

July 25, 2010

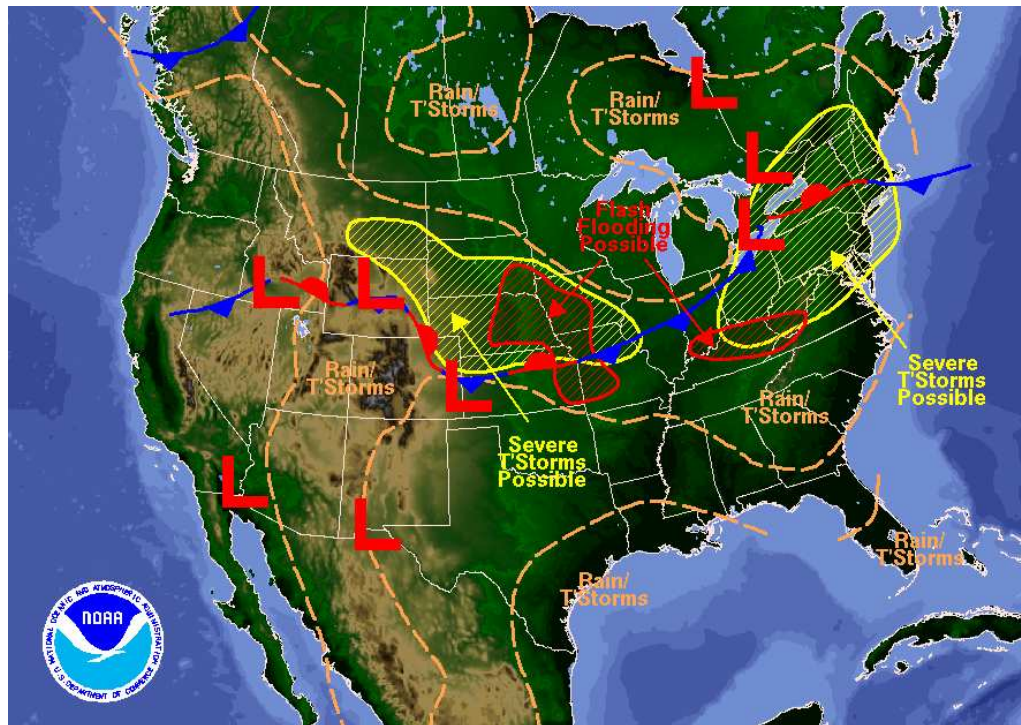


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Weather:

California's Central Coast is forecast to remain in a fairly typical summer time weather pattern this week although slightly cooler 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. Mid range forecasts show high pressure building and a slight warming trend late this week into next weekend.



Freight:

Trucks in California remain extremely tight due to the lack of southbound freight. Crude oil remains steady and is currently at 76.50. The national average remains steady and is currently at 2.899.

Commodity Updates

APPLES/PEARS

Washington reds, golds, and Granny-Smith apples are still heavy large fruit and the premium grade. The smaller sizes and lower grades remain extremely tight and once the school business comes back they will be even shorter. Besides the small counts the markets on all three colors are mostly steady. Galas & Fuji's are the only two varieties left and the markets on both are very active as they are almost finished for the season. Many shippers are looking to clean-up their remaining inventories of both varieties. D'Anjou pear supplies are extremely light and should only last a couple more days. Green Bartletts and stark-crimson red pears are available for loading in Northern California.

ASPARAGUS

This market is extremely active on all sizes. Thunderstorms and heavy rains have been occurring in Mexico. Harvesting crews have been held out of fields in Central Mexico. We will not see any relief for at least 2 weeks. Peru is experiencing very cold weather also and hence production is down as well. Jumbos will be extremely difficult to purchase throughout this week. Pre-booking orders as early as possible is highly recommended.

AVOCADO

California Fruit: Growers continue to harvest good supplies, with 48's being the peak size and 70's becoming short. Demand is very strong and keeping shippers clean.

Mexican Fruit: Growers have very little fruit to cross into the states as their season is at the end.

BELL PEPPERS

Western Green Bells and Colored Bells:

Bakersfield harvest on greens is finishing. Other districts in California are starting this week. Demand is good. Bakersfield crop for colored bells is in its second week of production and volume will be increasing.

BERRIES

Strawberries: Strawberry quality is fair due to the wet cool mornings the strawberry growing areas have been receiving the last few weeks. Weather this week should be mild between 55-75 degrees, which should help quality.

Commodities at a glance...

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

Commodity Updates continued

Strawberries have hit their peak production in the Watsonville/Salinas growing areas about two weeks ago. Harvest numbers will continue to go down each week; this should keep the markets from dropping to the floor with an upward trend when we go into the month August. 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.

Raspberries: Good demand with light supplies is keeping this market firm. Supplies look to improve in the near future. Quality is good with a few fair lots.

Blackberries: The wet cool mornings in the blackberry growing areas is keeping the quality of the fruit to be just fair. California supplies are coming out of Watsonville at this time. Demand is moderate with a steady market.

Blueberries: Supplies continue to improve out of Oregon, BC and Michigan with good quality fruit being harvested in all areas. California supplies are finished. The main pack size on both coasts is pints with a few 6oz being packed.

BROCCOLI

This market is soft. The availability of supplies is plentiful with all suppliers. Mexico supplies will be moderate throughout the week. The quality is expected to be strong throughout the week in all of the growing areas. Suppliers are willing to deal on sharp pricing for volume orders on both bunched and crown business. This commodity is a good product to promote this week.

CARROTS

California carrots are in good supply.

CAULIFLOWER

The cauliflower market is steady. Supplies are moderate but gaps are in the forecast. This week should not be a problem, with the best availability being on the twelve counts. The price fluctuations will continue to be seen throughout the summer amongst our different suppliers. Santa Maria and Salinas continue to be the two big growing regions at this time.

CELERY

This market is steady. Oxnard is finished and Salinas and Santa Maria are now the main

growing areas of production. Overall, smaller sizes continue to demand a higher price. Twenty-four count sizing continues to have the best price available. The weights and quality of celery continue to be strong.

CITRUS

Lemons: Supplies are good and demand is at summer time highs. The market continues to firm on 140's and larger. Quality is very good.

Limes: Good supplies on all sizes of fruit. Fruit is peaking on 175's, 150's. Smaller sizes beginning to shorted up a little as fruit sizes up.

Oranges: Demand for late Navels are slow and mostly large sizes are available. Valencia's are in good supplies and demand is increasing as most have made the switch from Navels to Valencia's.

CUCUMBERS

Western Cucumber:

Good supply , market is steady

GRAPES

Nogales is finished up with the Mexican fruit this week and central California product is starting out slow. The reds are flame seedless with some Scarlet Royals going as well, volume is limited as shippers are struggling a bit with the heat in the valley. Sugarones and Thompson's are available and limited as well but with good size and eating very well. Black seedless are available with good size. Globes are available with good quality and size as well.

GREEN ONIONS

This market is stronger. Heavy storms are in the forecast in the Mexico growing regions throughout the week. This has hurt the production numbers. Pencil sizing continues to have the best availability followed by mediums. Quality issues have been minimal. Supplies will be lighter on iceless product as well.

LEAF LETTUCE

Supplies are a lighter compared to past weeks on romaine this week. This market is getting stronger. Green leaf is steady. Some mildew and tip burn continue to be seen upon arrival sporadically. Foggy, overcast mornings continue to be in the Salinas growing region. This will cause some mildew issues. Red discoloration will be seen in certain lots. Most shippers are having these issues.

Commodity Updates continued

LETTUCE

This market is firm. The availability will continue to vary among all the suppliers. The warm afternoon weather, coupled with foggy mornings has caused for irregular growth patterns. Mildew and burn are going to be seen randomly. Suppliers are cleaning up product as best they can, but expect some defects upon arrival. Other quality issues include pink ribbing, discoloration, and mechanical damage. The availability of this commodity will be light throughout this week.

MELONS

Cantaloupe: The Westside melons continue to be a struggle for availability this week. The sizing is still peaking to 9's for most shippers and sugar levels are very good on the fruit that is coming out of the field. Unfortunately, there is very little fruit available to pack. We are again being told next week should see better availability. Be prepared to have trucks wait at the sheds when loading.

Honeydew: Mexican and Arizona fruit is all but done for the season. The West side fruit is available but peaking to 5's leaving minimal 8's available.

ONIONS

All colors of onions are available in California and New Mexico while Washington continues with wintered-over yellows. Both California and New Mexico still have average size yellows. The demand for reds and yellows has been lighter so volume deals are more prevalent and the markets for both are down slightly. New Mexico reds are steady to slightly lower but supplies are relatively light. Whites supplies are light in both areas and will remain steady for now.

POTATOES

Idaho continues to peak on smaller size cartons but the market is higher due to stronger demand. The market is also slightly higher on the larger counts and up on number-tvos. The Idaho market will remain strong until new-crop potatoes start. Idaho's quality has been mostly good but there has been some peeper-sprouts and internal black-spotting. The Colorado market is still in a demand-exceeds supplies situation. Many packers were expecting storage supplies to last into early August if not

longer but quality issues have affected a lot of them. They are still heavier to 60/70's but supplies are extremely light and the smaller shippers have finished packing. California continues packing new crop Norkotahs and is heaviest to 70/80's. New crop prices remain mostly steady but there are some volume deals out there on 80's and larger due to light demand. California also continues to pack colored potatoes but the demand has been very strong! Most Bakersfield packers have finished. The Stockton, California shippers have the nicest quality and more volume right now. They expect to have supplies through September. 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.

SQUASH

Western Squash:

Baja looks to have good steady supplies for the next few weeks. Santa Maria has good steady volume now the weather has warmed up.

STONE FRUIT

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

TOMATOES

Eastern: Several growers are packing rounds, grape and some cherry tomatoes in the new growing regions. Roma tomatoes continue to be behind on production compared to the other crops, and we are seeing higher prices on Romas compared to previous weeks. Growers are saying they should have better production for roma tomatoes next week. The heat that the east has experienced will keep sizing on the smaller side with more fruit coming on faster than usual. Harvests have been delayed and pickings are staggered in North Carolina and Tennessee due to the weather. Michigan and Ohio should be going by the end of this month.

Commodity Updates continued

Western: Supplies out of San Diego continue inconsistent with transition into the northern growing areas, and predominantly bigger sized fruit. There are fewer round and roma tomatoes than in the past couple of weeks. We can expect the remainder of the week to be in short supply but increasing into next week. Grape production is down but cherry tomato production is strong with low prices and shippers making deals to keep things moving. 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

Domestic fruit is going strong with very good quality. Prices are steady.

VALUE ADDED

The lettuce quality is fair. There have been some complaints that processed lettuce has had issues with shelf life shortage. This is due to the fact that lettuce is not as strong in quality and availability is very light. Shippers are doing their best to cover all orders, but some lots are weaker than others. All growers are having the same issues. The supplies of romaine have tightened up but there are ample supplies for the processors. The quality of value added items is expected to be average.