



The Source

July 13, 2009

© 2009, PRO*ACT, LLC



THINGS YOU SHOULD KNOW:

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

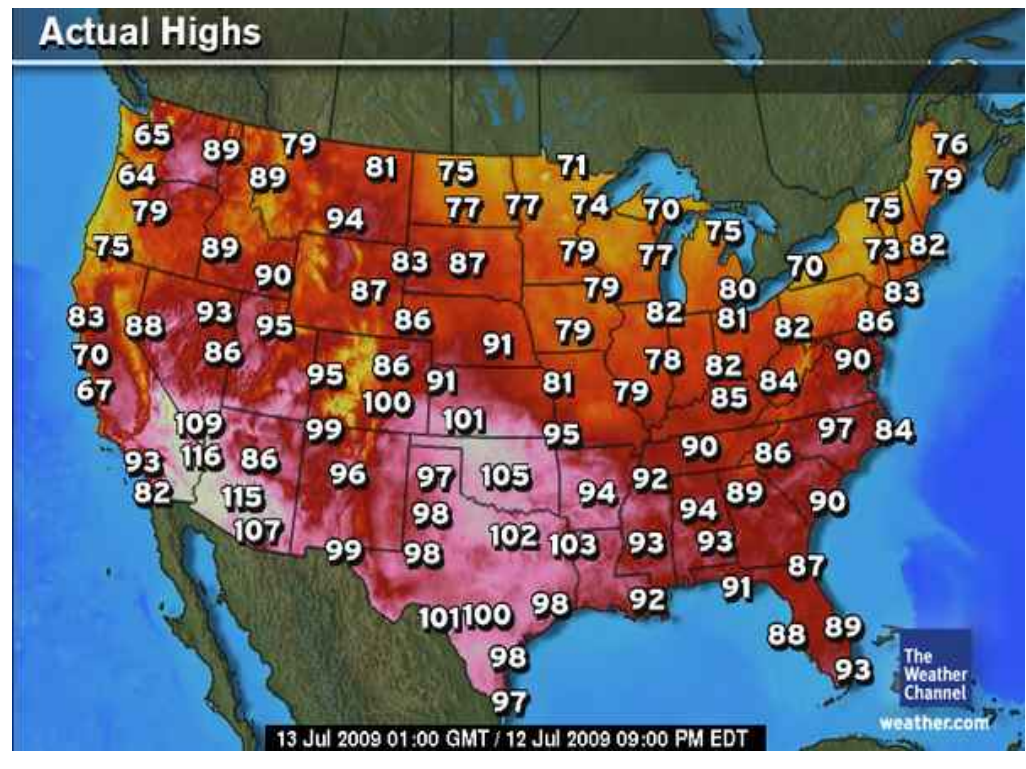


PRO*ACT The Source

Weather:

A fairly typical summertime weather pattern for Central California of coastal fog and morning low clouds with temperatures in the mid 70s near the coast to low 90s in the warmest southern regions are expected through the week.

In the southeast warm temperatures will continue with a chance of showers and thunderstorms (heavy at times) also possible throughout the region this week. Temperatures in the upper 80s to mid 90s with overnight temperatures in the low 70s look to be the norm this week.



Commodity Updates

APPLES/PEARS

Fuji and Red Delicious apples continue to come out of CA storage in high color and peaking on 100's and smaller. This remains a bit of a problem for the 88ct and larger market in these varieties as well and they are currently very tight (especially Fuji with extremely heavy retail 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. The Wenatchee district seems to still have decent volume on Braeburn, but will finish up quickly with heavy retail demand. 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. California Pears have started and the Bartlett variety is now in good supply. There are only light supplies of the Chilean Packham and Bosc Pears left.

ASPARAGUS

This market is steady with good supplies from Mexico and Peru. Jumbo Asparagus supplies are still short. Mexico continues to produce strong 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 some new crop in the next 7 to 10 days, but supplies will be very light until mid 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, growers are picking fruit that would normally be picked in August. Expect to see a big decline in supply as we move through July and into August.

Chilean Fruit: Containers of fruit have begun arriving, but the large vessels will not start arriving until mid-August. Until then volumes will be light.

BELL PEPPERS

Western Green Bells and Colored Bells:

Bakersfield has begun to lighten as they move out of their older fields of green bells. Supplies

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	Higher
Bell Peppers (Eastern)	Good	Higher
Berries: Strawberries	Good / Fair	Steady
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	Higher
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Steady
Grapes	Good	Lower
Green Onions	Good	Steady
Kiwi	Good	Steady
Lettuce: Leaf	Fair	Higher
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupes	Good	Steady
Melons: Honeydews	Good	Steady
Onions	Good	Lower
Pears	Good	Higher
Potatoes	Good	Higher
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Steady
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Lower
Tomatoes (Eastern)	Fair	Lower
Watermelons	Good	Steady

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

look to start to come back in a week or two as the coastal areas and Huron areas get started. Red and yellow bells from Bakersfield are holding with lighter, but steady supplies; increased supplies should start by next week. Lighter supplies are keeping the market firm. **Eastern Bells:** The northern growing regions continue to produce greater volume as the southernmost regions wind down. With decreasing volume out of the south and rain immanent through out the north, we could see this market continue rise slightly in the coming days.

BERRIES

Strawberries: Production has started this week off low. Most to all shippers have walked in this morning sold out or over sold. The plants in the Salinas / Watsonville growing area are now past their "peak" production window. We are starting to see a lot more over ripe and bruised berries. Heavy volume looks to be not as abundant as the weeks previous. Santa Maria continues to produce moderate to low volume with good to fair quality. The forecast is calling for a warming trend through this week, and this will help production somewhat.

Raspberries: Raspberry production continues in a tightened situation as we have passed the "peak" production window. We may get another little push coming into August but will decrease again.

Blackberries: We are now seeing local Californian production in the Central Valley wind down and Salinas / Watsonville local production as it is moderate and steady. The Northwest has start producing decent volume with good quality.

Blueberries: Production in the Central Valley is finished. We are starting to see more volume coming out of the Northwest, building as this week progresses. North Carolina is finished with production. We are now looking at some new regions that are starting such as MI, BC, OR. New Jersey havemoderate production.

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 for this week. The quality overall continues to be strong.

CARROTS

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

CAULIFLOWER

This market is steady. Supplies are in good supply with many shippers offering deals. The quality has been fair. There have been some complaints of yellowing and brown spotting upon arrivals with different suppliers. Santa Maria and Salinas continue to be the main areas of production.

CELERY

This market is steady. Supplies are great with excellent quality out of the Salinas and Santa Maria. Michigan has begun production. The supplies will be good for the entire week with heaviest volume on the 24 count size celery.

CITRUS

Lemons: Supplies of large sizes are tight. Availability looks good 140's, 165's, and 200's. Summer demand is keep prices firm.

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

Oranges: Valencia crop estimates now look lower than first projected. Shippers are pacing their harvest to ensure steady supplies though October. Demand is very good, and the market is expected to continue to strengthen. Quality remains very good.

CUCUMBERS

Western Cucumber: Baja's production is good. Supplies from the Fresno area is holding steady.

Eastern Cucumbers: This market is falling with Michigan and Ohio producing good volume now, alongside of the North East. The quality has been excellent from these regions while the marginal quality cucumbers will continue to trickle out of Tennessee and the Carolinas for just a few more days.

GRAPES

Plentiful supplies continue for new crop Flame red seedless and green seedless varieties

Commodity Updates continued

(Sugarone, and Perlette)*. They are all available from the Fresno, Delano, Arvin and Bakersfield districts with excellent quality! 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 throughout the week. Demand remains only moderate and grape prices are very attractive again this week.

GREEN ONIONS

There is still 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 showing some activity this week. Prices vary from shipper to shipper. Supplies look to get tight as the week progresses. This is mainly due to lack of acres planted by many shippers. Extreme heat is forecasted for the rest of the week. This shall definitely take it toll on the quality. 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 Romaine 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 very tight. Suppliers will be holding customers to weekly averages.

LETTUCE

This market is steady with steady supplies for the front side of the week. The quality has been marginal in some lots. Some defects that have

been showing up upon arrival are Russet Spotting and Tip Burn. The weights on the lettuce have been a bit heavier than normal.

MELONS

Cantaloupes: The Westside deal is going strong and most all of the players have started packing fruit. There are plentiful supplies of fruit especially in the smaller sizes and that is where the deal is. Desert production has all but come to a close this week the exception of one major production area (Aguila/Harquahala) which will continue throughout the summer months. There will continue to be a very good range of sizes available 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 remains very light demand. Heavy production is now coming from the Westside. Similar to Cantaloupes there is a wide range of sizes available. The market is steady at lower levels and there are plenty of deals available so don't stop promoting both Cantaloupes and Honeydews.

ONIONS

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

POTATOES

Large size Russet potatoes remain extremely limited in Idaho with 40 and 50 count very hard to find. Shippers have deals available on 100ct and smaller cartons. 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. California new crop colored potatoes available with very good quality. Large sized reds are limited.

Commodity Updates continued

SQUASH

Western Squash: Baja continues with good supplies. 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: The primary volume on squash is out of the Northeast, Michigan and Ohio. The market on both green and yellow should remain steady for a few more days with the weekend bringing a slightly stronger market resulting from mid week rains.

STONE FRUIT

Optimum growing conditions continue to prevail in the Central Valley's major fruit growing areas and there is very excellent tree fruit production. Movement is remains slow and there are deals available, especially in the smaller sized fruit. 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 continues 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 is getting close to being up to speed. There continues to be a lack of Roma tomatoes due to the Eastern shore not quite ready to go.

WATERMELONS

Watermelons are in very good supply after a spike in production over the weekend from new crop California production. Bakersfield is now the peak production area for new crop fruit. There are some Georgia seedless supplies available, but limited to day of pack out schedules. Markets will remain steady on seeded and seedless to finish this week with moderate demand and very good 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.

For a treat, freeze some grapes and enjoy the sweetness of summertime.

