



# The Source

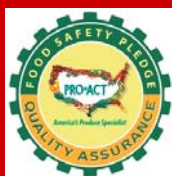
June 22, 2009

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**THINGS YOU SHOULD KNOW:**

**No Commodity Alerts at this time**



## Weather:

Morning low clouds and fog will give way to clear skies this week in the Salinas Valley with temps in the low 70s near the coast and 70s to low 80s inland the front part of the week. High pressure builds mid-week bringing a substantial warm up (5-10 degrees) to the region Thursday into Saturday.

In the southeast partly cloudy skies with a chance of thunderstorms mainly to the south are forecast throughout the region this week. Temperatures in the upper 80s to upper 90s look to be the norm through the week.



## Freight:

Trucks in California are extremely tight due to the lack of freight coming off the East Coast. Washington and Idaho remain steady. Crude oil remains around 70.00 per barrel and is currently at \$67.12. The National Average on diesel continues to rise. This week it is up .044 cents to 2.616 per gallon.

# Commodity Updates

## APPLES/PEARS

Small sized Red Delicious will remain tight for the remainder of the season. Gala apples in the state of Washington are all but done for the season. Demand continues to exceed available supplies and the market remains strong. Retail demand remains strong, especially in 3 and 5# bags. New Zealand is still tight on their Galas as imported fruit, 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 all but finished for the season. Washington Pears will go through the balance of this month with the Anjou and Red Anjou varieties only.

## ASPARAGUS

This market continues to be steady. The jumbo sizes are tight and the prices are still higher compared to the rest of the sizes. California production is light and production should end in approximately three weeks. Most of the California shippers have Mexican asparagus to offer. Washington production is just about finished. Product out of Peru continues to be available on the East Coast.

## AVOCADO

**Mexican fruit:** Mexican crop continues to lighten as the old crop winds down. New crop will begin in July with off-blooms, which will have higher oil content than the true new-crop fruit which will start toward the end of July.

**California Fruit:** California growers continue to pack good volume, but with this years light crop, they are already more than half picked. Growers are trying to make their crop last until new crop Chilean and Mexican begins late July, early August.

## BELL PEPPERS

### **Western Green Bells and Colored Bells:**

The California desert deal is done with most shippers. Bakersfield is the new growing area, which is going with good supplies. Demand remains good. Red and yellow bells from the California desert are in their seasonal decline. Lighter supplies beginning this week.

**Eastern Bells:** Georgia is coming to the end

## Commodities at a glance...

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

## Legend

Quality  
Excellent  
Good  
Fair  
Poor

Market  
Steady  
Higher  
Lower

# Commodity Updates continued

of their pepper deal but Tennessee and North Carolina are starting in a light way. With the limited volume in both regions the pepper market is tightening up. Prices will remain higher throughout the week.

## **BERRIES**

**Strawberries:** Strawberry production is starting the week low as many shippers sold out this morning. The market has been low in all respects and as a result of that shippers are now diverting fruit into freezer, keeping supplies tight. The weather is perfect for strawberries so we may expect another push by mid week, depending on how much fruit goes to freezer.

**Raspberries:** Raspberry production has tightened up as we have past the "peak" production window. There will continue to be moderate to light supplies of Californian fruit, until the North West gets going aprox, June 26<sup>th</sup> give or take a few days.

**Blackberries:** We continue looking at local production as it is slowly 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. We are expecting the north west to get started around June 26<sup>th</sup>.

**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: 6oz, pints and 18oz. The Carolinas and Georgia and New Jersey are producing good volume and seem to be arriving in good condition.

## **BROCCOLI**

This market is steady with demand falling off as last week finished. Supplies are good out of the Salinas and Santa Maria growing regions. Some shippers are offering deals to start the week to move excess volume. The quality overall continues to be good.

## **CARROTS**

California carrots are coming out of the Bakersfield, with good supplies and quality.

## **CAULIFLOWER**

The supplies from most shippers have picked up to start the week. Most shippers are offering deals on 9 count cauliflower. There is little demand to start the week off. 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 steady to start the week. Oxnard production will finish up by the end of June. Salinas production has picked up as well as Santa Maria. The problem of seeder has not been an issue in the harvesting in the Salinas Valley. Quality has been real nice from all growing regions.

## **CITRUS**

**Lemons:** Supplies are projected to be good for July and August. Best availability looks to be on 140's, 165's, and 200's. Summer demand is beginning to pick up with prices firming through the month.

**Limes:** Supplies are a little lighter this week due to storms in Mexican growing area last week. Quality remains very good, with lighter color which is a characteristic of the summer crop.

**Oranges:** Late navel varieties are on final floor counts and should be all shipped by next week. Valencia production is good. Quality is very good, with sizes running 88's, 113's, and 138's.

## **CUCUMBERS**

**Western Cucumber:** Baja looks to have light, but steady production through the month. Fresno, California is going with steady supplies over the next 2 weeks.

**Eastern Cucumbers:** Cucumber quality out of the South Georgia growing regions has been marginal as the season there draws to an end. A better quality cucumber at a considerably higher price is available farther north. There will be two-tiered pricing for the remainder of the week as Georgia suppliers look to clean up.

# Commodity Updates *continued*

## **GRAPES**

Flame red seedless grape availability is better this week with new districts of Mexico now crossing fruit into Nogales. Coachella is still producing fruit, but will only have supplies left over the next 10-14 days. Color and sugar levels have also increased over the last 7 days, but overall crop quantities remain down compared to that of last year. Temperatures have been cooler than normal, but for the remainder of the desert and Mexico deals they should be decent enough for a strong finish. Demand pressure in Coachella still outweighs that of Nogales keeping the market considerably stronger in Coachella. Green seedless grapes are shipping as both Sugarone and Thompson from Coachella/Nogales; there are good supplies and deals available.

## **GREEN ONIONS**

This market continues to be stable. Supplies continue to be good from the Mexican region. This market should remain steady 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.

## **LEAF LETTUCE**

This market is steady with good supplies to start the week. There has been little demand to support the current price increases. As more local leaf deals start around the country, we should see the leaf market from California to remain somewhat stable. Fringe burn is being seen with all suppliers on romaine at harvesting time. There continues to be reports of browning inside the internal parts of the leaf. Some suppliers are worse off than others, but it is out there. There have not been many complaints on the other leaf items up to this point.

## **LETTUCE**

This market is lower with most shippers lowering the prices to move excess volume. Expect lettuce to be on the heavier side this week as most shippers have caught up with their fields. Weather patterns still are not even close to being normal. This week we will see temperatures in the South County reaching mid 90's.

## **MELONS**

**Cantaloupes:** Cantaloupes are in better supply again this week, but sizing is still heavy to the LARGE sizes. With supplies remaining short in the smaller sized fruit, both CA and AZ desert growers continue to struggle for enough supplies to meet current demand. Fruit sizing is mostly all large (JBO 9ct, 9/12ct) and small size shortages remain in both major growing areas. The CA Desert melons (Brawley/El Centro) will only go for another 7-10 days. Arizona desert production continues to be very sporadic and shippers are coming up well short of their estimates especially on the small fruit. Small cantaloupes will remain tight for at least the next 7-10 days, and until shippers can get into new growing areas and temperatures can get hotter.

**Honeydews:** Production of Honeydews in Arizona, Mexico, and CA is still yielding good supplies of fruit. Although that is the case, small sized fruit continues to be light in supply in all areas and the market is stronger on those sizes. Expect more large fruit this week and the market to continue slightly stronger on the smaller sizes.

## **ONIONS**

The market remains extremely limited and demand exceeds supplies in all areas. Our main suppliers will not be packing until Wednesday this week in Huron. New Mexico has felt the pressure with California being so tight. There is some very limited availability out of Washington on new crop over winter yellow onions. It looks to remain very limited all week for loading.

## **POTATOES**

The quality is still good on the Idaho storage crop. Large size potatoes are very limited as shippers get further into their storage product. Shippers have deals available on 100ct and smaller cartons as well as 6oz #2's. New crop California Russets are available but limited pm large sized product, with good quality. Wisconsin is becoming more limited with availability. Colorado has good supplies and quality is still good. Colored storage potatoes are still available out of Wisconsin. California new crop colored potatoes available with very good quality. Northern Florida with availability on new crop colored potatoes; white potatoes are still extremely limited.

# Commodity Updates continued

## SQUASH

**Western Squash:** Baja is coming in with good supplies. The Fresno area of California has good production, and looks to increase through the month. Santa Maria is also into good production.

**Eastern Squash:** Squash is now readily available as far north as New Jersey and Michigan should be in good volume by the beginning of next week. Georgia will be finished by the end of the week – an early end brought on by scorching temperatures in that region. The market will stay steady over the next several days.

## STONE FRUIT

Cooler temperatures continue to hamper production in the CA tree fruit deal. Yellow/White Peaches, Yellow/White Nectarines, Apricots, Pluots, Plums are available in decent supplies, but most all fruit is sizing up very large with the cool weather. There is high colored good eating tree fruit available and FOB prices continue to adjust downward. Cherry production is all but finished in CA, and Washington State is already going strong with both Rainier and multiple red cherry varieties. Quality is excellent to start the Washington State cherry season!

## TOMATOES

**Western:** 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 is not a lot of fruit with color available. Roma tomatoes are very plentiful.

**Eastern:** The tomato market (all tomatoes except romas) continues tight and are a great deal higher this week compared to last. Central Florida is finished 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

Watermelons remain in good from CA/AZ desert production and Mexico has also ramped

up production giving way to steady market conditions and decent availability in both the seeded and seedless fruit this week. 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 and head lettuce. Some light bruising has also been reported on chopped romaine. Broccoli and Cauliflower processors are steady with supplies and availability. Complaints have been minimal on green onions. Shippers continue to stress keeping the cold chain in tact with all processed items. Any temperature abuse will cause a serious drop in shelf life.