



THINGS YOU SHOULD KNOW:

Bartlett pears are finished for the season

Preconditioned tree fruit is now available.



The Source

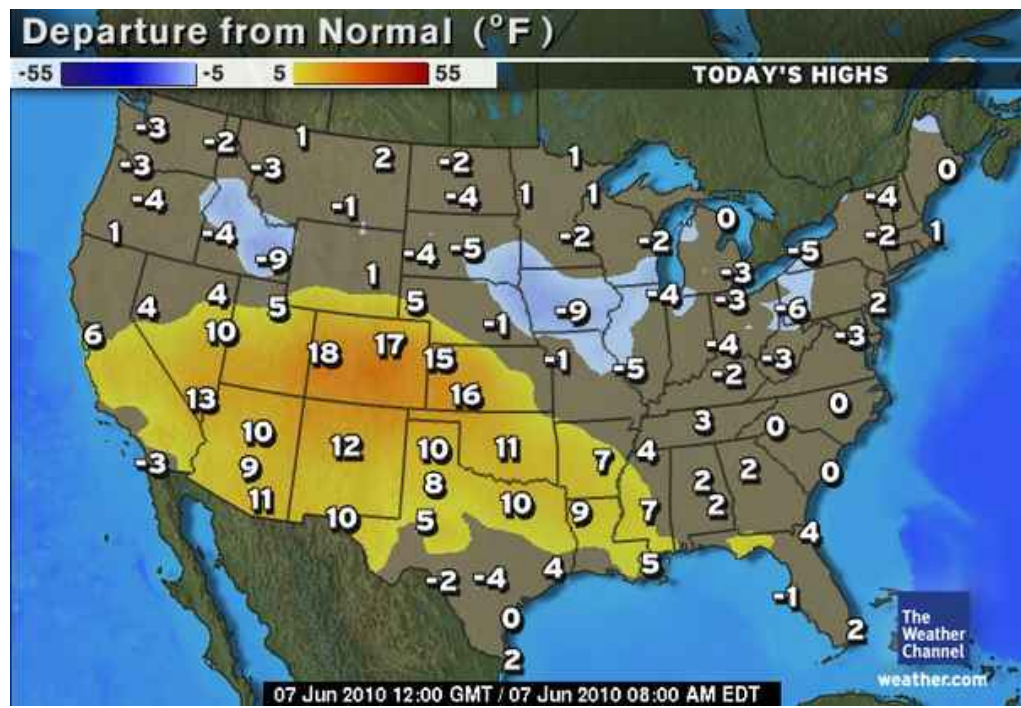
June 7, 2010

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Weather: *Tim Lynch*

The Central Coast is forecast to receive a fairly typical late spring weather pattern as the jet stream pushes most disturbances well to the North. 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 this spring. Mid range forecasts show a warming trend late this week into next week as high pressure remains in control.

In the Southeast humid conditions will bring chance of showers and thunderstorms 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. Crude oil prices are currently at \$71.41. The diesel price for this week is down .034 cents to \$2.946. This is the 6th consecutive week we have seen fuel drop.

Commodity Updates

APPLES/PEARS *John Tole*

Washington remains heavy to large count premium grade red delicious, golden delicious, and granny-smiths while the smaller counts and lower grades remain short. The markets on all three varieties are mostly steady but strong although there are occasional deals esp. on 48, 56, and 64 size fruit. The foodservice sizes and grades remain very limited in all varieties and will also get even tighter as the eastern apples finish. Braeburns, Galas, Fuji's, and Pink Lady varieties are left although the Pink Lady and Braeburn supplies are extremely limited. Cameos, Jonagolds, Honeycrisp, and Romes are done. D'anjou pear supplies are dwindling and the market is strong as we near the end of the season. Most shippers only have large size US#1 grade fruit left. The quality has been good. Expect domestic fruit prices to continue to climb until the season is over. New crop California Bartlett and red Bartlett's will be available in July.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market is steady. 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. Also new crop Mexico asparagus has started as well.

AVOCADO *Tim Kelley*

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

Mexican Fruit: Growers continue at a slower pace as their season is nearing the end of this year's crop.

California Fruit: Growers are harvesting good supplies, and demand is very good. Most of the California fruit is still small, but with the weather warming up, the size is coming.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Mexico supplies are very limited as their season comes to the end this week. The California desert is past their peak and will finish up by next week. Demand is very good. Bakersfield looks to begin mid June. The California desert crop for colored bells is going with good supplies.

Commodities at a glance...

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

Commodity Updates *continued*

Eastern Bells: *Janine Baird*

Georgia is going strong now on pepper and the market continues to soften. Many shippers are trying to keep the market up to take advantage of the short season, but there are deals to be found. Quality has been good but may suffer a bit in the coming days as a result of heavy rains and strong winds that occurred over the weekend.

BERRIES *Mike Gorczyca*

Strawberries: Demand is light the start of this week with building supplies do to the nice warm weather California has been receiving the last 5 days. Quality is best out of the Salinas and Watsonville growing areas at this time. Market is starting to weaken. Strawberries are being harvested in Santa Maria, Salinas and Watsonville at this time.

Raspberries: Supplies are close to peaking this week with a slightly weaker market. Quality is very nice.

Blackberries: Supplies are switching from Mexico to California this week. Most of the Mexican supplies will stop crossing as this week moves on due to low fobs and quality starting to go down hill. California supplies are slowly building with good quality. Market has been weak but look for it to firm up over the next week.

Blueberries: Georgia and Mississippi blueberry supplies are limited the start of this week due to all the rain that they have been getting the last few days. Once weather clears up supplies will get back on track for shipping. New Jersey growers will start to break ground in a very light way this week. Market is slightly firmer on the east coast due to the weather. Florida growers are done for the season. California supplies continue to build with a weaker market. The main pack size on both coasts is Pints with a few 6oz being packed.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady. Expect supplies to be good for the rest of the week. Good weather in all growing regions has brought on more supplies. 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 will be nice this week.

CARROTS *Tim Kelley*

California carrots 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 is steady. 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 lower with better supplies of all sizes of celery. There have been some seeder in a few lots. 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: Supplies are good. Demand continues to improve as we get into summer time usages. Quality is very good.

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

Oranges: Demand for late Navels continues to be strong and pricing has firmed up. Valencia's are in good supplies. Valencia quality is good and eating well.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is good. Expect steady supplies to mid June. Baja growers are lighter in production this week with very good demand.

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 still available but several shippers are switching over to Sugarones.

Commodity Updates continued

California Sugarones are in better supply but prices are remaining at a higher level with less volume coming out of the Coachella area. Chilean Crimsons are cleaned up for the season but Chilean Red Globes are still available. Mexican flames are plentiful and the market has leveled off sizing is to the large spec. The California flames are going with good volume the market has come off slightly from last week on 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. 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 still firm to start the week. Suppliers are consistent in reporting light to moderate production for this commodity throughout the week. This market on the other hand has remained steady at current price levels. 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: Mexico has cleaned up for the season and desert melons are in full swing. The sizing is still peaking to 9's for most shippers and sugar levels are very good. There is availability in Arizona as well as the Brawley area of California.

Honeydew: Mexico is still going strong with good quality and good supplies crossing into Nogales. California and Arizona are just starting with their dews. Quality is good and the market is down.

ONIONS *John Tole*

The San Joaquin valley of California and New Mexico are two main areas for onions now. Both areas started last week in a light way but will start to increase production of all colors this week. They both have also had smaller yellows than they'd like but will begin to get more of the larger sizes as the week goes on. Today there are ample supplies of prepacks and mediums in both states. The jumbos have been of average size or smaller in both areas so far. California is forecast to have hot, dry weather this week so the packing outlook is good and will help the onion size-up. New Mexico is forecast for hot, dry weather early but they can get monsoon-type storms anytime. Texas still has a few yellows and reds and they are mostly large. The California desert and is finished packing.

POTATOES *John Tole*

Small counts are still the peak in Idaho. Larger counts are still premium-priced and will remain so for the balance of the storage season. The market for all counts is steady although the larger sizes are starting to creep up. Most packers are still asking for 2-3 days lead-time for large orders of the bigger sizes. The quality in Idaho has been mostly good but internal black-spot has surfaced in a few lots. Washington is steady but strong on all counts. They are following Idaho up 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. Colorado remains steady but strong on the larger counts and will continue to follow Idaho upward. Their quality is mostly good. They predict having storage product into late July or longer. Wisconsin is steady on all sizes but supplies are very limited as they are almost finished. New crop russets are expected to start in California next week. 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

Commodity Updates continued

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 sporadic as they finish up for the season over the next 10 day. Both Baja and Fresno are still light to start the week, but with the currant warm weather, look for better production by the weekend.

Eastern Squash: *Janine Baird*

The squash market is holding steady with availability from Mississippi up to New Jersey. Strong demand and last weekend's heavy rains in South Georgia should keep the market from dropping for the rest of the week.

STONE FRUIT *Amy Grolnick*

Domestic Peaches, Nectarines and Apricots are going with good volume. Product is starting to size up and the quality is excellent. Tree ripe or preconditioned Peaches and Nectarines are now available with plums just getting going this week. Cherries are going strong with both Tulare and Brook varieties cleaning up and Bings starting. Rainier's are available out of California with very limited volume and sizes.

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 continues to be a lack of cherry tomatoes. The other eastern states are beginning to start scratching around. South Carolina is kicking off their season with gape and round tomatoes and will continue increase as we progress through this and into next week. With the other eastern growing areas getting up to speed this is going to keep volume and production high, with 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 continue to be inconsistent, but production continues to increase weekly. Shippers slowly coming out of their crown picking and we are starting to see small quantities of smaller sizing, although there continues to be more of an abundance of 4x5 and larger. Shippers are saying they will slowly continue to increase production this week and improving considerably the following week. 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. Nogales is all but finished with a handful of shippers selling only #2 fruit and one more shipper that will continue through June selling hot house fruit, which still has great quality.

WATERMELON *Amy Grolnick*

Supplies are falling off on both seeded and seedless watermelon out of Mexico. Quality remains good. Domestic fruit is going strong with very good quality.

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.