



The Source

August 10, 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:

The roller coaster weather pattern continues in California as hot temperatures have returned following last weeks cooler moist conditions. High pressure out west will once again bring hot temperatures to Central California the first half of the week. Temperatures along the coastal growing regions are expected to reach the mid 70s with inland temperatures in the mid 90s and triple digit temperatures expected in the San Joaquin Valley. Temperatures are forecast to moderate beginning near the coast around mid week with seasonal temperatures expected late in the week.

In the eastern growing regions warm to hot temperatures will continue in the various areas with a chance of showers and thunderstorms (heavy at times) also possible throughout the region this week. Temperatures in the high 80s and 90s with possible triple digit temperatures and overnight temperatures in the low 70s look to be the norm this week.

Actual Highs



Freight:

The availability of eastbound trucks in California is fairly tight. Washington and Idaho trucks remain steady. Crude oil is down slightly from last week and is at \$70.61 per barrel. The National Average on diesel is up this week and is currently at \$2.625, up .075 cents since last Monday.

Commodity Updates

APPLES/PEARS

There are imported Fuji apples available loading in L.A. or the East Coast. CA Fuji Apples will not start until September. CA Gala Apples continue packing light supplies this week. Red Delicious supplies remain tight! They continue to come out of CA storage in high color and peaking on 100's and smaller. Gold Delicious apples are almost finished shipping old crop CA storage and there will only be light supplies of Early Gold until Ginger Gold starts in the next 10-14 days. Washington Anjou and Red Pears are just about finished for the season California Pears are going strong with the Bartlett variety and are looking to promote with volume on the smaller sizes. California Bosc, Golden Russet Bosc, European Bosc and Stark Crimson Pears are going and there are even a few Asian pears now available as well.

ASPARAGUS

This market is steady, but looks to be more active towards the end of the week. Supplies are lighter on standard sizing compared to previous weeks. Small and extra large also are in lighter supplies. Peruvian grass continues to be available shipping out of Miami or California. Jumbo Asparagus supplies are still short.

AVOCADO

August is a transition month for avocados. We will see a major shift to imported fruit from Chile and Mexico. California is winding down their season and Chilean supplies are improving. Demand exceeds supplies at this time, but we should see this start to change over the next two weeks as the Chilean volume picks up.

Mexican Fruit: We are seeing some new crop crossing, but supplies are light. Better volume should hit around the 3rd week of 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 many growers look to be finishing with their crop as soon as this week.

Chilean Fruit: Supplies of Chilean fruit continue to increase, mostly smaller sizes now, with larger sizes by the end of the month. Fruit has early season characteristics, but will steadily improve in eating quality as we get further into the season.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Excellent	Steady
Avocado (California)	Excellent	Steady
Bell Peppers (Western)	Good	Steady
Bell Peppers (Eastern)	Good	Lower
Berries: Strawberries	Good / Fair	Higher
Berries: Raspberries	Good	Steady
Berries: Blackberries	Good	Higher
Berries: Blueberries	Good / Fair	Higher
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Fair	Lower
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Steady
Grapes	Good	Steady
Green Onions	Good	Steady
Kiwi	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupes	Good	Higher
Melons: Honeydews	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Higher
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Higher
Stone Fruit	Good	Higher
Tomatoes (Western)	Good	Higher
Tomatoes (Eastern)	Good	Higher
Watermelons	Good	Steady

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

BELL PEPPERS

Western Green Bells and Colored Bells:

Supplies of green bells are continuing to improve as we move into new growing areas that are beginning in Stockton, Huron and the coastal areas. Red and yellow bells from Bakersfield are finishing up. Huron and Oxnard has started in a light way and will continue to increase over the next two weeks.

Eastern Bells: Michigan and Ohio are still in their crown pick of pepper, leaving the large and true medium sizes slightly more difficult to come by. The overall pepper market continues to soften and should continue to do so through the week. Quality remains good.

BERRIES

Strawberries: Production continues with lower than normal supplies. Most to all shippers continue to be very snug on supplies, walking in sold out or only taking regular biz. 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 favorably warm and should give the plants a little push, but I feel we will still be seeing tired fruit.

Raspberries: Raspberry production has leveled off. There is not an abundance of fruit but supplies are better than weeks previous and more shippers are currently moving them. Quality has been good.

Blackberries: We are seeing irregular local California production in the Salinas and Watsonville areas but are expecting a bit of a decline, possibly until Mexico begins shipping again. Production is lightening up a bit as we are seeing current availability lessen and fobs slightly increase. 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. We have had last week triple digit temps in the North West and this could thin out the volume we are currently seeing.

BROCCOLI

This market is a bit stronger. Demand is light

overall, but supplies are lighter with most suppliers. Broccoli crowns continue to be less in supply than bunched product. Sharper pricing continues to be seen out of the Santa Maria region. Expect the availability to be light over the next two weeks. The quality overall continues to be good.

CARROTS

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

CAULIFLOWER

This market is softer. Most suppliers have increased availability for the rest of the week. 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.

CELERY

This market continues to be flat. The availability continues to be stronger on larger sizes, 24s in particular. Deals can be made on 24s in particular on load volume orders. Overall, there is still an abundance of product available to fill all of the orders. Michigan continues to have production. The supplies from this region should be good for the week. The quality continues to be strong in all growing regions.

CITRUS

Lemons: Supplies of large sizes continue on the tight side. Availability continues to look good on 140's and smaller. 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 through October. Quality remains very good.

CUCUMBERS

Western Cucumber: Baja's production is starting to drop and will have light supplies through the month. Fresno will be out until late August. Washington has started and will have good production into next week.

Commodity Updates *continued*

Eastern Cucumbers: The cucumber market has now been at the lowest levels for long enough now that we can expect to see it strengthen this week. Suppliers will begin to push the market up in the next couple of days in an effort to get some kind of return this season. Supplies will remain plentiful and quality excellent.

GRAPES

Supplies remain good for Flame red seedless grapes this week, but they continue to wind down now as Crimson gets ready to break. Green seedless varieties (Princess and Thompson) continue to produce very good supplies and quality is excellent! There are also beautiful Black Seedless and Red Globe Seeded grapes available! They are all available from the Fresno, Delano, Arvin and Bakersfield districts with excellent quality. Temperatures remain mild in the major growing areas, and fruit is still thriving. Demand has strengthened, but there is plenty of fruit to supply that. The markets are off the floor and expect it to gain strength into next week.

GREEN ONIONS

This market has not changed. 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

Supplies will be strong on romaine throughout the week. Romaine hearts will be on the lighter side however. There continues to be reports of browning inside the internal parts of the leaf. There is good availability on all other leaf items. The Salinas Valley and Santa Maria growing regions experienced high temperatures this past weekend and this may cause issues in quality towards the end of the week.

LETTUCE

This market has remained stable. The high temperatures this past weekend may create some quality issues. There are indications that this commodity may gain strength towards the end of the week with some suppliers. Light weight issues are less compared to the previous week. Tip burn is being seen at harvesting time.

MELONS

Cantaloupes: Cooler Central Valley weather prevails in the major melon growing districts and fruit is definitely larger in size this week. There are only light supplies of small fruit and with very strong retail demand the large sizes are also tight. With the demand strength and light supplies the market is up on Cantaloupes across the board. Fruit quality remains excellent with high sugar levels.

Honeydews: Honeydew supplies are tight this week, and demand remains strong. There are larger sizes available and with cooler weather present they will continue that way into next week. Quality is excellent in honeydews right now with creamy white color, solid fruit and high sugar levels. Expect the market to gain strength to finish the week and continue into next week.

ONIONS

Huron and Washington are running yellow and red onions. Washington has limited supplies of reds and good supplies of yellow. Idaho/Oregon will start packing both red and yellow at the end of this month. Quality is still good in California. New Mexico is winding down with limited supplies and quality is marginal.

POTATOES

Large size Russet potatoes remain extremely limited in Idaho with 40 through 80ct count very limited on both old and new crop. Shippers still have deals available on 100ct and smaller cartons on storage potatoes. New crop Norkotahs have started in a light way. All new crop will be Norkotahs. Washington new crop Norkotahs have started in a light way with good quality and product running small. Colorado has limited supplies and quality is still good.

Commodity Updates continued

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 and yellows.

SQUASH

Western Squash: Baja continues with good supplies. Salinas and Santa Maria is starting to move into new fields and will have lighter supplies for the next 2 weeks.

Eastern Squash: The squash market is slowly gaining strength as a result of some fairly heavy rains that moved through the Mid West growing regions recently. Anticipate a continued gradual market increase through the week accompanied by rain-related quality issues.

STONE FRUIT

Cooler temperatures have settled into the Central Valley to finish this week in the major fruit growing areas and production numbers are very limited on small sized Nectarines and all Red and Black Plums. Movement has picked up, and overall numbers are down but there are still deals available in the large sized Peaches. Nectarines are very tight, and will continue to be tight over the few weeks. Washington is still in light production of Apricots, and there is only a few days left. Cherry production is limited in Washington and winding down for the season. Skeena, Bing and Rainier varieties remain available with limited supplies.

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, but we are currently seeing a drop in the smaller sizes (bloom drop) due to excessive heat. With the lack of smaller sized tomatoes we can expect some reaction to the pricing. Roma tomatoes are becoming active due to the lack of supply in the east.

Eastern: The past rain in the east has disrupted production, and we have seen reduced pickings. Roma tomato supplies seem to be affected the most and rounds have good supply of larger sizes lacking LG and MED.

WATERMELONS

Watermelons will remain in light supply to finish the week with cooler overall temperatures and light production. There are regional areas throughout the US producing Watermelons, but there is only just enough to satisfy the demand pressure. Bakersfield remains the peak production area for both seeded and seedless watermelons, but will see a drop in production over the next few weeks. Markets remain strong and demand strength continues as well. Quality is very good for both seeded and seedless.

VALUE ADDED

Issues continue to be seen with some processors on romaine and lettuce. Fringe burn is the biggest issue. 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.