

# LIBERTY FRUIT CO., INC.

## WEEKLY MARKET REVIEW

August 26, 2010

### **WEATHER UPDATE**

A two-day heat wave occurred early in the week in Central California coastal districts, with a high of 102 in Salinas on Tuesday. Growers are still assessing damage to various row crop and berry items. The good news is that temperatures have returned to normal, accompanied by the coastal marine layer overcast that continues through the late-morning hours...giving way to afternoon sunshine. We will see temperatures once again drop below average by Saturday, with highs in the mid 60s along the coast and mid 80s inland.

### **TRANSPORTATION**

Trucks are in adequate supply as we approach the Labor Day weekend, however the potential exists for the situation to tighten considerably on Friday. Please stay in touch with your Produce Alliance representative for the latest information. Freight rates are firm.

### **CALIFORNIA LETTUCE & MIXED VEGETABLES**

***Iceberg & Leaf:*** Iceberg lettuce availability is tight and the market is active. Romaine and green leaf are in better supply by comparison. Recent hot weather is expected to have an effect on iceberg and leaf. An increase in fringe burn and internal burn are becoming evident during the next four-six weeks of harvesting due to damage to the crops caused during the various stages of plant growth. Head size has become smaller on iceberg with the size profile having shifted. The 30-size iceberg packs are now available in addition to 24-count palletized and cello iceberg packs.

***Broccoli, Cauliflower, Celery, Carrots:*** The effects of the heat wave have been more immediate on broccoli and cauliflower. Yields have dropped, and prices have firmed. Celery prices have also strengthened. Demand for California celery from receivers in the Upper Midwest and Pacific Northwest has increased. Carrots continue with plentiful supplies in the San Joaquin Valley, Oregon and Washington.

***Mixed Vegetables:*** A wide disparity in price has developed in asparagus prices with prices holding firm for late season asparagus from Central Mexico. Prices are holding firm. Production volume is on the increase for Peruvian asparagus, and prices are dropping. The Mexican season will be finished next week. California mixed vegetable shippers will switch to Peru as the source of asparagus in early September.

Green onions are in plentiful supply, along with leeks, Italian parsley, and kale. Growing conditions have resulted in continued tight availability on curly parsley, bunched spinach, bok choy and napa. California snow pea volume is on the decline, and prices are moving higher. Good availability on spring mix, baby spinach and arugula.

## **STRAWBERRIES**

Strawberry production has seen a moderate increase; however the early-week heat wave has caused a temporary interruption in the availability of long stem strawberries and raspberries. Because of the short duration of the hot weather conditions that occurred over a two-day period, production volume and quality have not been significantly affected for the premium label shippers. A wide range in quality does exist among the growers, however, depending on strawberry variety. Weather conditions have created difficulty this summer for berry growers, with cold, moist conditions during July and much of August, followed by the extreme heat that occurred this week. Blackberries are in tight supply, and production volume will continue to decline until the new crop blackberries from Southern California and Mexico become available in October. Blueberry production is on the decline in the Pacific Northwest and in Michigan. This trend will continue until new crop blueberries from Chile and Argentina become available in October.

## **CALIFORNIA-ARIZONA CITRUS**

California Valencia oranges are in good supply on the larger sizes (88s & larger), while availability will be limited on the smaller sizes (113s & 138s) through mid September. Due to high demand from school districts that are back in session following summer vacation. Grower-shippers are currently unable to fulfill demand on the popular 113s. Navel oranges from Chile and Peru are available.

The late season California lemon harvest is characterized by quality issues; please order for fast turnover. The new crop lemon harvest will be well underway in the desert growing areas of Southern California and Western Arizona. Chilean lemons will be available for shipment through early September, while the Mexican lemon harvest is gradually increasing with early shipments heavy to 165s & 200s.

California local summer variety red grapefruit is available. Appearance is acceptable with light exterior blush. Florida grapefruit along with early season Florida juice oranges will be available in early September. New crop grapefruit and juice oranges will become available in Texas in October. Mexican limes are in tight supply on the small sizes which are old crop fruit. The size profile on new crop Mexican limes is heavy to large sizes. Pineapples will be in seasonally tight supply until early October.

## **MELONS**

Availability has tightened considerably on the large sized cantaloupe 9s, with adequate supply on the smaller cantaloupe 12s, 15s & 18s. Size profile characteristics at the field level have shifted from oversupply on the large cantaloupe sizes to a broader range of production. Honeydew production continues to be heavy to large sizes. Prices remain on the bottom for honeydew 4s & 5s. Quality is excellent on cantaloupes and honeydews. Prices are strengthening on watermelons, as harvesting begins to wind

down in various regions of the U.S. The oversupply situation for California growers is diminishing with strong demand for Labor Day retail ad promotions. Quality remains strong for seedless watermelon. We can anticipate a continuing gradual upward trend in prices going forward.

### **APPLES AND PEARS**

Current Washington apple varieties include Red Delicious, Grannysmith, Ginger Gold and Gala. Gala apples are available in Northern California along with Bartlett pears.

### **GRAPES & SOFT FRUIT**

Green seedless grapes are in plentiful supply (Thompson and Princess). The red seedless grape harvest is in transition from Flame to Crimson variety. Large sized Flames command a substantial price premium compared to medium. Black seedless grapes are in good supply, while the Red Globe harvest is just getting underway. Peaches, nectarines, red & black plums are all in good supply with the peach profile heavy to large sizes. We have adequate availability on late season Chilean kiwi, with a smooth transition to new crop California kiwi expected in October.

### **AVOCADOS**

Prices are on the rise for California Hass, particularly for the 48s and 60s as the harvest season begins to wind down. The recent freeze in Chile has resulted in a drop in production estimate for the crop by 30 percent this year. Chilean growers, in search of the highest returns, are sending a significant portion of early season production to Europe. Because the size of the upcoming crop in Mexico that's also going to be small, we can expect to see firm market prices through February 2011.

### **EASTERN & WESTERN VEGETABLES**

Green bell peppers are in plentiful supply in California with adequate production in Michigan. A gap in production has developed for red bell pepper growers in California, as the harvest is in transition from the Southern San Joaquin Valley to coastal districts in Central and Southern California. Cucumber production is steady in the East with good availability in Michigan. Production in California and Baja California is increasing, and prices are trending lower. Steady availability on zucchini and yellow squash.

### **TOMATOES**

Roma tomatoes are in plentiful supply in California and Baja California with adequate availability in Michigan. Production is heavy to the smaller sizes of round slicing tomatoes in California (5x5s & 5x6s), with firm market levels in Michigan. Production is beginning to slowly decline. Hot summer growing conditions in the Upper Midwest have caused some reduction in yield.

### **POTATOES**

Markets are fairly firm on all sizes, new crop or storage. Demand is terrible on the non-size A potatoes, so generating cartons and U.S. #2s is slow at best. Summarizing, pricing is firm, but demand is fair.

## **ONIONS**

Production is on the increase for red and yellow onions in Washington, Eastern Oregon and Western Idaho. Prices are on the decline in the San Joaquin Valley of California. The market is firm for new crop white onions in Colorado and the Pacific Northwest.