

Labatt **FOOD SERVICE** *Produce Department*

650 Regal Row

Dallas, TX 75247

(214) 638-4141 or 1-800-324-5252 ext 7396

MARKET REPORT: JULY 30, 2010

****MARKET ALERT**** *Asparagus is in extremely short supply. Idaho Potato shippers are seeing a strong seller's market and demand exceeds supply. 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: Daytime highs will be in the mid- to upper 60s through Aug. 6 with overnight lows in the low to mid-50s.

Mendota, CA: Daytime highs will be in the mid-90s through Aug. 6 with overnight lows in the low to mid-60s.

TRANSPORTATION & FUEL

Several trucking companies are struggling to find westbound loads from the East Coast. The availability of trucks on the West Coast remains sporadic, and freight rates are expensive.

The nationwide average price for a gallon of diesel the week of July 26 was \$2.92, which is 15 percent higher than one year ago. The average price in California for a gallon of diesel is \$3.12, which is also 15 percent higher than last year.

PRODUCE NEWS

APPLES

Prices remain firm for the remaining apple varieties in Eastern Washington, which include Fuji, Golden Delicious, Granny Smith and Red Delicious. The California apple harvest is close to starting.

ASPARAGUS

This market is firm on all sizes. Harvesting crews in Mexico have been limited due to weather conditions. Thunderstorms are expected again throughout the week in the growing regions. Expect product to be very light for the next two weeks. Peru is experiencing very cold weather also and production is down as well. Jumbos will be extremely difficult to purchase throughout this week.

AVOCADOS

Prices remain firm for *California* Hass avocados, which is currently the primary growing region. *California* harvest is now past the 60 percent harvest point. Demand remains very strong. Import volume for *Mexican* Hass continues to be very light, shelf life is limited for this old crop fruit. New crop (Off Bloom) *Mexican* Hass will become available in mid-August, while meaningful volume of *Chilean* Hass will be available in late August.

BELL PEPPERS

Prices are coming down for *California* red bell peppers as growers in the San Joaquin Valley come into full production. The harvest transition for green bells is going smoothly, with the season finishing this week in the Southern San Joaquin Valley, moving to the Gilroy-Hollister district. More supplies of colored bells are coming online also which should provide some much needed price relief.

BROCCOLI, CAULIFLOWER and CELERY

Bunched broccoli and broccoli crowns are in plentiful supply in the Salinas Valley and Santa Maria. The production cycle for cauliflower is beginning to turn downward, with various shippers having planted fewer acres for the mid summer harvest period. Quality is generally very good. Recent weather conditions have been favorable, with cool overnight temperatures and marine layer overcast conditions through the late morning hours. At some point we can expect growers to catch up with summer harvest schedules and prices will rebound for both broccoli and cauliflower. California celery production will continue at average levels and prices will continue to gradually ease as harvest volume in Michigan increases. Celery quality is excellent, with long stalks, substantial carton weights and deep green color.

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CANTALOUPE

Production is gradually increasing on new crop **cantaloupes** that are being harvested in the Westside district of the San Joaquin Valley in California. This follows a gap in production that occurred during the harvest transition from desert growing areas in Western Arizona and the Imperial Valley. The harvest is expected to be in full swing by early next week and the market will become very competitive. Hot temperatures the weekend of July 31 will encourage further production. Overall quality is excellent with good color, sugar levels and shelf life.

CITRUS

Lemons: Supplies are good, with very good demand. The market continues to firm on 140's and larger. Quality is very good.

Limes: Supplies are tighter to begin the week due to rains last week in Mexico. The heavy rains have closed 2 of the 3 bridges and trucks coming into McAllen are backed up for miles. Size structure has also changed to more large size fruit. Growers want to get prices up as supplies tighten. New crop Mexico limes will be available in mid to late August. Overall quality is good.

Oranges : The market recently increased on choice 88s through 138s. Shippers expect demand for these smaller oranges to strengthen further when schools open in August. The Valencia crop is peaking on 88s followed by 72s, 113s and then 138s. The pack-out is 65-70 percent fancy and 30-35 percent choice. Quality is strong; juice content is high, and the Brix approaches 12. The Valencia season will continue into October.

CUCUMBERS

Baja expects less production over the next 2 to 3 weeks. Demand is good. The recent heavy rains in the Michigan / Ohio area have caused the cucumber market to react. Prices are up this week and will most likely continue to climb as New Jersey finishes up and more people look to Michigan.

GRAPES

Due to a late start for the harvest, caused by spring weather conditions; there has been a moderate gap in supply for red and green seedless grapes. Prices remain firm for Flame seedless, with limited availability on Thompson seedless.

GREEN ONIONS

Green onion production in Mexico has declined significantly; 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.

ICEBERG and LEAF LETTUCE

Romaine is in plentiful supply and prices remain near bottom levels. Various romaine growers are seeing the potential for increasing issues with fringe burn and internal burn, which may cause a moderate reduction in availability and a firmer market price structure, however there has not yet been any indication of this occurring. Prices are gradually easing for **iceberg lettuce** reduced demand, high freight rates and a slight increase in production are expected to contribute to good availability and steady prices for *California iceberg, romaine* and **green leaf** through Labor Day.

KIWI

Chilean kiwi is in good supply. *New crop California kiwi* will be available in September, with what looks to be a smooth transition.

ONIONS

The upcoming Ontario, OR, onion crop has been delayed by the persistently cold and intermittently wet spring and early summer. Ontario, which traditionally holds 40 percent of the nation's storage onions through the winter, is two or three weeks late and will not start until Aug. 25-30. This becomes problematic because onion varieties are designed for a certain number of daylight days before they bulb. Such a late start may result in a smaller-than-normal size profile. As well, varieties designed to be harvested Oct. 1 will be pushed off two or more weeks and could then be subject to an early frost or rain.

Pasco, WA, shippers are slated to start the week of Aug. 2. Initial production is expected to be light. Pueblo, CO, is now offering modest supplies of new- crop yellows, whites and reds. Greeley, CO, will start by the week of Aug. 9.

The current California jumbo yellow market is very competitive compared to New Mexico. Jumbo red supplies are falling quickly in California, and the market is expected to quickly rise.

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POTATOES

Over the past 30 days, the Idaho russet market has done a complete reversal from surpluses to shortages. Earlier thoughts of an overlap between crops have been replaced with today's demand-exceeds-supply market. Supplies are limited on late season storage crop Idaho Burbank Russets on all sizes, including US # 2's. *Demand exceeds supply* and prices will continue to advance for the remainder of the season (the week of August 9th).

Persistent cool temperatures throughout the spring and early summer have delayed the start of new-crop russets throughout the Northwest. Washington state 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. 9-16, and initial production is expected to be light. The first eastern Idaho russets won't start until Aug. 18 or later.

New-crop delays are stressing the market as Idaho shippers attempt to stretch the remaining old-crop supplies. Pack-outs are below normal, and Idaho shippers have been overrun with extra demand since the Wisconsin and Colorado seasons ended earlier this month. The russet market will remain robust until new-crop supplies arrive in Idaho and Washington. Idaho shippers are sold out a few days in advance and are pricing orders the day of shipment.

STRAWBERRIES

Current production is moderate due to recent foggy and cool mornings. Quality is fairly good with medium berry size and good color. Overall production is expected to decline considerably through the month of August. The market remains multi-tiered based on label, variety, berry size and shelf life. The market range will hold steady near current levels into the week of Aug. 2.

SQUASH

Baja looks to have steady supplies for the next few weeks. Santa Maria has good volume now that the weather has warmed up. Prices are steady and the volume is there. Quality is good. Zucchini prices are strong in the west due quality issues for growers in Central California.

TOMATOES

Roma tomatoes continue to be behind on production compared to the other crops, and there are some higher fobs on the Romas compared to previous weeks. Round tomatoes are in good supply and have cleaned up the majority of the fruit that was affected by previous heat and rain. 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 going strong with production and plenty of good quality fruit behind it.