



The Source

August 31, 2009

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THINGS YOU SHOULD KNOW:

Spinach will continue to be in light supplies throughout this week. Growers are having a difficult time with mildew issues as well as sizing on both organic and conventional product.



Weather:

Cool temperatures along with low level clouds and moisture near the coast today will give way to a brief warm up Tuesday and Wednesday followed by a slight cooling trend the latter part of the week. Temperatures in the Salinas Valley will range from the 70s along the coast to the high 80s inland.

In the eastern growing regions warm temperatures will continue in the various areas with a chance of showers and thunderstorms, mainly in the southeast, also possible throughout the various regions this week. Temperatures in the 80s for the most part with lows in the 60s will be the norm this week.



Freight:

The availability of eastbound trucks in California is fairly tight. Washington and Idaho trucks remain steady. Crude oil has remained steady and is currently at \$69.60 per barrel. The National Average on diesel is up this week and is currently at \$2.674, up .006 cents since last Monday.

Commodity Updates

APPLES/PEARS

California Gala Apples are going strong now with good supplies and Washington new crop Galas are increasing in supply. California Granny Smith apples are going in a light way and gearing up for better supplies this week. Red Delicious supplies continue tight in Washington, and will remain so until new crop starts (may be as early as next week) but as many areas are going right now on red typed apples, demand has eased. Gold apples are now packing light supplies in the Ginger Gold and Early Gold varieties. Bartlett Pears are going with better supplies in Washington this week. Anjou pears are finished for the season, but Bartlett Pears from WA and CA will fill any gaps on green pears. California Bartlett Pears remain in excellent supply and will continue to be heavy with volume on the smaller sizes. Also shipping from California are the Bosc, Golden Russet Bosc, European Bosc, Seckel Asian and Stark Crimson Pears with good supplies.

ASPARAGUS

The market for Mexican product currently is stable. Pricing continues to be stronger on Mexican product compared to Peruvian product loading out of Miami direct. Mexican grass will continue to be light supplies on all sizes. Peruvian grass has had a gap in production due to weather. The transition to the Southern region is producing smaller quantities of product. This will continue for another two weeks.

AVOCADO

We are into imported fruit from Chile and Mexico. California's season is winding down with very little left. Chilean and Mexican supplies continue improving.

Mexican Fruit: New crop crossings will continue to improve, with supplies of 60's and smaller in good volume and 48's look to improve over the next couple of weeks. Please note that early new crop oil content will be low and require additional time for ripening.

California Fruit: A few California growers continue to pack very light numbers, and many growers have finished with this years crop. There should be limited amounts available into next week.

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

Chilean Fruit: Supplies of Chilean fruit are good; smaller sizes still are the peak volumes and larger sizes are improving. Fruit has early season characteristics, but will steadily improve in eating quality as we get further into the season.

BELL PEPPERS

Western Green Bells and Colored Bells:

Supplies of green bells are slowly improving. Stockton and Lodi area are breaking new fields and will slowly increase production over the next two weeks. Santa Maria area has also started and is expected to over the next few weeks. The Gilroy and Hollister area will remain steady in production. The red and yellow bell production remains steady with production out of Gilroy / Hollister and the Oxnard areas.

Eastern Bells:

The pepper market is steady as Michigan and Ohio are in good supply with all sizing readily available. Quality is good and the market is expected to remain at the current levels for the balance of the week.

BERRIES

Strawberries: Product is very limited as we come off a very hot weekend. We are still experiencing moderate bruising and very red berries at shipping point. The days are now getting shorter, the plants are "past peak" and we can expect quality to be fair with production moderate compared to prior months. We are getting close to the southern growing areas to come on line again, as we get more detailed information in regards to a start date, we will let you know.

Raspberries: Raspberry production remains steady. Most to all shippers have good supplies. There are no major happenings with production or upswings with pricing. Local production quality has been good.

Blackberries: We are continuing to see irregular local California production in the Salinas and Watsonville areas, but are expecting a bit of a decline, Mexico and Guatemala are not sending enough fruit up to ease the demand. . All growing areas have slowed and shippers are cutting back orders...

Blueberries: Oregon and Washington are done harvesting a bit early due to excessive heat, so production in the Northwest has been

disrupted. British Columbia continues to produce at a lower than normal rate due to some recent rain slowing things down. There is still good quality and supplies in Michigan. Things may become a bit tight until we start to see the offshore fruit arrive around mid September. We can expect to see higher fobs.

BROCCOLI

Supplies are stable as is the market for this commodity. This market is expected to get stronger towards the end of the week with any kind of demand. For now, supplies exceed demand. Sharper pricing out of the Santa Maria region continues. The quality overall continues to be good.

CARROTS

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

CAULIFLOWER

This market continues to be stable. Expect cauliflower to get more active towards the end of the week as supplies are reported to be lighter with many suppliers. The quality continues to get better in terms of quality and texture. Santa Maria and Salinas continue to be the main areas of production. Pricing is competitive in both areas.

CELERY

The availability continues to be strong with most suppliers on all sizes. The 24 counts continue to have the largest volume. Large volume orders can still demand a sharp price. Michigan supplies continue to keep the California market stable. The supplies from this region should be good thru the week. The quality continues to be strong in all growing regions.

CITRUS

Lemons: Supplies of large sizes continue to tighten. Availability continues to look good on 140's and smaller. Summer demand continues to keep prices firm.

Limes: Sizing on pack outs are running to smaller sizes. Large sizes (110's and 150's) still limited. Demand is good. Quality remains good, with lighter color which is a characteristic of the summer crop.

Commodity Updates continued

Oranges: Demand is continues very strong, and demand is exceeding supplies on 113's and 138's and expect it to stay this way until navels start in November. Supplies are peaking on fancy 72/88's.

CUCUMBERS

Western Cucumber: Baja's production is starting to gap as growers are in between sets. Look for Baja to start increasing in about 2 weeks. Fresno will start again with light supplies by the end of the week. Washington will have steady supplies over the next 2 weeks.

Eastern Cucumbers: Rain related quality / supply issues and weeks of a bottom level cucumber market will push prices back up. Anticipate a gradual increase through the week and marginal quality.

GRAPES

California grapes are going strong with the Crimson, Ruby and Un-named Red seedless varieties this week. Green seedless varieties (few Princess and mainly Thompson) continue to produce very good supplies and quality is excellent. There are also beautiful Black Seedless and Red Globe Seeded grapes available. Temperatures were hot over the weekend, but have already cooled back down. Cooler nights this week will keep quality in good shape. Demand remains strong for both red and green seedless, but supplies are strong as well. The markets should remain steady again this week and don't forget our September Grape Promotion, "Crunch Time"!

GREEN ONIONS

This market is stable. Mexican product continues to get stronger in production numbers. Supplies are expected to be strong in September. Pencil sizes are still the largest volume available. The quality continues to be good with no significant problems to report.

KIWI

New Zealand Kiwi is still going strong and they are in good quality and supply. Chilean Kiwi remains available but in light supply as we start September. The market will remain steady again this week.

LEAF LETTUCE

Suppliers are light to start the week on Romaine. Expect supplies to be short throughout the week on this commodity. Romaine hearts will continue to be on the light side, especially forty-eight counts. Expect small numbers in production throughout the week. There is good availability on all other leaf items. The Salinas Valley had extremely warm temperatures this past weekend and this will inevitably cause some defects such as internal burn to surface in the next week.

LETTUCE

This market continues to be stable to start the week. Some suppliers are heavier in production than others, and this has caused a variance in price anywhere from two to three dollars. Supplies look to be moderate throughout the week. Product availability will tighten up with a big push but for now the market is stable. Some puffiness will be seen to lettuce this week due to high temperatures in all the growing regions that was seen this past weekend. Expect some tip burn issues to surface.

MELONS

Cantaloupes: Hot weather over the weekend brought on light supplies of the smaller fruit, but temperatures are already cooler for the balance of the week in the Central Valley. Fruit will continue to pack out heavier to the big fruit (12's and LARGER) but there will be a decent manifest of sizes this week. There continues to be regional melons available, but only in light supply and not in demand like the Westside deal. As predicted the market is stronger this week, and could get stronger as we move into the weekend with some demand strength. Fruit quality remains very good with high sugar levels.

Honeydews: Honeydew supplies look to remain steady this week and demand is only moderate. The larger sizes (5ct and JBO 5ct) are still more readily available and there are deals available. Quality continues to be very good in honeydews.

ONIONS

Idaho/Oregon with very good availability this week on red, yellow and whites. Greening is

Commodity Updates continued

still a factor probably for the next couple of weeks. Quality is good but the skins have not completely set to the nice dark Idaho product we are used to. They will continue to get better over the next few weeks. Huron is done for the season. Washington supplies are getting better but with export coming in and loading heavily they are a little more limited. There are supplies available out of Colorado and Utah as well.

POTATOES

New crop Norkotahs are going strong with very good quality. Burbanks are all but done for the season. Norkotahs have a much larger size profile than the old crop Burbanks so there will be much better availability on the larger cartons and the small sizes will hold steady prices. However, with the new crop so nice the 2's will be limited. All new crop will be Norkotahs. Washington new crop Norkotahs are going strong with good quality and good availability. Colorado has started with new crop as well. California colored potatoes still available with very good quality. There are supplies available out of Stockton. Southern Washington is going with good availability on reds and yellows. Mount Vernon, Washington has started with limited availability.

SQUASH

Western Squash: Baja has good supplies and will continue in supplies over the next couple of weeks. Santa Maria has steady supplies Italian, but will have limited production on Yellow. Fresno has started back with Italian in a light way, with yellow starting soon.

Eastern Squash: The quality on squash, particularly the yellow squash, is marginal at best now. Crops are getting old and tired and with so many small growers as the source during the summer, that means limited supplies. This market will continue to climb into the weekend and quality will remain fair to poor. South Georgia has begun in a very light way this week.

STONE FRUIT

Both Red and Black Plums are very tight with only light production again this week. Demand is still very strong and the market is up again this week. Nectarines have eased off a bit with better availability this week and new fall

varieties available. Peaches have lightened up to start September and will be tighter through the week. Washington is still only producing light volume on Peaches and Nectarines with increasing production over the next 7-10 days.

TOMATOES

Western: San Diego continues crossing decent volume now but demand is eating up most open fruit. Reports of Baja quality have been good. The round market is active, as we are currently seeing a drop in the smaller sizes (bloom drop) due to recent excessive heat. With the lack of smaller sized tomatoes we can expect some reaction to the pricing. Most growers have to skip picking days from the fields to allow the fruit to mature. Roma tomatoes are becoming active due to the lack of supply in the east.

Eastern: Demand remains steady and is keeping the market fairly stable despite the shortages we have encountered across the country. Weather has improved in the east allowing the fields to dry out. TN, NC, and VA are back harvesting crown fruit, so smaller sizes will be snug for another week or so.

WATERMELONS

Regional as well as California Watermelons are still available, but overall supplies remaining only moderate. California volume will drop off over the next 2 weeks. Bakersfield remains the peak production area for both seeded and seedless watermelon. Markets remain strong and demand strength continues as well. Quality is very good for all watermelons.

VALUE ADDED

Expect there to be issues on lettuce and leaf items with most processors. The high heats in all the growing regions will likely make these commodities weaker. 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, and production numbers should increase this week.