



The Source

July 27, 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

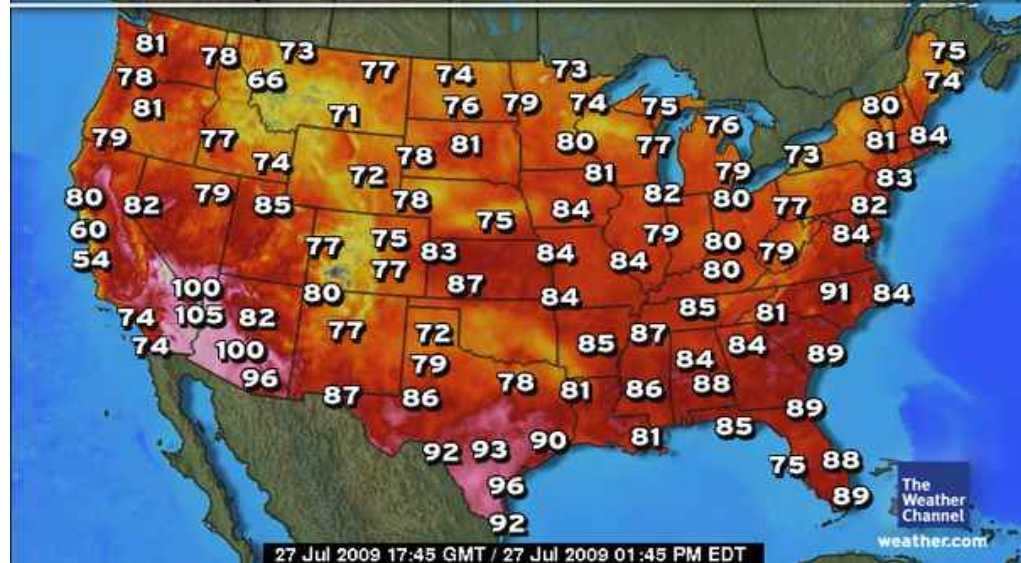


Weather:

A fairly typical summertime weather pattern will continue for Central California with coastal fog and morning low clouds. Temperatures in the mid 60s to low 70s near the coast and low 90s in the warmest southern regions are expected through the week. Very hot triple digit temperatures are forecast for the San Joaquin Valley early this week, cooling slightly to the upper 90s the latter part of the week. These hot 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 likely 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.

Current Temperatures



Freight:

The availability of eastbound trucks in California is fairly tight. Washington and Idaho trucks remain steady. Crude oil has remained steady since last week and is at \$68.39 per barrel. The National Average on diesel is up this week and is currently at \$2.528, up .032 cents since last Monday.

Commodity Updates

APPLES/PEARS

California Galas have started in a light way and will increase over the progress of the week. There are also Chilean and New Zealand Galas available loading in the L.A. area. Fuji Apples in Washington are finishing fast with the pressure from retail demand. There are imported Fuji apples available loading in L.A. or the East Coast. Red Delicious apples continue to come out of CA storage in high color and peaking on 100's and smaller. The 88ct and larger Reds remain very tight. Gold Delicious apples are in decent supply, but also finishing the storage crop very quickly with supplies peaking on 88's. The Wenatchee district seems to still have decent volume on Braeburn in 125ct, but movement continues to be very good with aggressive pricing. Pink Lady and Cameo apples only have approximately 7-10 days left for the balance of their storage season. Washington Pears will go through the next 7-10 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. California Bosc Pears will start toward the end of this week.

ASPARAGUS

This market continues to be steady. Supplies have picked up on standard sizing from Mexico compared to the previous week. Small and extra large also have good 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

Demand Exceeds Supplies

Mexican Fruit: We are seeing some new crop crossing, but supplies are very light and will be 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 fair volume and growers are picking fruit that would normally be picked in August. We will see a big decline in supply as we move into August.

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	Lower
Bell Peppers (Eastern)	Good	Lower
Berries: Strawberries	Good / Fair	Steady
Berries: Raspberries	Good	Steady
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Steady
Broccoli	Good	Steady
Carrots	Good	Steady
Cauliflower	Fair	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	Lower
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupes	Good	Steady
Melons: Honeydews	Good	Steady
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Steady
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Steady
Watermelons	Good	Steady

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

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:

Supplies of green bells are starting to improve as we move into new growing areas that are beginning in Huron and the coastal areas. Red and yellow bells from Bakersfield are in better supplies this week.

Eastern Bells: Michigan and Ohio are slowly coming into pepper supplies. Their volume on top of the northeast means the market should continue to ease off through the weekend. Strong demand from the west will keep the market from dropping too much.

BERRIES

Strawberries: Production continues with lower than normal supplies. Most to all shippers continue to be very snug on supplies. The plants in the Salinas / Watsonville growing area are now past their "peak" production window. We are starting to see a lot more overripe 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 and more shippers are currently moving them.

Blackberries: We are seeing decent local California production in the Salinas and Watsonville areas due to the past warm spurts. Production is moderate and steady. The Northwest is producing decent volume with good quality.

Blueberries: Production In the Northwest is steady as we are starting to see more volume coming out of there. Volume will continue to increase as the week progresses. We are now looking at some new regions that are shipping such as: MI, BC, WA and OR. Reports of quality are good.

BROCCOLI

This market continues to be stable. Supplies are strong on crowns and bunched product. Sharper pricing continues to be seen 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 is extremely tight. Most suppliers have started out the week either open or out when quoting prices. The quality continues to be fair at best. 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. Expect product to be tight throughout the week.

CELERY

This market continues to be steady. The availability continues to be stronger on larger sizes, 18s and 24s in particular. Overall, there is still plenty of product available 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 somewhat tight due to weather and strong demand from all export markets. Quality remains good, with lighter color which is a characteristic of the summer crop.

Oranges: Valencia crop estimates now look lower than first projected. Demand is strong and shippers are pacing their harvest to ensure steady supplies though October. Quality remains very good.

Commodity Updates *continued*

CUCUMBERS

Western Cucumber: Baja's production is good and should continue through the month.

Supplies from the Fresno area are 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 and supplies should be sufficient to keep this market at the lower levels through next week, weather permitting.

GRAPES

Supplies are excellent for Flame red seedless grapes again this week. Green seedless varieties (Princess and Thompson) continue to increase in supply and quality is excellent! There are also Black Seedless and Red Globe Seeded grapes available. They are all available from the Fresno, Delano, Arvin and Bakersfield districts with excellent quality. Temperatures were mild over the weekend in the major growing areas, but fruit is still thriving.

Production will remain high for at least the next couple of weeks, but look for a bumpy 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. Keep promoting!

GREEN ONIONS

This market is steady to start the week. 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. New Zealand Kiwi is also available and they are in good supply. The market will remain steady again this week.

LEAF LETTUCE

The Romaine market has eased up to start the week. Supplies however continue to be very light on romaine hearts. Some suppliers are holding customers to 12 week averages and this will likely continue throughout the week.

The strong heats that were seen in the south county region the previous weeks seemed to take its toll on the romaine heart crop. 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 has lowered slightly in the market.

LETTUCE

This market has remained stable to start the week. The temperatures have lowered in the growing regions compared to previous weeks slightly. Some suppliers are experiencing lighter weights due to puffiness in the product to start out the week. Tip burn is being seen at harvesting time.

MELONS

Cantaloupes: The Westside deal is still producing big volume on Cantaloupes. However abundant supplies are, they are limited to mainly 12ct and smaller, keeping pressure on what little 9ct supplies there are. However, cooler weather is starting to bring on some light supplies of larger fruit. There are still 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 remain 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 on yellow onions. The market has softened on the yellow but reds and whites remain in short supply with the market strong. Washington is going with Over Winter yellow onions and light availability on reds.

Commodity Updates continued

POTATOES

Large size Russet potatoes remain extremely limited in Idaho with 40 and 50 count being the lightest pack out item in each day's run. Shippers still have deals available on 100ct and smaller cartons. New crop California Russets are available, but limited on large sized product as well, with good quality. Wisconsin is becoming more limited with availability. Colorado has limited supplies and quality is still good. California new crop colored potatoes available with very good quality. There are supplies available out of Stockton and the Bakersfield area. Southern Washington is going with good availability on reds.

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 and then soften by the front of the week as warmer weather sets in throughout that region.

STONE FRUIT

Cooler temperatures have settled in the Central Valley's major fruit growing areas and there continues to be very good production on tree fruit. Movement remains slow and there are deals available in the large sized fruit especially in that of Peaches. Nectarines remain very tight. Yellow/White Peaches, Yellow/White Nectarines, Pluots, and Plums are available. 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. The Roma market is easing up as more areas are supporting the supply chain.

WATERMELONS

Watermelons continue in decent supply for California this week and there continues light production out of Oregon. Bakersfield is remains the peak production area for new crop fruit. 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.