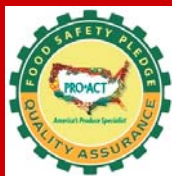




THINGS YOU SHOULD KNOW:

Bartlett pears are finished for the season

Asparagus and Cauliflower are still extremely limited due to short supplies from all growing regions



The Source

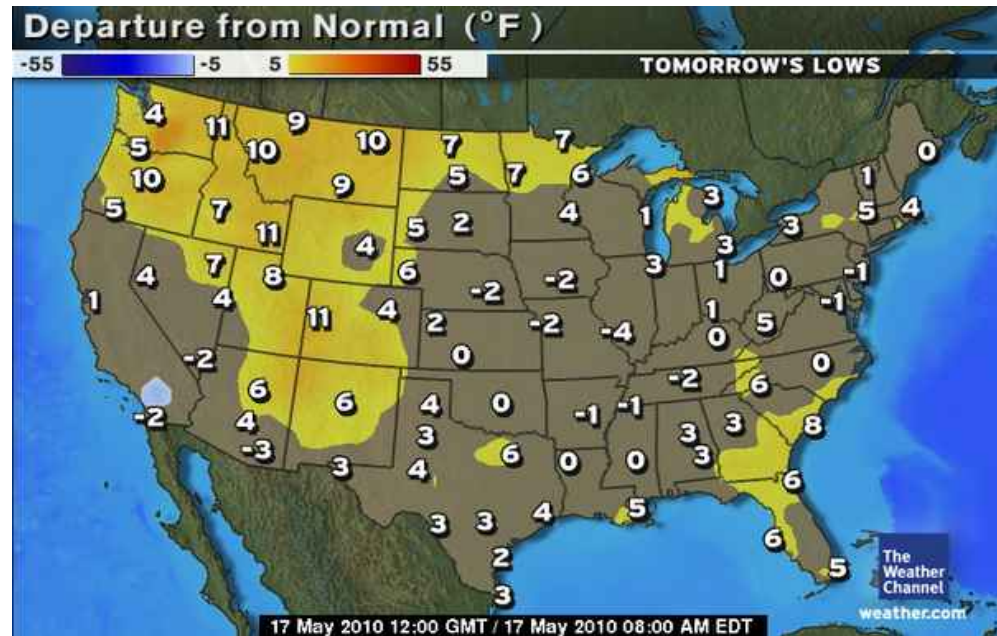
May 17, 2010

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Weather: *Tim Lynch*

Another cold winter type storm system will move into Central California Monday followed by another system on Wednesday. This first system is expected to bring between ¼ and ½ inch of rain to the Salinas Valley along with much cooler temperatures. The second system is expected to pass to the north with little precipitation expected south of the Bay area. Long range forecasts continue to bring cold fronts through Northern California keeping moist, breezy growing conditions with temperatures well below seasonal norms for the extended period.

In the Southeast rain, gusty winds and thunderstorms are forecast early this week especially to the south as a short wave impulse moves through the region. High pressure builds mid week, this will bring generally dry conditions with occasional isolated showers along with warm temperatures from the mid 80s 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 \$70.29. The diesel price for this week is down slightly to \$3.094.

Commodity Updates

APPLES/PEARS *John Tole*

Large premium grade red and golden delicious are still abundant in Washington while the smaller and lower grade fruit remains tight . The markets on both varieties are mostly steady but strong and rising slowly as the eastern apples finish. There are still some good deals on 48, 56, 64 size fruit though. The foodservice sizes and grades remain very limited in all varieties and will also get even tighter as the eastern apples finish. Granny-Smiths remain 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 but supplies are lower and the market is strong. 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. New crop California Bartlett and Red Bartlett's will be available in July.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market is still very active with short supplies this week. 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 as the Central Valley finishes their crop.

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	Steady
Bell Pepper (Eastern)	Good	Higher
Berries: Strawberries	Good	Higher
Berries: Raspberries	Good	Lower
Berries: Blackberries	Good	Steady
Berries: Blueberries	Good	Lower
Broccoli	Good	Higher
Carrots	Good	Steady
Cauliflower	Fair	Higher
Celery	Good	Steady
Citrus: Lemons	Good	Steady
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Good	Steady
Grapes	Fair	Steady
Green Onions	Good	Steady
Lettuce: Leaf	Good	Steady
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupe	Good	Steady
Melons: Honeydew	Good	Steady
Onions	Good	Higher
Pears	Excellent	Higher
Potatoes	Good	Steady/Higher
Squash (Western)	Good	Higher
Squash (Eastern)	Good	Lower
Stone Fruit	Good	Lower
Tomatoes (Western)	Good	Lower
Tomatoes (Eastern)	Good to Fair	Lower
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 two weeks. Availability, size, and quality continue to drop on. The California desert is going with peak 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 this week, with volume by the first week of June. One grower in Baja has supplies of new crop colored bells.

Eastern Bells: *Janine Baird*

With heavy rains in central Florida and no pepper yet in Georgia, this market is trending upward and could continue to do so for another 7-10 days or until Georgia is into volume. Current quality is good but issues related to wet weather could pop up in the coming days.

BERRIES *Mike Gorczyca*

Strawberries: Memorial Day pull starts this week which will make an already tight strawberry situation even tighter. Supplies are tight due to a few factors; Demand for Memorial Day, Cool weather California has been getting the last month and Rain. Rain is in the forecast again for today which is going to also keep the weather cool for most of this week. Most growers in the Oxnard area have switched their production from the fresh Market to the freezer market mainly due to sizing of the strawberries. Santa Maria growers have already hit their peak production and harvest numbers keep going down each week. Salinas/Watsonville growing areas need some warm weather for a straight week and we would see their harvest numbers increase quickly. Quality is good but could be affected slightly depending on how much rain we get. Market is firm.

Raspberries: Supplies are increasing each week with a slightly weaker market. Quality is good.

Blackberries: Moderate 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. Most shippers are switching their packs from 4.4oz to 6oz and pints. Quality is good. California

supplies are slowly building each week. The main packs are 6oz and pints with a few 4.4oz still being packed. Look for this market to weaken quickly over the next week as Florida and California build volumes.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is getting stronger with good demand. Supplies will lighten up as the week progresses from the California growing regions. Mexico supplies will also be lighter this week. Bunched broccoli continues to have the best availability versus broccoli crowns. Quality has been fair with branchiness and small crown size in the broccoli crowns. Some varieties have a purple cast as well.

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*

The cauliflower market is still very active. Supplies from all shippers are extremely tight. Processors are also having a tough time getting supplies to cover their orders as well. The availability of cauliflower will be limited once again this week. Prices will remain high throughout the week. The weather is not as warm as it should be this time of year, thus creating slower growth rates in the crop. Rain is also expected tomorrow which will not help the situation.

CELERY *Gabe Romero/Mike Pacheco*

This market is firm on smaller sizes and steady 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. Santa Maria is also in production.

CITRUS *Tim Kelley*

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

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

Commodity Updates continued

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 Valencia's being packed the help fill the shortages on the small sizes of navels. Shippers are now packing Valencia's on a regular basis. Valencia quality is good, with early brix levels in the 9 to 12 range.

CUCUMBERS

Western Cucumber: *Tim Kelley*

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

Eastern Cucumbers: *Janine Baird*

With cucumbers working out of both Florida and Georgia, we are looking at a two tiered market: Florida prices being lower as suppliers look to clean up and Georgia prices higher as those suppliers have a better quality product and a desire to push the market up. This should remain the case through the weekend or until Florida has finished up for the season.

GRAPES *Amy Grolnick*

Chilean green grapes very limited and finishing up with fair quality most shippers are repacking prior to shipment. Mexican perlettes have started loading in Nogales with light volume and running primarily to med/large sizing. Chilean Crimsons are still available but will be finishing up over the next couple of weeks. Mexican flames have started in a light way at higher price levels which will come over the next couple of weeks as more shippers start up with product.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

The green onion market continues to be steady. Pencil sizing continues to have the best availability followed by mediums. The issues of yellowing are still showing up upon arrival with some lots. There are good supplies of iceless green onions are available too.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is steady with good supplies and competitive prices. 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 that are expected for tomorrow will create more

mildew issues with all packs. Many growers have also planted less leaf compared to romaine and this is another reason for the tight supplies on the other leaf varieties. 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 steady this week with demand falling off a bit. Look for some shippers to be dealing on excess lettuce that was harvested over the weekend. But rains are in the forecast and this will help shippers clean up their inventories. There still seem to be quality issues upon arrivals. Some issues of pink ribbing, discoloration, and mechanical damage are examples of the quality defects.

MELONS *Amy Grolnick*

Cantaloupe: Off shore cantaloupe have finished up for the season and desert melons are just starting up with limited volume. Mexican cantaloupe will be finishing up next week. The market is strong across the board but especially to the larger sizes. Next week we should see better volume on the desert product.

Honeydew: Off shore product is done for the season. Mexico is going strong with good volume and quality. The desert should start up next week with honeydew.

ONIONS *John Tole*

The Texas valley yellow supplies are lower as most packers have finished packing there or will this week. The larger packers will continue packing through this week in the valley. Most of the larger Texas shippers are also transitioning to the Wintergarden district in Uvalde & Laredo. There is some product there this week so be ready for multi-pick loads down there. Their red supplies are still tight and will be lower as the week goes on so expect a stronger market on them. Whites are steady but will also rise as the Texas valley supplies get into fewer hands. Their yellows are still peaking on jumbos and larger although there are a few more mediums now. Quality has ranged from poor to good. Vidalia, Georgia continues packing and has a fairly even size-distribution between colossal, jumbos, and mediums but they are still relatively high in price. The quality from Vidalia has been good.

Commodity Updates continued

California's Imperial Valley continues to pack all colors. Yellow and red numbers are up although reds are still short due to stronger demand and the light numbers in Texas, while white numbers have improved but remain relatively low. The yellow market is steady to lower in California but will rise as the demand moves over from Texas. Also, many of the smaller shippers will finish or have less volume by the middle to end of this week. The quality is good on all colors and the size is large. California weather has been warm and dry so the packing outlook continues to be good. Looking forward, the San Joaquin valley is supposed to start packing the last week of May or the first week of June depending on weather. New Mexico is expecting to begin packing between next week and the second week of June.

POTATOES *John Tole*

The smaller counts and number-tuos remain the most available items for Idaho potato packers while the larger counts remain tight. The larger counts will continue to go up as we approach the end of the storage season. Most packers are still asking for 48 to 72 hours lead-time for big orders of the larger counts. Idaho quality is still mostly good but some lots have had internal black-spot. Washington norkotahs are up on all counts since Idaho is so limited on. They are still peaking on 70/ 60's and have excellent quality but are limited on 90 and smaller cartons as well as consumer bags. Washington quality has been good and they expect to have storage product available through June. Wisconsin is higher on all sizes but supplies are very limited as they are almost finished for the season. Colorado is higher on all sizes but esp. on 80's and larger due to the shortage in Idaho. Colorado will continue to follow Idaho upward on pricing. Their quality is mostly good and they will have storage product into if not all the way August. California is expected to start with new crop russet potatoes the second week of June. The number of planted acres is down by up to 40% though. A few reds and golds remain in Idaho 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's, 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 and quality is fair to good, but Italian is beginning to lighten and some off quality in many lots of yellow. Baja and Fresno are beginning to come on with limited, but steady production.

Eastern Squash: *Janine Baird*

With Georgia into good volume now on squash, this market is dropping. Even Mississippi, the Carolinas and Tennessee are slowing coming into volume. With so many states working squash, the prices should continue to drop. Quality is good at this time.

STONE FRUIT *Amy Grolnick*

Domestic Peaches, Nectarines and Apricots are going with good volume and peaking to the smaller sizes. Product should size up over the next few weeks. Domestic plums should get going next week. Quality on all products is excellent. Cherries are going strong with both Tulare and Brook varieties there is good promotable volume. Bings should start up toward the end of next week with good volume the first week of June.

TOMATOES *Ryan Frayo*

Eastern: Florida is adjusting downward with pricing but there is not a huge push in production. Growers who were sitting on inventory were getting loaded up and basically adjusted to keep things moving. Shippers are now coming to the realization that production will not be up to speed and now saying possibly the end of May or front end of June 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. Quality is slowly improving as growers work through what is currently on the plants. As mentioned volumes will continue to be less than normal. Coming on fairly strong are Grape and Cherry tomatoes. We can expect to see higher than normal FOB's

Commodity Updates continued

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, but there is small quantities trickling through. Shippers are saying they will be going with light volume this week and improving considerably the following week. Nogales is coming down on 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 or third week of June.

WATERMELON *Amy Grolnick*

Supplies are falling off on both seeded and seedless watermelon out of Mexico. Quality remains good. Domestic fruit should become more available towards the end of this week with better volume next week.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Cauliflower issues remain the topic for short supplies on the florets from all processors. This will be expected all week. The good supplies of lettuce and romaine will help processors stay ahead of orders. Availability is good. But there have been some arrivals of brown to red discoloration on romaine and lettuce items. Product quality has been up and down, mainly on lettuce. The quality issues are all related to past rains in the growing regions.