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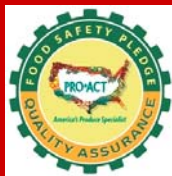
July 6, 2009

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THINGS YOU SHOULD KNOW:

Romaine Hearts are extremely short in supply this week. Please see the leaf report for more details



Weather:

The marine layer will bring lower clouds and fog cooling the entire region especially near the coast. Inland temperatures will fall to near normal (mid 70s to low 90s in the warmest southern regions). Overnight temperatures will be cooler than normal, (mid 40s to 50s) along with persistent cloud cover, warming the second half of the week.

In the southeast hot temperatures will continue this week with a good chance of showers and thunderstorms throughout the region. Temperatures will be in the upper 70s to lower 80s.



Freight:

Trucks in California are tight due to the lack of freight coming off the East Coast. Washington and Idaho remain steady. Crude oil has dropped since last week to \$63.95 per barrel and is down \$7.56 since last Wednesday. The National Average on diesel has remained relatively stagnant this week although it dropped 1.4 cents to \$2.64.

Commodity Updates

APPLES/PEARS

Granny Smith apples are peaking on 100-125's and struggling a bit on 88's and larger in any grade. Fuji and Red Delicious apples are all coming out of CA storage in high color and peaking on 100's and smaller. This is putting a strain on the 88ct and larger market in these varieties as well and they are currently very tight (especially Fuji with extremely heavy demand). Gold Delicious apples are in very good supplies and peaking on 88's. Both Gala and Braeburn Apples are very tight and are almost finished. Pink Lady and Cameo apples only have approximately 2+ weeks left for the balance of their storage season. Washington Pears will go through the next 2-3 weeks with the Anjou and Red Anjou varieties only.

ASPARAGUS

This market is steady with good supplies from Mexico and Peru. Jumbo Asparagus is still short in supply and commanding a price premium. Mexico continues to produce stronger numbers and Peruvian product continues to be available out of Miami. Most of the California shippers have Mexican asparagus to offer.

AVOCADO

Mexican Fruit: Mexican old crop is all but done. We should see new crop in the next couple of weeks. Supplies will be light, and we will see holes in the supplies as we move through July and August. Please note that early new crop oil content will be low and require additional time for ripening.

California Fruit: California growers continue to pack good volume, but with this years light crop, we expect to see a big decline in supply as we move through July.

Chilean Fruit: Containers of fruit will be arriving late this week. Volumes will be light. The larger vessels for fruit will not begin to arrive until late August.

BELL PEPPERS

Western Green Bells and Colored Bells:

Bakersfield is the new growing area for green bells, which is going with good supplies. Red and yellow bells from the California desert are in their seasonal decline and are about done. Bakersfield has started Reds supplies are light, with increased volume in 2 weeks. Lighter supplies are keeping the market firm.

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)	Good	Steady
Berries: Strawberries	Good / Fair	Higher
Berries: Raspberries	Good	Steady
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Lower
Broccoli	Good	Steady
Carrots	Good	Steady
Cauliflower	Good	Steady
Celery	Good	Steady
Citrus: Lemons	Good	Higher
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Lower
Cucumbers (Eastern)	Fair	Steady
Grapes	Good	Steady
Green Onions	Good	Steady
Kiwi	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Good	Higher
Melons: Cantaloupes	Good	Steady
Melons: Honeydews	Good	Steady
Onions	Good	Steady
Pears	Good	Higher
Potatoes	Good	Steady
Squash (Western)	Good	Higher
Squash (Eastern)	Good	Steady
Stone Fruit	Good	Lower
Tomatoes (Western)	Good	Lower
Tomatoes (Eastern)	Fair	Lower
Watermelons	Good	Steady

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

Eastern Bells: Georgia is coming to the end of their pepper deal but the northern growing regions are beginning to get going, bringing the market down just a bit. Mediums and off grades continue to be the more difficult sizes to come by but overall quality in all regions is good. Market is softening.

BERRIES

Strawberries: Production this week is starting off snug as many shippers are walking in with little or nothing to sell today. There are some significant ads eating up some volume. The weather has been favorable so it is a bit odd to have such a lack of production. We can expect by mid week production to pick up and the market to loosen up a bit.

Raspberries: Raspberry production starts this week again in a tightened situation as we have passed the “peak” production window. We may get another little push but will decrease again. There will continue to be moderate to light supplies of Californian fruit.

Blackberries: We continue looking at local production as it is moderate and steady. Watsonville is producing fair quantities, and is inconsistent at this point. There are shippers in the Central Valley that are currently pulling good volume and good quality. The Northwest should start producing decent volume within the next two weeks.

Blueberries: Production in the Central Valley is getting close to the end. We can expect to see more volume coming out of the Northwest, building as this week progresses.. North Carolina is close to finishing production. There is a bit of fruit while supplies last. Mississippi will continue to pack this week, bringing in approx, 2,000 cs of pints a day.

BROCCOLI

This market is steady with good supplies from all growing regions. Suppliers are still willing to make deals on volume orders in an attempt to keep movement on this commodity. Supplies continue to be strong out of Salinas and Santa Maria growing regions. The quality overall continues to be strong.

CARROTS

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

CAULIFLOWER

This market is up and down. Many suppliers last week tried to increase prices with little to no demand. Supplies are still short with most shippers but now they are coming onto better supplies this week. There have been some complaints of yellowing upon arrivals with different suppliers. Santa Maria and Salinas continue to be the main areas of production.

CELERY

This market is steady. Salinas’s production has picked up with multiple suppliers. Santa Maria also has good production. The problem of seeder has not been an issue in the harvesting in the Salinas Valley. Quality has been nice from all growing regions. Supplies will be good for the entire week.

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 picking up with prices firming.

Limes: Supplies are good this week. Quality remains very good, with lighter color which is a characteristic of the summer crop.

Oranges: Valencia production is good. Quality is very good, with sizes peaking on 88’s, 113’s, and 138’s.

CUCUMBERS

Western Cucumber: Baja’s production is good. Fresno California is going with steady supplies over the next couple of weeks.

Eastern Cucumbers: With Georgia finishing up on their cucumber supplies and Michigan not quite into volume, this market continues to tighten up. This market should hold at the higher levels for a few more days but should soften towards the end of the week as Michigan sees more volume.

GRAPES

New crop Flame red seedless and three different early green seedless varieties (“Earli Sweet”, Sugarone, and Perlette)* are available this week from the Arvin/Bakersfield district and there is excellent color and sugar levels. Coachella and Nogales are down to their last shipments and they are dropping prices dramatically to try and move fruit. Beware of

Commodity Updates *continued*

quality issues on what is left from the South especially that from Mexico as it will not have the shelf life to travel far. Temperatures have been optimal in the new crop growing areas, and fruit is thriving. Production is high to start the deal and there will be more fruit available as the week progresses. Demand is only moderate to start this first week of July and grape prices are very attractive for the start of the new crop deal.

GREEN ONIONS

There is no change on this commodity in the marketplace. 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 good, with the exception of a few soft lots arriving from Chile but movement is still very good. The market will remain steady again this week.

LEAF LETTUCE

The leaf market is all over the board. Prices vary from shipper to shipper. Supplies look to remain steady for the week. Low yields have been reported from many suppliers. 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. Romaine hearts are very tight in availability and this will continue throughout the week. The hearts are having serious issues with cupping and not having the true romaine heart shape. They are having problems with internal burn also. Some suppliers are worse off than others, but supplies are light. There are no issues with all other leaf items.

LETTUCE

This market is slightly stronger to start the week. The supplies this week look to be lighter with some shippers raising or firming up their prices. The weights on the lettuce have been a bit heavier than normal. With the weather in the growing regions being so sporadic, look for mildew and puffiness to be possibly seen upon arrivals in the upcoming weeks.

MELONS

Cantaloupes: The transition is all but complete to the Westside deal with the exception of a few shippers and there are plentiful supplies of fruit to start the deal. There is still fruit from the desert deals, but mostly confined to the central Arizona growing districts. Desert production is coming to a close this week the exception of one major production area (Aguila/Harquahala) which will go throughout the summer months. Small sized Cantaloupes have loosened up and are more readily available this week, even from the first harvests of the new crop fruit. There will be a very good range of sizes available this week and fruit quality is excellent with high sugar levels. Warm temperatures are expected to continue this week, and that will be optimal growing conditions for Cantaloupes.

Honeydews: Honeydews are plentiful and there is not much demand as we move into the first major week of July. There are still light supplies from Mexico, but heaviest from Arizona desert, and now the Westside. Small sized fruit will remain in relatively light supply through the transition to new crop but warm temperatures are bringing on the smaller sizes. The market is steady at lower levels there are still deals available on large fruit.

ONIONS

Supplies out of both Huron and New Mexico are improving. The market is still strong but should come off slowly on yellows. Reds and Whites are now in short supply as Huron product is showing sun scald and New Mexico has limited supplies at best. There is some limited availability out of Washington on new crop over winter yellow onions.

POTATOES

Large size Russet potatoes are even more limited with 40 and 50 count very hard to find. Shippers have deals available on 100ct and smaller cartons as well as 6oz #2's. New crop California Russets are available but limited large sized product as well, 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 but limited out of Wisconsin.

Commodity Updates continued

California new crop colored potatoes available with very good quality. Large sized reds are limited.

SQUASH

Western Squash: Baja is coming in with good supplies and to continue for the next few weeks. The Fresno area of California is dropping in production, and looks to be lighter thought the month. Santa Maria is into good steady production.

Eastern Squash: There currently is a two tiered market on squash as Michigan/Ohio areas are producing more volume, dropping the market there and Georgia is working off of their limited, end-of-the-season supply and demanding more money in that region. By the weekend, this market will have stabilized and should hold at the lower level.

STONE FRUIT

Optimum growing conditions prevail in the Central Valley's major fruit growing areas and there is very excellent tree fruit production! Movement is relatively slow going into the holiday weekend and there are deals available. Yellow/White Peaches, Yellow/White Nectarines, Apricots, Pluots, and Plums are available in very good supplies. There is high colored good eating tree fruit available! Cherry production has passed its peak in Washington State and quality is still excellent on Dark Red, Bing and Rainier varieties.

TOMATOES

Western: San Diego is crossing good volume now and fob are reflecting it. Reports of Baja quality have been good. Central Valley is producing good supplies of cherry tomatoes. The round market continues to drop as western shippers are looking for business with ample production. Roma tomatoes are a bit tight due to the lack of product in the east.

Eastern: There are multiple growing locations going now from AK to the Carolinas. The Eastern shore has not picked up speed yet but with the other areas going it has eased the market considerably. There is a lack of Roma tomatoes due to the Eastern shore not quite ready to go.

WATERMELONS

Watermelons remain in only moderate supply from the CA/AZ desert production areas and Bakersfield now going on their new crop production. Markets will remain steady on seeded and seedless again this week with moderate demand and very nice quality.

VALUE ADDED

Processors continue to deal with fringe burn issues on romaine and head lettuce. Some light bruising has also been reported on chopped romaine. Broccoli 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.