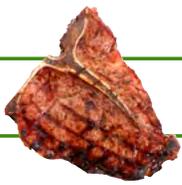


FARMER'S REPORT

MARKET TRENDS | 4.11.2014

US.
FOODS
KEEPING KITCHENS COOKING.®



BEEF

Live cattle traded at 148-150 cwt, down \$2.00. Supply and demand are finding a better balance as product availability improves. Slaughter continues to be under both year-ago levels as well as week-prior levels, however we are trending much closer to year-ago levels.

ROUNDS

INSIDES: Slower demand continues to put pressure on lower prices. This could continue for a few weeks until retail starts the late spring ads for London broil, which typically will move this cut upward again.

FLATS: Bottom round flats are continuing to show weakness. Lack of demand on this item is causing the market to decline and most likely will continue to do so going into spring.

LOINS

STRIPS: Strips were driven up too fast over the last several weeks and are now experiencing a market correction downward, for the short term. We do anticipate a seasonal turn back up as we get into the late April and early May time period.

TOP BUTTS: Week over week the market is holding steady – up slightly one week and down slightly the next. We don't see that changing in the near term.

BALL TIPS: As we see production levels increase, we are seeing a moderate decline. Expect to see this item peak, and then decline going into spring.

TENDERLOINS: All grades of tenderloins have seen an increase in the market, mostly due to supply issues, however at a much slower pace. We do expect the select/no roll grades to have some downside as the grade shifts to a more seasonal pattern of more select-grade cattle coming into production.

RIBS

RIBEYES: Rib meat continues steady this week. Expect higher demand and continued strength especially as we see signs of spring and warmer weather.

CHUCKS

CHUCK ROLLS: The market is declining, which is no surprise as it follows seasonality. Do not expect the lows of the past, but it should continue to see week over week declines for the next several weeks. The major muscle continues to be in short supply, mostly due to lack of kills.

THIN MEATS & GRINDS

FLAP MEAT: The market has rebounded and seasonally should have a little downside moving forward. The market is expected to stay strong going into midsummer. Even with expected increased slaughter in the coming weeks, this item has little downside risk.

BRISKETS: Briskets are at all time highs, but are in better supply. We could see another week or two of high prices, but the expectation is for a declining market starting to show up later this month, but still ahead of year-ago levels.

GRINDS: Grinds are showing some weakness, which is typical of early April before a push upward as we move into May.

SKIRT MEAT: Outside skirts are stronger with overall strength for the long term as we go into the next few weeks.





PORK

Base hog prices are moving lower across all major markets as packer demand for hogs slows down this week. While hog supplies remain a concern through the summer months, current demand for pork is expected to slow down for the balance of April then rebound during May. Weekly slaughter estimates are running about 3% below year-ago levels, but are expected to average about 8% below year-ago during the summer timeframe. As we move into the late spring/early summer timeframe, packers remain concerned about animal availability during the peak demand season. Additionally, the PED virus may cause supply concerns during the fall season.

Hog weights have reached record highs with packers allowing for heavier animals to maintain product supplies. Live hogs are averaging 7 lbs heavier than a year ago, and producers continue to hold hogs on feed longer as their supply pipeline has been altered by the PED virus. We expect hog weights to trend lower, but remain well above year-ago levels through summer.

Overall pork prices were steady to slightly lower last week. Bellies and hams moved higher while ribs traded steady. Pork butts and the loin complex continued to show some weakness and price declines. This scenario is expected to continue through the end of April, then prices for commodity pork cuts are expected to begin moving higher.

LOINS

The markets for bone-in and boneless loins continued lower last week on weak product demand. Retailers have shifted their focus from loin features to fish and Lenten items. Both bone-in loins and boneless loins are expected to move lower, then hold steady through April. Demand for boneless and bone-in loins is expected to move higher during May as retailers feature items for Memorial Day as a cost effective alternative to beef.

TENDERS

Pork tenders traded steady to slightly lower due to weak demand. Prices are expected to trade steady to lower through late April (matching the move in the loin complex). Expect prices to move higher during May on improved demand due to increased retail features.

BUTTS

Prices for bone-in and boneless pork butts traded lower on weaker retail and foodservice demand. Buyers have stepped out of the market to assess their current needs and inventory levels. Prices are expected to trade steady to slightly lower through April, then begin trending higher during May.

RIBS

SPARE RIBS: Spare Rib prices traded steady to slightly lower on weaker demand. Retail focus on Lent and Easter ham features have temporarily reduced the need for spare ribs through April. As May approaches, prices are expected to begin gradually moving higher as buyers add to their summer needs. Packers are charging a premium on lighter weight ribs due to heavier hog weights. Expect prices to reach their seasonal peak during mid June, however lighter weight ribs are expected to remain at a premium through the summer.

BACK RIBS: Back Ribs traded steady to slightly lower on lackluster retail demand. Prices are expected to begin moving higher during May. Prices could reach their seasonal peaks during the late spring timeframe. Lighter weight ribs are priced at a premium due to record heavy hog weights and may not be available.

BELLIES/BACON

Bacon/Belly prices continued higher on tight supplies and strong retail demand. Tight supplies of fresh bellies continue to support higher price levels and increase market volatility. Belly prices are expected to trade steady to slightly higher through early May as retailers focus on Easter promotions and reduce the number of bacon features during late spring. Supply constraints may create increased volatility and support higher prices.

HAMS

Ham prices moved slightly higher due to seasonal demand and tight supplies. Processors have wrapped up their Easter production, so ham prices are expected to move lower through April then gradually move higher as we transition into May.

TRIM

The following market dynamics will impact finished goods pricing during May. Pork trimmings continue trending higher, reaching record levels due to increased product demand from processors. Heavier hog weights will pressure fat trim markets while limited availability of sows will support higher prices for lean pork trim. Trimmings prices are expected to trend higher through Q2.

PICNICS

Pork Picnics moved higher last week on limited supplies and strong demand from sausage processors. Picnics are expected to trade higher through April. Demand for exports and unanticipated supply constraints could support higher prices.



TURKEY

Further processors continue to express significant raw material needs to supply their kitchens and that is producing an unseasonably hot set of market conditions. The boneless breast market is at an all time high and will continue upward as the lack of turkeys in the industry cannot keep up with retail and deli needs.



COMMODITY GROCERY

OIL

We have seen a bit of strength in the market. On Wednesday April 9th, the USDA released its monthly report. Soybeans were within the estimate, but lower than the anticipated average. Currently, soybean ending stocks are extremely tight. The tightness in the beans is well below average nearing record lows for this time of year. Based on the current tightness as well as seasonal trend, we expect soybean oil prices to continue to strengthen.



POULTRY

Low live chicken weights is still affecting the market, causing major shortages in all of the boneless offerings. The market remains firm with all offerings with the exception of jumbo wings. Demand for most lines was fair at best, but supplies remained no more than adequate depending on the item and point of sale. Boneless breast offering prices may not have been as bullish this week as they were last week, but they were still over the market. Inflation continues to best describe the current state of the chicken market. Sources report that those buyers, who typically hunt for the competing proteins, are continuing to actively pursue chicken as a more viable option. All offerings, with the exception of wings, showed gains in the market again this week.

BONELESS SKINLESS BREASTS

As with last week, QSR continues to promote heavily and the retail sector has continued to promote due to the costs of rival proteins. Boneless, skinless breasts from small birds are being shorted throughout the country. Any spot market purchase of this product is sold at a major premium to the market. Jumbo birds, also low in weight, have been barely adequate to cover supply. The boneless breast market will continue to rise through the end of May, hopefully as production catches up with demand.

CHICKEN TENDERLOINS

The tenderloin market continues upward, posting 52 week highs on the Urner Barry market. The bottom line is, with marketing strategies of both retail and QSR promoting chicken tenders, there is no excess supply. Simply put, unless contracted, tenderloins cannot be found on the open market. This availability issue will continue to push the market to record highs through April. With live weights on small birds down, jumbo tenderloins are being split to fill the void of QSR's need for select tenders. This trend will continue into May.

WINGS

The wing market has leveled off, as the medium wing market remained flat while the jumbo wing market dropped slightly. The market is experiencing excess supplies of jumbo wings, with many loads being pushed into the open market with lower than listed prices. The wing market may even dip in the next few weeks unless QSR moves away from boneless wing offerings and use the better priced bone-in wing. While tender availability is nonexistent, promoting wings may become the next QSR marketing strategy.

BONELESS SKINLESS THIGHS

The boneless thigh market continues to rise as the bird size problem has limited supplies. Though the demand is rated as no more than steady, this market will continue to rise until bird sizes and counts are back to a normal range for this time of year. Exports to both Canada and Mexico remain particularly heavy.





DAIRY

BUTTER

The butter market appears to have peaked, but is not coming down quickly. Ice Cream season is almost upon us, so butter manufacturers are facing more competition for cream. Exports are up almost 70% over one year ago. Domestic sales are declining as holiday orders have already been filled.

CHEESE

After holding at record high levels for several weeks, markets are beginning to soften. Exports are up 60% over last year and cheese production is lagging from last month's and last year's numbers. Domestic pricing is still higher than global prices and weakness is expected for those markets as well.

MILK

April dairy pricing is up and continuing to see pressures from the market. The market is still experiencing unprecedented high prices due to the increased demand and decrease in China's supply of milk due to disease affecting their herds. This is resulting in an increase in exports and no change in supply here in the US. Forecasts are predicting some relief in the next few months, but overall prices are predicted to stay flat for the near future.

SHELL EGGS

Markets are continuing to maintain at record highs. Easter is only one week away and retail demand is strong. Supplies are adequate.



SEAFOOD

SHRIMP, DOMESTIC (WHITES AND BROWNS)

The Domestic brown and white shell on shrimp complex saw upward adjustments this week. Domestic shrimp - brown or white - has limited on hand supplies and very little prospect of meaningful replacement in the near term. The Domestic P&D market also saw upward adjustments on all sizes. The Domestic PUD Market saw increases on the top, middle and lower portions of the size range this week. Supplies are limited and this will continue to drive price until the new season opening.

SHRIMP, LATIN - CENTRAL AMERICA (WHITES)

HLSO white Latin shrimp complex saw weakening on the mid & lower sizes (21/25-36/40). This is because these particular sizes are being harvested right now and inventory levels are getting stronger, thus the price weakening. Smaller sizes, 61/70 ct and smaller, are tight in supply and pricing is firm on these sizes.

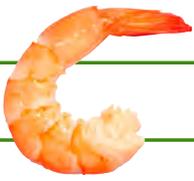
SHRIMP, IMPORTED (BLACK TIGER AND WHITES)

TIGER The Asian Tiger market saw scattered decreases on HLSO. Cooked and P&D tigers were quiet with no changes. The market remains firm on pricing with little to no replacement at this time. This is especially true on the larger sizes. The HLSO Asian White market continues to weaken on all sizes. The value added Asian White shrimp complex for cooked shrimp saw weakening across the board. The Asian White P&D tail on and tail off complex saw declines on all sizes. Some of this is attributed to importer inventory levels after the holidays and weather related slow down of business in the US. In addition, overseas offerings are drifting down on an anticipated increase in supply come May when the season usually kicks in.

CATFISH, DOMESTIC & IMPORTED

Domestic Catfish was quiet this week. Imported Catfish - this market is starting to climb and looks like it will continue to climb through 2nd quarter - why? First, the Chinese are between harvests, and what little that is being harvested is commanding a premium price. Why will the price continue to rise throughout 2014? Because supply will stay limited as farmers choose to plant different crops. They are afraid to invest in catfish based on the 2014 US Farm Bill and it rulings.





SEAFOOD (CONT'D)

HALIBUT

The 2014 Alaska commercial quota was cut approximately 32% from 2013 – about 16 million pounds allowable catch. The season started 3 weeks earlier this year than last year (This year started 3/8 – last year 3/24). Using last year as a gage – we should have the 16 million pounds caught by early August. There was a lot of product in the freezers that people have been using rather than purchase under the newer prices the lower quota has created. Most of that product has been used up, and with less supply, rising prices will be the name of the game. The market has slowly climbed up since Dec – we should see more gains now that the freezers are almost, if not already empty.

SCALLOPS

SEA: The Domestic Sea scallop market continues to climb to record setting levels. On-hand supplies are tight and future replacement is limited by quota. This is particularly relevant in regards to the U10 size. In addition to the quota cut, the areas that will be open for fishing will further impact the amount of U10 available in 2014. The underlying tone to the market is full/steady to firm.

BAY: New season Chinese Bay scallops continue to enter the market, especially in the 60/80 and 80/120 ct sizes. Smaller counts – 120 and smaller – remain in tight supply.

TILAPIA

Pricing on tilapia remains firm overseas with processors asking for higher prices based on very little product to harvest. The processors are driving the price to the farmer's up as they try to outbid their competition for limited resource that they need to keep their facilities open and producing.

FLOUNDER

Large-size fillets continue to be an issue across most flounder species. With 10% or less of the catch coming in with 5 oz or larger fillets, supplies are tight and the price is rising accordingly. Think about using 2 smaller-size fillets (two 3 oz fillets for example) for plate coverage and great eating experience.

SALMON

CHILEAN FARMED SALMON: Frozen salmon prices are firm. Frozen portions supplies remain light for a moderate demand. The fresh fillet Chilean market is about steady for a quiet demand, with 4-5# fillets adjusting downward on sluggish demand.

MAHI MAHI

The market remains uneasy as sellers contend with a limited supply. The market has a strong to very firm undertone as sellers get a handle on their inventories and spot trading has started. There have also been some price adjustments upwards by those still holding Taiwan product from last year's season based on the shortage of South American product.

WHITEFISH COMPLEX

(COD, POLLOCK, HADDOCK)

COD: Both Atlantic and Pacific Cod fillet markets were quiet this week.

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

HADDOCK: The market was steady this week.

TUNA, YELLOWFIN

(CO TREATED)

Tuna is another species which is starting to see prices firming. While not as bad as 2 years ago, fishing has been poor, prompting prices to move upward after a long downward slide. Moreover, saku in any form remains short and is moving up faster than steaks, minced or other forms of tuna. The question remains will this push tuna further down the list when it comes to foodservice buyers, who had taken it off their lists due to the high pricing experienced nearly 2 years ago.

SNOW CRAB

CANADA & ALASKA: Canada – The season has officially open April 7. First arrival product will be down to Boston by next week. Ice is still hampering the catch in the Gulf region – those fisherman will have to wait until the ice breaks some more. Pricing will be high to start on 5/8 based on the fact that there is little to none in the pipeline right now. In addition, the Japanese are eager to buy due to less crab coming from Russia. Alaska – The market is unchanged this week.

KING CRAB

The market for red and golden crab was unchanged this week. Mid to smaller-size red crab appears to have a good supply situation with sluggish demand causing an unsettled tone in the market place.

LOBSTER TAILS

WARM & COLD WATER: The market is stable this week with few changes.

AMERICAN TAILS: The market continues very firm with a tight supply situation. Canada Season will open within the next few weeks – ice permitting.



PRODUCE

VEGETABLES



POTATOES

Russets: The demand for regional russet potatoes has leveled off for every size. Currently the movement is low and there is little price pressure on various sizes. The market for Idaho russet potatoes remains steady for cartons. There are some reports of decay and pressure bruise, but overall the quality is fair. New crop russets Norkotah's have been planted and Idaho has been having great spring weather.

Reds: Growers in Washington are all but done shipping red potatoes. There are supplies available in Idaho and Colorado through April and until May respectively. Some North Dakota packaging facilities will be done shipping reds the week for April 7th, and others have supplies through July. New crop red potatoes are available from California where growers have started to harvest the desert crop. The demand and shipments are slow to start. In Florida, the red market has firmed because demand exceeds current supply. This market will remain strong through the month of April.

White, Yellow and Fingerling: Although storage crop yellow potatoes are almost done shipping, new crop yellow potatoes are available out of both Florida and California. New crop white potatoes are also available from Florida and California. White potatoes currently have great quality and light demand. Storage crop fingerling potatoes are also just about completely sold with new crop available from growers in Florida and California.



LEAF LETTUCE

Romaine supplies will be very low this week and next. Quality remains strong as shippers continue to harvest product grown in the Salinas valley. Each carton will be 37-38lbs and the head is measuring at 11-12" long. The romaine markets are up for the week. Supplies for Green, Red, and Butter leaf are lighter than normal. Quality is good. Green and Red leaf carton will be at 24-25lbs per case with Butter weighting in at 16-17lbs per case.



GARLIC

Garlic demand continues to be steady. Supplies are stable with no reported issue.



CABBAGE

Cabbage market continues to be steady with good supply coming out of Florida. Quality is good with high demand on Green Cabbage and moderate demand on Red Cabbage.



ICEBERG LETTUCE

Iceberg supply and market continues to be steady. Expect higher prices by the end of the week or early next week. There is still a light supply of Iceberg available in Yuma. Quality is good in both Salinas and Yuma districts. Weights are heavier in Yuma and lighter in Salinas.



ONIONS

The market for yellow and white onions has softened a bit. This is due to decreasing demand, as well as the fact that Mexico has finally started crossing more, which is giving relief to the North East. Texas is expected to start up by next week, which will continue to soften the market. Jumbo reds are still in short supply and their prices remain strong. Expect this up and down trend of pricing to continue for the near future.



CHILE PEPPERS

Chile market continues to be steady with high production. Supplies of Jalapeno, Anaheim, Serrano, Caribe and Pasilla are increasing as new fields are breaking in mainland Mexico. Quality is fair to good.



SQUASH

Squash supplies remain limited with steady FOB price due to lack of demand. Large products are still extremely tight. Quality is fair to good. This market is stable on zucchini squash but is still strong on yellow squash. Quality is still fair on yellow due to wind scarring.



GREEN BEANS

Green Bean markets continue to be steady with good supply and quality out of Florida. Demand continues to be light.

PRODUCE



TOMATOES

Rounds: Florida has had ideal growing weather for rounds. The Immokalee spring crop is coming along more quickly than first expected and should be ready to start harvesting by next week. Ruskin is expected to start harvesting its crop by mid month. This will increase volume in Florida which will put downward pressure on FOB prices. However the market will remain unchanged with ex-large tomatoes in short supply for the next two weeks. Quality is variable from grower to grower, but generally continues to be very good. In Mexico the supplies have increased putting slight downward pressure on all sizes. Crossings continue at Nogales and McAllen. Because of the excessive heat this season, the mature green market is ahead of schedule and volume will be decreasing sooner than normal. The supplies of mature greens continue to be so tight that no market report is available. The quality of mature greens is good.

Cherry and Grape: In Florida, growers are expecting stronger harvest yields for grapes. Cherries are being quoted higher than the market dictates, allowing for deals to be made. In Mexico, there is sporadic availability of cherry tomatoes. Quality has improved but is still variable. Grapes have slightly improved volume bringing the FOB lower this week.

Hothouse: With the round tomatoes finding better footing this week, so too will hothouse and on-the-vine varieties. Canadian production is increasing daily, but strong demand has kept initial Canadian pricing steady, though quality has been very strong for the first pickings. Mexico product is still available, though most buyers are regional to the Mexican market.

Romas: In Florida, volume and quality have remained steady for the past month and is expected to continue the same trend in terms of volume, demand and pricing. In Mexico the market has cooled down a bit. Production from this past weekend and early this week was higher than anticipated, dropping the pricing by a dollar or so. Quality has been strong so far from this new crop and should remain so for the next two weeks.



CUCUMBERS

Cucumber supplies continue to be coming out of Florida and Mexico. This market is lower but is expected to firm up by next week. Mexican products are still coming from older fields and higher grade cucumbers are scarce with more off grade products available in the market. Florida products could have some scarring issue due to wind and rain. Overall, quality varies from grower to grower with pricing reflecting the quality. The cucumber markets are down this week.



EGGPLANT

This market is gaining strength as demand increases and outpacing current supplies. Florida has light supply and quality is still not very good. Nogales supply continues to be steady with good quality.



BELL PEPPERS

Green Bell Peppers quality and supply is good. This market is much lower this week due to increased supplies with new fields in Florida coming into production early. The quality on Red Bell is good but supplies are still limited. This market is expected to remain strong for the next couple of week.



CARROTS

Jumbo Carrots supply is improving due to good growing conditions in Bakersfield. Market is steady and quality is good. Georgia Cello Carrots are still available with moderate supply and good quality.



CELERY

Celery markets continue to be steady with good supplies. Oxnard continues to be the main Celery production area, with good supplies still available in Florida through April. Quality is good. Celery will continue to be available in Oxnard through the end of June.



GREEN ONIONS

Green Onion market continues to stay flat due to heavy production and fair demand. Growing conditions continue to be excellent and supplies are more than enough to meet demand.

PRODUCE



CAULIFLOWER

Yuma production is basically finished for the season with good supplies from Salinas and Santa Maria. Quality is good from both areas and the market is expected to remain steady this week.



ASPARAGUS

With Mexican asparagus volumes continuing to decrease, this market is already reacting to the lighter volume in Mexico. Quality in Mexico is starting to show dehydration and spreading. California Asparagus sizing is peaking on Large with a few standard size available so please be aware of the size difference. Pricing will be two-tiered as product comes out of both growing regions. Washington asparagus is set to start by mid-April. The asparagus markets are up this week.



BROCCOLI

Broccoli supplies will be in line for the next two weeks but is expected to get much tighter after. There is a potential gap in 3-4 weeks because most shippers are 15-18 days ahead of their harvesting schedules. Quality on broccoli continues to be good.

TROPICAL



PINEAPPLES

The pineapple industry remains steady with demand expected to steadily rise over the next few weeks in anticipation of the holidays. Supplies remain good, quality is also good, and the pineapple markets are flat.



BANANAS

The banana industry remains steady as supplies are good and demand is slowly rising. Banana quality has been good recently, and the banana markets are flat.



AVOCADOS

The avocado market is shoring up as supplies remain good but demand picks up moving towards the Cinco de Mayo holiday. Prices are expected to remain high for the duration of the summer as this year's Californian crop has suffered from the severe drought in their growing regions. Some cosmetic issues are showing up on Mexican fruit, and the avocado markets are higher.



BERRIES

BLACKBERRIES

The blackberry industry has eased off recently and is showing better quality and production out of Mexico. Pricing is expected to relax over the next week or so as harvesting moves into a peak production period. The blackberry markets are lower.



STRAWBERRIES

The strawberry industry has shored up a little as crop yield projections have fallen off slightly and demand remains healthy. Supplies are anticipated to be good for the upcoming holidays, berry quality is reportedly good, and the strawberry markets are up.



RASPBERRIES

The raspberry industry is showing some stronger production out of Mexico, and the quality of berries has shown improvement as well. Pricing is expected to remain relatively stable for the near future, and the raspberry markets are flat.



BLUEBERRIES

The blueberry industry has really tightened up as Chilean imports are basically all dried up, and the domestic market is in an oversold situation. Floridian berries are coming on slowly and Californian ones are just barely getting started. The blueberry markets are higher.



GRAPES

The grape industry is strong and steady as the arrival of imports are pretty much all finished up for the season. The domestic harvesting seasons in California and Mexico won't get started until sometime next month, but early projections are good. Imported red grapes have shown more consistently good quality while that of greens has been shaky. The Mexican and domestic crops seem to be coming along nicely, and the grape markets are flat.

PRODUCE

MELONS



CANTALOUPE

The cantaloupe industry is showing moderate demand with good supplies. The volume of imported melons is starting to dwindle, and the domestic season is projected to be up and running before the month of May is out. Fruit quality is mixed but good, with a bit of pressure bruising and minor insect damage showing up. The cantaloupe markets are flat this week.



HONEYDEW

The honeydew industry is steady and showing excellent quality on both offshore imported melons and Mexican ones. Volumes are expected to pick up some steam moving forward, the domestic season should be underway within the next several weeks, and the honeydew markets are flat.



WATERMELON

The watermelon industry continues to relax as supplies are plentiful and demand remains strong. Pricing is continuing on its downward slide, and volumes crossing at both Texas and Arizona are thought to be improving. Melon quality has been very good with some hollow heart, weak coloring, and lower brix readings showing up in only a few lots. Florida production is expected to pick up within the next couple weeks, and the watermelon markets are flat.



HANGING FRUIT

APPLES

The apple industry is staying the course as both Eastern and Western fruit continues to peak on larger sizes. Recent apple shipments have been stronger than projections, with many varieties ahead of targeted movement for the season. Some growers fear that many varieties may wrap up before the new crop is harvested come fall. The apple markets are flat.



PEARS

The pear industry remains level as Washington D'Anjous are steady on larger sizes and tighter on smaller ones. Movement has been slow on Green Anjous, Red Anjous, and Boscs, and there should be at least one more arrival of Argentinean Bartletts this season. The pear markets are flat.



STONE FRUIT

The stone fruit industry remains inactive, with Chilean peaches, cherries and nectarines available on both coasts. Domestic stone fruit should be available before June, with apricots, peaches, and nectarines coming along first. The stone fruit markets are flat.



CITRUS

LEMONS

The lemon industry also remains strong as District One is on the tail-end of its harvest, and production out of District Two will have to cover all orders soon. Pricing is expected to rise weekly as summer approaches. Overall lemon quality is only good to fair, with some clear rot and some higher maturity showing up, depending upon the lot. The good news is that lemons out of District Two appear to be of better quality and are showing a good mix of sizes. District Three lemons are not expected to start until August, and the lemon markets are flat.



GRAPEFRUIT

The grapefruit industry continues to lag as demand is depressed while supplies are good. Discounting has been prevalent to help growers rotate their inventories, and the Floridian season is expected to finish up within the next few weeks. The grapefruit markets are flat this week.



ORANGES

The orange industry remains strong as later variety navels are peaking on larger sizes leaving smaller sizes very tight. Navel pricing is thought to remain high for the remainder of the season, and harvest on Valencias is expected to begin within the next few weeks. Valencia quality is reportedly very good this season, and the orange markets are flat.



LIMES

The lime industry remains very tight, and fruit is of mixed quality with some being very good, while others are very poor. Pricing has eased off a bit this week, but shippers are unsure if this is an indication that the markets are getting better, or simply an anomaly that may correct itself next week. The shortage is expected to carry on for some weeks, and most projections aren't forecasting sustained relief until sometime after the Cinco de Mayo holiday. Supplies are still very short, but the lime markets are down slightly this week.