slowly out of the desert growing area. This is expected to ramp up in the next two weeks and will hopefully start to see the situation ease up a bit and quality will improve.



ORANGES

The market is very strong as demand exceeds supply on 88's and smaller. This situation is expected to continue until the end of October until the California navels start. Overall quality is fair at best as this fruit that is picked right now is about 16 months old and has been through a freeze. It is also not getting the desirable amount of water to the trees.



LIMES

Limes are being imported from eastern Mexico with good green color. The fruit is exhibiting excellent quality and good juice content. We are halfway through the current crop and sizing is starting to shift to larger sizes. Currently the sizes are peaking on 200s followed by 175s. There is low availability on 150's and 110's. Over the next 2-3 weeks 230's and 250's will become short supply as well.

