



August 13, 2008

***** COMMODITY ALERT *****

APPLES: Small sized Red apples remain in a demand exceeds supply situation even with the production of California Galas. Washington is quickly running out of storage apples and especially in what little remains for small sized red. Washington Galas are not scheduled to start for at least another week.

POTATOES: Potatoes are extremely limited in Idaho. Most shippers have finished with storage product and demand exceeds supplies. The majority of shippers are scheduled to start new crop at the end of the month around August 25.

ROMAINE AND ROMAINE HEARTS: The supplies of both commodities are extremely tight. This is a direct result in less acreage planted in the Salinas Valley this year. This, along with weather issues, has caused a demand exceeds market. The shortage will last well into next week.

FREIGHT

Trucks in California continue to get tight from the middle to the end of the week and teams are staying extremely tight. Trucks in the Northwest and Idaho are tight as well with many trucks deadheading to California where they can get top dollar. The National avg. took another huge decrease this week dropping \$.249 a gallon, is currently at \$4.353, and has gone down .25 cents since in the last 2 weeks. Diesel at the Pilot Truck Stop in Salinas has dropped another \$.14 a gallon to \$4.639 a gallon and has dropped .06 cents since Monday. Crude Oil increase today \$2.99 and is trading at \$116.00 on a larger drop than expected in inventory supplies released today.

APPLES/PEARS

California Galas are still in decent production for the balance of this week. However, here are some shippers that only have short windows of production and the supplies will remain light overall. The good news is there are more smaller sized Galas available than other sizes, bring some needed relief for the start up of schools throughout the country. With the shortages of small sized red apples in all growing areas, and the existing demand, conditions for red apples will remain in difficult times for at least another 3-4 weeks. Washington Ginger Gold apples and their first harvests have been pushed back to the beginning of next week, but supplies look good for the start up. Granny Smith in Washington are on their last storage rooms and with the current demand will finish very soon under limited supplies of large sized premium grade fruit. California has started in a light way with Granny Smith, but only in a limited capacity and volumes are limited each day. California Fuji and Pink Lady will start in approximately 2-3 weeks. Expect the apple markets to remain at elevated levels for what is left of August and the better part of September.

Pears are now predominantly California Bartlett and going very strong in both quantity and quality through the balance of this week. Washington should start next week on their Bartlett Pear crop keeping the market at lower levels and availability very good! There are also California Red Pears, Bosc Pears and light supplies of other varietal pears.

ASPARAGUS

The asparagus market is steady. There have been good supplies of Large and Standard size from both the Mexico and Peru growing regions. Jumbo and extra large are still the tightest sizes available. Demand has been steady and looks to remain so for the end of the week.

MARKET STEADY

AVOCADO

California fruit – California's volume continues to drop as we move through August. Demand for California fruit is great as it still represents most of the fruit in the market place. Fruit continues to peak on larger fruit, 36's, 40's, and 48's; smaller fruit volume remains light and very few #2 fruit being packed. The market continues to firm.

Mexican fruit – Mexico remains very limited in supplies. Mexico is crossing some of their Loca crop into the US, but volumes are light.

BELL PEPPERS

Western Green Bells and Colored Bells: The Lodi/Stockton and LeGrand areas are through their first blocks and volume remains light. The Gilroy / Hollister / Santa Maria areas are increasing in volume. Market remains steady. Red and Yellow bells out of Huron are falling in production as that area finishes. The coastal growing areas are starting this week with light volume and improving by next week. Demand is better and the market has firmed.

Eastern Bells: Michigan and Ohio have started harvesting pepper, and the market has been sliding slowly downward, primarily in the larger sizes but off grades are following suit. Expect the market to soften just a bit more in the coming days before it stabilizes by the end of the week.

BERRIES

Strawberries: Strawberry production continues unsettled this week with various ranges of availability. Some shippers have made increases on f.o.bs and some independent grower shippers are noticeably lower. Some shippers are keeping fruit close due to marginal quality other shippers are having no issues traveling. Altogether, this will be a sluggish pull for the remainder of August. **Market unstable/ slightly higher.**

Raspberries: Raspberry production has not increased but has actually become a bit tighter this week. Overall quality is good with an occasional grade issue. Production continues in B.C, Oregon and locally but supplies are not in abundance. **Market higher.**

Blackberries: Blackberry production continues in multiple growing areas and is still producing decent volume. This week a small percent of shippers have gone up on f.o.b.s while others stay at the current trend. Quality overall is good. **Market slightly higher.**

Blueberries: Blueberry production in Indiana is done but multiple areas such as Michigan, B.C. and Oregon continue to produce sufficient volume to sustain the current market. Quality also remains consistent. **Market steady.**

BROCCOLI

This market has turned the corner and started to get stronger. Supplies will be lighter as the week finishes. This will allow most shippers to take their pricing higher daily. Pricing will vary on growing region as well. The quality has been good in broccoli crowns and bunched. Product availability will vary from shipper to shipper.

MARKET HIGHER

CARROTS

Quality and availability continue to remain steady on the West Coast. Carrots are sizing up nicely and product looks great. Harvest is still coming out of Bakersfield. Texas Carrots are still crossing the border from Mexico. Carrots are crossing into Texas on a daily basis now. Market is steady.

CAULIFLOWER

The market is a little weaker. Most shippers have the same supplies as last week but demand is way off. This is creating better pricing from some shippers. There have been some cheaper price volume deals offered by some shippers. Santa Maria and Salinas will both be harvesting better supplies as the week finishes. The overall quality has been nice with good color and weights.

MARKET STEADY

CELERY

The celery market will be steady for the rest of the week. There are good supplies on all sizes from California. Michigan supplies are also very good. The direct result is an overall lower market. Weights are strong with averages of 60-65 pounds. The color and texture have been reported as excellent on this commodity. Larger sizes have been more readily available as compares to previous weeks.

MARKET STEADY

CITRUS

Lemon: Volume is still holding steady. Fruit continues to peak on 140's and 165's, with supplies of 115's and larger starting to improve. Quality is good and condition is strong. The market is lower on smaller sizes.

Oranges: Valencia orange supplies remain good, with approximately 64% of the crop harvested. Pack outs on fruit are running about 65% Fancy to 35% Choice. Sizing is running heavier to 88's and 113's, followed by 72's. 138's are becoming very limited. Demand for choice fruit is increasing. Quality is very good. The market is steady to firming on the smaller sizes.

CUCUMBERS

Western Cucumber: Baja supplies will remain light for another 2 to 3 weeks. The Western Washington has started with limited production, but volume is still 2 weeks away. Market remains firm.

Eastern Cucumbers: Cucumbers are now available in most of the northeastern growing regions. Volume is decent but quality on the Michigan product has been marginal due to heavy rains. Watch for a two-tiered market as Michigan/Ohio prices raise while New Jersey and Virginia prices remain stable. By the middle of next weeks, the cucumber market as a whole should be very strong.

GRAPES

Flames have started to transition to the downside of their peak production and Crimsons are just getting started. There is very strong demand for red seedless to finish this week. The market on red seedless is slightly higher, but should remain steady into the beginning of next week. Green and Black seedless however are in plentiful supply and there are deals available. There are also very good supplies of Red Globe seeded grapes and quality is EXCELLENT! Overall quality in the seedless category remains very good, with showings of large size, very good color and high sugar levels.

GREEN ONIONS

The green onion market is a little stronger. This is mainly due to poor quality from the Mexican growing region. There are good supplies on Domestic green onions but they are commanding a premium price. In addition, the sizings on the Domestic green onions are running heavier towards medium to large. There

MARKET HIGHER

KIWI

The kiwi market has leveled off, and looks to remain steady going into next week with demand dropping off. There are not much better supplies, but with less demand expect the market to remain unchanged. Quality remains very good.

LEAF LETTUCE

Romaine is extremely tight on both cartons and romaine hearts. Ten to thirteen week averages are being strictly enforced by suppliers. Demand clearly exceeds supply and with fields being harvested early, this shortage will continue throughout the week. Tip burn and internal burn continue to be the two major complaints of this commodity. This is mainly due to the past weather we experienced in Salinas. Look for gapping to occur in the next few weeks as harvesting has begun ahead of schedule for some suppliers. Green leaf is also active and prices are active. There are better supplies of Red Leaf and Boston.

MARKET HIGHER

LETTUCE

This market is stronger. Demand has picked up this week and of course, supplies are lighter with most shippers. Most shippers are taking their prices up for the balance of the week. Production and demand has caught up with each other. There have been some complaints that lettuce has been lighter. This is due to most shippers trimming the outer leaves back enough to take away the tip and fringe burn. The quality of lettuce is very clean. However, some suppliers are reporting some puffiness and lighter weights. Expect this market to get stronger through the week.

MARKET HIGHER

MELONS

Cantaloupes: The market continues to strengthen on Cantaloupes, especially in the larger sizes (9's and 12's)*. With warm weather (100+ degrees Fahrenheit)* prevailing, Cantaloupes will continue to mature earlier and the smaller sizes will be the most prevalent. Sugar levels are very good and overall quality is still very good. With lighter supplies of large sizes, continued strong retail and foodservice demand, and the drop off in production, expect the market to be stronger again next week.

Honeydews:

The Honeydew markets remain on the lower side with the exception of the small sizes. In warmer weather as all of the melons are currently growing in, converse to Cantaloupes, Honeydews will size up. This is currently giving way to plentiful supplies of large honeydews (5's, JBO 5's and 6's)* and very little small sizes (8's)*. Quality remains excellent on all honeydews with creamy white colored firm fruit!

ONIONS

New Mexico still with good supplies and steady prices.

California supplies are still snug on whites with good supplies and quality on both red and yellow onions. Jumbo yellow and red onions still with deals on load volume.

Colorado has started in a light way still with very limited availability. More volume will come on in the next couple of weeks.

Washington has started with reds and yellow and limited availability on whites. Yellows are running jumbo and smaller with most shippers having no availability on Colossal and Supers.

Market Steady

POTATOES

Idaho is finishing up with several sheds cleaning up and shutting down. Several shippers are now sold out on storage product and will gap until new crop starts up.

Product is extremely limited, demand exceeds supply.

New crop Washington Norkotahs are demanding a higher price and pack outs seem to be starting out to the larger sizes.

Colorado has started with new crop Norkotahs. Product is limited and pricing is coming out strong.

Wisconsin shippers are looking to start with new crop this week with limited availability.

Nevada is all but done for the season. New crop is scheduled to start September 8.

Northern California varietal potatoes are going strong with all colors available.

Wisconsin, Minnesota and Colorado colored potatoes are going with reds. There is limited availability on whites and golds.

#2's and consumer packs are extremely limited in all areas on all varietals of potatoes.

Please continue to pre book all your potato orders at least four business days in advance to help insure availability.

SQUASH

Western Squash: Production from Baja will remain light, but new acreage is slow in coming into production. Production from Santa Maria, and Salinas/Watsonville areas are improving. The market is steady.

Eastern Squash: The squash market has tightened up and should be making a steady climb in the coming days. Medium sizes in both yellow and green are becoming scarce as rain and cool temperatures have affected growth rates and quality.

STONE FRUIT

Fruit production remains very good in Peaches, Nectarines, Plums, and Pluots although there are now much more large sizes available than any other. Fruit sizing will remain large and consistent with late summer varieties. There are Red, Black, Yellow and Green Plums available as well as multiple varieties of Pluots including the famed "Dinosaur Egg"! Keep promoting fruit, especially for schools, because there are plenty of opportunities still left available!

TOMATOES

Western: Demand of tomatoes continues low and so do the f.o.bs. Shippers in the west are desperately looking for orders. Weather and quality have both been consistently good. We may expect to see this trend through the duration of the western growing season. **Market low.**

Eastern: The eastern supply continues to increase due to local growing areas producing more tomatoes.. Reports of quality are good with no major issues with sizing. Weather also has become more consistent with dryer conditions. **Market slightly lower.**

WATERMELON

California Watermelon production is up again this week and will continue better next week. The markets have settled out, and look for steady pricing next week. Regional Watermelon production remains strong and that will keep the California market in check. Quality is excellent from all areas!

VALUE ADDED

Raw product with romaine continues to have production problems. There have been issues with chopped romaine breaking down. Processors are working very hard to use only high quality romaine, but there are issues. Green onions continue to have lots with some decay present but the quality is getting better overall. Spinach processors continue to fight mechanical damage and excessive wetness from the spinach that is being harvested. These issues had existed the previous week. Processors are working hard to get the best raw product available.