



THINGS YOU SHOULD KNOW:

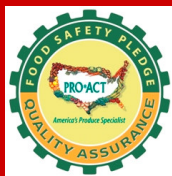
Green bell peppers are very short and quality is only fair.

Tomatoes in all areas are in short supply. Demand exceeds supply, fob's are high.

Bartlett pears are finished for the season

Honeydew and Cantaloupe supplies are limited

Grape supplies are extremely limited



The Source

March 3, 2010

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Weather: *Tim Lynch*

A series of low pressure storm systems approaching California once again this week will bring rain, winds and cooler temperatures into early next week. Forecast models show great divergence on the track and how much moisture will be associated with these systems at this time. It is safe to say however that beginning on Tuesday cooler, breezy conditions with a 40-80% chance of rain is expected throughout most of California this week. Forecast models continue to differ as to the amount of rain expected in Southern California. One model is showing light precipitation with the other model bringing significant rainfall to the area by late Friday. In the desert locals these systems will bring some gusty winds and lower temperatures into the low 70s. As stated above depending on which forecast model pans out we could see no rain or moderate rainfall in this area over the weekend.

Cool temperatures continue this week in Florida with highs running 5-15 degrees below norms once again. A cold, dry air mass behind the low pressure system currently exiting Florida will bring a chance of frost level temperatures to Florida and especially locals to the north before moving out late this week. This cold front will usher in cold temperatures and breezy conditions through the weekend. Low temperatures in the low-30s in the north to mid 30s in Central and Southern Florida with highs in the 60s to low 70s look to be the norm. High pressure moves into place over the weekend bringing a gradual warm up to the region into early next week before the next shot of rain.



Freight: *Mike McIntire*

The availability of eastbound trucks in California and Idaho have tightened up in the last week. Apple trucks in Washington remain steady. Crude oil prices are currently at \$80.93. The diesel price for this week is up .029 cents to 2.861.

Till in good supplies Commodity

APPLES/PEARS *John Tole*

Washington is packing away and looking for help on larger fruit while still struggling with the smaller sizes. Expect that trend to continue since the fruit is large this year. Supplies of the smaller fruit will continue to get lighter until new crop starts in late summer/early fall. Demand remains very strong on small fruit and light on larger fruit. There are some tremendous deals on 48/56/64's in most varieties other than Galas. Please consider varieties other than red delicious for your food service orders that require smaller counts. Specialty apples including the Honeycrisp variety are still available and in adequate supply. Most varieties are also large and heavier to the premium grades. D'anjou pears are in excellent shape with good supplies in Washington and like the apples are mostly large. Bosc, Seckel, Concorde, Comice and Red Crimsons varietal pears are available as well although the varietal supplies are starting to dwindle.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This asparagus market is steady. Supplies are lighter on jumbo sizing from Mexico and California. Peruvian product is still available on the East and West Coast. Prices are steady. The Quality of Mexican product continues to be good. California production can be loaded in Salinas and Yuma.

AVOCADO *Tim Kelley*

California growers continue to slow their harvest to let fruit size up. Chilean fruit is near their end. Mexico is holding steady with their production. The over all supplies remain good.

Mexican Fruit: Mexico still represents the bulk of the avocados on the market. Supplies remain good, but growers are being conservation with their harvest to not flood the market.

California Fruit: Growers continue to pick light volumes as there is not much size to the fruit. With the heavy crop this year, it is causing the crop to size slowly. Shippers will remain with limited harvest for a while waiting for fruit to size.

Chilean Fruit: Chile is winding down quickly, with many shippers receiving the last of their fruit this weekend. Quality remains good.

Commodities at a glance...

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

Commodity Updates *continued*

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Green bell peppers continue to be very tight. With the past cool and wet weather in Mexico, production will remain light and size is running small get tighter and will continue this way. Demand continues to be very strong with east coast demand the driving force on the market. The spring crop for eastern bells looks to start in April.

Eastern Bells: *Janine Baird*

Pepper in Florida is now in a very real state of demand exceeding supply. The sky-high pricing is no longer a knee-jerk reaction of shippers to the freeze or an overreaction to the Nogales markets. There simply is no Florida pepper and very tight supplies out of Nogales. Current Florida weather (morning frost and temperatures staying well below average) will only worsen the situation in the coming days.

BERRIES *Mike Gorczyca*

Strawberries: The California Strawberry market is steady to slightly higher with moderate to good demand. Quality is just fair do to the wet weather over the past week. The forecast is for a chance of rain on the weekend. Growers are currently stripping and monitoring these fields with minimal volume being harvested. Quality will be problematic with white shoulder, bruise, pin rot, mold and water damage likely to be prevalent. Market is higher. The Florida strawberry market is active with light supplies due cool wet weather they are getting. Quality is also fair out of this area.

Raspberries: Markets are steady with light supplies and demand. Driscoll is still the main supplier. Quality is being reported as good.

Blackberries: Blackberry supplies are limited with fair quality. Market is steady. The main area where Blackberries are coming from now is Mexico.

Blueberries: As all of you are aware, the earthquake in Chile was devastating. We still do not have a whole lot of information on what effect this will have on the Blueberry market. There is tremendous damage to the major highways, but are open. All the blueberry growers in Chile will be struggling to move fruit out to the ports and airports. At this point the packing, loading of ships and clearing the fruit from the USDA will be restricted for the next 10 to 15 days. The ports are currently working at half speed and the airports are open but

movement is slow. We will not feel the effects of any shortage of fruit until 10 to 15 days from now. Currently the markets are slightly active with moderate demand.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is stronger on bunched product and crowns are very light in supplies. Most suppliers are starting this week with enough crowns for contract and little to sell on the open. Supplies will be light throughout the week. The quality continues to be good, coming out of Santa Maria, Yuma, and Scottsdale. Light supplies on bunched product is available in Salinas.

CARROTS *Tim Kelley*

California carrots are coming out of Bakersfield for the next week or two weeks with good supplies. Yield and quality are good and there should not be any gaps for the next couple of months.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

Supplies are light as this item is very active. Product availability is expected to be limited throughout the week. Brown and black spotting continues to be seen sporadically upon arrivals, as well as some discoloration. Salinas has started some production with a few suppliers.

CELERY *Gabe Romero/Mike Pacheco*

This market is stronger with all sizes. Production is lighter in Oxnard and Santa Maria and suppliers are scrambling to fill all orders. There continues to be a few shippers of celery in Yuma. The quality continues to be good from all the growing regions. Book orders early as demand looks to increase throughout the week.

CITRUS *Tim Kelley*

Lemons: Supplies are good on 115's and larger, with 165's and especially 200's are less available with pricing firming. Quality is very good.

Limes: Large sizes are shorter due to past rains in Mexico. Expect good supplies this week on 175-200's. New crop looks to begin in 3 to 4 weeks.

Oranges: Demand remains steady. Crop continues to peak on fancy 72's, 56's and 88's. The supplies of choice grades remain tight.

Commodity Updates continued

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production is beginning to improve as new fields have started with others coming on over the next 2 to 3 weeks.

Eastern Cucumbers: *Janine Baird* Florida cucumber pricing continues to rise as Honduran supplies diminish. With the end of the off shore cucumber deal at hand, Florida has no domestic product to “fill in”. The freeze of several weeks ago has significantly delayed the onset of Florida’s domestic cucumbers. Quality is fair to poor at this time.

GRAPES *Amy Grolnick*

The grape market was already struggling with short supply of red and green seedless grapes. The devastating earthquake that hit Chile this last weekend is leaving the market very short on all seedless product. We will have better information towards the end of the week as to the effect of the earthquake and the impact on the grape market/availability. We at this point expect the market to continue to rise and become even more limited over the next 2 weeks. Black seedless are also in short supply and the only thing that seems to have any availability are the seeded red globes. The market will definitely go up on what product is available.

GREENONIONS *GabeRomeroro/Mike Pacheco*

This market is steady with product coming from Mexico. Demand is light. Pencil sizes continue to have the largest availability. There have been some issues on light yellowing on processed items. Suppliers are working on fixing this problem quickly.

LEAF LETTUCE *GabeRomero/Mike Pacheco*

The leaf market is more active with all suppliers. A few growers have had issues on romaine to where certain fields were passed on due to quality. Yields are less and romaine looks to get active throughout the week. Romaine and romaine hearts are showing fringe burn lightly. Most suppliers are having this issue. Green and red leaf has been clean, but pricing is getting stronger.

LETTUCE *Gabe Romero/Mike Pacheco*

The lettuce market is stronger. Huron production will start with a few suppliers in 2-3 weeks and Yuma will continue through the

month of March with most suppliers. There have been some issues of pink ribbing, discoloration, and mechanical damage seen upon arrival. This again is related to the past rains in the desert region. Growers have started to pass on fields due to quality. Yields are lighter.

MELONS *Amy Grolnick*

Cantaloupe: Honduran and Guatemalan product are both now coming into the US. Unfortunately Guatemala has struggled with white fly and have started out very slow. Honduras had a small gap last week which has made for light supplies this week. Next week look for better supplies to be coming in from both areas. Florida product is coming into both Pompano and Manatee. There is product on the West Coast out of the LA area and some fruit coming into New Jersey as well.

Honeydew: Offshore fruit is still arriving into Florida, California and New Jersey with volume supplies still mainly in 5’s and 6’s. Product quality is fair as we are seeing a lot of sugar netting on the skin of the fruit but the meat quality is not affected and the fruit is eating well. Nogales is getting Mexican fruit in with good availability and fair quality as well.

ONIONS *John Tole*

Yellows & reds from the northwest are steady for the moment. Supplies are down so low that most shippers are managing their storages & covering contracts and regular customers mostly. The northwest sizing is still heavy to jumbos and larger while mediums are very short. Mexico continues to consume most of its own yellow and white onion crop instead of sending it to the U.S. and until they have enough to satisfy their own demand that will continue. Domestic whites are very limited and in a demand exceeds supplies situation. A few whites & yellows have crossed from Mexico but the volume is very low and will be even less over the next couple weeks. Looking farther forward to the Texas crop, expect them to be late due to cool weather and rain. They are projecting to start around the first week of April.

POTATOES *John Tole*

Small size cartons are abundant in Idaho as burbanks are what most shippers are running. That being said only a few shippers have Norkotahs left so expect the smaller size profile

Commodity Updates continued

to remain for the rest of the season. They are now peaking 80's, 90's, & 100's. There are still quite a few 70's as well but 60's and larger are very short. Washington norkotahs are steady on all sizes and they are still getting excellent quality while peaking on 70's and 60's. Wisconsin & Colorado shippers are packing norkotahs as well and have a steady market with light demand, and are slightly heavier to 70 & 80 count but have a very even size spread. Mount Vernon, Washington continues with excellent quality on reds and Yukon-golds but the supplies are getting really low and most shippers are done. North Dakota has good supplies of red & yellow potatoes with few whites although a few shippers have finished. California packers have some reds, whites, and yellows but have been limited by weather. South Florida is going with reds and yukons but the volume is light due to the freezes.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is steady, but lighter supplies are coming next week as growers move into a transition from older fields to new fields. Demand is still holding strong.

Eastern Squash: *Janine Baird*

Most Florida shippers are bringing squash in out of the West just to try to cover orders. Yellow squash continues to be extremely hard to come by and poor in quality. Strong winds throughout South and Central Florida will result in quality issues with their domestic supplies for a few more weeks. With increasingly warmer temps in Florida's southernmost growing regions, we will begin to see better quality and more volume in the coming days out of that region.

STONE FRUIT *Amy Grolnick*

Shippers are looking to move on stone fruit they have on the floor since they currently have little else to sell. Peaches, Nectarines, Red and Black plums are all available with good quality.

TOMATOES *Ryan Frayo*

Eastern: Demand continues to exceed supply. Florida continues to be a non-factor in the tomato supply chain. There has been significant crop loss from the early freeze and supplies out of Florida will be down and won't rebound probably until spring. Compounding

the already desperate situation, Florida is experiencing more cold weather in the 30's. This will slow an already injured Florida crop. We can expect to see higher fob's probably up through the spring accompanied with shortened supplies. It is looking like the Florida crop may get back into production around late March possibly April.

Western: Demand continues to exceed supply. Supplies out of both Nogales and San Diego are drastically diminished due to recent past rain in the Mexican growing areas and a strong Mexican market. Growers are still trying to catch to demand from the rains as growers continue to get supplies and the pipe line filled again, but it is slow going. Slowly maturing fruit due to the weather is holding growers back. We could see an upswing in production in 2 weeks weather permitting. Fob's continue to rise and could keep on going depending on the supply chain.

WATERMELON *Amy Grolnick*

Light supplies on both seeded and seedless product. Quality on the Mexican fruit is fair at best. The mini seedless are in better supply and quality is good, the market is on the rise.

VALUE ADDED *Gabe Romero/Mike Pacheco*

On the value added front, chopped romaine and romaine blended items continue to experience some brown and red discoloration on finished product. Suppliers are doing their best to use the best raw material available to avoid credits. Expect to see some red to pink discoloration on shred and chopped lettuce items as well. Green onions have been reported to have some yellowing upon arrivals.