



The Source

April 13, 2009

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THINGS YOU SHOULD KNOW:

No Food Safety Alerts at this time.



ALERT

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

Weather:

A cold low pressure system moving through the Pacific Northwest will bring strong winds and a significant cool down to California over the next couple of days. As this strong system passes to the north temperatures will drop 10-15 degrees below seasonal norms, to the low 60s, on Tuesday and Wednesday. Although rain will not be a factor very strong winds 20-40 mph are expected. High pressure ridging following this system will quickly warm the region with highs in the upper 80s over the weekend. **Continued on last page**



Freight:

Trucks in California have tightened up due to lack of freight coming off the East Coast. Washington and Idaho remain steady. Crude oil remains around 50.00 and is currently at 50.20. The National Average on diesel has gone up slightly by .001 cents this week to \$2.229 per gallon.

Commodity Updates

APPLES/PEARS

Lower grade (light colored) Red Delicious Apples remain tight. Demand continues strong for the smaller sized lower grade reds and there are deals available in the varieties, so please take a look. Continue to promote Granny Smith and Fuji Apples in the small and mid-range sizes as deals are available there as well. Washington and Oregon Pears continue light production from storage including mainly the Anjou and Bosc varieties. Be aware, the Fancy pears are drying up and coming from storage now are mainly #1 fruit for suitable shipping condition.

ASPARAGUS

This market continues to be very tight. Mexican production is finished. California production is light due to cold temperatures in the growing regions. Expect availability to be light through the front part of this week.

AVOCADO

Mexican fruit – Mexican supplies remain short this week. Supplies look to stay shorter through the week and into next week as Mexico regains production after Easter. Mexico is currently supplying the bulk of the avocados on the market. This reduction in supply is driving the market upward. Demand continues to be very good.

California Fruit - California growers are continuing to increase their harvest, but not at a rate to make up for the Mexican shortage.

BELL PEPPERS

Western Green Bells and Colored Bells:

Nogales continues to drop off volume and quality. A few small spring deals are producing in the northern growing areas in Mexico. Size and quality continue to be a problem. The California desert has started with a clean up pick this week, but no volume until the first week of May. Demand is good. Red and yellow bell supplies remain light. One grower out of Baja has started. The California desert looks to start mid May.

Eastern Bells: As post holiday demand drops off, the bell pepper market has weakened just a bit. Most of the dealing is in the smaller sizes and off grades, but by the end of the week, the market on all sizes should be softer. Central Florida should also be into volume by the weekend, causing even more of a drop.

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates *continued*

BERRIES

Strawberries: Strawberry production in California production this week is starting strong, having all growing areas in California now producing Oxnard and Santa Maria will be the strong spots as Salinas and Watsonville are producing less volume than Oxnard/Santa Maria. We can expect to see more volume out of Salinas/Watsonville by the second week of May. There are some aggressive fob's to start the week. Weather forecast looks good with mild to warm, consistent outlook for the week. Driscoll's will be transferring Californian fruit to Florida with a week in advance notice.

Raspberries: Raspberry production is very low and will continue to be snug with Mexico encountering hot weather and California just not being up to speed yet. 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. 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 tremendously from Chile and some shippers are getting higher prices. We are seeing less fruit arriving on vessels, and see the end of boat fruit soon. Most to all Chilean fruit is now airfreight, 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. 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

This market is soft. There is excellent availability on carton and crown product in the Salinas Valley. In the Santa Maria region,

production is also strong. Expect pricing to be competitive throughout the 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. Quality remains good. Georgia has good availability and quality on the East Coast.

CAULIFLOWER

The combination of lower demand and increased production has made this commodity soft in the marketplace. This market will continue to be soft throughout most of the week. Supplies look to be strong for rest of the week out of the Salinas valley.

CELERY

This market continues to be steady. Smaller sizing continues to be less in production compared to the larger sizing. The quality is still very nice with good weights. Demand is also steady. Shippers are willing to make deals for large orders containing the 18-24 counts.

CITRUS

Lemon: The Central Valley is 90% picked. Most of the volume is coming out of Ventura County. Supplies are peaking on 140's. There are good supplies of 165's.

Oranges: There will be good supplies of Navels available into May. Peak sizes are 48's and 56's. There is limited harvest starting on Valencia's.

CUCUMBERS

Western Cucumber: Northern Mexico is getting better supplies from their new fields. Volume should continue to increase over the next couple of weeks. Baja is going with some light production.

Eastern Cucumbers: The cucumber market is dropping fast in Florida as domestic supplies become more readily available. Central Florida should be in decent supply in another few days and we can continue to see a declining cucumber market in that time. Quality has improved from fair to good.

Commodity Updates continued

GRAPES

Green Seedless grapes continue strong as we start the week! Regular shipments of short term storage Thompson green seedless grapes are on the decline and long storage greens will start to be the predominant grape. There are regular storage green seedless grapes with issues at shipping point due to lack of movement and limited storage space. Red Seedless (Crimson) grape supplies are still decent but they are off the floor and rising as there are now only about 4+ weeks left of Chilean red grape arrivals. Red Globe and Black Seedless grape prices will continue steady into next week with light supplies and only limited movement. Overall grape quality remains very good.

GREEN ONIONS

This market has remained steady. There is a possibility this market could get stronger by the end of the week as Mexico production will be lighter. Variables like the boarder closing and less workers available could make this market more active. The quality continues to be good.

KIWI

Kiwi quality remains excellent and movement is steady. The market will remain steady well into next week.

LEAF LETTUCE

This market is stable to start the week. Both Salinas and Huron are in production with supplies only moderate. Packing without liner is still suggested to assure better arrivals on quality. Some quality defects that have been reported include insects, fringe burn, tip burn, and wind burn.

LETTUCE

The lettuce market has remained stable compared to the end of last week. Supplies are extremely short out of the Huron growing region due to this commodity's inability to size up properly. Salinas has begun production with a few growers. The production numbers are light, however. Processors are looking for fields to secure for processing. The yields are not enough to complete production in the processing plants. This is creating the active

market on carton lettuce. Most suppliers still have enough volume to cover orders in full.

MELONS

Cantaloupes: Cantaloupes remain relatively strong again this week, but demand will tell the ultimate tale if the market will hold at the current levels. There are still only light supplies and sporadic size availability. Small sizes have tightened up and could remain tight for the remainder of the offshore deal. The first of the two remaining Guatemala growing areas of the second cycle will finish up after this week. The more mountainous, second growing area coming into harvest is experiencing colder, wet weather and will net lighter supplies over the next 7-14 days. Finishing up the season, Honduras will also be light and could keep the market stronger until the end. The East Coast (Florida) ports continue to dominate the supply line and the West (L.A.) supplies remain extremely low with very little direct vessel shipments. Sugar levels and eating quality remain high.

Honeydews: The market remains level to start the week with both light demand and supply on honeydews. Similar to the cantaloupes, supplies will remain very light over the next 7-14 days. Quality remains very good.

ONIONS

Most Idaho/Oregon shippers are finishing up this week. We will a couple of shippers with product out of Oregon area through the end of May. Washington looks like they will go through the middle to end of May with supplies as well. The quality is still good, with several shippers now pulling out of their cold storage. Mexican product is still available out of Texas along with Texas grown onions. There are load volume deals on Texas jumbo yellow onions and good supplies of carton Texas 1015's. Vidalias are set to get started next week.

POTATOES

Burbanks are now the only varietal available and are running small. The quality is still very good. Wisconsin and Colorado have good supplies and quality. Colored potatoes are

Commodity Updates *continued*

loading out of North Dakota and Wisconsin with Washington still with some light supplies. California with good quality but light supplies on some varieties which are getting filled with product out of Washington or Florida.

SQUASH

Western Squash: Mainland Mexico still has good volume from new fields in the North. Look for volume and quality to continue into next week on Italian and Yellow.

Eastern Squash: There remains a spread in the squash market with the cheap deals to be had in Homestead. The higher markets are farther north but the quality there is superior, as it is new, fresh crops. The market should even out by the end of the week and tend to be at the lower end.

STONE FRUIT

Light supplies of stone/tree fruit remain, sizing is limited and availability is day to day.

Although that is the case, quality continues to be very good for the late season import fruit. Movement is light in anticipation of the new crop California fruit starting at the end of this month. Get ready; this spring is going to be a good one for California tree fruit and cherry supplies look to be abundant. Rain last week could have adverse affects on the cherry crop, but results will vary as most areas only received light rain. We'll keep you posted as we get closer to harvest!

TOMATOES

Western: Mexican production is steady with supplies of smaller sized tomatoes but lacking 5x6 & larger sizes. Pricing has been very inconsistent and has varied from day to day. 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 and Grape tomatoes are active and tight. **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 a greater quantity of the bigger fruit than smaller due to the smaller fruit being affected by the recent cold temps more

than the larger fruit. Roma tomatoes are very tight. Grape tomatoes are continuing to be a bit tight.

WATERMELONS

Watermelon supplies are better again this week and demand is off. Seedless watermelon supplies still remain relatively light but Northern Mexico growers are able to cross more fruit into Nogales and Texas each day. Demand is light again to start this week, so that will continue to help ease the pressure on available supplies. Warmer weather trends are on the way and expect supplies to be getting better within the next one to two weeks.

VALUE ADDED

The lettuce supplies are extremely short. Processors are acquiring larger amounts of acreage due to the smaller heads of lettuce being harvested. This will have a direct affect on the quality of finished product. Harvesting crews are way ahead of fields harvesting younger lettuce. Good quality continues to be reported on chopped Romaine. Complaints have been minimal on green onions also.

WEATHER CONTINUED

Severe weather continues to impact the Southeast with strong winds (numerous tornado warnings) and heavy rain as rivers throughout the region remain at or near flood stage. Rain and thundershowers will continue into Wednesday when high pressure is forecast to bring some drying. This will be a welcome relief for the region into the weekend when another system approaches from the west around Sunday. In Central and Southern Florida scattered showers are forecast into mid-week followed by clearing skies and seasonal temperatures the latter part of the week.