



The Source

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THINGS YOU SHOULD KNOW:



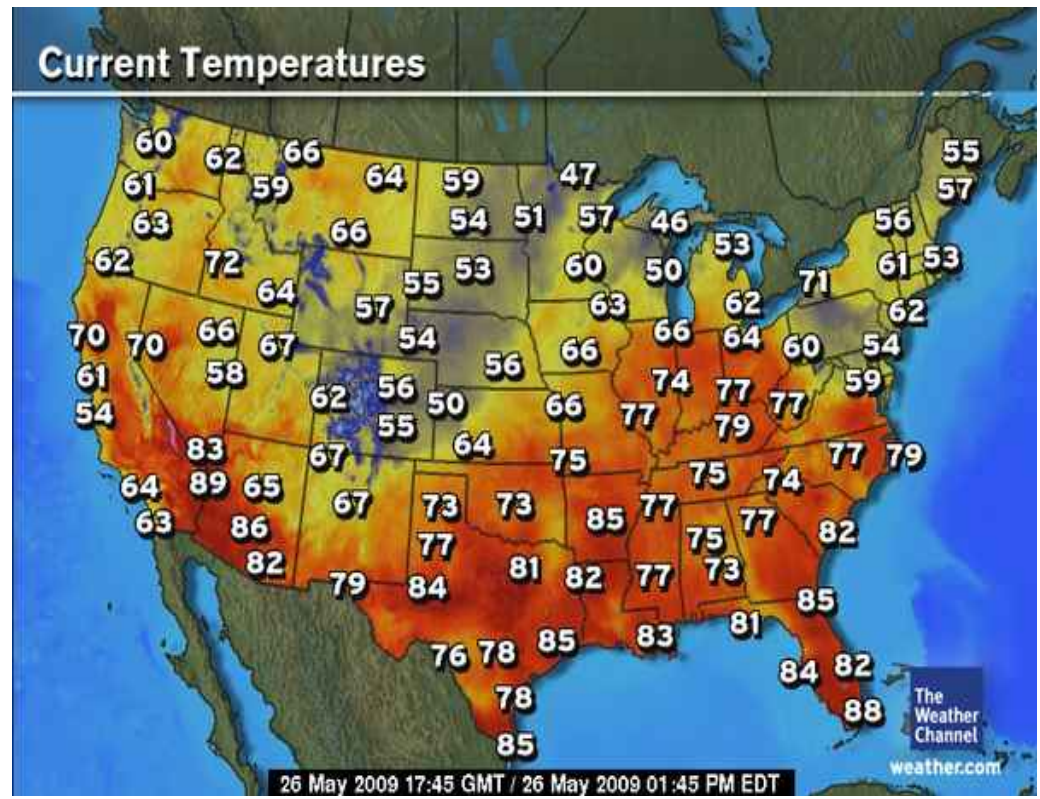
No Commodity Alerts at this time



Weather:

Morning low clouds and fog with some afternoon clearing will be the norm this week in the Salinas Valley with temps in the 60s near the coast and 70s inland through the week.

In the southeast the wet pattern continues with thunderstorms possible each afternoon. This pattern looks to continue this week with heavy rainfall, hail, gusty winds and lightning all possible with these unstable conditions.



Freight:

Trucks in California have tightened up due to the lack of freight coming off the East Coast. Washington and Idaho remain steady. Crude oil remains over 60.00 per barrel and is currently at \$62.33. The National Average on diesel has gone up again this week and is currently at \$2.274 per gallon.

Commodity Updates

APPLES/PEARS

Braeburn apple pack out for some Washington shippers is quickly coming to an end and there are a few that only have floor counts left. Demand for Gala Apples continues to exceed available supplies and the market remains strong. Retail demand is also very strong, especially in 3 and 5# bags. Washington could be out of Gala supplies by mid June. New Zealand is also snug, and their market remains strong. Red Delicious Apples in the lower grades (lighter color) remain tight as the controlled atmosphere storage crop is high in color. Small sized Granny Smith and small sized varietal red colored apples continue to be excellent choices for someone looking for a 'deal' on apples and there are still very good supplies available. Washington and Oregon Pears continue light production from storage and the Hood River, Oregon area (Oregon's largest pear producing area) could be done in as few as 1-2 weeks and leave Washington to finish the storage pear season. Both Washington and Oregon are shipping all #1 fruit from here until the end of the storage season due to quality concerns.

ASPARAGUS

This market is stronger to start the week. California production should end approximately the end of July. California production will be tighter on all sizes and pricing will be more active. Product out of Peru continues to be available on the East Coast. Washington production will go until the end of June. Standard sizing is the predominant size being packed.

AVOCADO

Mexican fruit – Mexican supplies remain light, but steady coming into the states. The Mexican crop is past their peak on production.
California Fruit - California growers are packing good volume, but still lighter than years past, due to the much smaller crop this year.

BELL PEPPERS

Western Green Bells and Colored Bells:

The California desert volume is dropping quickly and looks to finish as early as next week. The next growing is Bakersfield, which is expected to start in 3 weeks. Demand is very good. Red and yellow bells from the California

Commodities at a glance...

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

Legend

Quality
 Excellent
 Good
 Fair
 Poor

Market
 Steady
 Higher
 Lower

Commodity Updates *continued*

desert are going with increasing volume.

Eastern Bells: Central Florida is at the tail end of their pepper season and 10 straight days of heavy rain have limited their ability to pick. Georgia is still very early in their season so they have only crown pepper to pick and even that is not enough to offset the demand created by Florida's short supplies. Quality will be fair at best as a result of the rain, with soft spots and decay being the biggest issues. Both supplies and quality will drop off dramatically by week's end and a good 10-14 days of high prices, scarce supplies and marginal quality is to follow.

BERRIES

Strawberries: California production is down a bit to start the week due to cooler temps over the past five days. The cooler weather is slowing production but the fruit is solid so we should see some of the quality issues dissipate. We can expect much firmer fruit, just less volume than the weeks previous. Once we get a couple of days to a week of warm weather we will see the volume come on. The forecast is calling for clear but moderately cool weather. We can expect fair production for the week.

Raspberries: Californian production continues to increase and is now very strong. Both Salinas / Watsonville are producing and we are seeing much better availability as more shippers have come on line in the northern growing areas with new fruit and fob are reflecting this. With a large volume order you can achieve an aggressive fob. New crop quality is good, but with there being so much fruit some shippers get loaded up and we sometimes see older fruit.

Blackberries: Blackberry production is slowing, but still continues with diminished transfers arriving from Mexico, not as much fruit crossing. We can expect Mexican production to be wrapping up around June as we are currently getting reports that Mexico is coming close to the end of their season. There continue to be shippers in much better shape than others. We continue looking at local production to increase. Watsonville is producing small quantities, and is inconsistent at this point.

Blueberries: Blueberry production continues to increase in California and will slowly increase

even more as the week's progress. The Central Valley is the primary area of production and we are seeing some better production in Oxnard and Watsonville. Fruit is starting to transfer over from the valley. This week we are seeing a better variety of pack sizes, 4.4, 6oz, pints and 18oz. Florida and the Carolinas does not have fruit to offer currently due to consistent rain. The growers can't get into the fields to harvest. We have seen the pressure from the East now focusing on the West for fruit.

BROCCOLI

This market is weaker on both crown and carton business to start the week. With demand being light, suppliers are looking to move product. Most suppliers have caught up with excess supplies. Broccoli crown production as well as bunched product will be good in supplies throughout the week in the Salinas Valley. The quality on all broccoli items continues to be good.

CARROTS

California carrots are now coming out of the new fields in Bakersfield. Size and quality is much better than the ones from the Imperial Valley. Georgia has good availability and quality on the East Coast.

CAULIFLOWER

Supplies are better to start the week. Although harvesting was limited on Monday, supplies are ample to fill all orders. Large sizing has a little sharper pricing, 9s in particular if interested. The combination of lighter plantings and lower yields will still be large factors in how this market will change from week to week. The overall quality of this commodity has been better compared to previous weeks. Santa Maria and Salinas both have product available.

CELERY

This market is stable on all sizes. Overall, Oxnard has ample supplies to fill all orders. There was no harvesting on Monday, so trucks will have to wait till the mid-afternoon for product. The quality continues to be good with little cedar to report. This market should be competitive in pricing or most of the week. Salinas production is expected to begin in late June to July.

Commodity Updates continued

CITRUS

Lemons: The Central Valley is 90% picked. Ventura County is supplying the bulk of the volume. There are good supplies and that are peaking on 140's, followed by 165's and 115's.

Limes: Supplies are steady and running heavy to smaller fruit. Larger fruit is limited, but looks to start improving by the 1st or 2nd week of June. Quality is good.

Oranges: Old crop Navel supplies continue to tighten with limited supplies through the month. Late navel varieties will continue into June. Valencia production is good. Quality is very good, with sizes running 88's, 113's, and 138's.

CUCUMBERS

Western Cucumber: Mexico is in their last weeks of production. Baja is past their peak and supplies will start lightening as we move into June. California is starting with very light production and is looking at steady volume by the first week of June.

Eastern Cucumbers: Cucumbers are in full swing in Georgia. However, several days of rain have adversely affected their crops, limiting their supply. In the coming days, we can expect to see quality issues that will take an even bigger chunk out of availability. This market will continue to rise in the coming days.

GRAPES

Flame red seedless grapes are being packed in Coachella, CA and packed/crossed from Mexico into Nogales, AZ. The Nogales crossings are still limited, due to lack of color on the vines and cooler than normal temperatures in the main Mexico growing areas. These conditions along with the currently strong demand will keep the market strong through the week in both areas. Coachella has greater demand pressure, and they will hold FOB prices slightly higher than that of Nogales. Green seedless grapes are shipping as Perlette and Sugarone from Nogales and all Sugarone from Coachella. Supplies are light and crossings are light into Nogales from Mexico and also somewhat light from Coachella. The Perlettes will continue shipping in Nogales with decent supplies and lighter demand. Lower scale truck traffic through the Nogales, AZ areas is having an affect on demand, but there is still enough to keep the market fairly strong until supplies get better.

GREEN ONIONS

This market remains steady. There are no changes to report. Supplies continue to be strong from the Mexican region. Expect this market to be stable throughout the week. The quality continues to be good, with little to no problems reported.

KIWI

Kiwi quality remains excellent and movement is steady. The market will remain steady again this week.

LEAF LETTUCE

All leaf items continue to be in good supplies in both the Salinas valley and Santa Maria growing regions. Suppliers are looking to move all leaf items. The quality on leaf has been reported to be better compared to previous weeks. Some quality defects that continue to surface include insects, fringe burn, tip burn, and wind burn.

LETTUCE

Suppliers are attempting to increase pricing to start the week. Cool weather this past weekend has lightened supplies with many of the suppliers. The weights for palletized lettuce continues to be reported at 45-47#s. Suppliers no longer are substituting 30 count lettuce to fill orders like in the previous weeks. Las Cruces, Mexico continues to have production if interested.

MELONS

Cantaloupes: The CA Desert melons are struggling a bit with the inconsistent weather patterns at the back end of their deal. Hot temperatures have subsided, but have given way to melon softness and shortages on the larger sizes for what they have left. Currently cool weather and low yields from the recent heat, have given way to lighter supplies and sporadic availability issues. Arizona desert deals are going but not strong enough to keep up with current demand. There are only light supplies of large sizes, and availability on smaller sizes is limited as well due to overall demand. Quality is rangy right now Offshore cantaloupe supplies from both Guatemala and Honduras are all but finished with the exception of a few sizes left and limited to day of availability.

Commodity Updates *continued*

Honeydews: The market has shown some strength, but sporadically. Some growing areas, including that of Texas grown fruit is still flat and they are looking for movement at lower levels again this week. The CA/AZ desert growing areas are very slow in their production and have not had significant bearing on the market. The market should remain steady for the end of this week new crop quality is very good!

ONIONS

Texas is still recovering from the weekend rain but should have better supplies by tomorrow. Imperial Valley California has good supplies currently available. Huron, California should start up with limited supplies next week. Washington still has some limited availability of storage onions.

POTATOES

The quality is still very good on the Idaho storage crop. Wisconsin is becoming more limited with availability. Colorado has good supplies and quality is still good. Colored storage potatoes are loading out of North Dakota and Wisconsin. Washington has all but finished. California new crop colored potatoes available with very good quality. New crop California Russets should start next month. Northern and Southern Florida now with availability on new crop colored potatoes.

SQUASH

Western Squash: Mainland Mexico's volume is dropping on Italian and Yellow, and there is a range in quality in many lots. Baja is harvesting looks steady through month. The Fresno area of California is lighter this week on Italian, and yellow has started with light supplies.

Eastern Squash: With Florida finished on squash and Georgia having experienced extended periods of heavy rain and below average temps, the supplies will become very limited in the coming weeks. Already gaining strength, the market will continue to rise. Quality has been good up to this point but we can expect to see issues related to the wet weather at the end of next week.

STONE FRUIT

California tree fruit numbers continue to increase although temperatures over the last 5-

7 days have been relatively cool, slowing things down a little. Yellow/White Peaches, Yellow/White Nectarines, Apricots, Plums and Cherries are available in good supply, especially in the smaller sizing. Early production is very good and color is excellent. There is high colored good eating fruit available and FOB prices are coming down slowly. Cherry quality is very good and sizing is large (still peaking on 9/10 ROW).

TOMATOES

Western: Mexican production is slowing as Nogales is all but finished. There are some spot clean up deals out there, but far and few between. The most prevalent pack in Nogales is the last of the Roma tomatoes. San Diego is crossing fruit now and will be looking to go full bore around the last week of May. Reports of Baja quality have been good.

Eastern: Tomato production in Florida has slowed a bit due to recent rain and we can expect some quality defects from the rain. Roma tomatoes will be in the same situation due to the weather.

WATERMELONS

Watermelon supplies remain light in both the seeded and seedless fruit. The Mexico deal has wrapped up and the CA/AZ desert areas are not yielding enough fruit to satisfy demand. The new crop areas will not make an impact on supplies until next week now with the cooler regional weather, possibly even beyond that depending on weather patterns to come. The market remains strong on seedless and will be strong to finish the week. Demand is very good for all watermelons. Overall Watermelon quality is good from the Yuma, AZ and CA desert areas.

VALUE ADDED

There are no major issues for value added items. The lettuce has had much better weights and this has allowed processors to purchase less acreage. Hence, there is more availability for carton business. Some light bruising has been reported on chopped romaine. Complaints have been minimal on green onions. The warm weather we had last weekend could create quality issues.