



The Source

July 5, 2010

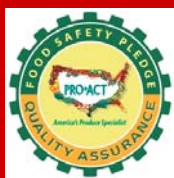
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THINGS YOU SHOULD KNOW:

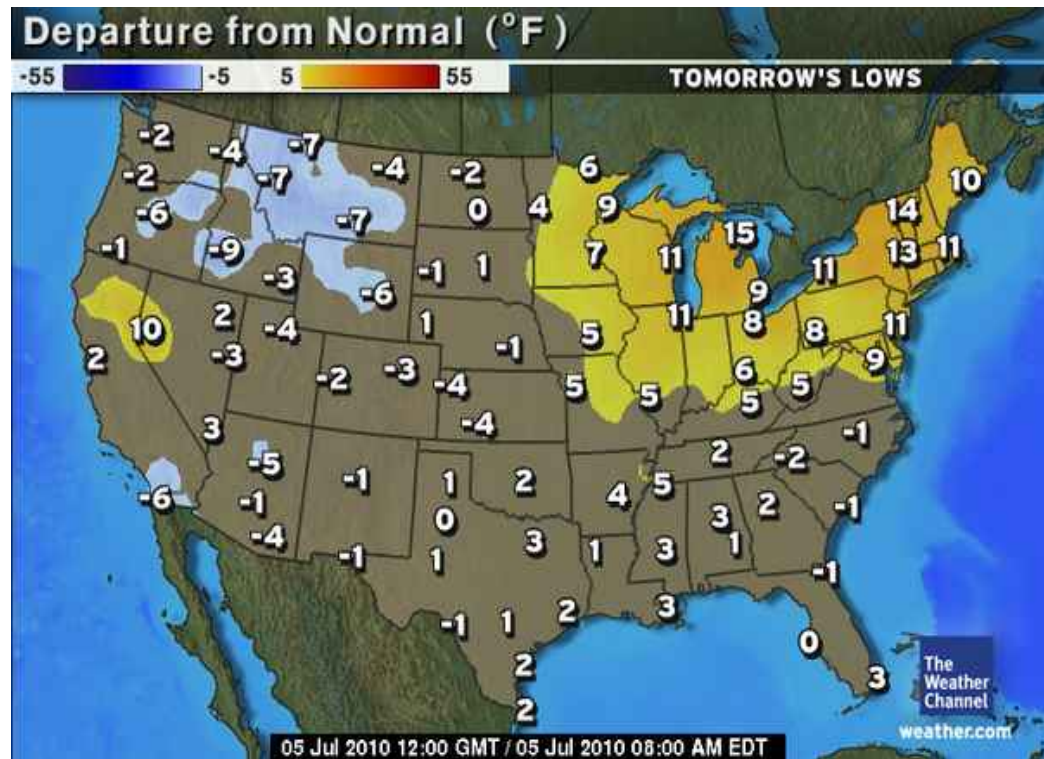
Red and Yellow bell peppers are very tight in supplies until new crop Bakersfield starts the 3rd week of July

Westside melons are 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 high 80s in the warmest interior valleys. Mid range forecasts show high pressure building and a slight warming trend late this week into next 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. There is no change in crude oil prices due to the Holiday.

Commodity Updates

APPLES/PEARS *John Tole*

Large fruit is still the mainstay in Washington. They are peaking on large count premium grade reds, golds, and granny-smiths while the smaller counts and lower grades are still short. The markets on all three varieties are mostly steady but there are deals on 56-72's. Galas & Fuji's are the only two varieties left and the Gala supplies are really tight. D'anjou pear supplies are lighter and the market remains strong as we approach the end of the season. Most shippers only have large size US#1 grade fruit left and will have availability through this week. The quality has been good. Expect prices to stay strong through the end of the season. New crop California green Bartlett and red Bartlett's will be available in mid to late July.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is stronger on all sizes. 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 remains 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 is increasing production and will continue so over the next 2 weeks. Harvest 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 taking a toll on the last of the bells. Some growers will be able to go into next week with light volume.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Excellent	Steady
Asparagus	Good	Higher
Avocado (Mexican)	Good	Steady
Avocado (California)	Good	Steady
Bell Peppers (Western)	Fair	Steady
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Good	Higher
Berries: Raspberries	Good	Higher
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Higher
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	Lower
Grapes	Excellent	Steady
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Fair	Higher
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Steady
Onions	Good	Steady
Pears	Excellent	Higher
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Lower
Stone Fruit	Excellent	Steady
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good / Fair	Steady
Watermelon	Good	Steady

Commodity Updates *continued*

Bakersfield crop for colored bells now looks to look to start around the second week of July.

Eastern Bells: *Janine Baird*

Tennessee and the Carolinas are now the only regions on the west working pepper. New Jersey should be starting in another week or so and the West is back into good supply so demand has backed off enough to keep the market steady. Michigan will begin to ship pepper around the first of August.

BERRIES *Mike Gorczyca*

Strawberries: Demand is still very good which is keeping the market up this week. Supplies are mainly coming out of the Salinas and Watsonville growing areas. There are still a few growers harvesting in Santa Maria. Quality is good to fair. Sizing is medium with counts in the mid teens. Retail ads will be the main driving force keeping the market firm.

Raspberries: Demand is good with lighter supplies. Market is firm. Quality is good.

Blackberries: California supplies are coming out of Oxnard and Watsonville. Demand is moderate with a steady market. Quality is improving.

Blueberries: Supplies are moderate out of both the East and West coasts. Over the next week California, New Jersey and Georgia supplies will finish up for the season. Michigan, Oregon and BC are just starting up. Oregon is facing some weather challenges... mild days, cold nights and rain. Michigan is running a little earlier this year. BC should come on as this week moves on with light volumes. Quality is good with a steady 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 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. 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 is finished and Salinas is now the main growing area of production. Santa Maria will also have 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 and demand is very good. The market continues to firm on 140's and larger. Quality is very good.

Limes: Good supplies on smaller fruit, with larger fruit remaining limited, but starting to improve.

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*

Baja production has steadied as weather is warming. Some growers are expecting slight decreases over the next 7 days. Demand is very good.

Eastern Cucumbers: *Janine Baird*

With Michigan, Ohio and New Jersey now solidly harvesting cucumbers alongside Tennessee and the Carolinas, this market will continue to drop. Quality and demand have been good.

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 and large with deals available on load volume. Black seedless are also available in both areas. Mexican Globes are available with limited supplies and good quality.

Commodity Updates *continued*

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 active 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 for the most part this week so shippers will be hit and miss with availability in the Southern California area. The sizing is still peaking to 9's for most shippers and sugar levels are very good. There is still availability in the Phoenix area of Arizona. West side shippers are scratching this week so product will be available with limited supply in the Huron and Bakersfield area.

Honeydew: Mexican fruit is still going with availability but quality is just ok depending on the shipper. Arizona and California fruit is still available with good volume and better quality. Westside shippers have good availability this week with the market so far steady to higher.

ONIONS *John Tole*

California & New Mexico continue with all colors and Washington continues with wintered-over yellows. California has more large yellows and Washington has jumbos and mediums only. New Mexico's size profile is still small as they are heavier to medium and pre-packs. The demand for small yellows is still very strong and the prices are steady to higher. Large yellow demand is fair and there are volume deals in all areas. Reds are mostly lower to steady in California and steady in New Mexico since there are more planted out west. The red demand has been slow so expect deals on volume in California. Whites are steady in both areas due light demand although the supplies are lower in both areas so expect higher prices.

POTATOES *John Tole*

Idaho continues to peak on small size cartons but as some of the other areas have finished packing there has been a demand shift and Idaho is now limited on the smaller sizes and number-twos. The market is steady but strong on large counts due to the increase in demand. Idaho's quality 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 week and is steady on pricing as they are almost finished for the season. They are still peaking on 70/80's. The Colorado market is mostly steady on all sizes. They expect to pack into the middle of August on old crop and could begin packing new-crop Nebraska potatoes in early August. Their size profile is still heavy to 60's and 70's. California continues packing new crop Norkotahs and is heaviest to 70/80's. New crop prices have been very steady along with the demand. Quality has been good. California also continues to pack colored potatoes but the demand has been very strong so stay ahead!! They will ship from Bakersfield for another week or so before transitioning to Stockton, California. Stockton will have supplies through September. North Carolina and Alabama have reds but the temperatures have been so hot that they aren't holding up very well after harvest so it's pushing a lot of business to California.

Commodity Updates *continued*

SQUASH

Western Squash: *Tim Kelley*

Baja is expecting increased supplies as we enter July. Fresno is dropping in volume as their season comes to a close until the fall. Santa Maria has started to increase in volume and will stay steady for several weeks.

Eastern Squash: *Janine Baird*

Michigan and Ohio are working squash this week and Tennessee continues to ship out for another week or so. 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 sizing up and the quality is excellent. Tree ripe or preconditioned peaches, nectarines and plums are now available. Apricots are available for loading out of California. Washington cherries are available but volume is still limited.

TOMATOES *Ryan Frayo*

Eastern: The east coast producing areas fobs 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 continues strong with good 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. Other local producing areas are getting close to starting as well such as Ohio and Michigan. 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. We can expect to see pricing come right back down after the holiday pull. Reports of quality are good to fair with the heat being the main contributing factor to lesser quality fruit. The weather has been hot with some light showers in the north that did not disrupt production but shelf life is shorter.

Western: Supplies out of San Diego inconsistent with transition into the northern growing areas. We can expect the remainder of

the week to be short in short supply but increasing into next week. Grape and Cherry production is steady. 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.