



The Source

THINGS YOU SHOULD KNOW:

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

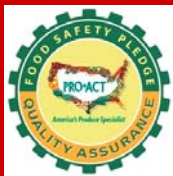
Tomatoes in all areas are in short supply, Demand exceeds supply, fob's are high.

Bartlett pears are finished for the season

Blackberry supplies are limited

Honeydew and Cantaloupe supplies are limited

Grape supplies are extremely limited



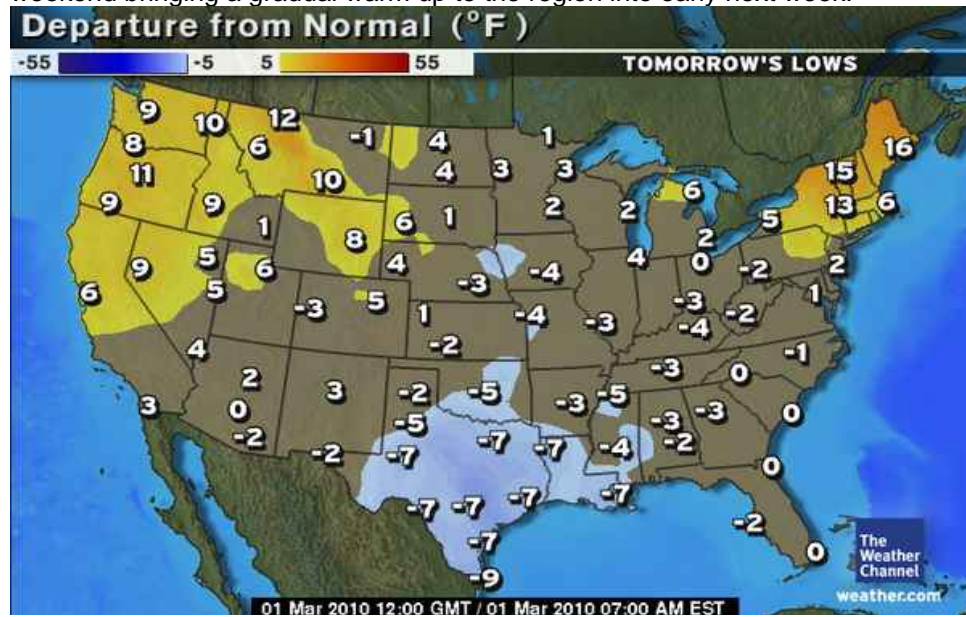
March 1, 2010

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Weather: Tim Lynch

High pressure off the West Coast will begin to break down today as a series of low pressure storm systems approach California. 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. The bulk of the moisture looks to remain in the northern half of the state with a 40% chance of rain expected in Southern California. In the desert locals these systems will bring some gusty winds and lower temperatures into the low 70s, however rain is not expected in these growing regions at this time.

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 approaching Florida will bring a chance of frost level temperatures to Central 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 Friday. Low temperatures in the low-30s in the north to mid 30s in Central Florida with highs in the 60s 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.



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 \$78.64. The diesel price for this week is up .029 cents to 2.861.

Till in good supplies Commodity

APPLES/PEARS *John Tole*

Reds, Golds, and Granny-smith, along with most varieties, remain in short supply on smaller fruit but the larger sizes are very available. Expect the market on smaller fruit to continue to gradually increase throughout the season. Supplies will continue to get lighter until new crop starts in late summer/early fall. Demand continues to be very strong on small fruit and will remain so in comparison to supplies, while the demand for larger fruit is less along with prices. Please consider varieties other than red apples for your food service orders that require small fruit. Deals remain in the larger sizes and quality is excellent on all varieties. Specialty apples including the Honeycrisp variety are still available and in adequate supply. 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.

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 95% shipped and Mexico is holding steady with their production. The overall supplies remain good.

Mexican Fruit: Mexico still represents the bulk of the avocados on the market. Rains last week did slow harvest, but supplies still good. They continue to have excellent quality.

California Fruit: Shippers will remain with limited harvest into the first week of March to gain size. With the rains and warmer weather, size may begin soon.

Chilean Fruit: Chile is winding down quickly as end of their season is near. Quality remains good.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Green bell peppers continue to get tighter and will continue this way. Mexico has lighter

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Excellent	Higher
Asparagus	Good	Steady
Avocado (Mexican)	Good	Steady
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	Higher
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	Higher
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	Good	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*

production and smaller sizes for the near future. 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: California Strawberry growing areas received 2 to 3 inches of rain over the weekend. The forecast is for a chance of rain on Tuesday then again a better 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. Florida had to run water over to weekend due to very cold temps in the growing area. Heavy rain is in the forecast for Tuesday. Market is active with limited supply.

Raspberries: Supplies are still limited with Driscoll being the main supplier. Quality is being reported as good. Market is firm but steady

Blackberries: Blackberry supplies are very limited with fair quality and firm market. The main area where Blackberries are coming from now is Mexico. Over the last few weeks they have been receiving lots of rain. This is the main factor on the quality and supplies.

Blueberries: Supplies are good with a weak but steady market on both Coast. Quality is improving. Look for this market to get very active in the next 10 days due to the earthquake in Chile.

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. Product is available in Gilroy for these commodities.

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 starting to get 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.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico production continues with fair to lighter supplies. Some growers are gapping or will be gapping as they transition between old and new fields 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

Commodity Updates continued

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 has most shippers scrambling and not taking any new orders until they have figured out what they have and what is on the water. 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. Black seedless now 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 *Gabe Romeroro/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 *Gabe Romero/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 good. Nogales is getting Mexican fruit in with good availability and quality.

ONIONS *John Tole*

All colors of northwest onions are up as the supplies are getting lighter. Supplies are down so low that most shippers are managing their storage inventories & covering contracts and regular customers only. Mexico continues to consume most of its own onion crop where they normally send a large portion to the U.S., so expect supplies to remain tight and get tighter. Mexico is still short of whites and until they have enough to satisfy their own demand they will keep coming to the U.S. to buy yellows as a substitute. Looking even farther forward the Texas crop has been hampered by cool weather and rain so it will be late. The northwest sizing is still heavy to jumbos and larger while mediums are still very short. Reds are up to because the Washington suppliers are running low. The white onion market is still in a demand exceeds supplies situation as Mexican demand is strong and the market continues to rise. White storage supplies are low and a few packers are done for the season so expect the high market to stay until Mexican volume improves. A few whites are crossing but the volume is very low.

POTATOES *John Tole*

Idaho potatoes remain steady on the smaller counts while the larger counts are up. Many shippers still have large inventories of the smaller counts and will deal but the size profile is smaller now that Norkotahs are mostly done. Burbank 70's and larger aren't as plentiful. The end of potato-lovers month will also mean a few less cartons. Idaho continues to peak between 70 and 90 count. Washington steady on all sizes & packs is still getting excellent quality while peaking on 60's. Wisconsin & Colorado shippers are also packing Norkotahs

Commodity Updates continued

and have a steady market with light demand, but are heavier to 70 & 80 count. 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. Wisconsin is mostly finished with both reds and yellows. California packers have some reds, whites, and yellows but have been limited by weather. Florida is just starting but supplies are light due to the freezes earlier this year.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is steady with demand holding strong. Production still looks to improve over the next couple of weeks.

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.

STONE FRUIT *Amy Grolnick*

Shippers are looking to move on Chilean 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. 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 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*

Limited supplies still on seeded watermelon with better supplies of seedless. 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. The value added facilities are expected to start up the week of Easter in Salinas.