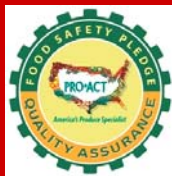




THINGS YOU SHOULD KNOW:



No Commodity Alerts at this time



The Source

June 1, 2009

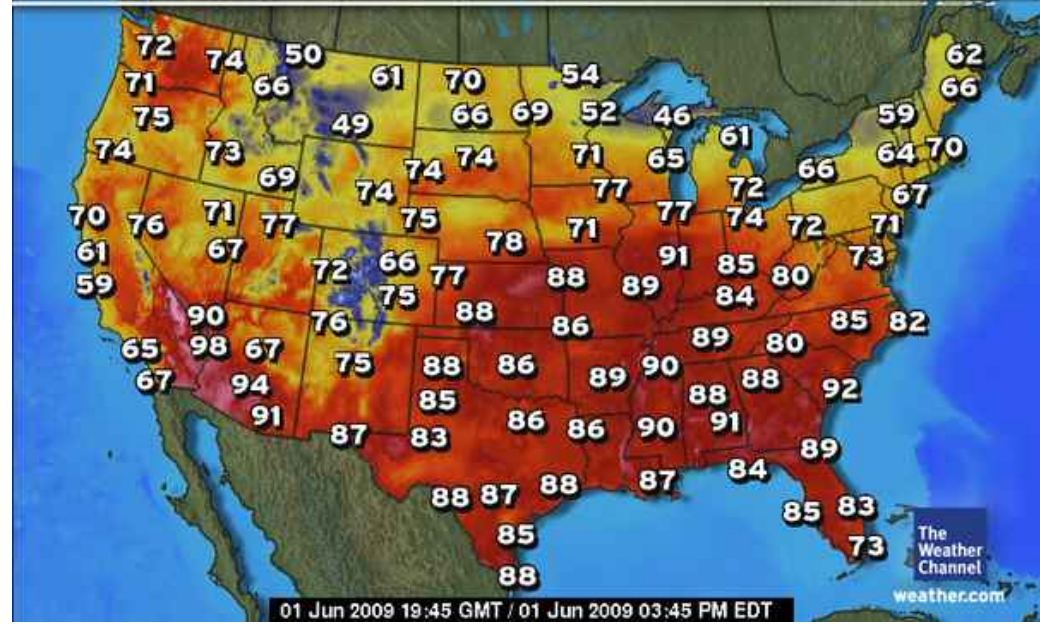
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Weather:

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 to low 80s inland through the week. A slow moving cut off low pressure system off the Central California coast will bring a chance of isolated showers to the region mid-week as this system slowly moves to the east this week.

In the southeast the pleasant weather conditions over the weekend will continue into mid-week with just a slight chance of isolated showers and temperatures in the 80s to low 90s. Forecast models show a relatively wet pattern returning late Wednesday into the weekend with drying and a warming trend expected thereafter.

Current Temperatures



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 \$68.41. The National Average on diesel has gone up again this week and is currently at \$2.352 per gallon.

Commodity Updates

APPLES/PEARS

More varietal apples are winding down their storage seasons quickly including Jonagold, Braeburn and Cameo. This is putting extra pressure on the small Red Delicious crop which is already on the light side. Gala apples are close to 95% sold in the state of Washington for the season. Demand continues to exceed available supplies and the market remains strong. Retail demand remains strong as we move into June, especially in 3 and 5# bags. New Zealand is still tight on Galas, and their market remains strong. Red Delicious Apples in the lower grades (lighter color) will continue light in supply as the controlled atmosphere storage crop coming out remains high in color. Small sized Granny Smith continue to be excellent choices for someone looking for a 'deal' on apples and there are still very good supplies available. Oregon Pears are winding down their season quickly with possibly only this week left in storage production. Washington will go through the month of June on pears with the Anjou and Red Anjou varieties.

ASPARAGUS

This commodity continues to get stronger in the marketplace. California production should end approximately the end of June. Washington production will finish in approximately 4 weeks. California production is tighter on all sizes and pricing is more active. Product out of Peru continues to be available on the East Coast.

AVOCADO

Mexican fruit – Mexican supplies continue to lighten up. The Mexican crop is on their down side of this year's crop.

California Fruit - California growers are packing good volume, but still lighter than years past, due to the much smaller crop this year. Demand is increasing for California fruit as Mexican supplies decrease.

BELL PEPPERS

Western Green Bells and Colored Bells:

The California desert deal is almost wrapped up and the remaining supplies will be done this week. There are some transition supplies coming out of the Yuma, AZ area. The next growing area is Bakersfield, which is expected to start next week. Demand is very good and the market is active. Red and yellow bells from

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

the California desert are going with increasing volume and the market has come off considerably. Red Bells are the most plentiful of the two colors and there are deals available.

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 7-10 days of high prices, scarce supplies and marginal quality is to follow.

BERRIES

Strawberries: California production has started this week like last week, a bit sluggish due to cooler temps over the past 15 days. The cooler weather is slowing production but we continue to see firm fruit and good quality. Once we get a couple of days to a week of warm weather we will see the volume come on (still waiting). The forecast is calling for continuing cooler temps accompanied with overcast skies. The extended forecast was calling for a chance of rain on Tuesday, but it looks as if that has been chanced to partly cloudy. If we receive rain, this will most likely disrupt production. We can expect fair production for the week.

Raspberries: Californian production continues to be very strong. Both Salinas / Watsonville are producing and we are seeing great availability as more shippers have increased production 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 for the most part is finished in Mexico, and we can expect all Mexican product to clean up within the next week. We continue looking at local production as it is increasing. Watsonville is producing fair quantities, and is inconsistent at this point as we are currently experiencing a slight gap in production as growing regions

transfer from Mexico to California. We are seeing far less availability and can expect this trend to continue well into or through this week.

Blueberries: Blueberry production continues to increase in California and is getting stronger. 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 recently past rain. We have seen the pressure from the East increasingly focused on the West for fruit.

BROCCOLI

This market has started out steady to start the week. Demand is on the light side and suppliers have only moderate amounts to sell. The quality out of the Salinas valley and Santa Maria growing regions continue to be good. No shortages in product is in the forecast for the entire week.

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 light to start the week with most suppliers. The market is stronger and will be active throughout the week. Large sizing still has a little sharper pricing, 9s in particular if interested. By suppliers cutting back on acreage of cauliflower, this has created a shortage of product in the industry. The overall quality of this commodity has been better compared to previous weeks. Santa Maria and Salinas continue to be the main areas of production.

CELERY

This market is stronger on all sizes. Overall, Oxnard has ample supplies to fill all orders. The quality continues to be good with little cedar to report. This market should be slightly active throughout the week. Salinas's production is expected to begin in late June to July.

Commodity Updates continued

CITRUS

Lemons: The Central Valley is 93% 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. Summer demand is beginning to pick up.

Limes: Supplies are remaining steady. Sizes are showing some growth now, but still peaking on 200's, 175's and 230's. The larger sizes remain limited.

Oranges: Late navel varieties will continue into mid 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 are light as we move through the first week of June. California is starting with very light production and is looking at steady volume this week.

Eastern Cucumbers: Cucumbers are in full swing in Georgia. However, several days of rain have adversely affected their crops, limiting their supply. The market has remained steady but will rise as quality issues affect availability.

GRAPES

Flame red seedless grapes are being packed in Coachella, CA and packed/crossed from Mexico into Nogales, AZ and both areas are very tight on product. Recent rains in Nogales and a short crop from both areas has hampered the the supply line to fill. Nogales crossings remain limited, due to a short crop, recent rains, 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 this week. Coachella has greater demand pressure, but slightly better volume keeping FOB prices somewhat the same as Nogales. Green seedless grapes are shipping as Sugarone from Coachella and mainly Sugarone with a few late Perlettes from Nogales. Supplies and crossings are light into Nogales from Mexico and also somewhat light from Coachella. The Perlettes will be finishing this week.

GREEN ONIONS

This market remains steady. There are no

changes to report. Supplies continue to be strong from the Mexican region. This market should remain stable for the entire 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

Some suppliers are tighter on romaine but overall, supplies are ample to fill all orders. All other leaf items remain steady to start the week. The quality on leaf has been reported better. There has been much less complaints on defects like insects, fringe burn, tip burn, and wind burn.

LETTUCE

This market is much more active to start the week. A few suppliers started this week by being sold out. Expect lettuce to be tight throughout the week. The Salinas valley has had a lot of heavy fog that has slowed down the growth of this commodity. The weights for palletized lettuce continues to be reported at 45-47#s. Suppliers may be substituting 30 count lettuce to fill orders towards the end of the week. This waits to be seen.

MELONS

Cantaloupes: Cantaloupes remain extremely tight as we start this first week of June. The CA Desert melons are struggling with the inconsistent weather patterns as well as very low yields. Arizona desert production has been very sporadic and shippers are coming up well short of their estimates. Sizing is also an issue as there are very wide ranges in sizing from shipper to shipper. Most all shippers are heavy to the large sizes (9's and Larger)* and others are either the same or heavier to the smaller sizes (15/18ct)*. There are only light supplies of small sizes this week and availability on most all sizes will remain tight until the end of the week.

Honeydews: The market remains steady on again this week on Honeydews with Arizona, Mexico, and CA going with steady production. Texas grown fruit is finishing up this week, but they are still looking for movement on the larger sized fruit to finish the deal. The CA/AZ desert

Commodity Updates *continued*

growing areas remain fairly slow in their production and have not had any increase in demand to change the market.

ONIONS

Texas is finishing up and with all the rain over the past week quality could become a problem. Imperial Valley California will be finishing up with limited availability. Huron has gotten off to a slow start but quality is good. New Mexico has also started with new crop onions and should have good availability through July. Quality looks to be good on new crop onions but single centered supers will be limited for the next few weeks.

POTATOES

The quality is still very good on the Idaho storage crop. Retail volume has slowed down so carton packing has slowed for shippers. 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 with colored potatoes. California new crop colored potatoes available with very good quality. New crop California Russets should start in the next week to 2 weeks. Northern and Southern Florida now with availability on new crop colored potatoes.

SQUASH

Western Squash: Mainland Mexico's volume remains low and is near finishing 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 light again this week on Italian, and yellow is going 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 are tightening up. 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 are still increasing, but only slowly as cooler than normal temperatures prevail. Yellow/White Peaches, Yellow/White Nectarines, Apricots, Plums and Cherries are still available in good supply! CA

There is high colored good eating tree fruit available and FOB prices are coming down slowly. Cherry production has been very good and with the cooler temperatures it will prolong the deal with excellent quality out there! Cherry quality is very good and sizing has started to get a little smaller out across the board in contrast to the very large sizes from the start of the season.

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. San Diego is crossing fruit now, but has not picked up the volume yet. Reports of Baja quality have been good. There is a lack of smaller sized fruit and nothing crossing with much color. There have been reports of California Central valley starting small production by the end of next week, but there will be no fruit with color until the week of June 8 if they harvest. Currently there is no California update.

Eastern: Tomato production in Florida has slowed significantly due to recent rain and we can expect some quality defects. Growers are walking by a lot of fruit and this is creating a gap as the northern growing areas are behind on their initial analysis of when they were going to start. Roma tomatoes are in the same situation due to the weather.

WATERMELONS

Watermelon supplies have increased slightly in both the seeded and seedless fruit. CA/AZ desert areas are slowly increasing in production. The market is slightly lower to start the week and with more production scheduled, the market should adjust again, but will be demand driven. Demand is only moderate on watermelons again this week and overall Watermelon quality is good from the Yuma, AZ and CA desert areas.

VALUE ADDED

Processors will likely be active this week in purchasing extra acreage of lettuce. This will inevitably tighten the carton business. Some light bruising has been reported on chopped romaine. Complaints have been minimal on green onions. The cool weather we had last weekend could create quality issues.