

Labatt **FOOD SERVICE** *Produce Department*

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MARKET REPORT: JULY 23, 2010

****MARKET ALERT** Demand exceeds supplies on Cantaloupe. The Potato Market is strengthening due to decreased supplies during the transition from old to new crop. Garlic prices remain firm.**

We appreciate your business. Please let us know if you have any questions. Have a great weekend!

WEATHER IN CURRENT GROWING REGIONS

Salinas, CA: Patchy morning fog and daytime highs in the upper 60s to 70 degrees will persist through July 27. Overnight lows will be in the low to mid- 50s.

Mendota, CA: Daytime highs will range from 97 to 101 degrees through July 27 with overnight lows between 61 and 67.

PRODUCE NEWS

APPLES

Prices remain firm for the existing storage crop apples with smaller sizes being tighter in supply. As new crop is harvested we should start to see some relief in the market along with more availability of the food service sized apples.

BELL PEPPERS

Bakersfield harvest on greens is coming to an end while other California districts are coming online. Demand is strong. Colored bell supplies will start to increase with more production next week.

BROCCOLI, CAULIFLOWER & CELERY:

Broccoli and broccoli crowns are in plentiful supply. Availability has improved on cauliflower; however we can expect to see variable production levels throughout the summer on broccoli and cauliflower, as growers have reduced planted acreage on both. The market is steady for *California* celery.

CANTALOUPE

The Central Valley melon deal is off to a historically late and slow start due to the cool spring and early summer. Bakersfield and Mendota cantaloupe shippers are struggling to meet current demand. Shippers said that several fields scheduled for harvest now had to be re-planted due to the spring rains. Some growers opted to use transplants instead of seed because of high water and seed costs. Shippers now say that several of the transplant fields only offer light production. Demand exceeds the available supply, and shippers are sold out two to three days in advance. Shippers speculate that the direct-seed fields will produce improved volume beginning July 28-30.

CITRUS

LEMONS: The market is steady and firm. Oxnard is producing the majority of California's fruit followed distantly by the Central Valley. The quality of the California crop is very good. Offshore imports are beginning to influence the market.

LIMES:

ORANGES: Quality is strong, the juice content is high, and the Brix approaches 12. The market is expected to hold steady into late July. The Valencia season will continue into October. Central Valley daytime highs have finally topped 100 degrees. These hot summer temperatures cause a reverse flow of chlorophyll, resulting in re- greening on the outer skin. This is cosmetic only and does not alter the internal sugars or eating quality of the fruit.

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GREEN ONIONS

Green onion production in Mexico has declined significantly due to heavy storms; with quality issues causing a drop in yield following the harvest transition to Baja. Prices have advanced and will remain strong for the intermediate term.

LETTUCE, ICEBERG & LEAF

California growers are at normal seasonal production levels for **iceberg**, **romaine** and **leaf**. The recent availability situation for **iceberg** has improved, with increasing production expected to continue through next week. **Romaine** and **green leaf** are in good supply at competitive prices. Occasional quality issues are present in various grower lots of iceberg and romaine, including mildew and tip burn. Head size and carton weights are average.

POTATOES

Everything *Idaho grown* has increased in price (freight rates, included). Demand *exceeds supply* on every item as the other growing areas have finished, leaving late season Idaho storage crop potatoes to fill the void. Idaho continues to peak on smaller sized cartons and the market is higher due to stronger demand. The market has moved upward on the larger counts and Number 2's. The Idaho market will remain strong until new crop Nebraska and Washington potatoes begin. Idaho's quality has been decent but there has been some peeper-sprouts and internal black-spotting reported. The Colorado market has dramatically increased due to many packers that were expecting storage supplies to last into early August, however quality issues have made many of the potatoes unusable. They are still heavier on 60/70's but supplies are extremely light and the smaller shippers have finished packing. California continues to pack colored potatoes but the demand has been very strong so stay ahead! Most Bakersfield packers have finished although a couple still have product. The Stockton, California shippers have the nicest quality and more volume right now. Stockton will have supplies through September. North Carolina, Virginia, and Alabama have reds, but the temperatures have been so hot that they aren't holding up after harvest so it's pushing a lot of business to California.

Over the past 30 days, the underlining premise of the Idaho russet market has moved 180 degrees, from surpluses to shortages. The initial thought of an overlap between crops has been replaced with demand exceeds supply. Pack-outs continue to fall, and Idaho shippers have been overrun with extra demand since the Wisconsin and Colorado seasons ended earlier this month. The russet market will be a runaway until new-crop supplies from Idaho and Washington become available next month. Currently, Idaho shippers are sold out several days in advance and are pricing orders the day of shipment. Persistent cool temperatures throughout the spring and early summer have delayed the start of new-crop russets in Idaho and Washington. Washington shippers hope to start their new-crop Norkotahs the week of Aug. 2. Idaho shippers don't expect new-crop supplies from western Idaho until Aug. 12- 16. The first eastern Idaho supplies won't start until Aug. 16-23.

STRAWBERRIES

Central Coast production is well below the season's peak of early July and will drop noticeably further through August. The recent weather pattern of foggy mornings and cool temperatures will cause production to drop below initial expectations the week of July 26. The market remains multi-tiered based on label, berry size and shelf life. The market on the best labels is steady and firm.

SQUASH

Baja looks to have steady supplies for the next few weeks. Santa Maria has steady volume and the weather has warmed up. Michigan's wet weather is starting to affect the squash market and supplies have tightened. The market should continue to rise going into the weekend but steady out next week.

TOMATOES

Several growers are packing rounds, grape and some cherry tomatoes in the new growing regions. Roma tomatoes continue to be behind on production compared to the other crops, and there are higher fobs on the Romas compared to previous weeks. Growers should have better production of Romas next week. The heat that the east has experienced will keep sizing on the smaller side with fruit coming on faster than expected, compounded by heavy rainfall. Harvests have been delayed and pickings are staggered in North Carolina and Tennessee due to the weather. Michigan and Ohio should start by the end of this month. **Western:** Supplies out of San Diego are inconsistent with transition into the northern growing areas, and predominantly bigger sized fruit. There are fewer round and Roma tomatoes than in weeks previous. The remainder of the week should be short in short supply but increasing into next week. Grape production is down but Cherry and Grape tomato production is strong with low FOB's and shippers making deals to keep things moving. Weather has been favorable in Baja with no major issues. Central California continues to have strong with production and plenty of good quality fruit.