



The Source

THINGS YOU SHOULD KNOW:

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

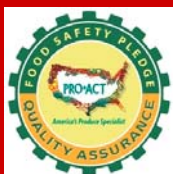
Tomatoes in all areas are in short supply. Demand exceeds supply, fob's are high.

Bartlett pears are finished for the season

Honeydew and Cantaloupe supplies are limited

Grape supplies are extremely limited

Nappa cabbage will be light in availability due to excessive seeder in the fields. Product will be light all this week.



March 17, 2010

© 2010, PRO*ACT, LLC

Weather: *Tim Lynch*

High pressure out west will bring clear skies and warmer temperatures the western growing regions through the week. Temperatures are expected to reach the low 70s in Central California with low 80s likely in the desert locals the latter half of the week. This will increase growth rates in the fields this week after weeks of cooler temperatures and rains.

Partly cloudy skies with mild temperatures (upper 60s to low 70s) are expected in Florida into Wednesday. An upper level low pressure system moves into the area mid-week bringing a 20-30% chance of showers and slightly cooler temperatures the latter half of the 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 \$82.58. The diesel price for this week is up .020 cents to 2.924.

Commodity Updates

APPLES/PEARS *John Tole*

Washington packers are still looking for help on larger reds and golds while still struggling to get the smaller foodservice sizes. This trend is going to get worse as Mexican export business is up right now. Supplies of the smaller fruit will remain light until new crop starts in late summer/early fall. Meanwhile there are some deals to be had on larger reds and golds. There are still some tremendous deals on 48/56/64's in most varietal apples as well. Please consider varieties other than red delicious for your foodservice orders that require smaller fruit. Galas will start to go up this month as the smaller shippers finish packing. Most varietals 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 supplies are getting low.

ASPARAGUS *Gabe Romero/Mike Pacheco*

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

AVOCADO *Tim Kelley*

California growers have improved their harvest. Fruit is beginning to size up. Chilean fruit volumes are very light as their season is at the end. Mexico's volume is lighter as growers are holding off on production.

Mexican Fruit: Mexico represents the bulk of the avocados on the market. Growers are slowing their harvest to firm their market.

California Fruit: Growers are picking better supplies as fruit is beginning to size.

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

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Mexico is struggling with supplies from previous bad weather and with disease issues which has lessened yields or has completely knocked some growers out earlier than expected. Many growers are picking red bell

Commodities at a glance...

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

Commodity Updates *continued*

fields in the green stage which will shorten the red bell supplies in upcoming weeks. Production on green bells will remain very light and size will running small. Expect this to continue through the balance of the month and into April. The California desert crop will start middle to end of April. Florida is expected to start early April with steady volume by mid-April. .

Eastern Bells: *Bob Reich*

Very little product is available. Prices are high, into the 50 dollar range on the big stuff. Rain this week and last is making matters more difficult, and cold weather that went through Florida has kept plants from growing. This will not change for the next few weeks. Look for product to remain tight, and prices high, as Nogales also has limited availability. Prices have not been this high on peppers in twenty years or more.

BERRIES *Mike Gorczyca*

Strawberries: Market out of California and Florida is weakening as supplies build on both Coasts. The Easter pull will start next week so watch for the market to firm up slowly the first of next week. Quality out of California is great with full color berries this week. Quality out of Florida is fair to good with most berries showing some white shoulder and some light rain damage. Supplies coming out of Mexico are done for the season from most shippers.

Raspberries: Steady supplies and demand is keeping this market steady. Quality is good.

Blackberries: Good supplies of blackberries coming out of Mexico this week has caused this market to weaken. Quality is fair.

Blueberries: Market is slight stronger with limited supplies coming out of Chile. Quality is fair at this time with some light mold showing up in most packs. There are some very light supplies being harvest in Florida. Quality is good on this fruit. Look for the market to slowly increase over the next couple of weeks.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market continues to be active on bunched product as well as crowns. Yuma supplies are starting to dry up and production in Salinas has picked up but only in moderate numbers. Contract business is being covered first by suppliers. Expect supplies will be light throughout the week. Crowns continue to have small size heads.

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 *GabeRomero/Mike Pacheco*

This Market has eased up a little due to production in Salinas but overall supplies are only light to moderate. Some shippers are buying on the outside as their product is not quite ready to harvest. Other suppliers are harvesting in Salinas now, and this will inevitably cause for a shortage of product later. Some discoloration continues to be seen upon arrival but not as extensive as in past weeks. This commodity will be a roller coaster throughout the season.

CELERY *Gabe Romero/Mike Pacheco*

This market continues to be active on all sizes, especially on small sizing like 30s and smaller. Production is lighter in Oxnard and Santa Maria compared to previous weeks. 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: Limes are very short and expect them to stay short until mid May.

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 is showing some light increase and looks to keep increasing slowly over the next 2 to 3 weeks as new areas come into production. The a few cucumbers starting to come out of Baja will increase through the month.

Eastern Cucumbers: *Bob Reich*

Most cucumbers being shipped on the East Coast are from Honduras. Quality is fair to good, and prices are steady. The offshore deal is winding down, and only has a few weeks left.

Commodity Updates continued

GRAPES *Amy Grolnick*

Product now with better availability due to lighter demand. Crimsons are just starting to come in; Flames will be finishing up over the next couple of weeks. The Greens, Sugarones and Thompsons, will be the most prevalent over the next few weeks as shippers are trying to get them in prior to the marketing order. Black seedless are now in good supply and excellent quality. Red Globes with very good quality and good availability.

GREENONIONS *Gabe Romero/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 as quickly as possible.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The leaf market is softer. Huron production is expected to start the middle of next week so in essence product will be available in Huron and Yuma. Most suppliers are entering new fields so product is expected to be of good quality. Green and red leaf have been clean, and supplies will be good throughout the week.

LETTUCE *Gabe Romero/Mike Pacheco*

The lettuce market has lowered. Production numbers have increased. Huron has started lettuce production and numbers will be better next week. Yuma is expected to be harvesting product through the month of March and part of April. There continues to be a few issues of pink ribbing, discoloration, and mechanical damage seen upon arrival.

MELONS *Amy Grolnick*

Cantaloupe: Product continues to be limited. Honduran and Guatemalan product are both coming into the US. Guatemala and Honduras is still limited on product. Demand exceeds supply each week. Product is coming into both Pompano and Manatee, Florida. There is product on the West Coast out of the LA area and some fruit coming into New Jersey as well.

Honeydew: Demand continues to exceed supply. 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 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*

Northwest yellows & reds are up again as the supplies are in even fewer hands. Most shippers are still managing their storage inventories to cover contracts and regular customers. Any new business could be tough to cover. The northwest yellow sizing remains heavy to jumbos and larger while mediums are very short, and quality is holding nicely. The larger shippers from the northwest will have supplies into April. 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 trend will continue. Domestic whites are very limited and in still in a demand exceeds supplies situation although the market has leveled off. A few whites, reds, and yellows have crossed from Mexico but the volume is very low and the prices are high. Mexico was supposed to be crossing better volume this week but it hasn't happened yet. The quality from Mexico is good to fair on all colors. The Texas crop is going to start in April but we still hear they're going to be late.

POTATOES *John Tole*

Idaho definitely has a split market between the Norkotah and Burbank varieties. The former is heavier to the larger counts with less volume on the smaller, but isn't the preferred variety and thus is cheaper. The latter is the preferred variety but is peaking between 80 & 100 counts. Larger Burbanks are extremely short and the demand for them is strong. Washington Norkotahs are steady on all sizes and they are still getting excellent quality while peaking on 70's and 60's. The smaller counts are tight in Washington. Wisconsin & Colorado shippers are also packing Norkotahs and have a slightly stronger market and increased demand, esp. on the larger counts. The quality in Wisconsin ranges from poor to good while Colorado potatoes are generally good. Mount Vernon, Washington continues with excellent quality on reds and Yukon-Golds but they are nearly finished for the season. North Dakota continues to pack reds and golds but the

Commodity Updates continued

availability is way down. Idaho packers are going with reds and golds as well but the demand is very strong! California packers have lighter supplies of all colors they will get back into better volume in April. South Florida is going with reds and Yukons but the volume remains light due to the freezes.

SQUASH

Western Squash: *Tim Kelley*

Mexico production is lighter and inconsistent. Southern growing areas have begun their seasonal decline and the northern areas have only started in a limited way. Baja is expected to start by the end of the month.

Eastern Squash: *Bob Reich*

Florida squash has come back a bit, but the quality remains questionable, especially after last week's storms went through. Heavy winds will increase scarring on yellow squash. Availability has already tightened up and the market might creep up in the coming days.

STONE FRUIT *Amy Grolnick*

Peaches, Nectarines and Plums are all available with good quality and availability.

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 and some are now saying possibly the end of May. There are a couple of shippers who are coming up with some fruit but the quantities are small and insignificant in the big picture. Compounding the already desperate situation, Florida had experienced cold weather in the 30's in the recent weeks and this has also had an effect to 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 May.

Western: Demand continues to exceed supply. Supplies out of both Nogales and San Diego are drastically diminished continuing with a strong Mexican market. Growers are still trying to catch up to demand. They continue to be short on fruit and production is going slow. Fruit is slow maturing due to the cooler weather,

persistent cloud cover and showers. All these are holding growers back. We could possibly see an upswing in production in the next couple weeks weather permitting. FOB's continue to rise and could keep on going depending on the supply chain. On the other side it looks like the Roma market availability at this point is inconsistent. Last week we were seeing slight pricing decreases and now it is slowly going back up.

WATERMELON *Amy Grolnick*

Light supplies on both seeded and seedless product as demand continues to exceed supply. Quality on the Mexican fruit is fair at best. The mini seedless are in better supply and quality is good, the market has leveled off.

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. 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.