



Pertinent Produce Propaganda

For the week of June 12, 2017

Greetings,

Summer is upon us, sort of, and hopefully everyone is enjoying the benefits it brings. It is always an exciting time of year for us in the northern portion of our country as we have been anxiously anticipating the warmth and sunshine. Hopefully everyone is gearing up for a busy summer and we want everyone to be thinking about produce! Soon we can start talking about our local offerings as long as the weather stays consistent and the sun keeps shining. We will be discussing the options as they get near harvest so we can have accurate time frames and options available for everyone. In the Duluth area Grandma's Marathon is coming up and it should bring the people into Duluth and the surrounding area for a festive weekend. It usually serves as a great kickoff to summer as those of us from Duluth know summer doesn't really start by the lake until about July. Out in CA the weather has been similar to Duluth as it seems every day is a little different and you never know what is around the corner weather-wise. Last week Sean Azzelio sent out this message concerning strawberries:

Salinas and Watsonville has experienced some very heavy fog and light rain over the last 2 days. As of this morning, fields are still very wet and shippers are on hold with harvest. Some of today's early morning harvest has been rejected at the cooler for being too wet and not meeting quality specifications. This will obviously have an effect on supplies for the weekend and into the front part of next week. At this point, all orders currently booked should be covered, but any new orders for the weekend will be a challenge. We may experience some delays in loading times depending on how harvest unfolds throughout the day. Expect market prices to increase for the front part of next week.

That was sent over on Friday 6/9, and we had some issues loading our berries on Saturday. The truck was held up and we couldn't get to our last pick. Luckily we had two trucks out there and as that truck was finishing another one was starting and they could swap picks and get all the product with minimal disruptions on our end.

Leap frog the weekend and Gabe sends out this information today:

As we take a snap shot of this week, commodities seem to be steady out of the Salinas Valley. Although we are about to see a heat wave for this area. The typical summer weather patterns we experience with the fog / marine layer in the morning and afternoon will change by this Friday. We are looking at temperatures into the high seventies to low eighties. Once again Mother Nature will stir things up a bit with growth patterns. We will see increased insect pressure and more tip burn / fringe burn. The weather today and over the weekend was a mere 60 to 64 degrees with high winds throughout the Salinas Valley. We will see some market firm up by the end of the week and trending higher into next week.

Weather changes from cloudy/foggy with rain and cool temps to a heat wave over the weekend. We know that weather pattern but it is sometimes hard to keep up when your produce quality, prices and ability to get your product depend so much on the weather. We went into the weekend with one state of mind and now the weather outlook has changed. We were worried about availability with workers not being able to get into the fields which will send prices higher to keep demand lower. Now it is a quality issue, with the heat will come insect damage as well as presence in product as well as the usual tip burn. Prices should stay steady but what we were paying for good product we will be paying for suspect product. The heat can be a real issue as we found out during the end of the Yuma season this year. Product gets cooked in the sun and looks fine upon arrival but shelf life is minimal, what you were once able to get 5-7 days out of is now 3-4.

There are plenty of issues and supply gaps going around in the produce world but nothing looks to be a major calamity.

Citrus

Lemons: Of all the current situations this could be the worst. It appears there could be some supply issues with Lemons over the course of the summer, peak lemon consumption time. We will do our best to keep everyone informed if we run into issues. Prices will surely go up and as we saw with Celery, since the lettuce crisis the prices have been jumping up quickly and availability is hit or miss. It seems one day there will be product and people swarm to it then it is gone in an instant.

Supplies are short and demand is very good and increasing. We are currently in a demand exceed supply situation that looks to continue through the summer and into the fall. Some Chilean fruit has come in on both coasts, but not enough to change the demand curve. Better supplies from Chile are expected by the first part of July, but heavy rains in Chile will most likely affect the shipping for the next few weeks. Overall, we project a very difficult supply situation domestically through the summer months.

Oranges: This is more of an extended issue as Navels finished early and the Valencia crop was hit hard by demand right out of the gate as some schools were still in session. It appears as though the growers will be limiting harvests to stretch the crops until the next Navel crop is ready in October. Orange volume is not huge in the summer as many other fruit options are available, like Stone Fruits (Peaches, Plums, Nectarines, Apricots, etc....)

With Navels finishing early this year, we are seeing a higher demand on this year's Valencia crop that is projected 25 to 30% lighter this year. This high demand on does not look to back off any until imports start in July. Many shippers are on a reduced packing schedule (only packing 2 to 3 days a week or just limiting what the pack each day) in an attempt to spread out the crop into September. We are seeing demand exceed supplies that look to last possible through the summer and into the fall until Navels begin again late October.

Berries

Strawberries: We touched on this earlier as there was inclement weather in the growing region which halted harvesting and led to poor quality product being rejected at the shipping point. This was temporary and a minor setback for the weekend but it will increase prices for the short term and was a nuisance for us getting product loaded this weekend. If there is a quality issue it will be temporary, like the price increase, but it sounds like it was caught before the product was shipped.

As a whole, Santa Maria production has slowed down, but we continue to see steady supplies of berries being harvested on a daily basis. Quality is holding up, but berry sizes are being reported as smaller (20-22ct). Salinas / Watsonville production continues to increase as we approach peak season mid to late June. Quality is being reported as good with berry sizes being larger (12-14ct). Some of the Salinas varieties will size down over the next 2 weeks.

Blueberries: There is a gap coming in Blueberries. It is projected to be a short adjustment period but availability will be tight which, of course, could lead to a price hike. It sounds like if everything goes smoothly we might not even notice, but there is the chance we could struggle through a week or two before the other northern regions start producing fruit consistently. Driscoll's will be very limited on blueberries for the next 2 weeks. They will experience a minor gap in supply as they transition between growing regions. The Central Mexico and Baja supplies are finishing and the Pacific North West is still 2 weeks away from starting. On the east coast, supplies have decreased due to rain in North Carolina and New Jersey is just getting started next week. Because of this shortage, our order fulfillment will be effected.

Raspberries: Raspberries are holding strong and it is peak season for SUNSHINE RASPBERRIES!

DRISCOLL'S – SUNSHINE RASPBERRIES Sunshine raspberries are the newest berry from Driscoll's. Sunshine raspberries are a similar size and shape to the more common red raspberries with some amazing color differences. The taste is sweet and honeyed with peach and apricot notes. They are far less tart than red raspberries.



They make a colorful contribution to glazed tarts, cheesecakes or other baked goods. Sunshine raspberries are available for a limited time between June and July.

Dry Veg

Peppers: Green Peppers are seeing some issues in both the West and East. There is a gap in the West Coachella is finishing and Bakersfield is not ready for Harvest. While in the East there has been poor weather which has delayed harvesting and caused issues. The good news is quality thus far out of Bakersfield has been very good. Colored Peppers are still doing well in Coachella and aren't suffering as badly as the Greens, the bad weather in the East has taken the same effect on colored peppers as greens which usually means the prices will go up across the board.

Cucumbers: Similar story to colored peppers, quality and availability is good out West, not great, but the issues in the East will put the pressure on the West to carry the burden and cause prices to increase.

Squash (Yellow and Zucchini): Still some issues with this category as they just can't get going in CA. The Eastern US was doing well to help the situation but the weather has put a stop to that. Hard rains and hail took their toll on these products in North Carolina and now both regions are reporting a demand exceeding supply situation. Hopefully the warmer weather in CA this week will expedite the process and get things back on track.

Potatoes: We placed our first order out of Idaho today and will receive them early next week, meaning Kitchen Kleen's will be winding down and running out next week. The Idaho crop is not in good shape for the larger potatoes, 70, 60, 50 & 40ct Potatoes have seen their share of issues already this year and will only progress as they continue on into the storage crop until new crop is ready in August.

The quality and size profile of Idaho's storage crop hasn't been the best since we switched to Burbanks. Issues have included internal and external bruising, light hollow heart, external cuts and occasional soft rot. These issues will continue through the balance of the storage crop. Shippers are grading harder to get most of these defects out of their packs. The availability of Idaho 40-70 count is way down and orders with larger quantities of these sizes are taking extra days to be made. Small burbanks look to be the trend for the balance of the storage crop out of all areas. New crop Idaho Norkotah will start around the first week of August which should give us relief on the 40 - 70 count potatoes.

Tomatoes: Tomatoes are continuing to improve and prices continue to step down. It sounds like the issues will be in the past sooner rather than later.

West: Nogales has finished for the season and Baja crossings into San Diego continue to gain momentum on where Vine ripers and romas are in better volume. The quality of fruit crossing at Baja is generally good. Prices are slightly down from last week... Grape tomatoes have also improved. Cherry supplies are steady this week and demand is light.



Bay Produce

East: The market continues its gradual decline again this week as hope for South Carolina comes into the pipe line. As SC builds momentum over the next week with North Carolina joining in at the end of the month, North Florida will begin to taper closing out the month. Rainy weather is in the forecast which is usual for this time of year with tropical storms intermittently disrupting harvest.

Remember local Bay Produce tomatoes don't deal with the effects of the weather or the time it takes to deliver from MX and CA. They are hydroponically grown indoors, local and support a great cause. If you haven't tried them they are well worth it. They also supply colored peppers that are gorgeous!

As we mentioned local produce season is close, we do have Bay Produce (Superior, WI) who supplies us with Tomatoes and Basil year round as well as A Future Farm (Baldwin, WI) who supplies us with Bibb Lettuce and Petite Kale year round. Nuto Farms in Rice Lakes, WI is done for the year but will

be back with Kitchen Kleen potatoes in the fall. The local growers should start harvesting hearty greens like Kale at the end of this month followed by Dry Veg and some other miscellaneous products. The fall will bring the root veg and hard squashes. We are always looking for great local farmers to work with so if there are any out there please let us know. Our number one priority is



is always food safety so we do require the proper certifications, practice Good Agricultural Practices (GAPs) and be at or above industry standards for their food safety controls. Part of the push for more local produce has caused some issues in the big growing regions in California. The trend has taken hold everywhere and the growers out there have noticed. Here is Gabe from Pro Act's analysis on the topic:

The start of many local produce regions has been the discussion of many suppliers recently. They have grown over the years and it is definitely the trend nationally. Supporting local farms and farmers is a key part of each local economy. The supplier community out here over the years has cut back acreage due to this trend. The past summers we have seen markets swing up and down over the course of the season. And this year we will see this type of trend moving forward. We might see the typically deflated prices currently, but as we head into the latter part of June & into July, the market swings will take place. The lettuce market is one indication this week. The typical dog days of summer with \$5.00 prices are few and far between. So keeping you updated with the most accurate and timely information is crucial in this competitive industry. We will continue to give you updates as we receive them.

It is great that people are buying local and supporting their communities and the fact that the growers in CA feel that impact means it is something people want to do and will support. We want to continue the trend and support our local growers as well, so help us out and when the time comes purchase the local produce so we can keep our growers in MN and WI going strong!

Thank you,

U.L.F. Produce Team



Future Farm

