



The Source

October 5, 2009

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THINGS YOU SHOULD KNOW:



Weather:

The exiting low pressure system out west will bring a slight warm up to the region this week. Temperatures in the 60's along the coast to high 70's in the warmer interior valleys and over night lows in the mid 40's will be the norm this week.

In the Southeast a chance of rain and possible thundershowers through week with temperature highs being in the mid 80's and lows in the 60's through the week.



Freight:

The availability of eastbound trucks in California remain steady. Washington and Idaho trucks have tightened considerably due to the lack of inbound freight. Crude oil has increased and is currently at \$70.48 per barrel. The National Average on diesel is currently at \$2.582.

Commodity Updates

APPLES/PEARS

Small sized apples in all varieties remain in a demand exceeds supply situation as the new crop is yielding large fruit in the pre-size bins (peaking on 88's and larger). Red Delicious supplies continue very tight in Washington. California Granny Smith apples continue to be packed in decent supply and there are also light supplies Fuji and Braeburn which could finish this week. Beware; small sizes are also tight for California apples as the storage crop yields large fruit! There are other areas in the Northeast (including Michigan and New York) going on red 'typed' apples, and demand for those is very good as well, especially in the limited supply of small sizes. Gold apples remain extremely tight as well with the transition continues to the new crop Gold Delicious. Anjou Pears are going with better supplies in Washington this week and Bartlett pears are still going strong. There are also now varietal pears including Bosc, Seckel, Comice and Red Pears. California Bartlett Pears are all but finished for the season.

ASPARAGUS

The market on Mexican product is stable compared to the previous week. Peruvian grass has a much sharper price on all sizes compared to Mexican product. Jumbo sizing is much more readily available out of Peru.

AVOCADO

Mexico's harvest is improving. Chile is going with good steady supplies. We are still at early-season maturity levels from both countries, but improving, so ripening will take longer and checked boarding will be a problem.

Mexican Fruit: Supplies continue to improve, but Mexican growers are still being cautious about fruit that does not have the maturity levels needed.

California Fruit: Next years crop looks much larger than this year's, and should be ready to begin late December / early January.

Chilean Fruit: Chilean fruit supplies are steady; sizes peaking on 50's and 60's. 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 have lightened up

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

considerably in California. The Stockton, Lodi and Le Grande areas have lighter supplies this week with colder weather and the end of their crops coming sooner than expected. The Santa Maria, Gilroy and Hollister area will remain steady for the next 1-2 weeks. The red and yellow bell production is good, with production out of Gilroy / Hollister and the Oxnard areas.

Eastern Bells: Southern Pepper in Georgia has begun, with prices moving slightly higher and volume limited to larger sizes. Carolina is also working pepper. Supplies should start to increase during the next week, weather permitting. Rain in Georgia has pushed back picking a day or two for some growers.

BERRIES

Strawberries: Production this week has started off low again. Quality continues to be the factor of declined production in the northern Salinas / Watsonville area, as shippers are leaving a good portion of fruit in the fields. We can expect to see softer, over ripe and bruised fruit, as the plants are at the end of their life cycle and fruit will be weak. Oxnard is now going with small quantities (1-2 plts) of new crop fruit that should provide some relief for availability and certainly better quality. Production will continue to decrease through October. Volume is increasing in Oxnard and should be up to full production by the week of Oct 12th. Mexico will begin to ship fruit from Yuma AZ and McAllen TX by mid to late October.

Raspberries: Raspberry production is not heavy but is consistent, quality remains good. There is Californian production in Watsonville and some in the southern areas. We can expect some light production out of Oxnard by the second week of October followed closely by Mexico.

Blackberries: Blackberries are gapping and we are continuing to see irregular local California production in the Salinas and Watsonville areas. Guatemala is sending fruit into Miami, but is not sending enough fruit up to ease the demand, but we may see an increase from Mexico within a week or two.

Blueberries: Oregon and Washington are done, with the only fruit available being Controlled Atmosphere with diminishing quality. Michigan also is working off of Controlled Atmosphere fruit with the same attributes as the North West (tired fruit). The off shore fruit

has been delayed by about 10 days and can expect to see the first of Argentina fruit by October 12th with much higher fob's than we are currently seeing. The majority of pack size will be 4.4oz to start them moving into the bigger packs as production increases.

BROCCOLI

This market continues to be active on all broccoli items. Suppliers will be light all week and will prioritize covering contract business before open business. Suppliers are gapping in production out of the Salinas valley. Santa Maria is also light in supplies and there are not any deals that are being offered. The quality of the product continues to be good.

CARROTS

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

CAULIFLOWER

As expected, supplies will be light throughout the week on this commodity. Light supplies continue to be in the forecast for the next seven to ten days. Demand exceeds supply. The biggest problem is simply that growers are gapping in production in all growing regions. Slight yellowing has been reported sporadically upon arrivals, but overall the quality has been good. Pricing is active in all areas.

CELERY

This market continues to show a spread in pricing of four to five dollars with shippers. Some suppliers have planted half the amounts of celery compared to other suppliers. Some suppliers are stronger on 24 counts while others continue to be stronger on 30s and 36 counts. Supplies are coming out of the Salinas and Santa Maria growing regions. The quality continues to be strong with no major issues to report. Oxnard is expected to begin production approximately the first week in November.

CITRUS

Lemons: Supplies of large sizes continue to be tight. Availability continues to look good on 115's and smaller.

Limes: Supplies are good this week. Sizing on pack outs are still running to smaller and mid sizes. Large sizes (110's and 150's) still limited. Demand is good. Quality remains good.

Oranges: Demand is very strong, and demand

Commodity Updates continued

continues to exceed supplies on 88's, 113's and 138's and expect it to stay this way until navels start. Navel crop is 16% larger than last years crop, but is still lighter than average. Anticipated start of Navels is mid to late October.

CUCUMBERS

Western Cucumber: Baja's production is increasing as new acreage is breaking but yields are not there yet. Washington is winding down. Mainland Mexico is getting ready to begin in 7 to 10 days. The market will remain strong this week.

Eastern Cucumbers: Volume in Georgia is good, with prices being either steady or lower in most areas. Florida has already started with a few cucumbers, as well. Quality seems to be good, and volume should increase as the deal starts to pick up during the next week.

GRAPES

The Central Valley Grape supplies remain very light again this week especially on the red seedless varieties of Crimson, Scarlet Royal, Sweet Scarlet and Premium Reds. Supplies look to remain very sporadic on red seedless grapes and there continues to be only light supplies available compared to the demand. Green seedless grapes are mostly only 16# storage Thompson and the market is stronger again this week. Green seedless quality is also only fair as we enter the fall storage crop. Still showing at shipping point as well as arrivals in the green seedless are slight amber discoloration, light shatter and occasional scarring in many lots. Demand looks to remain strong for both red and green seedless, and supplies will remain light again this week. The market will also continue stronger and most likely remain strong for the balance of the domestic grape season.

GREEN ONIONS

This market is stable. Supplies are good with most suppliers. This market is no longer double digits in pricing. Pencil sizes are still the largest volume available. The quality continues to be good with no significant problems to report.

KIWI

The transition is almost complete to all new crop California fruit. Overall supplies will remain light throughout the week with supplies

transitioning to Central California shipping points. The market will remain strong this week with increased demand, but should let up next week with better supplies available.

LEAF LETTUCE

There are ample supplies of both romaine and romaine hearts. This market is stable. Some reports continue to surface on fringe burn being seen upon arrival. There have also been reports that the chopped romaine is not as strong as in past months. Green and red leaf is stable. It is important to note that as the season winds down, all the leaf items tend to have a shorter shelf life due to the crop being tired. Huron is expected to start the third week in October followed by Yuma beginning the second week in November.

LETTUCE

This market is stronger to start the week. Most suppliers were sold out of product on the weekend and have started with no inventories. Pricing continues to be competitive in both the Santa Maria and Salinas growing regions. All reports indicate supplies will be moderate throughout the week.

MELONS

Cantaloupes: The Westside deal is quickly coming to a close with now only a few select shippers packing fall fruit. The deal should finish up there by the end of the week. Peak sizing is still on 9's and 12's and there are decent supplies of those sizes available! The regional melon deals have finished up and the pressure is on for the remaining California production and the light new crop Arizona production. With the Arizona districts just getting started and colder weather, expect only light supplies from there through the entire week. The market has strengthened on ALL sizes and small fruit is in very tight! Fruit quality remains good with decent sugar levels. Look out over the next 7 days as the Westside deal finishes and the desert shippers struggle to keep up with demand.

Honeydews: Honeydew supplies are extremely light to start this week with the Central Valley finished up and the desert not quite starting yet. What is left from the Westside deal is limited to only 8/9ct sizes and fruit quality is fair at best. The desert, with the colder weather has pushed back their

Commodity Updates continued

production start and there are virtually no supplies for a few days. Nogales, AZ does have a few large sizes (5/6ct)* but they are just starting this week as well and there are only light supplies at best. The market is strong!

ONIONS

Idaho/Oregon continues with very good availability this week on red, yellow and whites. Most have finished or will be finishing harvest this week. The yields seem to be down a bit from last year so we may see some strength in this market. Quality is good. Washington supplies are very good with good quality as well. There are good supplies available out of Colorado and Utah.

POTATOES

Snow and rain in Idaho over the past few days has stalled harvest and shippers will probably not be able to get into fields until mid week at the earliest. There are limited supplies of Burbanks available with Norkotahs still the main varietal. Washington new crop Norkotahs are going strong with good quality and availability. Colorado is going strong with new crop supplies as well. Southern Washington is going with light availability on reds and yellows. Mount Vernon, Washington with good availability; product quality as usual is stellar. North Dakota and Wisconsin with good supplies of red, yellow and white potatoes.

SQUASH

Western Squash: Baja has good supplies and will continue in supplies over the next few weeks. Santa Maria and Fresno will have light steady supplies over the next 7-10 days. Mainland Mexico has started and will have increases weekly.

Eastern Squash: Volume remains good on zucchini, yellow straight neck and yellow crookneck squash, with prices generally low. Quality and supply has remained consistent, and should remain so for the coming weeks.

STONE FRUIT

Red Plums are finishing their supplies as well as both Nectarines and Peaches with cold weather settling into California. There are only light supplies for what little time they have left. Black Angeleno Plums continue and there is still a good size range available along with

excellent quality! Washington is all but finished on Peaches and Nectarines.

TOMATOES

Western: San Diego continues crossing decent volume and quality. It has stabilized and we are seeing consistent pricing. We can expect reduced volume from Baja by mid to later October due to the recent Hurricane that past over Baja. Roma tomatoes have eased up a bit. Central California has fairly aggressive pricing and plenty of good fruit to go around. We can expect a decline in volume as this month progresses, as we are coming into the beginning of the end. When and what decline we will see depends on Mother Nature.

Eastern: There is cooler weather in the northern areas and this is bringing their season to an end soon. Florida is expected to begin in about two weeks. Quincy FL has started harvesting in a light way. There has been rain down there but not nearly as extensive and damaging as the northern areas.

WATERMELONS

Regional Watermelons are available, but only in very light supply out of Texas and Oklahoma. Supplies are also still available in light volume out of Northern California, but supplies are dropping off quickly with colder weather in place. What is left for California volume will drop off again over the next 7 days. Mexico is slated to start mid-month, but supplies are only supposed to be light! Markets are slightly stronger to start this week and demand continues strong. Quality is very good for all available watermelons.

VALUE ADDED

Complaints have arisen on chopped romaine not having as long a shelf life as in past months. As mentioned earlier in the leaf portion, the plants are tired and this is a common problem that exists with tired product. Please keep inventories close to the numbers. With broccoli and cauliflower being tight in availability, processors will be scrambling to fill all orders. Some suppliers have already enacted the twelve week average and others are soon to follow. Raw material will be tight. Expect some delays with trucks being loaded at most processing facilities will have raw material coming in throughout the day.