

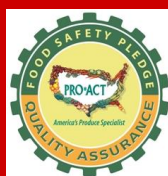


THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Domestic garlic supplies will be light in availability until approximately August. Chinese supplies are extremely light as well. Twelve week averages are in effect for all garlic orders.

Potatoes continue with low pack outs



The Source

June 19, 2013

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Weather: *Tim Lynch*

A fairly typical summertime weather pattern of a morning marine layer followed by clearing to the coast looks to continue out west. Temperatures will remain in the upper 80s to low 90s inland with mid-60s near the coast through the week. A series of upper level low pressure systems are forecast to roll into California by Sunday keeping temperatures below seasonal norms through the week.



Freight: *Mike McIntire*

Trucks in California continue to be tighter than normal. Trucks in the Northwest and Idaho are steady but we are starting to see them coming empty to CA for higher paying loads. Crude oil remains steady at 98.35. The national average on diesel fuel dropped slightly and is currently 3.841 per gallon. California price increased slightly and is now 4.022 per gallon.

Commodity Updates

APPLES/PEARS *John Tole*

Washington Red demand is lighter and the market is steady. Reds are still peaking on extra-fancy 88/100's and the smaller sizes & lower grades are limited. Golden Delicious is also steady and they are peaking on 88/100's. The Granny-Smith market is steady to higher on the larger sizes and is still rising on 100's and smaller. Grannies are still heavier to the 80's and larger. Galas are steady to higher on most sizes and grades and availability remains limited as we approach the end of the season. Fuji's are steady as well but inventories are low as the end of the season approaches. Fuji's are still peaking on 88's and larger. Washington D'Anjou's pears are still available but supplies are limited. The remaining fruit is mostly 100's and larger and the US#1 grade... Red pears are finished for the season in Washington. California expects to start packing new-crop Bartlett pears on approximately July 10th.

ASPARAGUS *Gabe Romero/Mike Pacheco*

Early crop reports indicate this commodity has moderate availability out of Mexico. Good quality is coming out of this region. Supplies are currently being harvested in Washington, California and Peru. The market overall is steady to begin the week. Peruvian product is being loaded on the East coast as well as the West coast.

AVOCADO *Tim Kelley*

Demand remains strong for avocados. Shipments are setting industry records. Mexico's supplies continue to decline. Seeing mostly 60's and smaller and very limited on 48's and 40's from Mexico. California is still increasing in volume, but not gaining a lot of size on their fruit. Strong demand on 48's and larger sizes are keeping these sizes short, the market strong and prices firm. The 60's and 70's are now showing some firming in the market, but still a value price.

BELL PEPPERS

Western Bells: *Mike Cantu*

Green bell market is steady. New spring crops are currently shipping from Southern California and have started with mostly large fruit available. That is loading from Bakersfield,

Commodities at a glance...

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

Commodity Updates continued

Thermal, Gilroy, and Los Angeles. Open field colored Red bell market is generally steady. Good availability from Southern California. New districts are coming online soon. The gold bell market continues steady availability is depends on growing district.

Eastern Bells: *Janine Baird*

We should see pepper begin to tighten up this week. Georgia is the only real player on this commodity and quality issues abound due to post rain heat and humidity.

BERRIES *Mike Gorczyca*

Strawberries: Very good demand with moderate to limited supplies has the market firming slightly. Most shippers are sold out a day or two in advance. Look for this to continue through the end of the month due to heavy retail lids; which are supporting this firm market. Quality is being reported as good with a few fair lots being packed. Some of the quality defects include, bruising, overripe, white shoulder and green tips. Salinas's and Watsonville sizing are medium with counts ranging from 17 to 20. The best quality is still coming out Watsonville. The forecast is calling for warmer temperature ranging from mid 65s to low 70s moving into the weekend.

Raspberries: Moderate supplies and good demand has the market steady but firm. Quality is being reported as fair to good depending on lot. Supplies are coming out of Mexico, Oxnard and Salinas/Watsonville areas.

Blackberries: Good demand and supplies has the market steady. Mexico growers have finished for the season. Watsonville is the main growing area. Quality out of Watsonville is being reported as good.

Blueberries: Supplies out of California are winding down quickly and most shippers will be finished for the season by the middle to the end of next week. Supplies out of Oregon and Washington are ramping up next week with limited supplies. A few shippers have started but supplies are so limited they are staying local. Quality is being reported as good and market is firm. The main pack is 6oz and pints. East Coast supplies have been hindered due to

wet weather with many shippers being sold out throughout the week. The weather is forecasted to be clear for the balance of the week. East coast market is tight with very limited supplies. North Carolina blues is trying to ramping up. New Jersey supplies have started up with light supplies which should help the market supply grow in next couple weeks. The main pack out of the East is pints.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is softer with some suppliers. There is a 2-3 dollar gap amongst the different shippers to start the week. Demand continues to be off. Crowns continue to be stronger in availability with some suppliers while others are out buying or sold out. Santa Maria is expected to be moderate in availability throughout the week.

CARROTS *Tim Kelley*

Supplies and quality are good, and size is coming, bringing more JBO carrots to market and lower market.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

The cauliflower market is firm. Supplies are light with most shippers. Prices will vary from shipper to shipper as some continue to be slightly better off. Santa Maria is light in production as well. The pricing is expected to gradually rise throughout the week as demand is expected to increase.

CELERY *Gabe Romero/Mike Pacheco*

The celery market is steady. There is a gap in pricing up to four dollars in the marketplace. Many shippers are finishing up in Oxnard and Salinas will be the main growing region for this commodity. Oxnard should officially be done by the second week in July. Santa Maria is in production as well. Michigan celery is not due to start until the second week of July. Small sizing, 36s and smaller continues to demand a higher price.

CITRUS *Tim Kelley*

Lemons: Supplies are good on the smaller sizes and less abundant on the larger ones. Seasonal demand is good, keeping market firming weekly. Quality is good.

Commodity Updates continued

Oranges: The Valencia oranges are fresh, in good condition and are eating well. Valencia sizing is currently peaking on 113's/88's/138's.

Limes: Supplies and condition is good on all sizes.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is steady. Supplies' lightening up as demand has increased. Cucumbers are mostly from Baja California other from Thermal some gaps occurring.

Eastern Cucumbers: *Janine Baird*

The heat and humidity in South Georgia are beginning to take their toll on cucumber quality and many shippers are pulling the plug. New Jersey has had too much rain to have any kind of volume. North Carolina and Tennessee are still too early in the deal to have any kind of real volume. This market will spike going into the weekend.

EGGPLANT

Western Eggplant: *Mike Cantu*

Market is clicking up as demand slightly exceeds current supplies. There is a wide range of quality and lighter supplies due to impending transitions and awaiting new lots to come online. Some new districts have begun harvesting, supplies are light.

Eastern Eggplant: *Janine Baird*

Eggplant market remains somewhat stable due to strong demand.

GRAPES: *Amy Grolnick*

Coachella domestic fruit is available with very good quality on both Flames and Sugarones. Mexican grapes loading in Nogales, AZ are also going strong with excellent quality Sugarones and Flames as well. There is good promotable volume and quality in both areas. Demand is light.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

The green onion market hasn't changed. Supplies continue to be good out of Mexico. Prices are expected to be steady throughout the week. Domestic green onions are due to start approximately by the end of June.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is firm with most shippers.

Supplies are light to moderate, but demand is off. With any kind of push, this market could be active again quickly. All other leaf items are firm as well. In general, the quality has been good, with only occasional tip burn being reported. This market continues to be competitive with most suppliers.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady. There continues to be a planting gap with a few suppliers and this has caused a gap in pricing by a few dollars pending on the shipper. Expect this market to have this kind of gap throughout the week. There continues to be issues of quality problems. These issues include mechanical damage, light weights, and some slight decay in some lots. Santa Maria has light production with production coming mainly out of the Salinas valley.

MELONS: *Amy Grolnick*

Cantaloupe: Domestic cantaloupes are available in Southern California and Central Arizona. The market price is firm. Good demand still with very good quality fruit. Cantaloupe sizing has evened out with a range of 9's to 18's being available. Huron, CA has started in a light way with just fair quality. There will be several more shippers starting next week with good volume by the second week of July on Westside fruit.

Honeydew: Mexican dewes continue to cross in good volume through Nogales while domestic dewes are available with steadily increasing volume. Demand is light and supplies have started to increase slowly with the domestic honeydews coming onto the scene. The market is still depressed.

ONIONS *John Tole*

California and New Mexico yellows are steady on jumbos, colossal, and supers and both areas are steady but limited on mediums. The demand is much stronger in New Mexico. New Mexico still has better yellow availability than California. Central California remains light on Supers. Reds are steady to lower in both areas and most packers will still flex for volume orders. Whites are steady in both districts. The quality has been good on all colors.

Commodity Updates Continued

POTATOES *John Tole*

The Idaho is mostly steady but some shippers are higher. Low pack-out percentages due to poor storage quality of the Burbanks is still the main reason that the market is so strong. Good quality storage lots are becoming harder and harder to find in Idaho. Washington & Colorado are also steady to higher. Colorado is also having some issues with storage quality. Idaho continues to produce more 80-count and smaller while Washington and Colorado are heavier to 70's and larger. The Bakersfield, California continues packing new-crop Norkotahs and they are peaking on 80's and 90's. The russet quality is very good with excellent netting. Bakersfield also continues to pack reds, gold's, and whites. The size is slowly getting larger but there are still a lot of B-size spuds. The California colored potato availability is generally now that they have started packing russets. Arizona is packing a few Reds and Gold's but the availability is low due to strong demand there too. The California and Arizona quality has been good.

SQUASH

Western Squash: *Mike Cantu*

Market continues unsettled on both Italian and Yellow S/N. Production has started in earnest with wide range of quality. Light supplies of yellow s/n squash causing market to inch up as demand pressures pricing. New districts starting up in Southern California

Eastern Squash: *Janine Baird*

Squash in Georgia has tightened up considerably in the last day or so as the deal winds down. Michigan has started but with minimal volume and New Jersey continues to struggle due to heavy rains. This market should continue to rise in the coming days.

STONE FRUIT *Amy Grolnick*

The California stone fruit season is in full swing with plenty of good quality product. Peaches, Nectarines and Apricot volume are steady with good supplies and good eating quality. Brix are high and fruit is eating really well. Both red and black plums are available and eating very good right now on both. California cherries cleaned up for the season. Washington cherries will be available with good volume starting next week.

TOMATOES *Aaron Aliotti*

Western: Prices are down with rounds being plentiful out of California. Good amounts of larger sized fruit are available with lighter yields on smaller tomatoes until crown picks are through being harvested. Grape and cherry tomatoes are still limited but are reported of good quality.

Eastern: Quincy and South Carolina started production last week with Arkansas beginning any time, further improving market supply. Grape tomatoes remain tight but are expected to improve in the next few weeks.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Lettuce supplies are steady, overall. There are ample supplies of romaine and this will continue throughout the week. Broccoli supplies have increased. The cauliflower availability will be light to moderate throughout the week. There is enough product however to fill all the processors needs.

WATERMELON *Mike Cantu*

Market settling availability is improving. Larger fruit is light due to cool evenings. Demand exceeds on s/less watermelon. There are new growing districts coming online in Yuma and Phoenix, AZ. Availability on seeded watermelon is sporadic.