



The Source

THINGS YOU SHOULD KNOW:

May 10, 2010

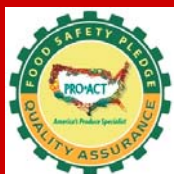
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Bartlett pears are finished for the season

Nappa cabbage is still extremely light in availability due to excessive seeder in the fields

Asparagus is still extremely limited due to short supplies from all growing regions

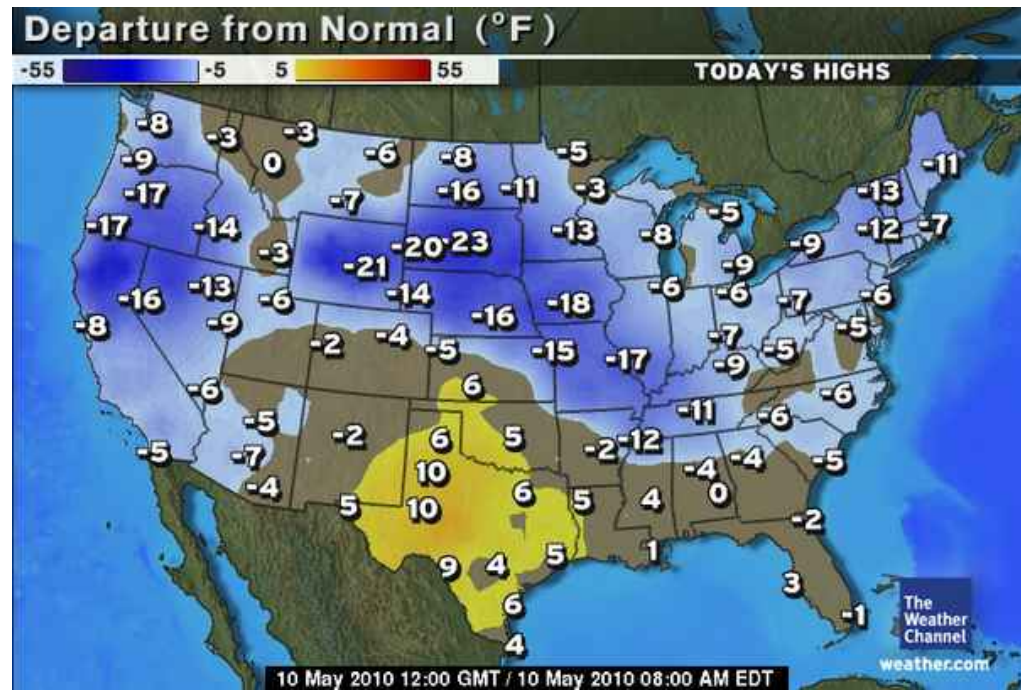
Melons are extremely limited for the next 2 weeks



Weather: *Tim Lynch*

A fairly cold low pressure storm system approaching Northern California today will bring a chance of rain and breezy conditions with temperatures in the 50s to low 60s into Tuesday. High pressure builds behind this latest system bringing dry weather and gradually warming temperatures through the week. Temperatures are expected to rise 3-5 degrees each day through Friday leading to mid 60s at the coast and 70s to low 80s inland. Mid range forecasts show another system moving in from the Northern Pacific over the weekend bringing another cool down and a slight chance of rain over the weekend.

In the Southeast a couple of high pressure systems aloft and at the surface will slowly slide southeast through Florida this week. This will bring generally dry conditions along with warm temperatures into the low 90s through the week.



Freight: *Mike McIntire*

The availability of eastbound trucks in Washington and Idaho has loosened up but California remains extremely tight due to the lack of westbound freight. The TX valley is also extremely tight right now. Crude oil prices are currently at \$77.23. The diesel price for this week is up slightly to \$3.127.

Commodity Updates

APPLES/PEARS *John Tole*

Washington is still peaking on large premium grade red and golden delicious. Small and lower grade fruit remains tight in both varieties. The markets on both are steady but strong especially on small fruit. There are some good deals in most variety's on 48, 56, 64 size fruit. The foodservice sizes and grades remain very limited in all varieties and will get even tighter as the eastern apples finish. For your orders that require small fruit please consider varieties other than reds since they are so large. Granny-smiths are also heavy to the larger sizes and the premium grade, while the lower grades and smaller fruit are tight. Braeburns, Galas, Fuji's, and Pink Lady varieties are left although the Pink Lady and Braeburn numbers are very low. Cameos, Jonagolds, Honeycrisp, and Romes are finished for the season. The D'anjou pear quality is excellent but Washington supplies are lower and the prices are up. Expect domestic fruit prices to continue to climb as we approach the end of the storage season. Washington fruit is still large. A few Red Crimson and/or red D'anjou pears are available but supplies are very limited.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market continues to be strong. Mexico production is very light. Supplies are also light out of Washington due to a recent freeze. Peruvian product is still available on the East and West Coast but supplies have been limited due to less air shipments. Expect supplies to be light out of California throughout the week. The Mother's Day pull is over but demand is still very strong.

AVOCADO *Tim Kelley*

California harvest continues at a steady pace and there season is just really beginning. Mexico is 70% shipped for the year.

Mexican Fruit: Growers continue to slow their harvest to kept prices firm. Mexico cannot afford to let their volume decline anymore, and is working to create a more mutually workable pricing structure for the U.S. market. We should see some increase in volume over the next couple of weeks.

California Fruit: Growers are harvesting good supplies, but is still experiencing problems with size, as the trees are over laden with small

Commodities at a glance...

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

Commodity Updates *continued*

fruit. Size will begin to improve as harvest continues and weather warms.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Mexico supplies are quickly winding down as their season comes to the end over the next couple of weeks. Availability, size, and quality continue to drop on. The California desert is going with go volume and quality. Red and yellow bells from Mexico remain limited, as they are coming to the season end. The California desert crop for colored bells will start mid May, with volume by the first week of June. One grower in Baja has supplies of new crop colored bells.

Eastern Bells: *Janine Baird*

The bell pepper market is working its way back down with most of the deals going on in Central Florida. With recent heavy rains, this market should not fall too much further and we may begin to see rain related quality issues arise later in the week. With Georgia several weeks behind schedule, Florida will be the only game in town for another 2-3 weeks.

BERRIES *Mike Gorczyca*

Strawberries: Demand is still very good the start of this week which is keeping supplies tight with a firm market out of all areas. The Salinas/Watsonville growing areas did receive some scattered showers on Sunday/Monday. I don't think we got enough to do much to the berries. Santa Maria growing area is peaking with production this week. Quality is good with medium to large size fruit. Salinas/Watsonville growing areas are building volume each week and are about three week away before they hit their peak. Quality and size are good.

Raspberries: Supplies are getting better each week. Market is steady to slightly weaker with good quality.

Blackberries: Good supplies and demand is causing a steady market. Quality is being reported as good.

Blueberries: Florida supplies are building each week with a slight weaker market. Quality is good. California has started with limited volume. They will get better numbers the end of next week the start of the following week. Look for this market to weaken quickly over the next two weeks as Florida and California build volumes.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady on bunched product as well as crowns. Overall, supplies are on the stronger side in Santa Maria and Salinas. Bunched broccoli continues to have the best availability and growers are looking to move some volume orders. Price will be very competitive this week.

CARROTS *Tim Kelley*

California carrots are coming out of Bakersfield for the next week or two weeks with good supplies. Yield and quality are good and there should not be any gaps for the next couple of months.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market has rebounded and is now active again. The recent excess supplies have all but dried up. The availability of cauliflower will be limited once again this week. Prices will remain high through the week. The weather is not as warm as it should be this time of year, thus creating slower growth rates in the crop.

CELERY *Gabe Romero/Mike Pacheco*

This market is firm on smaller sizes and softer on the bigger sizes. Good weather in the Oxnard growing region has brought on more supplies. There are still signs of seeder in most packs. But other than that, the overall quality has been very nice with good weights. Salinas celery is expected to start by mid June.

CTRUS *Tim Kelley*

Lemons: Demand is steadily increasing, pricing remains steady. Quality is very good.

Limes: Better supplies this week on smaller fruit, with larger fruit remaining limited.

Oranges: Demand for navels continues to be strong and pricing has firmed up. Crop continues to peak on fancy 72's, 56's. Demand exceeds supplies of 88's and smaller sized fruit. There are some Valencia's being packed the help fill the shortages on the small sizes of navels. Shippers plan to begin packing Valencia's on a regular basis by week. Valencia quality is good, with early brix levels in the 9 to 12 range.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is good. Baja growers expect good production through the month.

Commodity Updates continued

Eastern Cucumbers: *Janine Baird*

The price of cucumbers continues to drop and has all but reached the floor this week. However, there is not enough volume in Central Florida to sustain the low markets until Georgia kicks in (still about 2 weeks away). Expect a continued low market through this week but a trend upward by next Monday accompanied by some quality issues.

GRAPES *Amy Grolnick*

Chilean storage green grapes are the best quality of greens but only fair at best. The greens will lessen over the next couple of weeks and may have a slight gap prior to the start of the Perlettes in California. There is Crimson still available with good volume. Black seedless are very limited with good quality. Red Globes with very good quality and lighter availability.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market continues to be on the stable side. Pencil sizing continues to have the best availability followed by mediums. The issues of yellowing have gone away with most suppliers. Also good supplies of iceless green onions are available.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is soft. Green leaf and red leaf are both on the light side of availability and pricing is stronger. This pattern will continue throughout the week. The rains have subsided but mildew issues are occurring on green and red leaf. Many growers have also planted less product compared to romaine and this is another reason for the tight supplies. We are still seeing red discoloration in all leaf items due to the previous rains that we had here in Salinas.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is still strong and looks to remain active all week. Salinas had a strong week of production last week. Many shippers are caught up with production and have all increased their pricing for the week. Demand continues to be very good on all packs. Some issues of pink ribbing, discoloration, and mechanical damage are still seen upon arrival.

MELONS *Amy Grolnick*

Cantaloupe: Product is extremely limited and

will remain that way over the next two weeks. The Central American fruit is finishing up quickly after rain from two weeks ago. The availability of offshore melons is almost nothing although there are a few melons arriving. Mexican product is now crossing into Nogales, sizing is running small but quality is good. The desert melons will not start until May 17 at the earliest.

Honeydew: Very limited supplies of offshore product as shippers finish up in Honduras and Guatemala for the season. The west coast is all but done with Central American product. Nogales is receiving more supplies of Mexican fruit with good quality and sugars. The desert product is set to start with Cantaloupe the 3rd week of May.

ONIONS *John Tole*

Texas is mostly steady on yellows and reds and there is some play in the yellows but reds are tight. Whites are lower. Supplies have been much better now that the weather has improved but many of the smaller suppliers are going to finish at the end of this week or beginning of the next, so be ready for a stronger yellow market. Their yellows are peaking on jumbos and larger now while the medium numbers are still low. Texas red numbers will also start to drop and California will have more this week. Texas quality is generally much better. Vidalia, Georgia continues packing and they have better numbers of jumbos and better quality than they thought but are still relatively high priced. California continues to pack all colors. Yellow and red numbers are up although reds are still short, while the white numbers remain low. The yellow market is steady to lower in California due to fair demand and increased volume. The quality is good on all colors and size is large. California has been warm and dry so the packing outlook is good but expect a stronger market next week as the Texas volume drops. Looking forward, the San Joaquin valley isn't supposed to start until the first or second week of June weather depending.

POTATOES *John Tole*

Idaho continues to peak on 80/90/100 counts. 70's and larger are very short and will continue to go up as we approach the end of the storage season. Most shippers are still asking for 48 to

Commodity Updates continued

72 hours lead-time for large orders of the larger counts. Idaho quality is mostly good but they are experiencing a lot of internal black-spot. Washington norkotahs are up on all counts now that Idaho is so limited on big cartons. They are still peaking on 70/ 60's and have excellent quality but are limited on 90's and smaller. Wisconsin is steady to slightly higher on all sizes but supplies are very limited as they are almost finished for the season. Colorado is also up on all sizes due to the increased demand that Idaho can't cover. The quality in Colorado remains mostly good. Colorado is relatively cheap compared to Idaho so expect their prices to continue to rise! Idaho has a few reds and golds left but the supplies are light. California packers are still packing all colors and have good availability from Bakersfield and good quality on all colors. Arizona is packing reds and golds as well, and has very dark color in their reds. Florida is still running reds, Yukon, and whites, and has good volume esp. on reds. They also have good quality and their reds are still very dark in color.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is improving with supply and quality and is expected to continue for the next couple of week. Baja and Fresno are beginning to come on with limited, but steady production.

Eastern Squash: *Janine Baird*

Squash is plentiful in Florida and several Georgia shippers have started this week as well. The market continues to be soft but recent heavy rains in both states could lead to quality issues and limited supplies this weekend.

STONE FRUIT *Amy Grolnick*

Off shore peaches, nectarines and plums are winding down for the season. Domestic cherries are starting up this week at very high price points. There will also be some limited volume on domestic peaches, plums and nectarine

TOMATOES *Ryan Frayo*

Eastern: Florida continues to limp along, but some shippers are getting a little stronger with production, from what very light production there actually is. Shippers continue saying

possibly the middle to the end of May before supplies increase to normal production levels, but realistically it looks more like June. The couple of shippers who are coming up with some fruit have quantities that are small and insignificant in the big picture. There continues to be considerable quality issues with the Florida fruit such as scaring and misshaped fruit accompanied with short shelf life. As mentioned volumes will continue to be less than normal, but quality should improve as growers continue to pick and clean up the plants. There has been no change in quality to date. Coming on fairly strong are Grape and Cherry tomatoes. We can expect to see higher than normal fob's on the round tomatoes probably up through the spring accompanied with shortened supplies. The Roma tomato production is getting better with respectfully lower fob's compared to weeks previous.

Western: Supplies out of San Diego are low and production in the new regions is not up to speed yet. We can expect this trend up until the new Baja crop gets ramped up in late May into the front of June. Nogales is a bit unstable with pricing. We can expect to start seeing less and less fruit out of Nogales as we are seeing the beginning of the end down there. Quality will be the first indicators as how quick it will wrap up. Weather has been favorable in Baja with no major issues. California is on track to get going around the second week of June.

WATERMELON *Amy Grolnick*

Better supplies on seedless product with seeded watermelon now also in good supplies. Prices are steady. The mini seedless are in better supply and quality is good, the market remains flat.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Lighter supplies in Salinas on lettuce will inevitably have processors buying as much raw material as possible. This will cause for a shortage of carton business. There were a few suppliers sold out of lettuce for the week. Expect some discoloration on romaine and lettuce items upon arrival. Product quality has been up and down, mainly on lettuce. The quality issues are all related to past rains in the growing regions.