



THINGS YOU SHOULD KNOW:

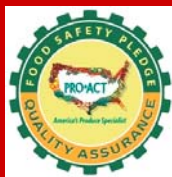
Yellow squash remain very limited in availability.

Bartlett pears are finished for the season

Strawberry supplies are tight

Nappa cabbage is still extremely light in availability due to excessive seeder in the fields

Melons are extremely limited for the next 2 weeks



The Source

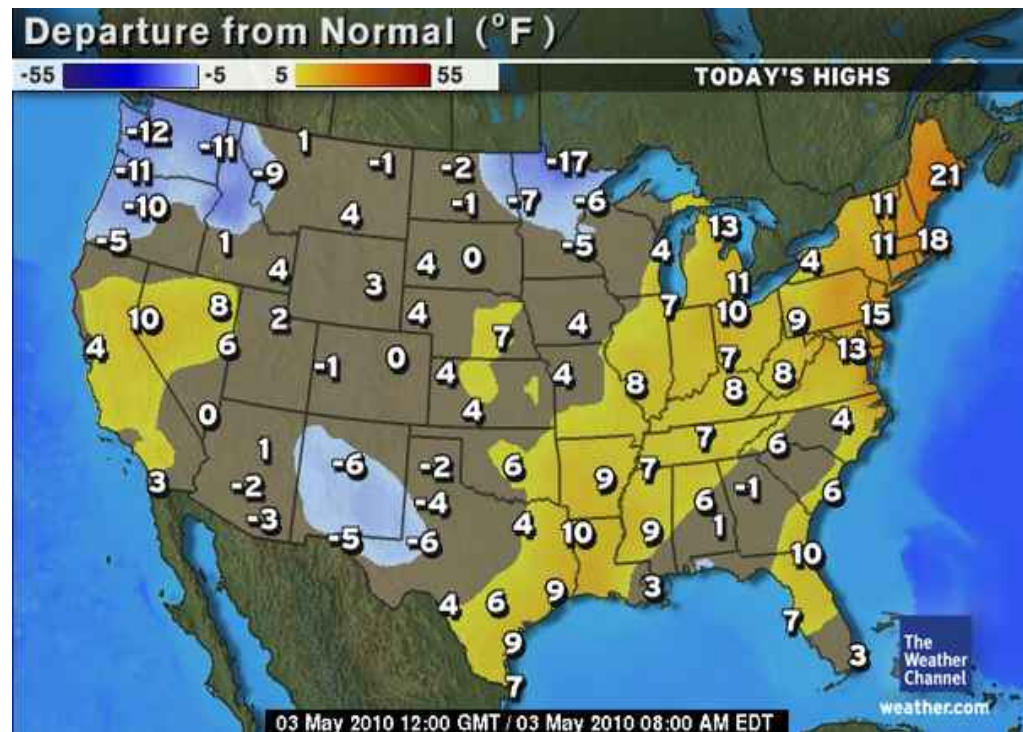
May 3, 2010

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Weather: *Tim Lynch*

A fairly typical spring weather pattern will take shape this week in California. An on shore flow will bring a slight cool down to the region with breezy conditions and temperatures in the mid 60s through the week.

A couple of low pressure systems will slide southeast through Florida this week. This will bring a slight chance of showers and thunderstorms through the week. Generally humid conditions along with warm temperatures, into the 90s are forecast into the weekend.



Freight: *Mike McIntire*

The availability of eastbound trucks in Washington and Idaho has loosened up but California remains tight due to the lack of westbound freight. The TX valley is extremely tight right now. Crude oil prices are currently at \$86.19, up roughly 3.00 from last week. The diesel price for this week is up slightly to \$3.122.

Commodity Updates

APPLES/PEARS *John Tole*

Large reds and golds are still the norm on Washington. The markets on both remain steady since the varietal numbers are lower. Small foodservice sizes remain very limited in all grades and will get even tighter as the eastern apples finish. For your orders that require small fruit please consider varieties other than reds since they are so big. Granny-smiths are still short on the larger fruit and the lower grades. Export demand from Mexico remains strong and they are buying much of the cheaper deals, so be ready for higher prices on everything. There are still some good deals in most variety's on 48, 56, 64 size fruit. Braeburns, Galas, Fuji's, and Pink Lady varieties are left although the Pink Lady and Braeburn numbers are low, while Cameos, Jonagolds, Honeycrisp, and Romes are finished for the season. D'anjou pears are in excellent shape but supplies in Washington are lower and the prices are up. Expect domestic fruit prices to climb. Washington fruit is mostly large. A few Red Crimson and/or red D'anjou pears are available but supplies are very limited.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus continues to be strong. Mexico production is very light. Supplies are also light out of Washington. Peruvian product is still available on the East and West Coast. Expect supplies to be light out of California throughout the week. The Mother's day pull has made availability very light for open business.

AVOCADO *Tim Kelley*

The Cinco de Mayo pull is completed; the demand was tremendous. California harvest continues at a steady pace and there season is just really beginning. Mexico is 70% shipped for the year.

Mexican Fruit: Growers continue to slow their harvest to kept prices firm. Mexico cannot afford to let their volume decline anymore, and is working to create a more mutually workable pricing structure for the U.S. market. We should see some increase in volume over the next couple of weeks.

California Fruit: Growers are harvesting good supplies, but is still experiencing problems with size, as the trees are over laden with small fruit. Size will begin to improve as harvest continues and weather warms.

Commodities at a glance...

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

Commodity Updates continued

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells: Mexico supplies are quickly winding down as their season comes to the end over the next couple of weeks. Availability, size, and quality continue to drop. The California desert is going with go volume and quality. Red and yellow bells from Mexico remain limited, as they are coming to their season end. The California desert crop for colored bells will start mid May, with volume by the first week of June. One grower in Baja has light supplies of new crop colored bells.

Eastern Bells: *Janine Baird*

The bell pepper market is working its way back down with most of the deals going on in Central Florida. With recent heavy rains, this market should not fall too much further and we may begin to see rain related quality issues arise later in the week. With Georgia several weeks behind schedule, Florida will be the only game in town for another 3-4 weeks.

BERRIES *Mike Gorczyca*

Strawberries: Demand is very good the start of this week with the Mother's Day pull in full swing. We should start to see demand to slowly back off as we get into the middle of this week. Supplies are slowly starting to build with the nice weather we have been getting the last 5 days. Quality is also getting better. Market is firm. The best quality fruit is coming out of Santa Maria followed by Salinas/Watsonville areas. Oxnard has fair quality. We will start to see a split market with cheaper FOB's coming out of the Oxnard areas.

Raspberries: Supplies are slowly improving each week. Market is slightly weaker with good quality.

Blackberries: Good supplies and demand is causing a steady market. Quality is being reported as good.

Blueberries: Chile is done for the season. Florida has started with light supplies and a firm market. Quality is good. California will start later this week with light supplies. Look for this market to weaken quickly over the next two weeks as Florida and California build volumes.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is softer on bunched product as well as crowns. Overall, supplies are on the stronger side in Santa Maria and Salinas. Bunched broccoli continues to have the best

availability and growers are looking to move some volume orders. Price flexing is occurring.

CARROTS *Tim Kelley*

California carrots are coming out of Bakersfield for the next week or two weeks with good supplies. Yield and quality are good and there should not be any gaps for the next couple of months.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market has softened. Good weather this past week has brought on supplies with some shippers. There are a few shippers that are still light in supplies and this is causing a variance in the market by seven to eight dollars. Expect availability to get better throughout this week with many suppliers.

CELERY *Gabe Romero/Mike Pacheco*

This market is firm. Celery supplies overall will be lighter this week as we start to see more seeders in the larger size celery. Supplies are coming out of Oxnard predominantly. The quality continues to be good in terms of color and texture. Salinas has a target of mid June to begin production.

CITRUS *Tim Kelley*

Lemons: Demand is steadily increasing, pricing remains steady. Quality is very good.

Limes: Better supplies this week on smaller fruit, with larger fruit remaining limited.

Oranges: Demand for navels continues to be strong and pricing has firmed up. Crop continues to peak on fancy 72's, 56's. Demand exceeds supplies of 88's and smaller sized fruit. There are some Valencia's being packed the help fill the shortages on the small sizes of navels. Shippers plan to begin packing Valencia's on a regular basis over the next 2 weeks. Valencia quality is good, with early brix levels in the 9 to 12 range.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is good. Baja growers expect good production through the month.

Eastern Cucumbers: *Janine Baird*

The price of cucumbers continues to drop and has all but reached the floor this week. However, there is not enough volume in Central Florida to sustain the low markets until

Commodity Updates continued

Georgia kicks in (still about 2 weeks away). Expect a continued low market through this week but a trend upward by next Monday accompanied by some quality issues.

GRAPES *Amy Grolnick*

Chilean storage green grapes are the best quality of greens but only fair at best. The greens will lessen over the next couple of weeks and may have a slight gap prior to the start of the perlettes. There are Crimson and some Rubies still available with good volume. Black seedless are very limited with good quality. Red Globes with very good quality and lighter availability.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market continues to be on the stable side. Pencil sizing continues to have the best availability followed by mediums. The issues of yellowing has gone away with most suppliers.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is soft. Green leaf and red leaf are both on the light side of availability and pricing is stronger. This pattern will continue throughout the week. The rains have subsided but mildew issues are occurring on green and red leaf. Many growers have also planted less product compared to romaine and this is another reason for the tight supplies. We are still seeing red discoloration in all leaf items due to the previous rains that we had here in Salinas.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is stronger. Huron is finished with lettuce. Salinas had a strong week of production last week. Many shippers are caught up with production and have all increased their pricing for the week. The weights continue to average around 45-46 pounds on palletized lettuce. Some issues of pink ribbing, discoloration, and mechanical damage are still seen upon arrival.

MELONS *Amy Grolnick*

Cantaloupe: Product will be extremely limited over the next two weeks. The Central American fruit is finishing up quickly after rain from last week. This looks to the last week for any availability. Mexican product is now crossing into Nogales, sizing is running small but quality is good. The desert melons will not

start until the 3rd week of May at the earliest.

Honeydew: Very limited supplies of offshore product as shippers finish up in Honduras and Guatemala for the season. The west coast is all but done with Central American product. Nogales is receiving more supplies of Mexican fruit with good quality and sugars. The desert product is set to start with Cantaloupe the 3rd week of May.

ONIONS *John Tole*

Texas is lower on yellows and whites but steady on reds. Supplies are much better now that the weather is dryer and has been warmer. They are not forecast to get any rain until the middle to end of next week and then it's only a chance so the packing outlook continues to look good and the quality is much better. Their medium numbers are lower while the jumbo and larger numbers are way up. Red supplies are still tight so continue to stay ahead. Texas red numbers will start to drop and California will have more but we don't much of a market change due to strong demand. Vidalia, Georgia continues packing and they has better numbers of jumbos and better quality than they thought. California continues to pack all colors and will have more yellows and reds this week, while the white numbers remain low. The yellow market is also down in California due to light demand but the lower pricing is starting to turn it around. The quality is good on all colors and size is large. California has been warm and dry so the packing outlook is good.

POTATOES *John Tole*

Idaho is still packing lots of small Burbank potatoes and the price-gap between large and small is widening as the norkotah variety is officially done for the season. 60 count and larger are so tight that many shippers are still asking for 48 to 72 hours lead-time for large orders. The smaller sizes are much more abundant but are starting to go up also as the price-gap widens. Idaho quality is mostly good but they are experiencing a lot of internal black-spot. Washington norkotahs are higher on all counts. They are picking up more demand now that Idaho is so limited on the larger counts. Washington is still peaking on 70/ 60's and has excellent quality but is still limited on 90's and smaller Wisconsin is steady to slightly higher on all sizes but supplies are very limited and they are almost finished for the season.

Commodity Updates continued

Colorado is up on all sizes along with demand. The quality in Colorado is mostly good. Colorado is relatively cheap compared to Idaho so expect them to go up again soon! North Dakota continues to pack reds and golds but the availability is down and they are almost finished. Their quality is poor to good. Idaho has a few reds and golds left but the supplies are light. California packers are still packing all colors and have better numbers from Bakersfield. The California quality is good on all colors. South Florida is still running reds, Yukon, and whites, and has good volume esp. on reds. They also have good quality and their reds are very dark in color. Arizona has started with reds and golds.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is very inconstant in volumes and quality. Better production on Italian squash has started, but Yellow production still lags behind. Baja is going with very light production. Fresno, California is cleaning their fields and waiting to get some volume.

Eastern Squash: *Janine Baird*

Squash is plentiful in Florida and several Georgia shippers have started this week as well. The market continues to be soft but recent heavy rains in both states could lead to quality issues and limited supplies by the weekend.

STONE FRUIT *Amy Grolnick*

Off shore peaches, nectarines and plums are winding down for the season. Domestic cherries are starting up this week at very high price points. There will also be some limited volume on domestic peaches, plums and nectarines.

TOMATOES *Ryan Frayo*

Eastern: Florida continues to limp along, but shippers getting a little stronger with production, from what very light production there actually is. There was some significant rain that could potentially hamper production and affect quality. Shippers continue saying possibly the middle to the end of May before supplies increase to normal production levels, but realistically it looks more like June. The

couple of shippers who are coming up with some fruit have quantities that are small and insignificant in the big picture. There have been considerable quality issues with the Florida fruit such as scaring and misshaped fruit. As mentioned volumes will continue to be less than normal, but quality should improve as growers continue to pick and clean up the plants. There has been no change in quality to date. Coming on fairly strong are Grape and Cherry tomatoes. We can expect to see higher than normal fob's on the round tomatoes probably up through the spring accompanied with shortened supplies. The Roma tomato production is getting better with respectfully lower fob's compared to weeks previous.

Western: Supplies out of San Diego are low and production in the new regions is not up to speed yet. We can expect this trend up until the new Baja crop gets ramped up in late May into the front of June. Nogales is a bit unstable with pricing. We can expect to start seeing less and less fruit out of Nogales as we are seeing the beginning of the end down there. Quality will be the first indicators as how quick it will wrap up. Weather has been favorable in Baja with no major issues. California is on track to get going around the second week of June.

WATERMELON *Amy Grolnick*

Better supplies on seedless product with seeded watermelon now also in good supplies. Prices are steady. The mini seedless are in better supply and quality is good, the market remains flat.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Lighter supplies in Salinas on lettuce will inevitably have processors buying as much raw material as possible. This will cause for a shortage of carton business. There were a few suppliers sold out of lettuce to start the week. Expect some discoloration on romaine and lettuce items upon arrival. Product quality has been up and down, mainly on lettuce. The quality issues are all related to past rains in the growing regions.