



The Source

June 21, 2010

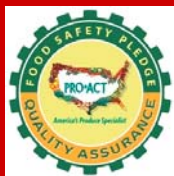
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THINGS YOU SHOULD KNOW:

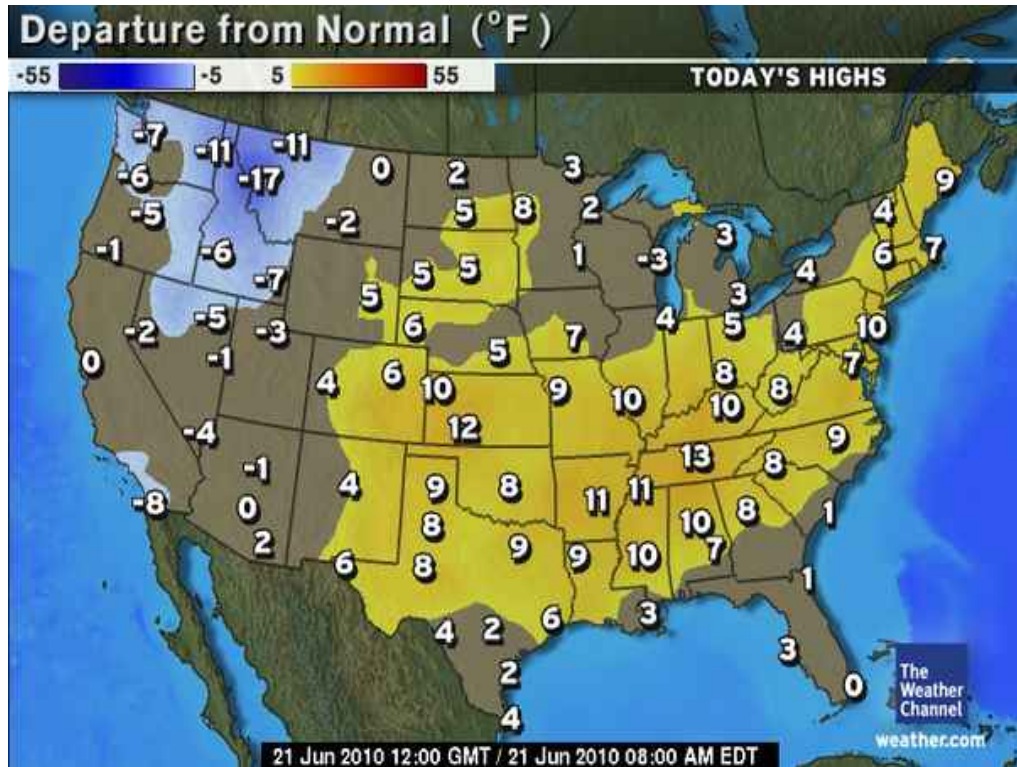
Bartlett pears are finished for the season

Preconditioned tree fruit is now available.



Weather: *Tim Lynch*

California's Central Coast is forecast to receive a fairly typical summer time weather pattern this week. 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. Mid range forecasts show a slight warming trend late this week into next 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 \$77.70. The diesel price for this week is up .033 cents to \$2.961. This is the 6th consecutive week we have seen fuel drop.

Commodity Updates

APPLES/PEARS *John Tole*

Washington reds, golds, and Granny-Smiths are still mostly large and heavy to the higher grades. The smaller sizes and lower grades fruit are still short in all varieties and will remain so for the balance of the season. Prices for all three varieties are mostly steady but deals remain on the larger sizes. Gala's and Fuji's are the only two varieties left and the Galas are very limited. Washington D'Anjou pear supplies are lower again and prices are higher. Most shippers only have large size US#1 grade fruit left and expect to have supplies for the next week. The quality has been good. Expect domestic pear prices to continue to climb until the end of the season. New-crop green and Red Bartlett pears will be available in late July from California.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market continues to be steady on all sizes except jumbos. This particular sizing is light out of Mexico and Peru and demands a higher price. California production is just about finished with all asparagus. Peruvian product is still available on the East and West Coast. Mexican product is more readily available. The quality is strong from all the growing regions.

AVOCADO *Tim Kelley*

California harvest continues at a good steady pace. Mexico has entered into their light summer production.

California Fruit: Growers continue to harvest good supplies, and demand continues very strong. California fruit is starting to gain some size with the warming weather.

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

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

The California desert is finished, there will be a hand full of clean up picks this week, but it will be done. Bakersfield harvest is limited in volume as growers are cleaning crown pick and peaking on extra large and jumbo size. Volume will still be 10 days out. The California desert crop for colored bells is going with good supplies of red, but some growers are starting to finish, so tighter supplies are coming. Yellow bells are tight as supplies begin to drop.

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)	Good	Higher
Berries: Strawberries	Good	Higher
Berries: Raspberries	Good	Higher
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Steady
Broccoli	Good	Steady
Carrots	Good	Steady
Cauliflower	Good	Steady
Celery	Good	Stronger
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Fair	Higher
Grapes	Excellent	Steady
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Fair	Lower
Melons: Cantaloupe	Good	Lower
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Excellent	Higher
Potatoes	Good	Steady
Squash (Western)	Good	Higher
Squash (Eastern)	Good	Lower
Stone Fruit	Excellent	Lower
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Steady
Watermelon	Good	Steady

Commodity Updates *continued*

Eastern Bells: *Janine Baird*

Georgia is heading into limited supply of peppers. Since they are currently just about the only real volume region in the southeast and the West is in short supply we will see a continued upward trend in the pepper market. Small areas in Tennessee and the Carolinas will pop up with pepper in the next week or two but until Michigan and Ohio are ready in August, pepper will continue to be a struggle and quality will fluctuate.

BERRIES *Mike Gorczyca*

Strawberries: Good demand the start of this week with lighter supplies is causing a firmer market. Cool weather over the weekend which is slowing down harvest numbers and good demand for the 4th of July pull starting this week is the main reason for pricing increasing. Quality is good with a few fair lots. Supplies are still be harvested out of Santa Maria, Salinas and Watsonville. Some of the growers in Santa Maria have switch there fields to the freezer market due to the weak market conditions. Quality is best out of the Salinas and Watsonville growing areas at this time.

Raspberries: Demand is steady with moderate supplies. Market has firmed slightly. Quality is good.

Blackberries: California supplies are coming out of Oxnard, Delano and Watsonville. Demand is light with building supplies. Market is steady.

Blueberries: Supplies are moderate out of both the East and West coasts. Quality is good with a steady market. New Jersey growers have started with increasing supplies. The main pack size on both coasts is pints with a few 6oz being packed.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is stable, however expect pricing to be stronger in the latter part of the week. Good weather continues to exist in all growing regions. Some suppliers are experiencing gaps in production on both bunched product as well as crowns. Mexico supplies will be moderate throughout the week. The quality is expected to be strong throughout the week in all of the growing areas.

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 to start the week. Early forecasts indicate this commodity will be tighter in availability later in the week. Pricing will be stronger. Some suppliers continue to have better availability and this has caused variations among the different growers in respect to pricing. Planting gaps are in the forecast with this commodity. Santa Maria and Salinas are the two big growing regions at this time.

CELERY *Gabe Romero/Mike Pacheco*

This market is getting stronger. Oxnard will be finished by the end of June and Salinas will be the main growing area of production. Overall, the quality has been nice with good weights. The best availability in sizing continues to be in the 24 count. All sizes have started out the week stronger compared to previous weeks.

CITRUS *Tim Kelley*

Lemons: Supplies are good. Demand is very good. The market is beginning to firm on 140's and larger. Quality is very good.

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

Oranges: Demand for late Navels are slow as more users switch into Valencia's. Valencia's are in good supplies. Valencia quality is good and eating well.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is dropping in volume as they are ending their season. There will be limited production through the month. Baja production has slowed as some cooler weather is holding production back. Demand is very good.

Eastern Cucumbers: *Janine Baird*

Georgia is all but done with cucumbers now and the quality out of those regions is questionable. Farther to the north, there is better quality but not the volume to satisfy the demand. The market will be two tiered for the next couple of weeks as growing regions pop up and die down quickly. Michigan/Ohio will be into volume in another 2-3 weeks which should even everything out.

Commodity Updates *continued*

GRAPES *Amy Grolnick*

Nogales, Arizona Mexican fruit and Coachella, California with domestic fruit have product available on both red and green seedless grapes. The reds are flame seedless and are available with good volume. The greens are primarily Sugarones now and the fruit is very nice. Black seedless are also available in both areas. The Chilean red Globe seeded grapes are still available in a very light way. Over the next few weeks the green seedless may become more limited so look for that market to strengthen.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market has not changed. Production is steady out of the Mexico region. Pencil sizing continues to have the best availability followed by mediums. There have been less issues of yellowing compared to past weeks. 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. Green leaf is down as suppliers look to move volume at discounted pricing. Some mildew and tip burn are still seen upon arrival sporadically. Warm afternoon temperatures, mixed in with foggy, misty mornings have made this commodity vulnerable to mildew and tip burn. Red discoloration will be seen in certain lots. Most shippers are dealing with this, currently.

LETTUCE *Gabe Romero/Mike Pacheco*

This market has come off slightly. The availability will continue to vary amongst all the suppliers and this will create a pricing gap of two to three dollars. Suppliers have indicated that production numbers are better compared to previous weeks, however only moderately. Warm weather and foggy mornings 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 getting more volume and peaking to 5 and 6ct. Quality is good and the market is steady to lower.

ONIONS *John Tole*

California and New Mexico continue packing yellow, red, and white onions. The availability is generally lower in California especially, on mediums and pre-packs, because cooler than desired temperatures have delayed their maturity. There are plenty of onions in the field they just aren't quite ready for packing so expect changes soon. This week is forecast for warmer weather which will help. New Mexico has better availability on jumbo and larger yellows. The red market is steady in New Mexico and lower in California due to supplies. Whites are lower in both areas due to light demand. The quality has been good in both areas and the size has been large on yellows and reds, while the whites are smaller and producing more mediums.

POTATOES *John Tole*

Idaho remains heavier to smaller counts while it is lighter on the larger, but light demand has pushed the market down on all sizes. The larger counts are still premium-priced and will remain so for the balance of the season. Most shippers are still requesting 2-3 days lead-time for large orders of the larger counts. The quality in Idaho has been mostly good but internal black-spot and peeper-sprouts have surfaced in some lots. Washington is steady on all counts as they are almost finished packing for the season. They continue to peak on 70/80's and still have excellent quality but are limited on the smaller sizes. Colorado is also steady on the all counts but also looking for business due to the lack of demand. Their quality remains mostly good and they expect to be shipping into late July or longer. Wisconsin is still packing but they are very limited and are almost finished. A couple shippers are packing new crop russets in California now. The size profile is heavier to 80/90's and the quality has been good. California and Arizona shippers continue packing colored potatoes and have

Commodity Updates continued

good availability and good quality on all colors. Florida continues to pack a few reds and yukons and has good quality still but has limited supplies as they will only pack until the end of June. Alabama and North Carolina will begin packing new-crop colored potatoes in late June or early July.

SQUASH

Western Squash: *Tim Kelley*

Mainland Mexico has finished for the season. Baja has slowed due to cooler weather. Fresno has good production, but will move into their mid summer gap in 2 weeks and Santa Maria is going on Italian and will pick up volume over the next 2 weeks, and yellow is starting this week with light production.

Eastern Squash:

Michigan and Ohio are working squash this week. All other states to the south are still into squash but the market is all over the place, depending on where it is loading. Quality is better the farther North you go and by the beginning of next week, Georgia will no longer be an option and the market should even out.

STONE FRUIT *Amy Grolnick*

Domestic peaches and nectarines are going strong with good volume. Product is starting to size up and the quality is excellent. Tree ripe or preconditioned peaches, nectarines and plums are now available. Apricots are limited but still available for loading out of California. Look for California red cherries to completely clean up for the season this week. Rainier's are available out of California with very limited volume and sizes. Washington is going this week with better availability.

TOMATOES *Ryan Frayo*

Eastern: The east coast producing areas continues to run with pricing at the bottom of the spectrum on all sizes. There continues to be less of the smaller sizes, yet pricing has not increased. Cherry tomato production is picking up with more availability and lower fob than weeks previous.. The other eastern states continue to increase production. South Carolina, Tennessee, Arkansas, are some of the growing areas picking up speed with grape and round tomatoes and will continue increase

as we progress through this and into next week. The other north east producing states are soon to start going around July. With the other eastern growing areas getting up to speed this is going to keep volume and production high, with fobs relatively low. 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 increasing with more smaller sized fruit than last week. . Shippers slowly coming out of their crown picking and we are starting to see better quantities of smaller sizing, although there still continues to be more of an abundance of 4x5 and larger. Weather has been favorable in Baja with no major issues. California is going strong production and plenty of good quality fruit behind it. The current fob at the bottom of the scale reflects the strong production.

WATERMELON *Amy Grolnick*

Domestic fruit is going strong with very good quality. Prices are steady.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Although supplies are moderately better on lettuce this week, expect processors to continue to purchase extra acreage. 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. The quality of value added items is expected to be average.