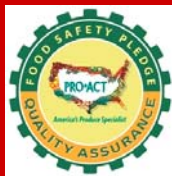




THINGS YOU SHOULD KNOW:



No Commodity Alerts at this time



The Source

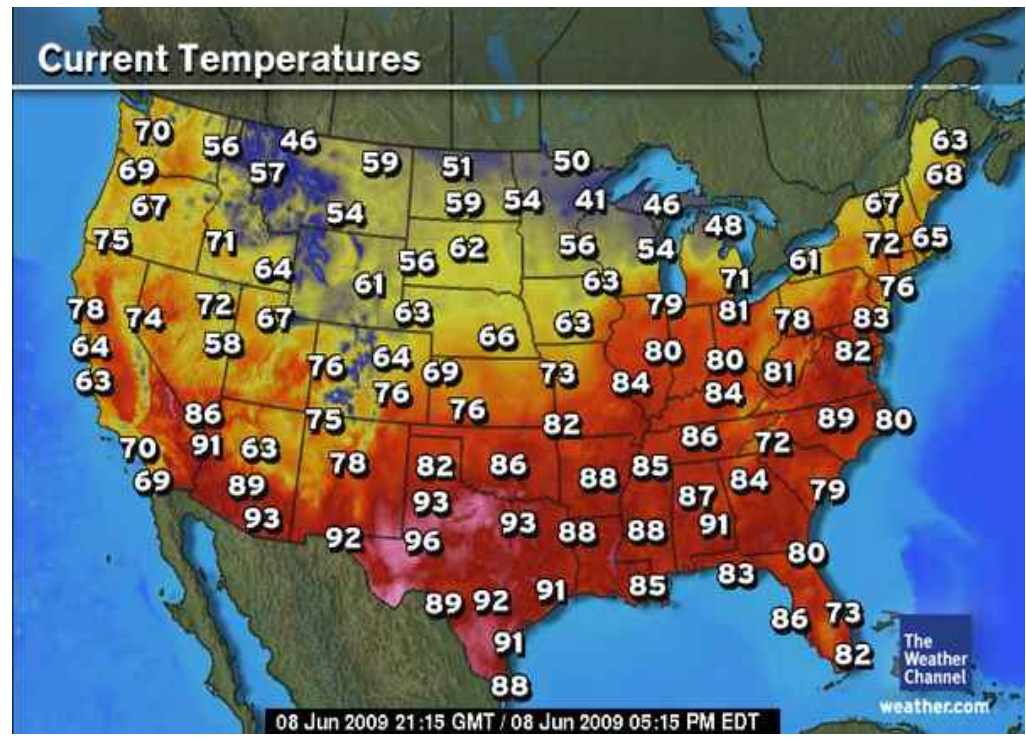
June 8, 2009

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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 couple of small low pressure systems off the Central California coast will bring a slight chance of isolated showers to the region through at least Friday as these systems slowly move to the east through the week.

In the southeast a chance of a few thunderstorms are forecast throughout the region this week. This is a welcome relief from the heavy rains over the past few weeks. Temperatures in the upper 80s to mid 90s look to be the norm through the week.



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 \$68.28. The National Average on diesel has gone up .15 this week and is currently at \$2.498 per gallon.

Commodity Updates

APPLES/PEARS

Small sized Red Delicious will remain tight for the remainder of the season. 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 is steady to start the week. California production should end approximately the end of June. Washington production will finish in approximately 3 weeks. California production is moderate on most sizes. Product out of Peru continues to be available on the East Coast.

AVOCADO

Mexican fruit: Mexico is 95% shipped for this year's crop. The off-blooms will begin in a few weeks, but volume will be light. No increase in volume will come until new crop begins sometime in late August. Supplies will be short until that time.

California Fruit: California growers are packing good volume, but still lighter than years past. Growers are trying to make their crop last until new crop Chilean and Mexican begins in August. Until then, it looks like a demand exceeds supply situation.

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 has started this week. Demand remains good. Red and

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

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

Eastern Bells: Florida is now finished with pepper and Georgia is going strong. Recent heavy rains have delayed the picking but as the weather dries up in the coming days, good volume is expected. Quality will be fair for the next several days.

BERRIES

Strawberries: California production continues this week a bit sluggish due inconsistent weather. 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). There is a great volume of orders against what fruit is out there. Most shippers had walked in sold out this morning.

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.

Blackberries: Blackberry production for the most part is finished in Mexico, and we can expect all Mexican products to clean up within the next week, although there are some clean up loads still popping in. 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 are now producing good volume and seem to be out of the problems that were related to the past rain.

BROCCOLI

This market continues to be steady to begin the week. Demand overall is on the light side. The quality out of the Salinas valley and Santa Maria growing regions continue to be good. Supplies will be ample to fill all orders throughout the 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.

CAULIFLOWER

Supplies are fairly light but demand is even lighter. Large sizing still has a little sharper pricing, 9s in particular. 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 softer to start the week. Salinas's production has started up lightly in production and supplies should be better next week. Overall, Oxnard has ample supplies to fill all orders. The seeder issue is stronger in Oxnard compared to Santa Maria.

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 beginning to increase this week. Sizes are showing some growth now, and we will start to see more 110's and 150's and less of the smaller sizes.

Oranges: Late navel varieties will continue into next week. Valencia production is good. Quality is very good, with sizes running 88's, 113's, and 138's.

CUCUMBERS

Western Cucumber: Baja is past their peak and supplies will be light as we move through the week. California continues to increase their production and is looking at good volume.

Commodity Updates continued

Eastern Cucumbers: Cucumbers are in good supply in Georgia and the quality continues to improve. With Eastern supplies increasing as North Carolina and Tennessee get started, the cucumber market should continue on a downward trend.

GRAPES

Flame red seedless grapes remain in a demand exceeds supply situation from both Mexico and Coachella. Recent rains in Mexico have severely shortened the crop there and they are still fighting with light color and the fruit not coloring up before maturity. They are down in total estimated quantities already by over 1 million boxes to date. Nogales crossings look to remain limited for the duration of the Mexico crop. Coachella also remains short and is still fighting light color from the field. Temperatures have been cooler than normal, but for the duration that they are cooler, it is now slowing production as well. Demand pressure in Coachella has also increased significantly as a result of the Mexico crop shortages. These conditions along with the currently strong demand will keep the market strong for what looks like the entire month of June. Green seedless grapes are shipping as Sugarone from Coachella and Nogales.

GREEN ONIONS

There is no change in this market. Supplies continue to be good 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

This market is stable on all leaf items. Fringe burn is being seen with all suppliers on romaine at harvesting time. Some suppliers are worse off than others, but it is out there. All other leaf items remain steady. There has been much less complaints on defects like insects damage.

LETTUCE

This market continues to be steady. Expect lettuce to be moderate in availability throughout

the week. The Salinas valley has had better weather this past weekend and production numbers may increase slightly. Mildew damage always is an issue when the weather goes from fog to heat. This change in weather waits to be seen on how it will affect the lettuce crop. The weights for palletized lettuce continue to be reported at 45-47#s.

MELONS

Cantaloupes: Cantaloupe supplies remain low and temperatures have been cooler than normal for the past 3-4 days. Supplies remain significantly lower than normal and both CA and AZ desert growers are struggling to get enough supplies to meet current demand. Fruit sizing is all large (9 and JBO 9ct)* and supply shortages remain in both major growing areas. 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 due to low production yields. Cantaloupes will remain tight for at least the next 5-7 days, until growers can get into new fields that are producing better quantities of fruit.

Honeydews: The market remains steady on Honeydews with Arizona, Mexico, and CA still going with good production. The CA/AZ desert growing areas remain consistent with production and sizing and they still have not had any increase in demand to change the market.

ONIONS

The market has tightened on yellow onions. Huron availability is very limited due to a combination of rain and colder weather. Texas and Imperial Valley California have finished up for the season. New Mexico has good availability but no deals out there. 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

Commodity Updates continued

are still available out of Wisconsin. California new crop colored potatoes available with very good quality. New crop California Russets have started in a light way with better availability next week. Northern and Southern Florida now with availability on new crop colored potatoes.

SQUASH

Western Squash: Mainland Mexico is just about done for the season. The Fresno area of California has decent production this week on Italian, and yellow is going with decent supplies as well. Santa Maria has started and will see increasing supplies moving into next week.

Eastern Squash: Squash is now readily available as far north as Virginia and volume and quality out of South Georgia are improving. Demand will stay strong for the next few days but the increased availability throughout the east will bring the market down throughout the week.

STONE FRUIT

Cooler weekend temperatures and some recent thunderstorm activity has slowed production on the CA tree fruit deal. Yellow/White Peaches, Yellow/White Nectarines, Apricots, Pluots, Plums are available in good supply. There is high colored good eating tree fruit available and FOB prices continue to come adjust. Cherry production is winding down quickly in CA, and Washington State is getting ready to fire up! Quality is still very good and even with the recent rains, the tree fruit deal should continue going strong. Get ready for an excellent Washington Cherry season!!

TOMATOES

Western: Mexican production from Nogales is finished. There are some spot clean up deals out there, but far and few between and finishing. 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 second week of June if they harvest.

Eastern: The tomato market (all tomatoes) is going to be a great deal higher this week compared to last. Central Florida is finishing up due to past wet weather. North Florida will start next week with very light production. Quality is only average, there is a lot of damage to the fruit. The shippers are grading extra hard however there are still some shoulder problems and rain check. Food service will be very limited.

WATERMELONS

Watermelon supplies are very good for the CA/AZ desert production and Mexico has also ramped up production giving way to lower market conditions and much better availability in both the seeded and seedless fruit. Demand remains only moderate on watermelons and Watermelon quality is very good from the Yuma, AZ and CA desert growing areas.

VALUE ADDED

Processors will likely be dealing with fringe burn issues on romaine. Some light bruising has also been reported on chopped romaine. Complaints have been minimal on green onions. The warmer weather we had last weekend could create quality issues in lettuce, mainly mildew issues.

