



July 25, 2008

If you don't like something change it; if you can't change it, change the way you think about it. ~Mary Engelbreit

*** COMMODITY ALERT ***

JALAPENO PEPPERS: Agricola Zaragoza of McAllen, TX has issued a voluntary recall on all jalapeno peppers it shipped due to the finding of a positive sample of Salmonella Saint Paul. Please see our Pro*Act Food Safety emails for further details.

ROMAINE HEARTS: There have been several lots showing internal burn and tip burn. The shippers have been trying to trim back the tip burn. However, the result is a greener romaine heart with not much bleach/lighter color. We will see this problem all week.

FREIGHT

Trucks in California tightened up considerably yesterday and teams remain 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. decreased this week dropping \$.046 a gallon and is currently at \$4.718. Diesel at the Pilot Truck Stop in Salinas has dropped to \$4.939 a gallon and has dropped \$.06 since Monday. Crude Oil continues to drop and is down \$7.31 since Monday to \$124.41 down \$4.01 today as signs of the dollar strengthening against the Euro driving prices down. Hurricane Dolly missed the major oil platforms in the Gulf and made landfall in far South Texas today packing winds of 100 MPH before quickly becoming a Tropical Storm, which is good news.

APPLES/PEARS

California Galas have started with very limited volume. Demand continues to exceed supply on all apples. Fuji apples are about finished up out of Washington. Galas and Braeburns have completely finished up. As it stands, any apples remaining including Red, Gold and Granny Smith in storage bins left to pack continue to size out 72/80ct and LARGER as well as #1 and Premium grade. **There are virtually no small sized apples remaining in storage.** The apple market is extremely strong and will remain that way for the balance of the storage season.

Anjou pears should be available for another week from storage, and California Bartlett pears are already available with markets adjusting lower!

ASPARAGUS

This market is active. Heavy rains in the growing regions of Mexico have caused supplies to be limited. Supplies are moderate from Peru. Also, problems have arisen at the boarder where trucks have been held over for long extended periods. These factors have caused this market to be stronger.

MARKET HIGHER

AVOCADO

California fruit – California growers have ramped up their harvest to keep up with demand as California is have to supply most of the fruit in the market place. Fruit continues to peak on 48's, and smaller fruit volume remains light. Demand is very good with Mexico's supplies down to very limited numbers. The California fruit is at peak season levels, with good flavor and oil content. Market is steady to lower.

Mexican fruit – Mexico has very limited volume still crossing into the US. Mexico will transition into to their Flor Loca crop by the end of July.

BELL PEPPERS

Eastern Bells: The pepper market is starting to come off gradually as North Carolina, Tennessee, Virginia and New Jersey are all in good volume. Michigan will start in a light way at the end of the week and, weather permitting, have plentiful supplies in 10-12 days.

BERRIES

Strawberries: production this week has been low and slow. Loading time at all coolers is significantly longer than the normal due to the stated production situation. The berries are also showing significant bruising at shipping point in the range of 5% to 8% and it is industry wide. The weather calls for a warming trend for the weekend possibly hitting triple digits in some areas. The increased heat will also hurt production some possibly solidifying the market even more. Market unstable

Raspberries: Demand this week continues steady. Production continues light with no abundance of raspberries. Quality is good to fair .We should see an increase in production towards the end of next week locally with additional product coming from British Columbia. Market steady.

Blackberries: The supplies of blackberries continue to be strong. Product from Mexico has arrived in southern Ca. and with local, Pacific North West and imported product from British Columbia there are plenty of black berries to go around. Shippers are looking to move .**Market Lower.**

Blueberries: The Pacific North West along with Georgia, Michigan and Indiana continue to produce good volume and good quality. There has not been any major weather related or quality issues other than a small isolated issue with mold. Overall blueberry quality and production good...

Market steady.

BROCCOLI

This Market will remain steady for the week. Supplies are good in all the growing regions and pricing has been more competitive. The warm weather in the past weeks has caused some lots to have defects such as hollow core, a direct result from high heats. The weather has been significantly cooler this past week and this has helped to slow down the growth of this commodity.

MARKET STEADY

CARROTS

Quality and availability continue to remain steady on the West Coast. Carrots are really sizing up nicely and product looks good. Harvest is still coming out of the Bakersfield area. Texas Carrots are still crossing the border from Mexico. Due to the tropical storms, availability is hit and miss right now. Market is starting to stabilize out of Texas.

MARKET STEADY

CAULIFLOWER

Suppliers vary with availability and this has caused for pricing to have a difference of two to three dollars. Many suppliers have limited their plantings and some are light to moderate in terms of availability. Supplies slightly exceed demand. Currently, the cooler temperatures have helped the quality of cauliflower in terms of color and texture. The ups and downs in this market for this item will be seen throughout the season. The quality overall continues to be good in most of the growing regions. Weights are averaging 28-30 pounds.

MARKET STEADY

CELERY

This market has softened. Strong supplies continue to exist in the 24 and 30 counts.

Demand has slowed down on the smaller sizes. The Michigan deal has inevitably lowered the pricing from California product. Weights will average 55-60 pounds out of the two regions. Santa Maria production will also add to the competitive pricing of this commodity.

MARKET LOWER

CITRUS

Lemon: Demand continues to be very good, and volume is still holding steady. Fruit continues to peak on 140's and 165's, with 115's and larger remaining tight as there is not a lot of size growth. Quality is good and condition is strong. The market is steady.

Oranges: Valencia orange supplies remain good, and continue to peak on 88's and 113's. Demand remains good, with the strongest demand on 88's and smaller. Quality is very good. The market has firmed.

CUCUMBERS

Eastern Cucumbers: Cucumbers are now available in most of the northeastern growing regions. Volume and quality is decent at this time and only looks to get better. Again, there is a large spread in this market due to picking in several states. Watch for irregular sizing and quality during the next few weeks. Market softening.

GRAPES

Grapes are in excellent quality all around. Mild weather prevails and there are no changes expected in both fruit availability and quality! The sizing is on the large side in most all lots! Flame red, Sugarone/Thompson/Perlette green, and multiple varieties of black seedless grapes are available!

GREEN ONIONS

Although Mexico has had heavy rainfall, supplies are still steady. California production has kept the market steady. Look for this market to be stable for the rest of the week. Supplies from Mexico continue to be strong. Overall, the green onion crop as been up and down in terms of quality from the Mexico region. Some lots have yellow discoloration of the tops. We have also seen some slimy decay.

KIWI

Both Chilean and New Zealand Kiwi remain in very good supply this week and there is no change in the market. Fruit is in excellent condition!

LEAF LETTUCE

The leaf market has experienced some problems in quality. With romaine, there have been some issues. The complaints have been internal burn and tip burn found upon arrival. Although the weather has cooled off, we are now seeing the effects of past high heats on this commodity. Green leaf also has had reports with similar problems. Pricing remains competitive from all growing regions. The tip burn has made leaf items lighter than normal.

MARKET STEADY

As most of you are aware, many Local commodity programs have begun. Pro Act is here to service those needs as well. Nunes has started their leaf program in New York. They load out of Chester, New York. This facility is located North West of New York City. Right now, they currently have Green Leaf, Red Leaf, and Boston. They will not have any Romaine until Thursday.

LETTUCE

The lettuce price has settled from the beginning of the week. Supplies are moderate in availability. For now, deals are not being made on large orders like the previous weeks. Tip burn and decay has been found in different lots at production time. The weights have averaged consistently 44-50 pounds. Expect the overall volume to be light to moderate for the rest of the week.

MARKET STEADY

MELONS

Cantaloupes: The Westside cantaloupe production has lightened up a bit with volumes coming down. Large sized melons continue to bring a premium over smaller sizes. The smaller sizes have begun to come up in price as buyers move orders into them. With the recent hot weather sizing was heavy to the smaller side. Now that mild weather prevails, sizing is coming back to the large side, but it will be another 7-10 days before they are ready to go. Overall quality is very good, with only an occasional softness problem in select few older lots. There are fewer deals available even on load volume orders. Again, plants are returning to normal production following the recent heat spell and with cool nights, sugar levels are up again. Look for the market to come up from its lower levels with heavier supplies on small fruit and good activity on the larger sizes this week!

Honeydews:

There is a wide range of sizing available on Honeydews, but the range is still heavy to the smaller side. Mild weather prevails in the Westside growing district and overall quality and sugar levels are very good on honeydews. Once again, expect little or no change in market conditions this week!

ONIONS

New Mexican onions are in better supply as they dry out from the last couple of wet weeks. Quality should get better as the fields continue to dry out.

California still has very good supplies and quality.

Market Steady

POTATOES

Idaho and Washington Russets continue to pack out small out of all areas and remain heavy to #2's. Market is continuing steady. The storage season is winding down quickly and new crop Idaho's are behind schedule expected start dates for new crop product are right around August 18th - 25th. Overall acreage is down as far as 14-20% this year on new crop product.

Washington looks like its on course to start the first week of August.

Colorado finished their storage crop for the season and should be into new crop around August 1.

Nevada is still in very small Burbanks and they are still in lots with less #1 product.

They look to finish up with storage product mid August and will gap until around September 8 when new crop is scheduled to get started.

Bakersfield done for the season on colored potatoes with Northern California product coming on with good quality and availability. Market is higher.

SQUASH

Eastern Squash: Recent heavy rains have taken their toll on squash. Although supplies are plentiful, quality has suffered. The market on yellow squash will begin to tighten up as a result. Watch for quality issues and a gradual upward trend in this market.

STONE FRUIT

We need to continue to push on tree fruit, as eating quality and availability are second-to-none right now! There are deals out there and promotable volume in Peaches, Nectarines, Pluots and Plums. Keep in mind, with recent warm weather, smaller sizing is more difficult to come by in volume. Let us not let these opportunities pass us by without taking full advantage of them. The market will remain at the lower levels this week for plentiful volume!

TOMATOES

Eastern: The market in the east is much firmer than the west. Weather and rain continues to play a big part in Georgia as well as different growing regions both finishing and starting. The Carolinas are now producing with minor production issues due to the weather. Market will show signs of volatility due to different growing regions having vastly different ranges of sizing. Market unstable.

WATERMELON

Both Seeded and Seedless watermelon production will remain steady this week and there is still significant demand. Overall quality on watermelons is very good. California and Arizona markets will remain steady through this week and into next. Keep promoting these melons this summer, as quality is unsurpassed for Western fruit! There are a number of regional areas producing fruit as well in Georgia and the Carolinas, which will also keep the market stable.

VALUE ADDED

Raw product with romaine has been a little rough. There have been issues with chopped romaine breaking down. Processors are working diligently to use only high quality romaine, but the quality has suddenly been hit and miss. 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.