

Market Report

May 5, 2011



Transportation

Fuel prices continue to trend higher with the average in California now registering \$4.47. Freight rates are firm with sharp increases expected as we move toward summer, with strong seasonal demand for transportation for tree fruit, grapes and melons.

MARKET ALERT!

Avocados, Carrots, Garlic, Green Leaf, Potatoes, Red Bell Peppers

Weather Update

Mid-week temperatures have been unseasonably well above average under clear skies, approaching records in various California growing areas. Highs reached the mid 80s along the coast, 90s inland and 100 in the desert. A cooling trend will return by Friday, accompanied by coastal marine layer overcast. A warming trend will be in place by the weekend in Central Florida, where highs will climb into the 90s by Sunday. Minimal rainfall is in the forecast.

Avocados

Hass: Light production in Mexico and California continues to support high prices, best value currently on the small sized 70s. No significant price relief expected until October. Prices are *extreme*, quality *good*.

Eastern & Western Vegetables

Red Bell Peppers: Extremely tight availability continues in Nogales, with production not expected to resume until the harvest begins in Coachella in late May. Currently, production is limited in Nogales on yellow bells. Prices are *extreme*, quality *good*.

Green Bell Peppers: Produce volume continues to increase in Coachella. Demand is strong for extra-large size. Wide range in price exists depending on size and grade. Green bells still available in Nogales, good supplies through next week. Prices moderate, quality *good*.

Cucumbers: Oversupply in Nogales, adequate supply in Florida. Harvest in Baja California will be in full swing by mid-May, Coachella also. Prices in Nogales continue at bottom levels through next week. Prices are *low*, quality *good*.

Green Beans: Good supplies in Florida, Coachella and Nogales. Prices *moderate*, quality *good*.

Eggplant: Plentiful supplies in Nogales, Coachella and Florida. Prices are *low*, quality *good*.

Zucchini: Demand has increased and market has become active. Prices *moderate*. Quality *excellent*.

Yellow: Market active. Steady production through the month of May in Northern Mexico, also available in Coachella. Prices *moderate*, quality *excellent*.

Acorn: Continued intermittent availability in Nogales. Prices *extreme*, quality *fair*.

| Commodity | Price | Quality |
|----------------------------------|------------------|-----------|
| Iceberg, Romaine, Romaine Hearts | Moderate | Good |
| Green leaf | High | Good |
| Broccoli | Low to Moderate | Excellent |
| Cauliflower | High | Good |
| Celery | High | Fair |
| Carrots | Extreme | Good |
| Asparagus | Extreme | Excellent |
| Green onions | Low | Good |
| Mixed vegetables | Moderate | Good |
| Spring mix | Moderate | Good |
| Strawberries | High | Excellent |
| Raspberries | High | Good |
| Blackberries | Moderate | Good |
| Blueberries | High | Good |
| Navel oranges | Moderate | Good |
| Lemons | Moderate to high | Good |
| Limes | Low to Moderate | Good |
| Pineapple | Moderate | Good |
| Cantaloupes | Low | Good |
| Honeydews | Low | Good |
| Seedless Watermelon | Low | Excellent |
| Red and Golden Delicious apples | Moderate | Good |
| Pears | Moderate to High | Good |
| Red Seedless grapes | Moderate | Good |
| Green Seedless grapes | Unavailable | |
| Avocados | Extreme | Good |
| Zucchini | Moderate | Excellent |
| Yellow squash | Moderate | Excellent |
| Cucumbers | Low | Good |
| Bell peppers, green | Moderate | Good |
| Bell peppers, red | Extreme | Good |
| Round tomato, Roma | Moderate | Good |
| Cherry, Grape | Low | Good |
| Idaho Russets | High | Good |
| Yellow Onions | Low | Good |

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Mixed Vegetables

Carrots: We are continuing see moderate relief to the shortage. Selected shippers are now able to fill orders in full for cello and table-sized carrots. The shortage on jumbo carrots (and the processed carrots that are made from jumbos) will continue through May, with June 1st the latest estimate for improved availability. Prices are *extreme*, quality good.

Asparagus: Price levels have peaked as production begins to increase in Washington State. Prices are *extreme*, quality excellent.

Artichokes: Spring harvest winding down earlier than usual, with no increase in availability for the large sizes (18s & 24s) until late May. Prices are *low to moderate*, quality good.

Cauliflower: Plentiful supplies. Prices are *low*, quality excellent.

Celery: Upward price pressure continues due to low yields caused by seeders and decreased lost acreage due to heavy winter rainfall. Large sizes are in tightest supply (18s & 24s). Prices are *high*, quality fair.

Green Onions: Good supplies. Prices are *low*, quality good.

Parsley (curly): Supplies are adequate. Prices *moderate*, quality good.

Parsley (Italian): Continued tight availability. Prices are *extreme*, quality fair.

Spinach (bunched): Good supplies. Prices *moderate*, quality good.

Kale (green): Good supplies. Prices *moderate*, quality good.

Kale (flowering): Steady availability. Prices *moderate*, quality good.

Cilantro: Plentiful availability for most shippers, market has eased. Prices are *low*, quality good.

Leeks: Continued tight supplies. Demand is strong from Canadian receivers. Because this is a long-maturing crop, the effects of increased planted acreage are not realized for up to six months. Prices are *extreme*, quality good.

Green Cabbage: Good availability in California, Florida and Texas. Prices *moderate*, quality good.



Mixed Vegetables—continued

Red Cabbage: Availability has tightened considerably. Prices are *high*, quality good.

Bok Choy: Increasing production in coastal districts of California, prices are *moderate*, quality good.

Napa: Light supplies. Prices are *high*, quality good.

Snow peas: Good availability from California. Prices *moderate*, quality good.

Garlic: Tight supplies, *high* prices. Imports are reduced and quality is *poor* from China. No relief until late summer, when new crop California garlic will be available.

Spring Mix: Good supplies, quality improving. Prices *moderate*, quality good.

Spinach (baby): Good supplies. Prices *moderate*, quality good.

Arugula: Good supplies. Prices *moderate*, quality good.

Mache: Production has returned to normal following four weeks of shortage. Prices *moderate*, quality good.

Frisee: Good availability. Prices *moderate*, quality good.

Radicchio: Good availability. Prices *moderate*, quality good.

Broccoli: Production volume beginning to decline toward normal levels for bunched broccoli and broccoli crowns, following the recent ongoing oversupply situation. The harvest in the Central San Joaquin Valley is finishing, market firming. Coastal districts now the primary source of supply. Prices are *low-to-moderate*, quality excellent.



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California Lettuce

Iceberg Lettuce: Good availability and competitive prices. No change foreseen for the month of May. Prices *moderate*, quality good.

Processed Salad: Availability is steady. Prices *moderate*, quality good.

Romaine: Production volume continues to increase. Price levels are higher compared to iceberg. Quality and appearance are generally good, depending on field location. Prices *moderate*, quality good.

Romaine Hearts: Good supplies. Prices *moderate*, quality good.

Green Leaf: Production gradually increasing in coastal districts. Green leaf prices are the highest when compared to iceberg and romaine. Prices are *high*, quality good.



Potatoes (Idaho)

Russets: Light post-Easter demand continues. F.O.B. prices have eased slightly for the large sizes. Prices are *high*, quality good.



Berries

Strawberries: An unexpected sharp falloff in production has occurred, with hot weather conditions in Oxnard forcing non-proprietary variety growers to quickly bring the season to a close. The harvest in Santa Maria is now in peak production; however growers in Watsonville and Salinas are not yet up to full production. Shippers have been struggling to fill orders thus far this week, falling well below anticipated harvest estimates. Prices remain strong. Growers hope to have full production volume by next week. As the harvest comes up to speed in the northern districts (Watsonville-Salinas), prices will decline, potentially a sharp decline. Prices are *high*, quality *excellent*.

Raspberries: Wide geographic range of growing areas, Central Mexico, Oxnard, Santa Maria. Supplies are gradually increasing. Prices are *high*, quality good.

Blackberries: Production gradually increasing in California districts; harvest is winding down in Mexico. Full complement of berry varieties in Watsonville-Salinas will be available in late May. Prices *moderate*, quality good.

Blueberries: Harvest in full swing next week in the Central San Joaquin Valley of California. Florida harvest is finishing, followed by North Carolina in mid-May. Prices are *high*; quality good.

Tomatoes

Round: Good supplies in Florida and Mexico. Prices *moderate*, quality good.

Roma: Availability tightening. Prices *moderate*, quality good.

Cherry: Plentiful availability. Prices *low*, quality good.

Grape: Plentiful availability. Prices *low*, quality good.



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Melons

Cantaloupes: Central American "offshore" cantaloupes will be available through next week, with the Desert Southwest harvest beginning in late May with light volume. Mexican cantaloupes are available in Nogales. Quality is outstanding. Prices are low, quality good.

Honeydews: Production in Mexico is coming on strong. Supplies are plentiful. Off-shore product from Central America is still available. Prices are low, quality good.

Watermelons: Plentiful availability for seedless and seeded watermelon in Nogales, continuing well into May. Prices are low, quality excellent.

Apples & Pears



Red Delicious: Strong demand continues for storage crop apples. Yields are high, with little shrink during packing runs. Prices moderate, quality good.

Golden Delicious: Increasing supply, prices moderate.

D'Anjou Pears: Good availability, prices moderate to high.

Grapes & Soft Fruit

Red Seedless Grapes: The new crop harvest for red and

California-Arizona Citrus

Navel & Valencia Oranges: Navels continue with good availability. Late varieties will continue well into July. Valencia oranges are in good supply. Choice grade Valencia oranges are in good supply (88, 113 & 138), while fancy grade is exported. Prices moderate, quality good.

Lemons: Availability is adequate for all sizes, larger sizes in the San Joaquin Valley and smaller sizes in Ventura County. Looking ahead, the desert fall crop will be smaller than average due to the cold winter we have experienced in 2010-2011, same also for the Navel crop for 2011-2012. Lemon prices moderate to high, quality good.

Limes (Persian): Prices have eased once again, and the small sizes offer the best value

green seedless in Mexico has been delayed by up to two weeks due to unseasonably cold weather. The target start date is May 25th. Tight availability continues for late season Crimson seedless from Chile. Market is firm. Prices moderate, quality good.

Green Seedless Grapes: Currently unavailable.

Kiwi (California): Plentiful availability on Chilean kiwi, Italian fruit also available. Prices moderate, quality good.

Peaches: Early variety Super Lady now available in California. Prices are extreme, quality good.

Nectarines: Available this week. Prices are extreme, quality good.

(230 & 250). Prices are low to moderate, quality good.

Grapefruit: Star Rio and Desert Rio grapefruit varieties are available in Southern California, while the season in Texas is finishing. Prices moderate, quality excellent.

Pineapple: Good supplies through June from Costa Rica, Honduras, Guatemala and Panama. The seasonal reduction in volume will begin in July, and is projected to be more severe drop in production than normal. Prices moderate, quality good.



Onions-Northwest

Yellow: Light demand. Continued oversupply. Primary growing areas are South Texas and the Imperial Valley of California. The market will remain at bottom levels. Prices are low, quality good.

Red: Still in oversupply.

White: Prices moderate, quality good.



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