



THINGS YOU SHOULD KNOW:

Bartlett pears are finished for the season



PRO*ACT The Source

The Source

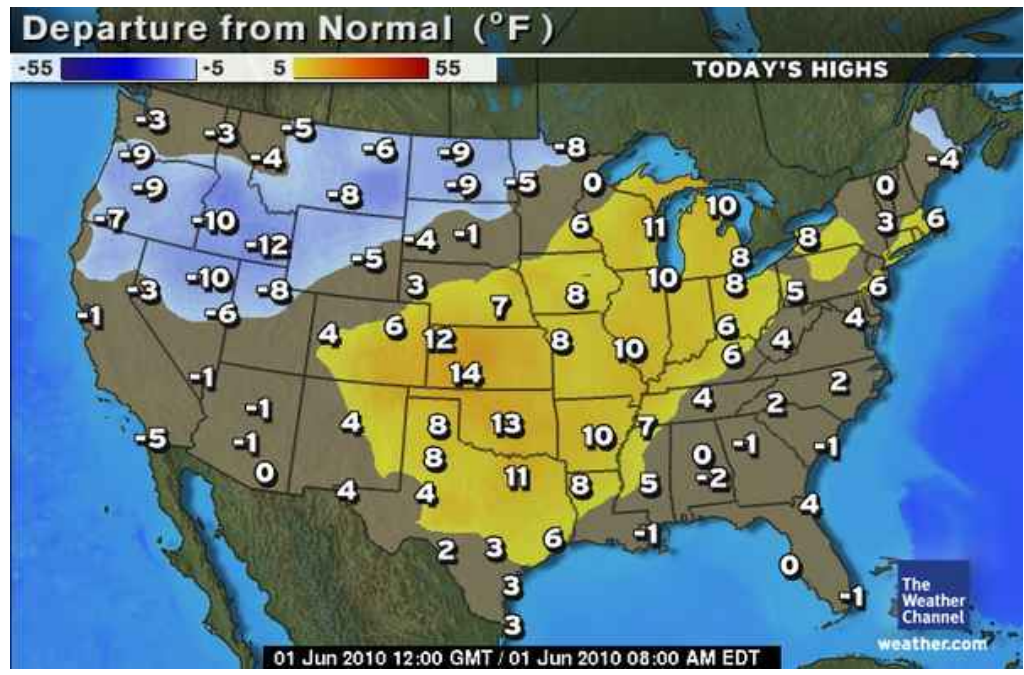
June 1, 2010

© 2010, PRO*ACT, LLC

Weather: *Tim Lynch*

After weeks of cold temperatures and rains this May the Central Coast is forecast to receive a fairly typical late spring weather pattern. Morning low clouds and fog, especially near the coast with clearing by mid morning. Temperatures will range from the mid 60s near the coast to high 80s in the warmest interior valleys. This will be a welcome relief from the cold moist growing conditions we have seen most of May. Mid range forecasts show a warming trend late this week into next week as high pressure returns.

In the Southeast a low pressure system in the Gulf of Mexico will slowly move to the northwest through the week. This will bring a chance of showers and thunderstorms to the region each day this week, along with warm temperatures from the mid 80s into the low 90s through the week.



Freight: *Mike McIntire*

The availability of eastbound trucks in Washington and Idaho has loosened up but California remains extremely tight due to the lack of westbound freight. The TX valley also remains extremely tight again this week. Crude oil prices are currently at \$72.63. The diesel price for this week is down .041 cents to \$2.980.

Commodity Updates

APPLES/PEARS *John Tole*

Washington continues to peak on larger and higher grade red and golden delicious while the smaller and lower grade fruit remain tight. The markets on both varieties are mostly steady but strong and rising slowly as the eastern-apples clean-up. There are still some good deals on 48, 56, and 64 size fruit in both varieties esp. in the premium grade. The foodservice sizes and grades remain very limited in all varieties and will also get even tighter so stay ahead. Granny-smiths remain heavy to the larger sizes and the premium grade as well, while the lower grades and smaller fruit are also short. Braeburns, Galas, Fuji's, and Pink Lady varieties are left although the Pink Lady and Braeburn supplies are very limited. Cameos, Jonagolds, Honeycrisp, and Romes are done. D'anjou pear supplies are lower and the market is strong as we near the end of the season. Most shippers have the US#1 grade only. The quality has been holding nicely. Expect domestic fruit prices to continue to climb. Washington fruit is still mostly large. Red Crimson and/or red D'anjou pears are finished. New crop California Bartlett and red Bartlett's will be available in July.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market has softened. Supplies are better out of California and Washington to start the week. Peruvian product is still available on the East and West Coast but supplies have been limited due to less air shipments.

AVOCADO *Tim Kelley*

California harvest continues at a steady pace. Mexico is light on their crossing.

Mexican Fruit: Growers continue at a slower pace as there is nearing the end of this year's crop. Mexico is consuming a much larger than normal percentage of their crop at home.

California Fruit: Growers are harvesting good supplies, but is still experiencing problems with size, as the trees are over laden with small fruit. Size is slowly improving as weather warms.

Commodities at a glance...

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

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 7 to 10 days. The California desert has hit their peak and demand is very good. They are beginning to wind down for their season over the next 2 weeks. Bakersfield looks to begin mid June. Red and yellow bells from Mexico remain limited as most shippers have finished for the season. The California desert crop for colored bells has started, and volume by next week.

Eastern Bells: *Janine Baird*

With Florida pepper finishing up and Georgia just getting started; we will be seeing a two tiered market for the next week or so. Florida pepper pricing will begin to drop off, but Georgia prices will stay slightly higher, particularly on the off-grades which are typically very tight as the season starts.

BERRIES *Mike Gorczyca*

Strawberries: Strawberries are being harvested in Santa Maria, Salinas and Watsonville at this time. Quality is fair to good with a steady market. You will still see some white shoulders, green tips, light bruising, mold and water damage showing up in the packs this week. The forecast is for a slight chance of Rain Friday/Saturday. If this storm misses the strawberry growing areas we should be back into great quality strawberries with building volumes next week.

Raspberries: Supplies are increasing each week with a slightly weaker market. Quality is good.

Blackberries: Good supplies and light demand is causing a weak market. Quality is being reported as fair to good.

Blueberries: Florida growers are done for the season. Supplies are moving north to Georgia and North Carolina and are building each week with a slightly weaker market. Most shippers are packing Pints. Quality is good. California supplies are building each week. The main packs are 6oz and pints

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady. Expect supplies to be better starting on Wednesday through the end of the week on bunched product. Supplies will

be better on crowns also. Mexico supplies will be moderate throughout the week. The Quality has been fair with branchiness and small crown size in the broccoli crowns. The temperatures in the growing areas have increased significantly. The quality is likely to improve later in the week.

CARROTS *Tim Kelley*

California carrots are coming out of Bakersfield 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*

The cauliflower market continues to be softer. Some suppliers continue to have better availability and this has caused variations among the different growers in respect to pricing. The weather has been much warmer than in previous weeks, and this has caused for stronger production numbers with this crop. The unusual plantings amongst the growers will keep this market going up and down throughout the season.

CELERY *Gabe Romero/Mike Pacheco*

This market is stable on small sizes, 36s and smaller. Larger sizing continues to be the best deal on this commodity, 24s in particular. Expect to see some seeder in most packs. Other than that, the overall quality has been very nice with good weights. Salinas's production is expected to begin in the month of June.

CITRUS *Tim Kelley*

Lemons: Demand is steadily increasing each week, 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 Valencia's being packed the help fill the shortages on the small sizes of navels. Shippers are now packing Valencia's on a regular basis. Valencia quality is good, with early brix levels in the 9 to 12 range.

Commodity Updates continued

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is good. Expect steady supplies to mid June. Baja growers expect good production through the month and into June.

Eastern Cucumbers: *Janine Baird*

Georgia is into good volume on cucumbers now and the demand is sufficient enough to hold the prices where they are. Quality has been good and the market should remain steady through the end of the week.

GRAPES *Amy Grolnick*

Mexican perlettes are going strong loading in Nogales with good volume on all sizes. The market is continuing to come off. California Sugarones are still limited the market has come off a bit but still high. Chilean Crimsons are cleaned up for the season. Mexican flames are plentiful and the market is dropping the quality is excellent. The California flames are going with good volume the market is coming of these as well.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

There is nothing new on this commodity to report. Production is steady out of the Mexico region. Pencil sizing continues to have the best availability followed by mediums. The issues of yellowing are still showing up upon arrival with some lots. Supplies are good on iceless product if there is a need.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market continues to be steady with good supplies and competitive pricing. Green leaf continues to have light availability to start the week. The warm temperatures, mixed in with the rain have made this commodity vulnerable to mildew and tip burn. Many growers have also planted less green leaf compared to romaine. 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 firm to start the week. Suppliers are consistent in reporting light to moderate production for this commodity throughout the week. This market could get active with any kind of push. Warm weather and rains has

caused for irregular growth patterns. Mildew and burn are going to be seen randomly. Suppliers are cleaning up product as best they can, but expect some defects upon arrival. Other quality issues include pink ribbing, discoloration, and mechanical damage.

MELONS *Amy Grolnick*

Cantaloupe: The cold weather in the desert is keeping the cantaloupe sugars low so harvest continues to be pushed and melons are peaking to 9's. Most shippers are limited this week. Mexico is finishing up with limited availability this week out of Nogales.

Honeydew: The weather has definitely affected the honeydew harvest as well. California Brawley product is very limited with Arizona just getting started. Nogales Mexican dewes will be available for at least another week with limited availability.

ONIONS *John Tole*

The Texas valley has finished for the season. The Wintergarden district of Texas is still packing a few yellows, whites, and reds but supplies are light and pricing is steady. The quality has been average to very good on all colors. Vidalia, Georgia continues packing and has a fairly even size-distribution between colossals, jumbos, and mediums with good quality. California's Imperial Valley continues packing all colors but the volume is lower as this is their last week of packing. The desert prices are steady to lower on all colors since they are looking to clean up. Most of the California desert shippers will finish by the end of this week or beginning of the next. The quality is good on all colors and the size is mostly large. California's San Joaquin valley has begun packing all colors in a light way. There will be more volume on all colors by the end of the week. The central California onions are heavier to medium and jumbo sizes in all colors. The prices are a little high but this is their first day of packing. New Mexico is running all colors and is down slightly on whites and reds while yellows are steady. They had a lot of medium and prepack yellows to start but the size profile is a little larger now. Expect prices to adjust downward by the end of the week as more shippers start packing in both California and New Mexico.

Commodity Updates continued

POTATOES *John Tole*

The Idaho potatoes continue to peak on 100/120's. Larger counts are still premium-priced and will remain so for the balance of the storage season. The market for all counts is steady along with demand. Most packers are still asking for 2-3 days lead-time for big orders of the larger counts. Idaho quality is still mostly good but internal black-spot has surfaced in a few lots. The Washington market is steady but strong on all counts since Idaho is so limited on the larger counts. They continue to peak on 70/ 80's and still have excellent quality but are limited on the smaller sizes and consumer bags. Washington expects to have storage product available through June. Wisconsin is steady on all sizes but supplies are limited as they are almost finished. Colorado is still steady but strong on the larger counts and they will continue to follow Idaho upward. Their quality is mostly good. They will have storage product into late July or longer. New crop russets are expected to start in California the second week of June, however the number of planted acres is down and they have also been delayed by the colder than normal temperatures. A few reds and golds remain in Idaho but the supplies are light. California shippers are still packing all colors and have good availability from Bakersfield and good quality on all colors. Arizona is also packing reds and golds and their reds have a deep, dark color. Florida continues packing reds, yukons, and whites, and has good volume esp. on reds.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is becoming sporadic as they finish up for the season over the next 10 day. Both Baja and Fresno are still experiencing lighter production due to cooler weather.

Eastern Squash: *Janine Baird*

Squash is readily available in several southeastern states. Rain in those regions has caused a small jump in this market which should hold through the end of the week.

STONE FRUIT *Amy Grolnick*

Domestic Peaches, Nectarines and Apricots are going with good volume and still peaking to

the smaller sizes. Tree ripe or preconditioned Peaches and Nectarines are now available. Product is starting to size up. Domestic plums have started in a light way. Quality on all products is excellent. Cherries are going strong with both Tulare and Brook varieties there is good promotable volume. Bings should start up this week.

TOMATOES *Ryan Frayo*

Eastern: Florida continues to run with pricing at the bottom of the spectrum and there continues to be a big upswing in production with just about all shippers coming in with plenty of volume and more behind it. There is a lack of cherry tomatoes. The other eastern states are also getting close to kicking off their season and will continue to keep volume and production high and fobs relatively low. This is a dramatic change compared to the winter we just went through. Shippers are looking for business and are very aggressive with pricing. We can expect pricing to stay moderately low through June. Reports of quality are good as shippers have cleaned up the earlier problem fruit. The weather has been good with some light showers in the north that did not disrupt production or quality.

Western: Supplies out of San Diego are low but production continues to increase weekly. Shippers continue to crown pick and sizing is big with little to no tomatoes under a 5x5 size. Shippers are saying they will slowly continue to increase production this week and improving considerably the following week. Nogales is down on pricing with their clean up deals in the minimum range. 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. We are now seeing just about all #1 fruit finish up with the exception of a couple of shippers who will ship #1 fruit to the end of June (quality permitting). Weather has been favorable in Baja with no major issues. California just a bit back due to cooler than normal temps and should get started the week of the 14th of June.

WATERMELON *Amy Grolnick*

Supplies are falling off on both seeded and seedless watermelon out of Mexico. Quality

Commodity Updates continued

remains good. Domestic fruit has started in a light way with more volume coming on next week.

VALUE ADDED *Gabe Romero/Mike Pacheco*
With lettuce having moderate availability, expect processors to continue buying large lots of this product, keeping the carton business active throughout the week. The steady supplies of romaine will help processors stay ahead of orders. Availability is good. There continues to be issues upon arrival of brown to red discoloration on romaine and lettuce items. Product quality has been up and down, mainly on lettuce. The quality issues are all related to past rains in the growing regions.