

The Source

August 26, 2020



Salinas Valley Fire | Heatwave Update

The recent heavy coastal marine layer has been a welcome relief to fire suppression efforts near the Salinas Valley, bringing containment close to 50% for both fires with much less ash currently being deposited in the Salinas Valley. Growers are doing their best to keep the ash out of cartons on whole commodity supplies with harvest crews trimming down and shaking ash off product as best they can before putting it into the carton. Whole head leaf items (**Romaine, Green, and Red Leaf**) will likely have a light deposit of ash near the butt end due to the open head nature of the product. A thin layer is also present in most **Broccoli** and **Cauliflower** fields in the region. Iceberg lettuce has fared better as crews can trim out the outer leaves to get to the clean head of lettuce. End users are strongly encouraged to take extra care in washing these whole commodity items due to the likely presence of ash. We will keep you informed on this unusual situation as we gather more information.

Cooler temperatures this week have also helped fields recover from the recent extreme heat that impacted most of California. Damage assessments will be ongoing, especially with younger crops set for late-season harvest.

Hurricane Laura | Tropical Depressions

The Tropics remain active in both the Atlantic and Pacific this week.

Hurricane Laura continues to intensify in the Gulf of Mexico heading toward the Texas, Louisiana border likely as an extremely powerful Category 4 Hurricane. The current track brings the destructive storm into the region Wednesday night into early Thursday. Storm surge will likely penetrate up to 30 miles inland from the coastline with widespread flash flooding due to heavy rainfall. Hurricane-force winds along with heavy rainfall will spread well inland across portions of Texas and Louisiana on Thursday. The heavy rainfall and flooding will spread northeastward across Louisiana and Arkansas into Thursday. The heavy rainfall threat and localized flooding potential will then move into the middle-Mississippi, lower Ohio and Tennessee Valleys Friday night into Saturday.

This powerful and very dangerous Hurricane looks to bring a wide swath of destruction to these regions over the next few days threatening local and regional crops but mostly avoiding national growing regions in Florida and North Carolina.

In the Pacific Ocean, two weak Tropical Depressions (13-E and 14-E) have formed off the southwestern coast of Mexico. These systems are expected to meander off the coast over the next couple of days without gaining much strength, with 13-E drifting toward the tip of Baja late Friday. High-pressure building over the southwestern U.S. looks to push these two systems offshore. The main effects of these systems will be the heavy rains and possible flash flooding along the southwestern coast (Jalisco/Michoacan/Colima) of West-Central Mexico which may affect berries and avocados exports.



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Market Alerts

Apples – Small size fruit continues to remain limited. **New crop gala & ginger gold** varieties will be entering the market. **Red Del** stocks are depleting.

Asparagus – Steady supplies out of Peru and Mexico. Demand is starting to pick up with the Labor Day pull.

Avocados – Demand is good and markets are steady. 48s and larger remain under pressure and limited. #2 grade fruit is also very limited out of Mexico.

Bell Peppers – Higher prices on red and yellow bell peppers due to production limitations but quality has been good.

Berries (Blackberries) – Blackberry production is expected to improve over the next few weeks as we see Mexican production begin to increase and central coast areas begin to respond to the cooler weather normalizing harvests.

Berries (Blueberries) – Blueberries are coming from several areas in fair numbers.

Berries (Raspberries) – Production is expected to improve over the next few weeks as we see Mexican production begin to increase and central coast areas begin to respond to the cooler weather normalizing harvests.

Berries (Strawberries) – Due to the recent heat we have experienced the Salinas/Watsonville quality is fair at best. Some what weak demand is causing the market to remain flat but that is expected to change towards the end of this week. Santa Maria new crop fruit is beginning to produce in decent numbers and quality is slightly superior out of that area.

Continued

Broccoli – Broccoli supplies are starting to tighten up. Some quality issues such as yellow/brown bead are prevalent due to the recent heat.

Brussels Sprouts – Supplies are plentiful across the board. Market continues to stay steady.

Carrots – Several areas are in production now including California, Colorado, Canada, Mexico and Minnesota. Market remains flat.

Cauliflower – Plenty of supplies in both Santa Maria and Salinas Valley to go around.

Celery – Even with all the fire and heat, this market has remained steady overall. There are better supplies in southern California however production in Salinas is moderate. All sizing will be available, so promote as much as possible. Shippers are flexing.

Citrus (Lemons) – Good supplies out of the Coastal District. Markets are holding steady and firm on fancy grade. Choice market is still looking steady. Reach out if you have any interest on imports.

Citrus (Limes) – Markets 200's and smaller is slightly coming off. 175's and larger are still holding firm. Quality is fair. Please place orders with lead time.

Citrus (Oranges) – Valencia supplies on 88/113/138's are very tight. Markets are active on both grades and quality is fair. Please put orders in advance for better coverage.

Continued

Cucumbers – Transition of fields has shortened production but will improve this week. Condition has been very good.

Eggplant – Condition and quality has been good!

Garlic - Steady supplies with California production continues. This market is steady.

Grapes (Green) – Good availability on greens. Ivory, Princess and Great Green varieties available. Market is steady and demand is good.

Grapes (Red) – Market is steady and demand is good. **Scarlet, Allison, Krissy** and **Magenta** all showing good quality. Flames are little exhausted and with less shelf life.

Green Onions – Supplies have recently been steady. Rain in Mexico has started to move this market upward.

Kale – Flat market and steady supplies expected throughout the week.

Lettuce (Iceberg) – This market is steady. The major issues that will be seen upon arrivals is fire ashes on the outer leaves. Shippers are cleaning up as much as possible. Discoloration and misshapen heads will also be seen. The quality is fair. Weights are averaging 41-44 pounds.



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Market Alerts

Lettuce Leaf – This market is active on romaine as well as all leaf items. Fire ash will be seen inside the bunches of all leaf items, throughout the week. Fringe and tip burn will be seen due to extremely high temperatures in the growing regions. Expect average quality at best. All shippers are reporting. The ash will not be hazardous to the health, the product needs to be cleaned by the end user before consuming.

Lettuce Tender Leaf – Spinach will be light all week as high temperatures has ruined acres of product that was due to be harvested. Shorter shelf life will be seen on most baby leaf items.

Melons (Cantalope) – Market is softer this week and demand is good. Size structure trending down. Peaking on 12's this week.

Melons (Honeydew) – Market is soft and demand is fair. Excellent quality and sugars. Sizing structure trending down and peaking on 6's this week.

Melons (Watermelon) – Market is steady and demand is good. Excellent quality and brix levels. Good availability out of the San Joaquin Valley

Onions – NW season is ramping up. Availability is improving daily from WA and Idaho. CA and NM have finished.

Pears – WA is starting on new crop Bartlett's soon. Demand is keeping prices elevated.

Market Alerts

Pineapples – Crown fruit volume is down out of both coast with firm markets. Crownless fruit supplies is improving. Quality is looking is improving. Organics supplies are in better shape, need orders in advance.

Potatoes – New crop Norkotahs have entered the market. Quality is excellent, number 2 stocks are limited and prices are elevated.

Squash – Some higher markets on yellow squash due to lessened supplies. Quality has been good, but due to heat, shorter shelf life is expected.

Stone Fruit – Market is steady and demand remains strong on peaches, nectarines and plums. Sizing has been challenging but quality has been consistent. Smaller sized fruit is limited. Opportunity buys will be on pluots for the next few weeks.

Tomatoes – There are multiple growing regions for tomatoes spanning AL, TN, VA, MI, NC, NJ, CA, Mex, and Baja. Quality varies by region. Backyard growing has softened demand and pricing is steady. Warm weather has brought a flush of supply however weather may reduce supply as summer crops wind down slowing the transition to Fall fields in September.

Weather

California – Deep marine layer returns along the coast cooling the inland valleys into the weekend. Strong high pressure builds early next week inducing another round of much warmer temperatures across California.

Mexico – Heavy rains and possible flash flooding along the coast of Central Western Mexico as tropical depression 13-E skirts the coast over the next couple of days. This system looks to head towards the tip of Baja before dissipating out to sea. Another round of heavy rains is forecast for the region over the weekend as another tropical depression 14-E impacts the region.

Florida – Major Hurricane Laura looks to spare Florida for the most part with isolated showers and slightly warmer temperatures expected into next week.

Freight

Trucks remain tight in California, Idaho, and the Northwest. The national average on diesel remained the same at 2.426 per gallon.

A Peak at Peak Seasons





































| | |
|---------------------|--------------------|
| Cantalope | Pineapples |
| Green Grapes | Potatoes |
| Honeydew | Red Grapes |
| Lemons | Stone Fruit |
| Limes | Tomatoes |
| Onions | Watermelon |
| Pears | |



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Commodities at a Glance

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|---|------------------------------------|---|------------------------------------|---|------------------------------------|
|  Apples | Quality is good, pricing is higher |  Celery | Quality is good, pricing is steady |  Lettuce Leaf | Quality is fair, pricing is higher |
|  Asparagus | Quality is good, pricing is steady |  Citrus (Lemons) | Quality is good, pricing is steady |  Lettuce tender leaf | Quality is fair, pricing is higher |
|  Avocado | Quality is fair, pricing is steady |  Citrus (Limes) | Quality is poor, pricing is higher |  Melon (cantaloupe) | Quality is good, pricing is lower |
|  Bell Peppers | Quality is good, pricing is higher |  Citrus (Oranges) | Quality is fair, pricing is higher |  Melon (honeydew) | Quality is good, pricing is lower |
|  Berries (blackberries) | Quality is fair, pricing is lower |  Cucumbers | Quality is good, pricing is higher |  Melon (watermelon) | Quality is good, pricing is steady |
|  Berries (blueberries) | Quality is good, pricing is steady |  Eggplant | Quality is good, pricing is steady |  Onions | Quality is good, pricing is lower |
|  Berries (raspberries) | Quality is fair, pricing is lower |  Garlic | Quality is good, pricing is steady |  Pears | Quality is good, pricing is higher |
|  Berries (strawberries) | Quality is fair, pricing is steady |  Grapes (Green) | Quality is fair, pricing is steady |  Pineapples | Quality is good, pricing is steady |
|  Broccoli | Quality is fair, pricing is higher |  Grapes (Red) | Quality is fair, pricing is steady |  Potatoes | Quality is good, pricing is higher |
|  Brussels Sprouts | Quality is good, pricing is steady |  Green Onions | Quality is good, pricing is higher |  Squash | Quality is good, pricing is steady |
|  Carrots | Quality is good, pricing is steady |  Kale | Quality is good, pricing is steady |  Stone Fruit | Quality is good, pricing is steady |
|  Cauliflower | Quality is good, pricing is steady |  Lettuce Iceberg | Quality is fair, pricing is steady |  Tomatoes | Quality is good, pricing is steady |

