

77 Years of Excellence ♦ 1933-2010

WEEKLY MARKET UPDATE

30 July 2010

WEATHER UPDATE

No change in weather patterns in California, hot weather conditions inland continue to bring below-average temperatures to coastal growing areas, with "marine layer" coastal fog causing daytime highs to rise to only to the high 60's (21 C) from Central California to Southern California. Above average temperatures will continue in the San Joaquin Valley, with clear skies and highs in the low 100's (39 C) through most of next week.

TRANSPORTATION

Tight availability continues for transportation equipment in the West, due to a shortage of direct back-haul loads from the East. High freight rates and tight availability will continue through July and August.

CALIFORNIA LETTUCE & MIXED VEGETABLES

Iceberg & Leaf: Romaine is in plentiful supply and prices remain near bottom levels. Various romaine growers are seeing the potential for increasing issues with fringe burn and internal burn, which may cause a moderate reduction in availability and a firmer market price structure, however there has not yet been any indication of this occurring. Prices are gradually easing for iceberg lettuce...reduced demand, high freight rates and a slight increase in production are expected to contribute to good availability and steady prices for California iceberg, romaine and green leaf through Labor Day.

Broccoli, Cauliflower, Celery, Carrots: Bunched broccoli and broccoli crowns are in plentiful supply in the Salinas Valley and Santa Maria. The production cycle for cauliflower is beginning to turn downward, with various shippers having planted fewer acres for the mid summer harvest period. Quality is generally very good...recent weather conditions have been favorable, with cool overnight temperatures and marine layer overcast conditions through the late morning hours. At some point we can expect growers to catch up with summer harvest schedules and prices will rebound for both broccoli and cauliflower.

California celery production will continue at average levels and prices will continue to gradually ease as harvest volume in Michigan increases. Celery quality is excellent, with long stalks, substantial carton weights and deep green color. Carrots

are in plentiful supply for the jumbo sized carrots that are preferred by many foodservice customers. Production areas include the Southern San Joaquin Valley, Salinas Valley, Oregon and Washington.

Mixed Vegetables: The recent shortfall in asparagus availability from Mexico and Peru has eased somewhat, however prices remain high. Production volume in Peru is expected to increase in September. The green onion supply situation has improved somewhat, while tight availability continues for cilantro and prices remain at the extreme, the result of issues regarding burn and seeders...availability is tightening on bunched spinach. Other mixed vegetable items are in good supply at steady prices, including parsley, kale, leek, green cabbage, red cabbage, bok choy, napa and snow peas. We have excellent quality and plentiful supplies of spring mix, arugula and baby spinach, along with numerous organically grown row crop vegetable and fruit items.

STRAWBERRIES

The strawberry market continues to be influenced by a wide range in quality, with the premium labels commanding higher prices. Continued cool, overcast, marine layer weather has contributed to various quality issues, with strawberries exhibiting a greater susceptibility to mold due to the moist growing conditions. We can expect to see moderate production levels and firm prices through the month of August, with no increase in supply expected until early September. Raspberry production has declined and prices are moving higher; as with strawberries, there will be no significant increase in supply until the early fall harvest in September. California blackberries are in good supply; quality, condition and taste are outstanding! Blueberries from the Pacific Northwest (Oregon, Washington, British Columbia) are in plentiful supply...your customers will love these berries that are large and full-flavored!

CALIFORNIA-ARIZONA CITRUS

California Valencia oranges are in good supply on all sizes; however the profile of the crop is heavier to the larger sized 72's & 88's. Availability is expected to tighten on the smaller sizes (138's, 163's) as school districts reopen by mid August. Late variety California Navels are finishing up, however Chilean Navels are now available for shipment from both the East and West Coast. Lemons from Southern California and Chile are in good supply on most sizes, with the exception of the smallest size 235, which is a preferred size for many foodservice customers...plentiful availability on sizes 165's & 200's. The start of the lemon harvest in Mexico has been delayed until early August by recent tropical storm activity.

Pineapples from Central America are in tight supply on all sizes. This is a seasonal downturn, with normal production returning by September. Limes are in good supply on all sizes, although we have seen a moderate late-week advance in the market, with prices bouncing from bottom levels. We have good availability on California Summer and Star Ruby grapefruit, with the best values on the smaller sized 36's & 40's. Grapefruit from South Africa is available for shipment from the East, eating quality is comparable to a Texas grapefruit.

MELONS

Production is gradually increasing on new crop cantaloupes that are being harvested in the Westside district of the San Joaquin Valley in California...this follows a gap in production that occurred during the harvest transition from desert growing areas in Western Arizona and the Imperial Valley. The harvest is expected to be in full swing by early next week and the market will become very competitive. Honeydews continue with good availability and favorable prices. Watermelons are in tight supply in the various regional growing areas, with hot weather causing a supply gap in Delaware, Indiana, and North Carolina. Production is normal in the San Joaquin Valley and quality is outstanding.

APPLES AND PEARS

Prices remain firm for the remaining apple varieties in Eastern Washington, which now include, Golden Delicious, Granny Smith and Red Delicious. The harvest is now underway for new crop California Bartlett Pears.

GRAPES & SOFT FRUIT

The grape harvest is behind schedule, with the new crop harvest in the San Joaquin Valley just coming into full production on red seedless grapes. Flame seedless grapes are now available for promotion. The size profile is heaviest to medium-large berries, with fewer of the premium quality large size Flames available. Red Globes from Mexico are in good supply, with the California harvest beginning in mid-August. California black seedless grapes are in good supply. Green seedless grapes will not become available in quantity until mid-August. California peaches are in plentiful supply, with good availability on the larger sizes of red and black plums (45's & 55's). Chilean kiwi is in good supply...new crop California kiwi will be available in September, with what looks to be a smooth transition.

AVOCADOS

Prices remain firm for California Hass avocados, which is currently the primary growing region. Import volume for Mexican Hass continues to be very light, shelf life is limited for this old crop fruit. New crop (Off Bloom) Mexican Hass will become available in mid-August, while meaningful volume of Chilean Hass will be available in late August.

EASTERN & WESTERN VEGETABLES

San Joaquin Valley growers are now in full production on red bell peppers; prices are at the lows. Green bell peppers are in good supply in California, with the harvest now underway in the Hollister-Gilroy area...quality is excellent and new crop sizing is heavy to the larger sizes. Good availability on bell peppers in North Carolina and New Jersey also. Cucumbers will continue with good supplies through August in California and Michigan. Zucchini prices are strong in the west due quality issues for growers in Central California. Eggplant is in good supply in Michigan and California.

TOMATOES

Round slicing and Roma tomatoes continue to be in good supply in regional growing areas of the Northeast, Mid-Atlantic and Midwest...also Southern California. Good availability on grape and cherry tomatoes also.

POTATOES

Supplies are limited on late season storage crop Idaho Burbank Russets...on all sizes, including US#2's. Demand exceeds supply and prices will continue to advance to the upside for the remainder of the season. Most packers will be finished by the week of August 9th. New crop Norkotah Russets will be available by the week of August 16th if favorable weather conditions continue.

ONIONS

The market has declined as anticipated due to increased production in California and New Mexico. Increase availability from new crop production volume in Washington and Colorado has resulted in moderate downward pressure price pressure on yellow onions. Prices will remain firm for red onions and premium quality white onions.

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