



The Source

July 20, 2009

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THINGS YOU SHOULD KNOW:

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

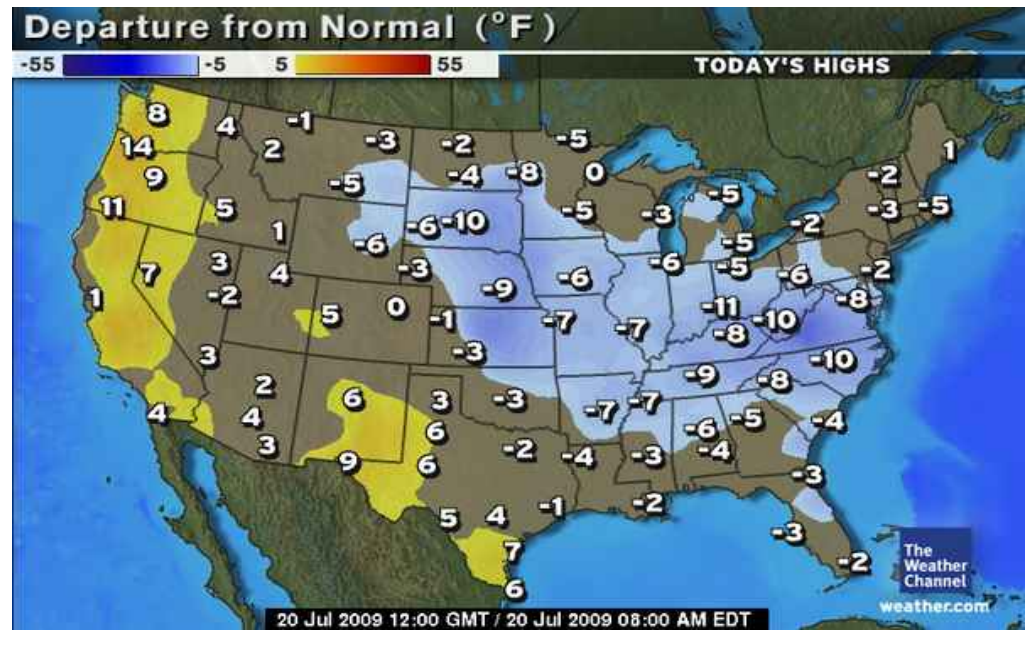


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Weather:

A fairly typical summertime weather pattern for Central California of coastal fog and morning low clouds with temperatures in the low to mid 70s near the coast mid to high 80s to low 90s in the warmest southern regions are expected through the week. Very hot triple digit temperatures are forecast in the San Joaquin Valley through the week. These temperatures may cause some heat related damage (bloom drop, sun burn) to the various crops (tomato, pepper, squash, onions etc) grown in the interior valley of Central California

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 low 90s with overnight temperatures in the low 70s look to be the norm this week.



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 remained steady since last week and is at \$64.14 per barrel. The National Average on diesel has dropped and is currently at \$2.496, down .046 cents since last Monday.

Commodity Updates

APPLES/PEARS

Royal Galas in the Northwest are all but finished for the season with the exception of a few select lots. Fuji and Red Delicious apples continue to come out of CA storage in high color and peaking on 100's and smaller. The 88ct and larger market in these varieties remain very tight (especially Fuji with extremely heavy retail demand). Gold Delicious apples are in very good supplies and peaking on 88's. The Wenatchee district seems to still have decent volume on Braeburn in small sizes. Pink Lady and Cameo apples only have approximately 10-14 days left for the balance of their storage season. Washington Pears will go through the next 10-14 days with the Anjou and Red Anjou varieties only. California Pears are going strong now with the Bartlett variety and are looking to promote with volume.

ASPARAGUS

This market is steady. Supplies are lighter on standard sizing from Mexico compared to the previous weeks. Small and extra large have the best availability. Peruvian grass continues to be available shipping out of Miami or California. Jumbo Asparagus supplies are still short. 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 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 lightened as they will finish up for the season by this weekend. Supplies look to be limited as we move into new growing areas that are just beginning in Huron and the

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

Legend

<u>Quality</u>	<u>Market</u>
Excellent	Steady
Good	Higher
Fair	Lower
Poor	

Commodity Updates continued

coastal areas. Red and yellow bells from Bakersfield are in better supplies this week.

Eastern Bells: Eastern Bell Pepper supplies are limited. Michigan has yet to be in full production and the Tennessee NC, Ohio regions are only producing limited volumes or finishing their season in. Quality is good in all areas. Production should increase within the next couple of weeks.

BERRIES

Strawberries: Production is once again starting this week with low supplies. Most to all shippers continue to walk in 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 with many shippers quoting such defects at shipping point. 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 weather has been favorable, and this should have helped production somewhat, but as it sits we are in the same tightened situation.

Raspberries: Raspberry production has picked up a bit with a light push from the recent warm weather. There is not an abundance of fruit but supplies are better than weeks previous. Few shippers have lower fob's.

Blackberries: We are seeing decent local Californian production in the Salinas / Watsonville area, it is moderate and steady. The Northwest is 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. We are now looking at some new regions that are starting such as MI, BC, and OR.

BROCCOLI

Supplies continue to be strong on crowns and bunched product. Sharper pricing is coming out of the Santa Maria region, but availability is abundant in both areas. Suppliers are still willing to make deals on volume orders in an attempt to keep movement on this commodity. The quality overall continues to be very good.

CARROTS

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

CAULIFLOWER

This market has started out stronger to start the week. Supplies are lighter with most suppliers compared to the previous week. Shippers are not offering volume deals like the previous week. The quality continues to be fair. There continues to be issues 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 has remained steady with most suppliers. The availability is stronger on larger sizes, 18s and 24s in particular. Overall, there is plenty of product to fill all of the orders. Michigan has begun production. The supplies from this region should be good for the week. The 24 count is the best availability in this region. The quality continues to be strong.

CITRUS

Lemons: Supplies of large sizes continue on the tight side. Availability looks good 140's, 165's, and 200's. Summer demand is keeping 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 through 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 and should continue through the month. Supplies from the Fresno area are starting to lighter.

Eastern Cucumbers: This market is sliding a bit 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.

Commodity Updates *continued*

GRAPES

Supplies remain excellent for Flame red seedless grapes. Green seedless varieties (Sugarone, Princess, Thompson and Perlette) are in much better supplies this week as you can tell by the array of varieties available. They are all available from the Fresno, Delano, Arvin and Bakersfield districts with excellent quality. Temperatures have been high (100 and above)* in the new crop growing areas, but fruit is thriving. Production will remain high for at least the next two weeks, but look for a rough transition to the Crimson in the Red Seedless variety as we move into the late summer months. Demand remains only light and grape prices remain very aggressive.

GREEN ONIONS

This market continues to be steady in the marketplace. Supplies continue to be strong from the Mexican region. This market should remain steady for the entire week. The quality continues to be strong with no significant problems to report.

KIWI

Chilean 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 Romaine market is steady. Supplies continue to be very light on romaine hearts. Most suppliers are holding customers to 12 week averages and this will likely continue throughout the week. Extreme heat was seen in the south county region this past weekend. This will definitely take its 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. The Romaine Hearts continue to have issues with cupping and not having the true romaine heart shape. Internal burn is also an issue. Green leaf is steady and will likely get stronger later in the week.

LETTUCE

This market has started out a little stronger compared to the previous week. Warm temperatures this past week has made for

slightly lower yields in the growing regions. Tip burn is being seen at harvesting time. The weights on the lettuce continue to be slightly heavier than normal.

MELONS

Cantaloupes: The Westside deal is going strong and most all of the players are packing large amounts of fruit. However abundant supplies are, they are limited to mainly 12ct and smaller, putting pressure on any existing larger supplies. With the current heat that the Westside growing districts are experiencing the melons will not size up, in fact they are sizing down to the smaller sizes. There are plentiful supplies of fruit in the smaller sizes and that is where the deals are. Fruit quality is excellent with high sugar levels.

Honeydews: Honeydews are plentiful and there remains only light demand. Heavy production continues from the Westside districts, and similar to cantaloupes there are abundant supplies of smaller sized fruit. Quality is excellent in most all lots of new crop honeydews. The market should remain 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. Hot temperatures in the California growing areas will continue to affect quality in the future.

POTATOES

Large size Russet potatoes remain limited in Idaho with 40 and 50 count being the lightest pack out item in each day's run. 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. Salinas and 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 week bringing a slightly stronger market resulting from different region product availability and logistical loading abilities.

STONE FRUIT

Hot temperatures prevail in the Central Valley's major fruit growing areas but there continues to be high production numbers for tree fruit production. Movement remains slow and there are deals available in the large sized fruit especially in that of Peaches. Yellow/White Peaches, Yellow/White Nectarines, Pluots, and Plums are available in very good supplies. Apricots are all but finished for the season in California's Central Valley, but Washington is in production now. Cherry production continues in Washington State and there is still very good volume and quality fruit available. Dark Red, Bing and Rainier varieties remain available.

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 remain aggressive as western shippers are looking for business with ample production. There is a bit of activity in the larger sizes as growers are through crown picking and the heat is keeping sizing down as well. 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 and the Eastern shore areas are now going. TN, OH, NJ, and MI are right around the corner to start harvesting. There continues to be a lack of Roma tomatoes.

WATERMELONS

Watermelons continue in very good supply for California and there is now production out of Oregon. Bakersfield is now the peak production area for new crop fruit. There are still some Georgia seedless supplies available,

but limited to day of pack out schedules. Markets will remain steady on seeded and seedless 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.