

# FARMER'S REPORT

MARKET TRENDS | 9.12.2014

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# MARKET HEADLINES

Beef and Dairy prices continue to rise to record levels even for this time of year. Lower production and inventory levels are expected to drive prices higher through the fall on 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<sup>®</sup> is available from your US Foods<sup>®</sup> rep.



## TENDERLOINS

There continues to be multiple factors in the beef market impacting tenderloins:

- Cattle production continues to run 8-10% less than last year at this time.
- It takes 6 animals to make one case of product. Couple this with the continued lower production levels, pricing will inevitably be pushed upward.
- Choice product is in higher demand as buyers anticipate higher costs and are securing product before the seasonally higher Holiday prices when cattle are expected to be in shorter supply.
- Select are a little more vulnerable due to the choice demand, but they too are expected to increase moving into the Holiday season.

## RIBEYES

Ribeyes are seeing the same dynamics as the tenders:

- Continued lower cattle production.
- Buyers anticipating higher costs.
- Choice product in greater demand.
- Select more vulnerable because of the demand for choice.



## BUTTER

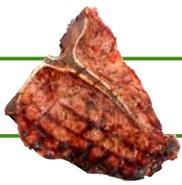
The butter market continues to show strength, shattering the previous record high. Several factors are driving this market:

- 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.
- Given that supplies are tight on cream and the pricing is high, many butter manufacturers found it more advantageous to sell off their cream to the highest bidder than to actually churn butter this summer. Now that schools are back in session, which has increased the demand on skim products, there is additional cream availability.
- Butter inventories did not build during the first and middle part of the year. Inventories are currently at the lowest point in at least 5 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.
- Given 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 have continued to climb for the 7th straight week. The main factor is domestic demand.

- Prices are back at levels that we have not seen since April.
- Record high international exports early in 2014 left tighter inventories. Tighter inventories combined with record high demand is continuing to drive markets higher each week.
- US milk production is not keeping up with overall dairy demand, including butter and cheese.
- With record high demand, less cheese is going into cold storage which puts additional pressure on markets.
- With prices continuing to climb, domestic demand should fall off, but these prices don't seem to be curbing demand.
- Cheese and butter prices typically follow each other, and butter is at all time record high prices putting additional upward pressure on the markets.



# BEEF

Live cattle traded mostly at \$163 last week which was \$8 higher than the week before with federally inspected slaughter dropping to 518,000 head. This will most likely increase prices for beef on several items over the next couple of weeks.

## ROUNDS

**INSIDES:** Inside rounds were barely steady last week and we are seeing much the same this week so far. They should slowly move downward into fall.

**FLATS:** Flat prices increased again last week on demand from retailers and export. Expect prices to be higher next week before leveling off moving into fall.

## LOINS

**STRIPS:** Strips continue to move downward now that summer is over. They will most likely follow this path into late fall.

**TOP BUTTS:** Top butts were lower again last week and are struggling to find support this week as well. We could see some renewed interests, but they should fall slowly into the fall.

**BALL TIPS:** Ball tips were mixed. Choice was down and selects with a slight increase. They season is coming to a close and they are showing signs of weakening.

**TENDERLOINS:** Tenders continue to increase on good demand and expectations of higher pricing from buyers. Select could be a little more vulnerable. Pricing is expected to follow seasonal advances into the Holiday season.

## RIBS

**RIBEYES:** Light ribs advanced more moderately last week and heavies as well with select heavies being the exception. Select could be more vulnerable to price fluctuations as buyers chase the choice market to cover their needs. 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. Expect them to be higher again the next week or so before drifting off into fall.

## THIN MEATS & GRINDS

**FLAP MEAT:** All grades of flap were down last week. They will continue to stay vulnerable to price fluctuations with reduced production, but they are expected to move lower into the fall.

**BRISKETS:** Brisket prices were barely down last week. They could find some short term price increases with the higher cattle costs and needs for Rosh Hashanah. When they move downward, it is expected to be at a very, very slow pace into the fall.

**GRINDS:** Grinds are moving downward with the summer demand fading. We may see some strength the next couple of weeks with higher live costs, but they are expected to move lower into the fall.

**SKIRT MEAT:** Skirt was substantially higher on good demand and lower production. They remain vulnerable to price fluctuations with reduced slaughter, but are expected to slowly move downward into the fall.





# PORK

Base hog prices are trading steady to higher this week as buyers look to fill late week needs and look to add to next week schedules. Hog supplies have tightened up and remain somewhat limited this week. Last week was a short kill week and slaughter numbers came in at 1.785 million head, about 10% below year ago levels. This week numbers are expected to come in at 2.060 million head which is above the 2.0 million head mark but still about 5% below year ago levels. From a seasonal perspective, this is the time of year that the number of hogs coming to market begins to increase, we expect hog slaughter numbers to remain above that 2.0 million head mark for the balance of this year.

Hog weights came in steady to slightly lower last week, with animals averaging about 4% heavier than year ago. As we move into the cooler fall months, hog weights are expected to begin gradually moving higher from now until year end. Since hogs are starting from a much heavier point, the industry does not project the typical increase in carcass weights from now through year end. Hog weights are projected to remain fairly steady through the fall. Please note that larger animals may result in larger, heavier pork cuts and tight supplies of smaller sized items.

A case of PED virus has been detected on a large hog farm in Utah. The presence of this virus causes sickness in young swine and high mortality rates in piglets. The farm raises about 1.2 million hogs annually and is affiliated with Smithfield Farms. The total impact of this outbreak is not yet known, however the number of new cases of PED virus outbreaks has been declining since June. The virus typically spreads during colder months, and slows down during the summer season. Last year's outbreak during late 2013 accounted for tighter hog supplies during the May through July 2014 time frame.

On the overall demand side, last week pork prices traded mixed. Bellies, Spare and Back ribs continued to trend lower, while prices for Hams, Pork Butts and the Loin Complex have started to 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).

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 demand and heavy supplies.

## LOINS

The market for bone in loins and boneless loins moved started moving higher last week on improved product demand from retail promotions. Prices for bone in loins are expected to trade steady to higher in anticipation of late month retail features. 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 run above year ago levels.

## TENDERS

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

## BUTTS

Prices for bone in pork butts moved lower last week due to weaker demand. Prices are expected to trade steady this week then gradually move higher on increased retail promotions of country style ribs for the late September/early October timeframe. Prices are expected to continue trading above 2013 levels through the fall.

## RIBS

Spareribs continued their seasonal move lower last week on weaker short term demand. Prices continue lower this week as buyers review their inventory positions. Back Ribs traded lower last week on weaker demand. Buyers are depleting their inventories before stepping back into the market. Prices for both Spare Ribs and Back Ribs are expected to move lower through September then firm during early October. 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 increased on a combination of larger than anticipated frozen inventories, increased supplies fresh product and weaker retail demand. Processors continue to utilize their frozen bellies leaving extra fresh bellies on the market. Belly prices are expected to move lower through late September, then firm. Foodservice is expected to step in with bacon features and retailers are expected to promote bacon items during the October timeframe. Foodservice bacon promotions may last through the holiday season.

## HAMS

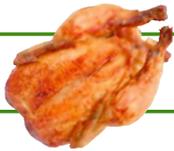
Ham prices moved higher last week on improved domestic and export demand. Ham prices are expected to continue trading steady then gradually move higher as export demand improves and processors ramp up production for the holiday season. Ham prices are expected to remain above year ago levels through late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

## TRIM

The following market dynamics will impact finished goods pricing during September. Pork trimmings started their seasonal move lower during the last week. Further declines are expected during the October 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 improved demand for dinner sausage for Oktoberfest promotions and for export prices are expected to trade steady to higher in the upcoming weeks but as processors make products for retail promotions and export buyers step back into the market. Seasonal declines are expected during late fall, prices are currently trading 40% above 2013 levels.



## TURKEY

### WHOLE FROZEN TURKEY

The whole turkey market was inflated slightly this week as late demand for the holidays has picked up. There is an abundance of birds coming out of the hatcheries this summer will increase supplies in the fall. This should help stabilize the market.



## POULTRY

September marks the beginning of many things: back-to-school, fall and football season. September is also the start of both National Chicken Month and National Food Safety Education Month. The retail segment has gotten behind this promotion mainly due to chicken being the relative least expensive protein in the display cases. However, the market conditions are indicating that the yearly deflationary trend on WOGs, breast meat and the dark meat complexes is about to begin. Tenderloins have dropped \$0.22 in the last two weeks. That same trend should be seen in the breast market very soon, most thought it would start this week.

As we enter the wing season, there are major concerns in the industry that the wing supply will not be able to keep up with the demand. The price of wings, in comparison to boneless breast meat and tenderloins which are used to make boneless wing offerings in QSR, are extremely favorable. QSR marketing venues are already set with wings being featured more than boneless offerings. Combine this fact with bird weight issues we have discussed all summer due to the fertility issues at the breeders, which means it takes more birds to get enough wings to fill a case, the supply for wings will be tight throughout football season.

Hatcheries in the United States weekly program set 212 million eggs in incubators during the week ending August 30, 2014, up 1 percent from a year ago. Hatcheries in the 19 State weekly program set 204 million eggs in incubators during the week ending August 30, 2014, up 1 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.

Broiler growers in the United States weekly program placed 174 million chicks for meat production during the week ending August 30, 2014, up slightly from a year ago. Broiler growers in the 19 State weekly program placed 168 million chicks for meat production during the week ending August 30, 2014, up slightly from the year earlier. Cumulative placements from December 29, 2013 through August 30, 2014 for the United States were 6.03 billion. Cumulative placements were up slightly from the same period a year 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. Boneless breasts are almost impossible to find on the open market. As the new birds become available this fall, look for this market to fall hard, as much as 30 to 35 percent.

### BONELESS SKINLESS BREASTS

The boneless breast market was flat again this week as the retail segment continues promoting at \$1.99 per lb. in many regions. As the tenderloin market has begun to do, the boneless breast market is poised to go into a deflationary mode very soon.

### CHICKEN TENDERLOINS

The tenderloin market is seeing the bottom drop out and this deflationary trend will continue for the next couple of months. Marketing calendars are set for the fall and tenders were too expensive to be part of QSR's promotional plans.

### WINGS

Are you ready for some football? The wing market is definitely ready as prices inflated this week and will continue this trend going forward. How far the market inflates depends on the supply issue discussed above.

### BONELESS SKINLESS THIGHS

The boneless thigh market was stable this week, but still very much unsettled. Most of the dark meat complex deflated this week, thus showing signs that this thigh market may follow the same trend. Currently, further processing demands are supports the boneless market.





# COMMODITY GROCERY

## SOYBEAN OIL

Weather conditions continue to be favorable however there is some concern of a possible frost in the northern Midwest this week, which could hurt the maturing soybean plants. Beans being harvested in south are coming in with the high expected yields. The crop conditions are rated at 72% good to excellent, well above the five year average. 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. Soybean yield estimates continue to increase for this years crop. Thursdays USDA report is projecting a national average yield of 46.3 bushels per acre compared to their August report of 45.4 bpa. U.S. soybean stocks are expected to triple in the 2014/2015 crop year to 430 M bushels. 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. Most traders still anticipate the EPA to hike the biodiesel mandate and reestablish the \$1 per gallon blender's credit retroactively before year end. Also, with increased bio-diesel percentages globally, the U.S. could be a supplier to the export market.

## CANOLA

About a quarter of the canola has been harvested. Due to considerable rainfall, Manitoba is behind in harvesting. This region continues to monitor the potential of frost. Crop will be about 15% less than last years record crop.



# DAIRY

## BUTTER

The butter market continues to climb, shattering previous record highs. Current market is 97% 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 levels continue at 5 year lows. Holiday baking season is almost here and the concerns continue over insufficient inventory levels to meet this peak demand.

## CHEESE

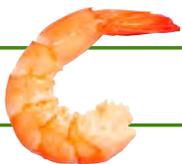
Cheese prices are at the highest levels since April. We are nearing all time record high cheese prices and the biggest factor is demand. With the highest all time markets earlier this year, buyers did not build inventory levels, which has caused buyers to start booking their needs prior to seasonal demand picking up. Markets are not expected to drop until after the seasonal demand has dropped. Cheese prices were not expected to hit these levels this soon, demand is the main factor keeping prices at these levels.

## SHELL EGGS

Egg markets are beginning to show 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

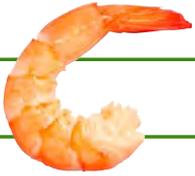
## SHRIMP, DOMESTIC (WHITES AND BROWNS)

The headless shell on domestic shrimp market is largely unchanged from last week. Since the Texas season opened in Mid-July, catch rates are running behind last year, which happened to be one of the worst seasons in recent history. There has been difficulty filling orders, and some bidding wars have ensued. The next round of boats to come in will mostly be used to begin packing to get through until next season opens, so it's beginning to look

unlikely that we'll see price relief. Domestic White from Louisiana season began last week, and it is providing some relief, where packers can catch up to pending orders. A question remains if the market will continue to support the increasing price spreads between domestic & imported, if not some conversion may take place and demand will quiet.

## 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 was stable this week; however, the underlying tone for pricing is very firm. 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 unchanged and the undertone is full steady. A few higher offerings are noted. Suppliers report that demand from Russia has increased for Chilean salmon. The undertone, however, remains unsettled as the market continues to adjust to a new supply pattern given Russia's ban on Norwegian salmon shipments.

**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. Both categories remain extremely tight on supply and pricing has a very firm undertone. This situation will be consistent throughout the summer as supply will not improve until the fall, and we may see some gaps in supply. Imports are down about 7-8% for Red Crab (Chinese) Expect pricing to get firmer.

## 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 :** 3-4, 4 & 4-5 oz. tails continue full steady with a firm undertone as offerings trend sharply higher. 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:** New crop Norkotahs are still seeing good quality but there are reports that the crop is yielding smaller sizes. By the end of September, new crop Burbanks will be available, after the curing process is completed. Overall, the Russet market has seen downward pressure on most sizes as supplies increase. It is expected that pricing will level off soon.

**Reds:** Red potatoes are currently in moderate demand. Harvesting continues in WA, TX, DE, ID, WI, CO and Canada. ND and CO will start soon. Shippers are starting to transition into larger sizes as B-sizes are harder to come by. The market remains firm on Red Potatoes in most regions, except for the slight increase in MN.

**White, Yellow and Fingerling:** The market for yellow potatoes remains stable and overall shippers are seeing a great crop. White potatoes are available with limited demand.

**Sweet Potatoes:** The sweet potato market remains flat as the harvesting season begins. Only uncured product is available at this time, which does have a shorter shelf life compared to cured product. It is still expected that cured sweet potatoes will be available next month.



### GARLIC

Very limited supply of Garlic from China continues with prices that have stabilized but don't look to be coming down anytime soon. There isn't any extra California Garlic to meet the current high demand.



### CABBAGE

Cabbage markets and demand continue to be steady. Wisconsin, Michigan, New York and Canada are still producing good supply. Quality is good in all growing areas.



### LEAF LETTUCE

Romaine lettuce supplies are light to normal, with strong demand and good quality. Ribbing, fringe burn and pest damage continue to be a concern. The market for Romaine is down.



### ICEBERG LETTUCE

Iceberg continues to struggle with light supplies and reports of damage due to pests and heat. The demand remains strong and the market is down slightly this week.



### ONIONS

Onions continue to ship out of the Pacific Northwest and some Eastern shippers have started harvesting new crop. Overall, FOB prices remain steady or have dipped down as more and more product becomes available. Given the amount of acreage planted, there is a good chance that supplies will exceed demand.



### CHILE PEPPERS

The market is stable with good supply and demand. Quality is fair.



### CUCUMBERS

MI continues to see heavy rains affecting quality driving the market up. New crop from GA, NC and SC should provide some relief as shippers are reporting good quality. The FOB pricing remains steady on the East Coast. The West Coast has experienced heavy amounts of rain which has interrupted harvesting. Supplies have been lighter and the market is stronger.



### SQUASH

Harvesting of yellow squash continues as it moves to GA and Quincy. So far, the region has seen light volume. Overall the FOB pricing is up, but quality is variable due to scarring. The West Coast is seeing steady FOB and light scarring. It is expected that Crossing at Nogales will start in about two weeks. Green squash harvesting on the East Coast is resulting in light supplies, but good quality. Demand from this region is moderate. On the West Coast, Baja and Santa Maria continue shipping. With ample supplies available, there has been some downward pressure on FOB prices.

# PRODUCE



## TOMATOES

**Rounds:** On the East Coast, tomato demand is increasing and yields are decreasing. There have been some reports of shelf life issues but overall the quality is good. There should be no major gaps in supplies as harvesting of the fall crop should be later this week. As for the West Coast, excellent weather is contributing to good supplies and good quality. The demand has increased on the rounds.

**Cherry and Grape:** Cherry tomatoes from the East Coast are steady in supplies with good quality. The demand is still weak and FOB is down slightly. Grape tomatoes continue to be harvested out of AL, NC, SC, TN and VA. The quality is good, FOB prices are steady but the demand continues to be weak. The West Coast is experiencing higher prices, but it is still lower than previous years. Pricing should continue to remain low. The quality is ranging from good to very good. There should be no major gaps in supplies over the next few weeks.

**Romas:** All markets are currently feeling the effects of the light supply out of Baja. A gap in planting and watering issues is causing supplies to be light. With moderate demand, there has been an increase in FOB. The quality is good, but variable. Relief is expected in about two weeks, once new crop is available. The East Coast market is tighter with the shortage in Baja. Harvesting continues in MI, NC and VA with good quality.

## GREEN BEANS

Bean markets are down this week. New crop will be available from Central Valley which should help with supply and demand.

## EGGPLANT

Eggplant continues to be harvested out of MI and NC. FOB prices remain steady as demand is moderate.



## BELL PEPPERS

East Coast shippers are seeing tighter suppliers and stronger demand on Green Peppers, causing an increase on FOB pricing. With the recent rains in MI, quality has been variable. Relief is expected once GA fall crop begins in early October. Red Peppers on the other hand are becoming more available and FOB pricing has decreased. On the West Coast, steady supplies have been met with increased demand. Prices are reflecting this. Overall, this area is producing good quality peppers.



## CARROTS

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



## CELERY

The market continues to remain steady with good supply and quality coming out of Michigan and Salinas.



## GREEN ONIONS

Market for green onions is very strong. There is a shortage of product due to the hurricanes off the coast of Southern Baja, Mexico. 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 steady for asparagus this week. Most of the supply is coming out of Peru and light supply out of Baja. Volume in Peru is beginning to increase but air space is short and the air cost has gone up. Demand is moderate.



## BROCCOLI

Maine has a good supply and quality continues to be good with a 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. August was the month where we saw severe shortages hit hard. Supplies may remain limited with a higher market through September and quality will be suspect



### BANANAS

The banana demand continues to be erratic during the week. Open volumes are very high in the North East and there are reports of discounted fruit being sold.



### AVOCADOS

The market is still high and on the rise as supplies are struggling to keep up with demand. California is still producing but is coming to an end over the next few weeks and the last shipments of Peruvian fruit hit last week. Mexico is producing but was hindered by the rain last week. IT is starting to pick up more production and we are expecting to see some relief in the market if the rain stays away.

## MELONS



### CANTALOUPE

The market is strong and strengthening due to lower overall production as we are about 4-6 weeks away from finishing on the Westside. Growers will transition to the desert through November. The overall quality is excellent with very nice clean net and good internal color and sugar.



### HONEYDEWS

The market is steady with tighter supplies due to finishing up this growing region in 4-6 weeks. The overall quality is excellent with great sugar and internal color and very clean exterior with a green to cream color.

## BERRIES



### BLACKBERRIES

Supplies are limited as production has been severely curtailed this week. No relief is in sight until Mexico begins in another couple of weeks. The pricing has remained steady; however it is expected to climb in the upcoming weeks.



### STRAWBERRIES

The market continues to be tight this week and the market is up. Volume is extremely limited this week and supplies will be very tight until Oxnard begins in two weeks.



### RASPBERRIES

We are past the peak production with raspberries. There is no change expected within the next two weeks, this market is stable.



### BLUEBERRIES

Supplies are starting to wind down as growers are finishing up with fresh pick over next couple of weeks. Pricing continues to increase as supplies decrease and await the beginning of export season later this month.



### GRAPES

The grape market is steady with good supplies of all colors and several different varieties going right now. Harvest will continue through November barring any major weather issues. The overall quality is very good with high sugars and very good eating fruit. There is some range in size on some blocks due to the water situation in California, however good sizes are reported for the most part.

# PRODUCE

## HANGING FRUIT



### APPLES

Out of Washington all varieties except Braeburns and Pink Lady Apples will be picked during this week. Red Delicious will be very tight for the next couple weeks as growers work to get the pipeline filled backup. Overall, the quality is being reported as very good and we anticipate another great apple season for volume and quality. Michigan/New York Harvest is underway out of both regions with Ginger Golds and Paula Reds available this week. Expect to see Gala's and Mac's start by the end of this week. The initial reports out of both states suggest a great quality year. California Granny Smith demand is still very solid but pressure from Washington harvest may loosen this up somewhat. Fruit is still running toward the 100x113 size with very few 80 and larger apples available.



### PEARS

The northwest pear harvest is in full swing, Bartlett's, Anjou's and Red Pears are all available. Quality has been great with no weather events between now and the end of October. A good year is expected.

## CITRUS

### LEMONS

Demand continues to exceed supply on all sizes at this point and the market was up on larger sized lemons. We are looking for some relief in the next 2-3 weeks as the desert crop starts. The overall quality is fair at best but hopefully by the end of this month there will be good quality and the lemon market return to normalcy.



### ORANGES

The market is very firm and demand exceeds supply on 113's and small with tight supplies on 88's and better supplies on larger fruit. The overall quality is fair at best as overall fruit strength is not what we are used to seeing; the trees are suffering due to lack of water in most areas. This will be ongoing issue for the next two months until navels start around the end of October..



### LIMES

Pricing has stabilized. The tropical storm that came through last week in Northern Mexico did not cause as much damage as expected. Some styler is showing up due to all the rain over the last week. Growers are still tight on the larger sizes (110's, 150's) with good supplies on 200's.

