



The Source

June 28, 2010

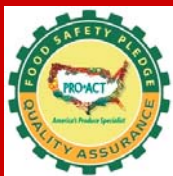
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THINGS YOU SHOULD KNOW:

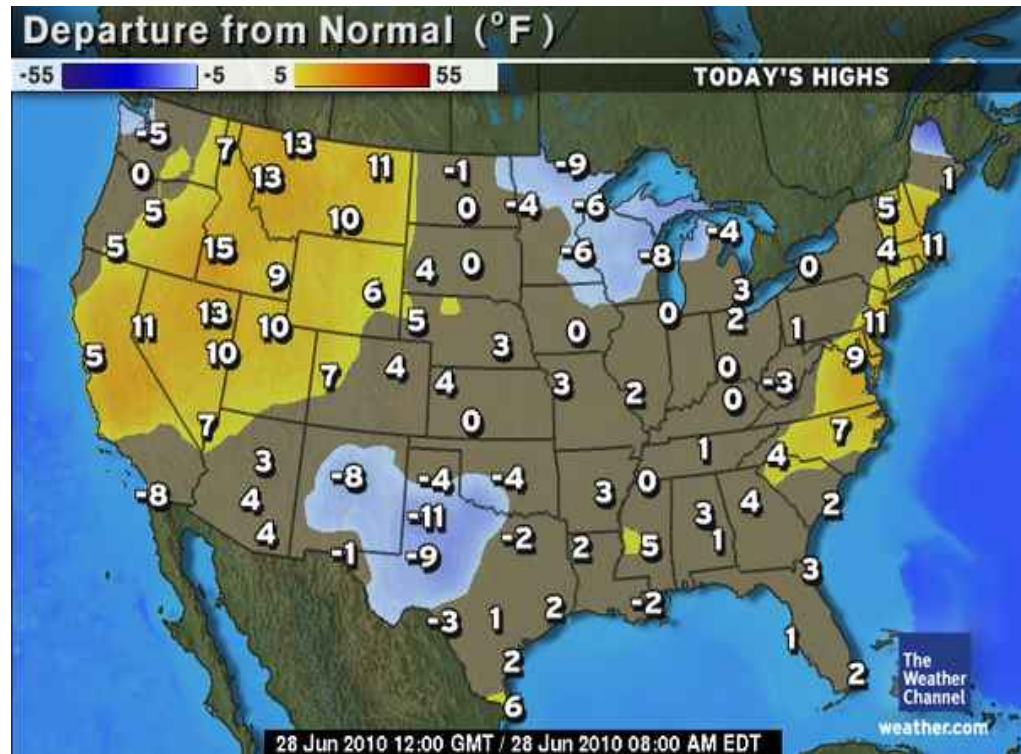
Red and Yellow bell peppers are very tight in supplies until new crop Bakersfield starts the 3rd week of July

Preconditioned tree fruit is now available



Weather: *Tim Lynch*

California's Central Coast is forecast to remain in 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 low 90s in the warmest interior valleys. Mid range forecasts show high pressure building and a slight warming trend late this week into the Holiday weekend.



Freight: *Mike McIntire*

The availability of eastbound trucks in Washington is good, but Idaho and California are extremely tight due to the lack of westbound freight. Crude oil prices are currently at \$78.25. The diesel price for this week remains steady at \$2.956.

Commodity Updates

APPLES/PEARS *John Tole*

Washington is still heavy larger count premium grade reds, golds, and granny-smiths while the smaller counts and lower grades remain in short supply. The markets on all three varieties are mostly steady but there are deals on 56-72 size fruit. Galas & Fuji's are the only two left. D'anjou pear supplies are lighter and the market remains strong as we near the end of the season. Most shippers only have large size US#1 grade fruit left and will have them for another week or two. The quality has been good. Expect prices to continue to climb through the end of the season. New crop California green Bartlett and red Bartlett's will be available in late July.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market continues to be steady on all sizes except jumbos. Jumbos are almost non-existent and extra large is being used to substitute. California is all but finished in production. Peruvian product is still available on the East and West Coast. Product from Mexico is also available. Good quality is reported from suppliers.

AVOCADO *Tim Kelley*

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

California Fruit: Growers continue to harvest good supplies, with 48's being the peak size. Small fruit is getting shorter as fruit is sizing up and retail has been pulling these sizes. Demand will continue very strong as Mexico supplies fall away.

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

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells: Bakersfield harvest on greens continues with light volume. Volume should begin to pick up this week. Picking is still peaking on extra large and jumbo size. The California desert crop for colored bells is dropping as their season is coming to an end and high heat is starting to take a toll on the last on the bells. Some growers will be able to go into July with light volume. Bakersfield crop for colored bells look to start around the second to third week of July.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Excellent	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Higher
Avocado (California)	Good	Steady
Bell Peppers (Western)	Fair	Steady
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	Steady
Citrus: Lemons	Good	Higher
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Steady
Grapes	Excellent	Steady
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupe	Good	Steady
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Excellent	Higher
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Lower
Stone Fruit	Excellent	Lower
Tomatoes (Western)	Good	Higher
Tomatoes (Eastern)	Good	Higher
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: Demand remains very good and lighter supplies have caused the strawberry market to firm up. Many of our strawberry growers have hit their peak production two weeks ago. The cool weather in the strawberry growing regions has caused supplies to tighten up. Quality is still being reported at good with full color fruit and counts in the mid teens. Strawberries are still be harvested out of Santa Maria, Salinas and Watsonville areas. Some of the growers in Santa Maria have switched their fields to the freezer market due to the weak market conditions over the last few weeks.

Raspberries: Demand is good with lighter supplies. Market is firm. Quality is good. The main raspberry growers have hit their peak in production two weeks ago.

Blackberries: California supplies are coming out of Oxnard and Watsonville. Demand is light with building supplies. Quality is fair. 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 northwest looks to start light harvesting this week. The main pack size on both coasts is pints with a few 6oz being packed.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady to start the week. The availability is light to moderate with most suppliers. Some suppliers continue to experience planting gaps 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 are in good supply. 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. Supplies, like broccoli is light to moderate. All contract business is being fulfilled, but a few suppliers are sold out until Tuesday. There will likely be price fluctuations throughout the week with different suppliers. Planting gaps are in the forecast with this commodity. Santa Maria and Salinas continue to be the two big growing regions at this time.

CELERY *Gabe Romero/Mike Pacheco*

This market continues to be steady. Oxnard will be finished by the end of June and Salinas will be the main growing area of production. Overall, smaller sizes continue to demand a higher price. Twenty-four count sizing continues to have the best price available. The weights and quality of celery continue to be strong.

CITRUS *Tim Kelley*

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

Limes: Good supplies on smaller fruit, with larger fruit remaining 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 continues dropping in volume as they are ending their season. There will be limited production through the month. Baja production has steadied as weather is warming, and expects increased supplies as we move into July. Demand is very good.

Eastern Cucumbers: *Janine Baird*

Michigan and Ohio are getting into some good volume on cucumbers now. The market will be two tiered for the next week or so as Tennessee and the Carolinas continue in their

Commodity Updates *continued*

supply. In another week, the market will even out when the majority of the volume will be in Michigan.

GRAPES *Amy Grolnick*

Nogales, Arizona Mexican fruit and Coachella, California with domestic fruit both have product available on red and green seedless grapes. The reds are flame seedless and are available with good volume size is peaking to large. 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 have finished up and Mexico will be the only player for the next week or so with limited volume.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market continues to be steady. Production is good 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*

Supplies continue to be strong on romaine and suppliers are listening to offers on volume orders. Green leaf is steady with strong supplies available as well. 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 having these issues.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady to start the week. The availability will continue to vary amongst all the suppliers and this will create a variance in pricing by two to three dollars. 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: Desert melons will be finishing up in the next two weeks so shippers will be hit

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and miss with availability. 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. There are heavy retail ads on 12's so most shippers are limited. West side shippers will start scratching next week so product will be available around July 12.

Honeydew: Mexico fruit is still going strong with availability but quality is just ok depending on the shipper. Arizona and California fruit is still available with good volume and better quality.

ONIONS *John Tole*

Yellows are mostly steady for now but the supplies will switch to California this week as New Mexico hits a small gap this week. They won't be out entirely but their volume will be less. The yellow onions they are packing in New Mexico will be smaller this week. California will continue with mostly larger sizes but will also have more availability of mediums. Reds are higher in both areas as supplies are down. Expect California prices to remain steady since they have more while New Mexico goes up. Whites are plentiful in both areas and demand is light so deals can be had.

POTATOES *John Tole*

Idaho is still peaking on small size cartons with 80's being the peak size. The market is steady but the demand has been strong so expect prices to rise on all sizes especially number twos. The quality in Idaho has been mostly good but there has been some peeper-sprouts and internal black-spotting in a few lots. Washington is packing for the next 2 weeks or so and is steady on pricing. They are peaking on 70/80's and expect to have product through the week of July 4th. Colorado has dropped their market due to a lack of demand but the market is turning around. They expect to pack into August. Their size profile is larger with 60's and 70's being the peak. Wisconsin is done for the season. California is packing new crop Norkotahs and is heaviest to 70/80's. Quality has been good with good maturity and very little skinning. Demand has been fair. California continues to pack colored potatoes as well and the demand has been very strong so stay ahead!! They will ship from Bakersfield for one to two more weeks and then transition to Stockton, California. Stockton will have

Commodity Updates *continued*

supplies through September. North Carolina and Alabama have reds but the temperatures are so hot that they aren't holding up very well after harvest.

SQUASH

Western Squash: *Tim Kelley*

Baja expects increased supplies in early July. Fresno is dropping in volume as their season comes to a close until the fall. Santa Maria increases have been slowed by inconsistent weather.

Eastern Squash: *Janine Baird*

Michigan and Ohio are working squash this week and Tennessee continues to ship out for another couple of weeks. Quality and supply are steadily improving in all areas so look for this market to trend downward in the coming days.

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 fob's seem to have stabilized from the little upswing from last week. There continues to be less of the smaller sizes but overall there is plenty of fruit across the board. Cherry tomato production is picking up with more availability and lower fob than weeks previous. The other eastern states continue to increase production., Arkansas, Tennessee 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. We can expect pricing to stay moderately low through

June and a small spike which we are starting to see due to the 4th of July pull right on top of us. We can expect to see pricing come right back down after the holiday pull. 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 good but they are still slightly short on smaller sized fruit. Grape and Cherry production is good with lower fob's than last week. Weather has been favorable in Baja with no major issues. Central California is going strong production and plenty of good quality fruit behind it.

WATERMELON *Amy Grolnick*

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

VALUE ADDED *Gabe Romero/Mike Pacheco*

The lettuce quality has had issues mentioned earlier. There have been some complaints that processed lettuce has had a shorter shelf life. 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.