



The Source

March 30, 2009

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THINGS YOU SHOULD KNOW:

No Food Safety Alerts at this time.



ALERT

Broccoli and Cauliflower supplies are extremely short this week. Please see each commodity section below for more details

Weather:

High pressure ridging out on the West Coast will keep California dry with seasonal temperatures generally in the 60s to low 70s into the weekend. A series of short wave low pressure systems passing to the north will bring gusty winds to the region through the week. This will bring a fairly strong wind event to the Southern California and to a lesser extent the Desert growing regions. **Continued on last page**



Freight:

Trucks in California and Idaho remain steady. Washington is tightening up a little due to nursery stock starting. Crude oil dropped slightly today and is currently at \$48.50. The National Average on diesel has gone up 13 cents to \$2.221 per gallon.

Commodity Updates

APPLES/PEARS

Granny Smith and Fuji Apples, especially in the smaller sizes and lower grades are STILL PLENTIFUL. Remember, the lower grades don't mean lower quality, just less than full color. Washington remains the leading production area for apples and regional production areas including Michigan and New York are only shipping light supplies of storage apples. Washington and Oregon Pears continue light production from storage including mainly the Anjou and Bosc with only a few left in the Golden Bosc varieties.

ASPARAGUS

The market is much stronger and more activity is expected on this commodity throughout the week. Mexico is expected to finish up production by the end of the week. Supplies coming out of California has become much tighter due to the holiday pull.

AVOCADO

Mexican fruit – Mexican supplies remain good. Demand continues to be very good.

California Fruit - Growers are slowly increasing their harvest. No real increases in production are expected until April.

BELL PEPPERS

Western Green Bells and Colored Bells:

With the existing acreage and a few late spring deals, overall volume from Mexico continues to decrease as growers finish for the season. Size and quality continue to be a problem. The California desert looks to start the 3rd week of April. Demand is good. Red and yellow bell supplies remain light. One grower out of Baja looks to start in 7 to 10 days. The California desert looks to start mid April.

Eastern Bells: The market on bell peppers continues a slow but steady decline as more volume becomes available in Florida. The market should become stable at lower levels this week. Quality good.

BERRIES

Strawberries: Strawberry production in California continues to gain momentum with all growing areas in California now producing. Oxnard and Santa Maria will be the strong spots as Salinas and Watsonville are only producing a couple of pallets a day but are increasing. We are now at the start of the

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Excellent	Steady
Asparagus	Good	Higher
Avocado (Mexican)	Excellent	Steady
Avocado (Chilean)		
Bell Peppers (Western)	Fair	Steady
Bell Peppers (Eastern)	Fair	Lower
Berries: Strawberries	Good	Higher
Berries: Raspberries	Fair / Good	Higher
Berries: Blackberries	Good	Steady
Berries: Blueberries	Fair / Good	Higher
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Fair	Steady
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Poor	Higher
Grapes	Good	Steady
Green Onions	Good	Steady
Kiwi	Good	Steady
Lettuce: Leaf	Good	Steady
Lettuce: Iceberg	Good	Steady
Melons: Cantaloupes	Good	Higher
Melons: Honeydews	Good	Higher
Onions	Good	Steady
Pears	Excellent	Steady
Potatoes	Excellent	Steady
Squash (Western)	Good	Lower
Squash (Eastern)	Poor	Higher
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Higher
Tomatoes (Eastern)	Good	Higher
Watermelons	Good	Higher

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

Easter pull, and shippers are slowly edging the fob slightly higher due to higher demand. Weather has been good in the growing areas. Florida production should be finishing in about by the end of this week, give or take a few days. Driscolls will be transferring Californian fruit to Florida with a week in advance notice. McAllen crossings are finished. **Raspberries:** Raspberry production is in a very low position and will continue to be snug with Mexico encountering hot weather and California just not up to speed yet. Quality and overall production is close to nothing out of Mexico. We can expect to see orders cut and loading dates to be affected as well. There should be a second push from production by mid April that should increase volume significantly.

Blackberries: Blackberry production is steady with respectfully consistent transfers arriving from Mexico. There continue to be shippers in much better shape than others but definitely less product than in previous weeks. We are now looking at local production to increase but are currently dealing with predominantly transferred fruit from Mexico. There are some shippers currently putting out some aggressive pricing in anticipation of a big push in volume over the next couple of months. **Blueberries:** Blueberry transfers are slowing down from Chile and some shippers are looking for higher fobs. We are seeing less fruit arriving on vessels, and see the end of boat fruit soon. Most to all Chilean fruit is now air freight, meaning less fruit on each transfer. Some shippers are expressing that we may see the end of Chilean product by the end of the month. There are small quantities of local Californian blues with great size and quality (under hoops). There are reports of Floridian Blueberries (new crop) now available, but commanding a premium price. We can expect a gap as the Eastern early varieties were affected by early frost damage.

BROCCOLI

Pricing is very active and availability is tight on bunched product as well as crowns. Mexico's supplies are light and Yuma is all but finished up in production. Salinas is not producing heavily and this has made product availability to be very tight. Expect broccoli to be active the entire week.

CARROTS

California carrots have moved into new fields in Imperial Valley. Size is running small right now as cool weather has slowed growth. This has lighted supplies of jumbo sized carrots. Size is expected to come back in April. Quality remains good. Georgia has good availability and quality on the East Coast.

CAULIFLOWER

This commodity continues to be tight with all suppliers. Yuma is winding down production and Salinas has little production currently. Santa Maria is also on the light side of production. Expect this market to be active throughout the week. Some defects reported include off-white yellowing and occasional black spotting. Demand is definitely stronger.

CELERY

This market is stable. Yuma has finished production. Most of this commodity is being harvested in Oxnard. Small sizing, 36's and smaller are the tightest sizes to purchase. The Salinas Valley expects to begin production in the early part of June.

CITRUS

Lemon: The Coachella and Yuma areas are 100% picked and the Central Valley is 75% picked. Most of the volume is coming out of Ventura County. Supplies are peaking on 140's. There are good supplies of 165's, with 200's being a little on the tight side.

Oranges: There will be good supplies of Navels available into May. Peak sizes are 48's through 88's. There is limited harvest starting on Valencia's.

CUCUMBERS

Western Cucumber: Production continues light from Mexico as Southern growers come to the end of fields, and what volume they are sending is heavier to off grades. New fields are just starting with light production, and slowly increase through the month. The coming April supplies should be much better.

Eastern Cucumbers: With Honduras finishing up and Florida crop yet to be of any significance (still 10-14 days away from good supply, fields stunted from earlier freeze in growing region) creating a demand exceeds situation. Quality issues abound in the final off shore shipments while the beginnings of the

Commodity Updates continued

domestic supplies are undersized and scarred and showing some yellowing. Scarce supplies are to continue for at least 7-10 days.

GRAPES

With the heavy supplies of green grapes still out there, beware of the extreme lows on the pricing front. Lack of proper cold storage rotations could prove to be a shelf life problem if those lots get shipped long distances. Red Seedless (Crimson)* grape supplies have improved as of these last days of March and there will be even better supplies going into next week. Red Globe and Black Seedless grapes are also in decent supply and with the lighter demand, markets will continue steady well into next week with good quality fruit.

GREEN ONIONS

There is little change on this market in comparison to the past weeks. Supplies continue to be excellent out of the Mexico growing region. The market remains steady with very inexpensive prices. Defects such as decay, slime, and yellowing have been minimal.

KIWI

Supplies of Italian Kiwi continue to arrive in very good quantity and the market will remain unchanged with light demand.

LEAF LETTUCE

This market has become stronger with all leaf items. Yuma has had warm temperatures and this has weakened the product. Huron production has begun but plantings are limited in this region. Continue to avoid liner packed product. This will allow for better arrivals for product. Dehydration tends to occur to product being packed in a liner box in warm growing areas. Some Quality defects continue to include fringe burn, tip burn, and wind burn.

LETTUCE

The lettuce market has become stronger with all suppliers. With Yuma experiencing high temperatures, suppliers are limited in the production numbers. This fact, coupled with less planting in Huron has made this commodity much tighter. Many suppliers have

enough volume to cover orders in full. Expect this market to be active throughout the week.

MELONS

Cantaloupes: Most all sizes of Cantaloupe continue to be very tight. Guatemala is just beginning their second cycle arrivals. Costa Rica and Honduras are finishing quickly and the overall fruit supplies are very low. Heavy demand pressure will keep the market strong on Cantaloupes all of this week and well into next. Expect the Cantaloupe markets to be stronger in all sizes. Sugar levels and eating quality remain high!

Honeydews: The market has is slightly stronger, on honeydews, especially in the larger sized fruit (4/5ct)*. Light supplies continue from all ports. Similar to the cantaloupes, Honduras and Costa Rica are winding down with Guatemala's second cycle fruit approaching arrival. Quality remains very good!

ONIONS

Idaho/Oregon area should have supplies through the third week of April. Washington looks like they will go through the middle to end of May with supplies. The quality is still good. Mexican product is now in Texas with good supplies of all colors, quality is good. Texas grown onions are now available with very good supplies. There are load volume deals on jumbo yellow onions out of Texas. Good supplies of carton Texas 1015's.

POTATOES

Burbanks are running to the smaller side so larger sizes may begin to get snug. Any Norkotahs and Westerns still available should clean up this week. We are trying to get all requests for a particular varietal fulfilled, by time of shipment Burbanks and/or Norkotahs may be the only product available. Wisconsin and Colorado have good supplies and quality. Colored potatoes are loading out of North Dakota and Wisconsin with Washington almost cleaned up for the season. California and Florida have good quality and supplies of colored potatoes.

Commodity Updates *continued*

SQUASH

Western Squash: Mainland Mexico is increasing volume from new fields in the North. Look for volume and quality for the next several weeks on Italian and Yellow.

Eastern Squash: A little spread in the Florida the squash market this week. Some cheap deals to be had in Homestead with slightly higher markets in other areas. Quality overall is good but sizing as a bit irregular. Stable market conditions are expected to continue.

STONE FRUIT

There is still good quality eating fruit arriving from Chile in peaches, nectarines and a few black Angelino plums. Light supplies and steady demand will keep the market at current levels through the rest of this week.

TOMATOES

Western: Mexican production is steady with plenty of larger sized tomatoes but lacking 6x6 and 6x7 sizes. Color has been a bit of a challenge, but pre ordering helps avoid issues. Shippers are looking to take fobs up. Roma tomatoes are very tight and look to continue to be for the near future. **Eastern:** Tomato production in Florida is lower than Mexico but demand is keeping the playing field level. There has been no major upswing to pricing even with lower production. Early cooler weather had slowed production and growth. There is more of the bigger fruit than smaller due to the fact that smaller fruit has been affected by the recent cold temps more so than the larger fruit. Roma tomatoes are very tight. Grape tomatoes are starting to get a bit tight.

WATERMELONS

Seedless watermelon supplies have increased slightly to start the week, but "regular" seeded watermelons remain very tight. The transition back to Northern Mexico continues to prove difficult and growers continue to struggle with unseasonable weather, growth patterns and overall low yields. Although there are light supplies, the quality is still very good.

VALUE ADDED

So far, there have been no issues with raw material used by processors. The high heats in Yuma may change things towards the end of

the week, but for now, no big issues exist. Aside from the cleaning of the outer leaves, the raw material has been clean. Good quality continues to be reported on chopped Romaine. Complaints have been minimal on green onions also.

WEATHER CONTINUED

Forecasts expect sustained winds of 20-30mph with gusts into the 50-60mph range possible in Southern California. This may cause some dehydration, fringe burn and lesser texture as well as leave some Arizona top soil on lettuce and leaf crops as the season winds down over the next week or so. These winds will also once again impact the strawberry crop in Southern California. Seasonal temperatures in the upper 70s to low 80s are expected in the desert regions into the weekend. Long range forecasts show a chance of rain possible by early next week.

In the Southeast a very active and unsettled weather pattern will remain in place following this past weekend's heavy precipitation. A series of short waves are lined up to sweep through the region this week bringing additional significant rainfall to already saturated area. Central and Southern Florida will see temperatures in the 80s with a chance of thundershowers mid-week.