



The Source

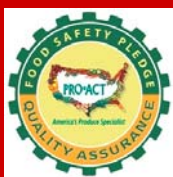
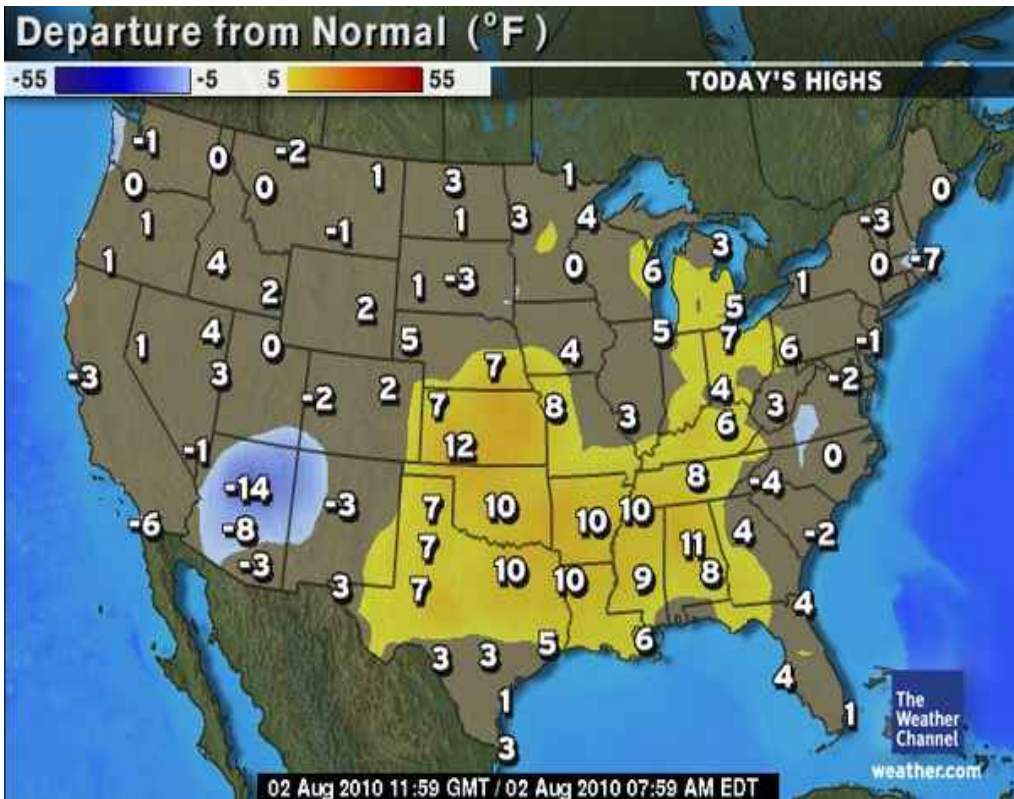
August 2, 2010

© 2010, PRO*ACT, LLC

THINGS YOU SHOULD KNOW:

Weather: *Tim Lynch*

California's Central Coast is forecast to remain in a fairly typical summer time weather pattern this week although slightly cooler than seasonal norms due to the heavy marine inversion layer. Morning low clouds and fog, especially near the coast with slow clearing by the afternoon. Temperatures will range from the mid 60s near the coast to the mid 80s in the warmest interior valleys.



Freight: *Mike McIntire*

Trucks in California and Idaho remain extremely tight due to the lack of westbound freight. Washington trucks remain steady. Crude oil rose \$4.41 is currently at \$81.53. The national average is steady and is currently at \$2.928.

Commodity Updates

APPLES/PEARS *John Tole*

Washington red delicious and Granny-Smith apples are still heavy to large fruit and the premium grade. The smaller sizes and lower grades are still very tight and getting tighter now that the early school demand is back. Besides the small counts the markets on reds and Granny's are mostly steady. Golden delicious are higher on all sizes and grades since supplies are really low. This will be the last week of shipping on golden delicious for most shippers. D'Anjou pears are finished in Washington. California is still packing green Bartletts and stark-crimson red pears. The markets for both are slightly lower on 90's through 120's. Bosc pears are starting in California today.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market continues to be firm on all sizes. Supplies are extremely tight on jumbo sizing. Harvesting crews in Mexico have had challenges due to heavy past rainfalls in the growing regions. All other sizing is light to moderate in availability. Expect product to have light availability throughout the week. Peru has had weather issues that have kept production at a minimum. Jumbos will be extremely difficult to purchase throughout this week. Pre-booking orders as early as possible is highly recommended.

AVOCADO *Tim Kelley*

California harvest is now past the 60% harvest point. Demand remains very strong. Mexico has entered into their light summer production.

California Fruit: The California harvest is peaking on 48's, with supplies of smaller sizes dropping.

Mexican Fruit: Growers have very little fruit to cross into the states as their season is at the end. The latest update on the beginning of their off bloom season is early August. If Mexico continues to get rain as they are, this could be pushed back.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

The Le Grand, Stockton and Gilroy areas have started, with increased production over the next few weeks. Bakersfield crop for colored bells is in good production, but lighter supplies coming in 7 to 10 days.

Commodities at a glance...

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

Commodity Updates *continued*

Eastern Bells: *Janine Baird*

Bell pepper supplies are ramping up in Michigan. With the increasing volume and weak demand, the market should continue a steady decline throughout the week. Quality has been good.

BERRIES *Mike Gorczyca*

Strawberries: Cool weather continues in the strawberry growing areas this week which is limiting harvests causing the market to firm up. The forecast is for the weather to stay cool into the weekend. Quality is still fair with a few good lots due to the wet cool mornings. It is that time to keep your inventories down and only order what you need. Demand is still good. Sizing is medium with counts in the mid teens. Stem Strawberries are limited out of all areas. Market is higher.

Raspberries: Light supplies and good demand is causing a firming market. Quality is being reported as good.

Blackberries: Moderate demand and supplies is causing a steady market. Quality is fair mainly due to the cool wet mornings in the growing areas.

Blueberries: Light to moderate demand with good supplies is causing slightly weaker market. Supplies are coming out of Oregon, BC and Michigan with good quality fruit being harvested in all areas. The main pack size is pints with a few 6oz. being packed. Market is softer.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is flat. The availability is excellent on bunched product as well as crowns. Vendors continue to listen to offers on volume orders so promote as much as possible. There are plenty of deals available. Mexico supplies will be moderate to good throughout the week. The quality is expected to be strong throughout the week in all of the growing areas.

CARROTS *Tim Kelley*

California carrots are in good supply. Yield and quality are good and there should not be any gaps for the next couple of months.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

The cauliflower market is steady to start the week. Supplies continue to be good with many shippers and volume quantities are available at

discounted pricing. The best availability is coming in the twelve counts. Santa Maria and Salinas continue to be the two big growing regions at this time.

CELERY *Gabe Romero/Mike Pacheco*

This market is softer. There is good availability on small as well as large sizing. Salinas and Santa Maria are now the main growing areas of production. The weights and quality of celery continue to be strong. Pricing is very similar amongst all the sizes available.

CITRUS *Tim Kelley*

Lemons: Supplies are good, with very good demand. The market continues to firm on 140's and larger. Quality is good.

Limes: Supplies remain tight to begin the week due to continued weather in the growing areas in Mexico. Fruit is peaking on 175's, 150's and 200's.

Oranges: There are limited supplies available on California Navels, mostly 56's and larger. Valencia's are in good supplies and demand continues to increase on small sizes with school business. Market pricing on small choice grade fruit is firming.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Baja production will continue to decrease slightly over the next couple of weeks.

Eastern Cucumbers: *Janine Baird*

The recent heavy rains in the Michigan / Ohio area have caused the cucumber market to react. Prices are up this week and will most likely continue to climb through the week as New Jersey finishes up and more people look to Michigan.

GRAPES *Amy Grolnick*

Red flames are running very small in the central valley with limited availability on large fruit. The market is staying steady with the large fruit pulling premium pricing. Red Scarlets are available with limited availability but very nice extra large fruit. Thompsons and Sugarones are available with good size and eating very well. Princess Green seedless is just getting started this week. Summer Royal blacks are available with good quality. California red globe are starting up in a light way with very good quality.

Commodity Updates continued

GREEN ONIONS *GabeRomero/Mike Pacheco*

This market is softer. Little demand has allowed for supplies to become stronger with many suppliers. Pencil sizing continues to have the best availability followed by mediums. Quality issues have been minimal.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is stronger to start the week and look for this commodity to be active throughout the week. Green leaf is flat. Some mildew is occurring on the outer leaves but suppliers are peeling that portion back. The weights are still good after the peel back on all leaf items. Foggy, overcast mornings continue to be in the Salinas growing region.

LETTUCE *Gabe Romero/Mike Pacheco*

Supplies are good with most suppliers. Pricing is lower compared to last week. The weights are reported to be between 44-47 lbs. on palletized. The availability will be good throughout the week with most suppliers. Mildew and burn has been seen sporadically, but overall the quality has been good. Promote lettuce for the week.

MELONS *Amy Grolnick*

Cantaloupe: Sugar levels are still good with solid fruit and very good quality. Much better volume this week but still peaking to 9's with small fruit very limited.

Honeydew: The west side fruit is available peaking to 5's leaving minimal 8's available. Quality is very good and volume will continue to increase.

ONIONS *John Tole*

All colors of onions are available in California this week. The demand has been light and prices are lower on yellows. Reds are steady as the supplies are lower. Whites remain very limited but prices are steady. Sizing is average on all colors. New Mexico has dried out and is back to packing. Prices are down lower on all colors due to light demand. Washington is finished with wintered-over yellows. Colorado continues packing yellows and reds. Their sizing is also average on both colors. Canada is packing yellows and will start packing reds this week.

POTATOES *John Tole*

Idaho continues to peak on smaller size cartons but the market is higher again due to strong demand. The Idaho market is higher and strong on all sizes and packs. The Idaho market will remain strong for the balance of the season. Idaho's quality has been mostly good although peeper-sprouts and internal black-spotting have shown up sporadically. Washington has started packing new-crop norkotahs and is peaking on 80 counts. Colorado is changing rapidly. A couple shippers have old-crop norkotahs left while some have started with new-crop supplies from Nebraska. California has finished packing russets. California also continues to pack colored potatoes. Most Bakersfield packers have finished. All Colors are available from the Stockton area. There are still a few left in Bakersfield as well but Stockton has the better volume, quality, and color in the reds. North Carolina, Virginia, and Alabama have reds and a few golds, with some round whites, but the temperatures have been so hot that they aren't holding up after harvest which has pushed much of the business to California. Minnesota/North Dakota and Wisconsin both continue to pack reds and the market is down slightly. There are a few gold potatoes as well.

SQUASH

Western Squash: *Tim Kelley*

Baja has lighter supplies to begin the week. Santa Maria has good steady volume on Italian, but Yellow production remains light.

Eastern Squash: *Janine Baird*

Squash has tightened back up and should remain so for the balance of the week. Quality has been good but demand has exceeded what the minimal growing regions can supply this time of year.

STONE FRUIT *Amy Grolnick*

Domestic peaches are readily available with good volume to promote and excellent quality. Nectarines are a little more limited but quality is very good. Red and black plums still with very good availability this week. Tree ripe or preconditioned peaches, nectarines and plums are now available. Apricots are available for loading out Washington. Washington cherries are available but still very limited.

Commodity Updates continued

TOMATOES *Ryan Frayo*

Eastern: Roma tomatoes continue to be behind on production and we continue seeing higher fobs on the Romas compared to weeks previous. Round tomatoes are reacting to the consequences of previous heat and rain. Growers have picked through pretty much all supplies they had due to rapid maturing caused by the heat. Cherry and Grape have come down on price and availability is good. reports of quality are much better than last week. There are a lot of "local" growing deals along the east up into Michigan and that will be driving the deal.

Western: Supplies out of San Diego are increasing as the transition is done. We are seeing better availability on all round packs. Cherry tomato production is strong with low FOB's and shippers making deals to keep things moving. Grape tomatoes are in shorter supply starting this week. Weather has been favorable in Baja with no major issues. Central California continues going strong with production and plenty of good quality fruit behind it.

WATERMELON *Amy Grolnick*

Domestic fruit is going strong with very good quality. There are promotable volumes and pricing is steady to higher.

VALUE ADDED *Gabe Romero/Mike Pacheco*

The lettuce quality is stronger. This week the lettuce should be better in terms of quality which will lead to better shelf life. The supplies of romaine will be lighter this week. There continues to be a few issues upon arrival of brown to red discoloration on romaine and lettuce items. The quality of value added items is expected to be better this week.