

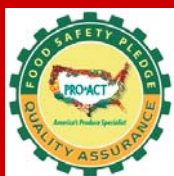


THINGS YOU SHOULD KNOW:

Bartlett Pears are finished for the season

Blueberry & Strawberry supplies are limited

Honeydew and Cantaloupe supplies are limited



The Source

February 10, 2010

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Weather: *Tim Lynch*

The Southwestern growing regions will begin a gradual warm up behind the exiting storm system today. Temperatures in the 50s to low 60s today will warm up to the high 70s by the weekend. This will be a welcome relief from the cool temperatures of late. Another system set for late this week looks to remain in Central California and north in latest forecasts. Long range forecasts expect a mild weather pattern through next week in these desert regions.

A cold, dry air mass behind the low pressure system pushing through Florida will bring a chance of freezing temperatures to Central Florida and especially locals to the north before moving out late this week. This cold front will usher in cooler temperatures and breezy conditions through Thursday. Low temperatures in the mid-20s in the north to low 30s in Central Florida with highs in the high 50s to mid 60s look to be the norm. Another low pressure system enters the mix with a chance of showers late this week along with warmer temperatures.



Freight: *Mike McIntire*

The availability of eastbound trucks in California, Washington and Idaho has lightened up a little from the previous two weeks; expect that to remain the same this week. Crude oil prices are currently at \$74.48. The diesel prices for this week will not be released until Friday afternoon by 5:00 pm EST. We are currently using last week's price of 2.781. Also, remember that Monday is a Federal Holiday so we will not see next weeks prices until Tuesday 2/16.

Commodity Updates

APPLES/PEARS *Jim Murphy*

Red delicious, gold delicious and granny-smith, along with most varietal apples, remain in short supply on small fruit. The mid to larger sizes are abundant in most varieties. The market will continue to increase gradually on the smaller fruit throughout the season. And unfortunately this will be a season-long dilemma. Each week the supplies will get lighter causing upward market pressure until the apple harvest commences in the late summer/early fall. Demand continues to be very strong on small fruit and will remain so in comparison to the available supply. Deals remain in the larger sized fruit and quality is excellent on all apples. 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. Bartlett pears are finished for the season. Varietal pear varieties are available including Bosc, Seckel, Concorde, Comice and Red Crimsons. Please consider varieties other than red apples for your food service orders that require small fruit.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market is stable. Supplies are better on standard sizing, and jumbo production has increased from product coming out of Mexico. Peru still has supplies coming into the East and West Coast. Prices remain steady with availability on all sizes. The Quality of Mexican product continues to be good.

AVOCADO *Tim Kelley*

Rain in Mexico and Southern California slowed harvest last week. California growers will continue to slow their harvest to let fruit size up. The over all supplies remain good at this time. Demand is good.

Mexican Fruit: Mexico still represents about 2/3 of the market at this time. They continue to have excellent quality.

California Fruit: Shippers will remain with limited harvest over the next couple of week as they let the fruit size. Expect harvest to lag until March.

Chilean Fruit: Chilean fruit arrivals will be fewer and fewer as we move toward March and the end of their season. Quality remains very good.

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)	Good	Higher
Bell Pepper (Eastern)	Fair	Higher
Berries: Strawberries	Fair	Steady
Berries: Raspberries	Good	Steady
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Fair	Higher
Broccoli	Good	Lower
Carrots	Good	Steady
Cauliflower	Fair	Higher
Celery	Good	Lower
Citrus: Lemons	Good	Higher
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Higher
Cucumbers (Eastern)	Fair	Higher
Grapes	Good	Steady
Green Onions	Good	Steady
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Good	Steady
Melons: Cantaloupes	Good	Steady
Melons: Honeydews	Good	Steady
Onions	Good	Lower
Pears	Excellent	Higher
Potatoes	Good	Steady
Squash (Western)	Fair	Higher
Squash (Eastern)	poor	Steady
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Fair	Steady
Watermelons	Good	Steady

Commodity Updates *continued*

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Rains in Mexico this week, have halted or severely slowed the harvest of green bells and colored bell for many growers. Supplies are expected to improve for the month as weather clears and warms up.

Eastern Bells: *Janine Baird*

Bell peppers supplies are tightening back up as growers continue to salvage what they can out of the freeze ravaged fields. Strong winds and cool weather forecasted for the end of the week will lead to an even tighter market and quality issues by next week.

BERRIES *Mike Gorczyca*

Strawberries: Rain hit the California strawberry growing areas again Tuesday and they received 1 to 2 inches. As a result, harvest volumes will be negatively impacted again this week. All growers will be going into their fields stripping damaged fruit. Quality will remain problematic with white shoulder, bruise, pin rot, mold and water damage likely to be prevalent as fields recover. Rain is forecasted to start again Friday of this week and could further result in a decreased harvest and availability. The main issue still showing up in the packs are 10% to 20% white shoulder. Florida is in the middle of a gap from the freeze they had a month ago and is forecasted to freeze again tonight and tomorrow. Volumes are very limited out of this area and will be for the next two weeks. Market has firmed up out of Florida. Mexico received rain last week which has affect supplies crossing the boarder. Market is active.

Raspberries: Supplies and demand are steady the start of this week. Quality is being reported as good. Driscoll is the main supplier at this time of the year. Market is steady

Blackberries: Blackberry supplies are still limited with fair quality and firm market.

Blueberries: This week will be the lightest arrivals, and then we should see a slight rebound the end of the week of the 15th. Blueberries are hitting a gap due to cool and rainy weather that Chile received the month of January. Quality of the blueberries over the last few weeks has been hit and miss and the growers are clamping down on the specs to make sure all fruit that goes out is good. The growers expect to rebound a little but not back

up to volumes we had in the past few months. Market is very active with limited availability.

BROCCOLI *Gabe Romero/Mike Pacheco*

The market has softened on this commodity. Supplies continue to be strong with most suppliers on bunched and crown product. Shippers are looking to move volume orders to begin this week and they have come out very aggressive on bunch and crown product. Supplies look to be good throughout the week. The quality is strong, coming out of Santa Maria, Yuma, and Scottsdale. There is some product still being harvested in Salinas and loading is also occurring in Gilroy if desired.

CARROTS *Tim Kelley*

California carrots coming out of Bakersfield are finally starting to size up and there is a little better supply of jumbo carrots.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This commodity is getting stronger. Some suppliers are indicating they will be lighter in supplies, especially on twelve counts. Brown and black spotting as well as discoloration continues to be an issue upon arrival and this will likely continue lightly throughout the week. Suppliers are working to pack spot free product, but some will be seen, so please be aware. The recent cold weather and rain is the cause of these issues.

CELERY *Gabe Romero/Mike Pacheco*

This market is softer. Production continues to stronger on large sizing. The gap in pricing is minimal now as suppliers have become much more competitive in pricing, especially on large sizing. There are a few shippers having product in Yuma if Oxnard and Santa Maria is not desired. The best deal is on 24 count and deals can be made on volume orders.

CITRUS *Tim Kelley*

Lemons: Supplies are good on 115's and larger, with 165's and especially 200's becoming tight. Quality is very good.

Limes: Rains in Mexico have lightened supplies this week, and are very tight. Sizes are peaking on 200's and 230's.

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 continues with fair to lighter supplies. Some growers have begun to transition between old and new fields and has created some gaps in supply...

Eastern Cucumbers: *Janine Baird* The off shore supplies will dwindle over the next few weeks. A rising cucumber market in Nogales will increase the demand out of the East leading to a rising market.

GRAPES *Amy Grolnick*

Reds and Greens are limited out of the Philly area as the snow storms have closed the ports. Red Flames, Thompsons and Sugarones will all be limited through the end of the week on the East. Supplies for the next few weeks should be good with better availability next week. Good availability on the seeded Red Globe with excellent quality. Black seedless with good quality and supplies.

GREENONIONS *Gabe Romeroro/Mike Pacheco*

This market is softer as supplies have steadily increased out of Mexico. Demand has definitely fallen off. Pencil sizes continue to have the largest availability. The quality continues to be good with no significant problems to report. Processors continue to have only minimal problems with the raw product available.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The leaf market continues to be steady. Romaine and romaine hearts continue to show some blister and epidermal peel from the cold temperature experienced last month out of Yuma. Supplies are strong on green leaf and deals can be made. Red leaf supplies have also increased. All leaf items on volume orders can be had at a sharp price.

LETTUCE *Gabe Romero/Mike Pacheco*

The lettuce market is steady. There continues to be a variance in pricing by 1-2 dollars with different shippers. The quality has been good with weights in the 45-48 pound range. Florida has started production also. Suppliers are expecting stronger production numbers this week in Yuma. Suppliers continue to push bin lettuce, and deals can be made.

MELONS *Amy Grolnick*

Cantaloupe: Honduran fruit is limited and selling out by the end of each week. Getting orders on the books early will help to insure availability. Small fruit seems to have better availability with 9's and larger now limited. Shipping points in Pompano Beach and Port Manatee, FL as well as Los Angeles, CA and Camden, NJ continue to receive fruit, but again sizes are mostly large. There are extremely limited supplies of Mexican cantaloupes crossing through the Nogales, AZ point of entry and quality is fair at best. Overall quality for the offshore fruit is still very good.

Honeydew: Offshore fruit is still arriving into Florida, California and New Jersey with volume supplies mainly in 5's and 6's. The vessels late arrivals are hampering availability so getting orders on the books early is a must. All sizes are limited at the end of this week out of Florida and California. Good supplies of honeydew out of Mexico and the quality is good to fair.

ONIONS *John Tole*

Idaho/Oregon yellow onions are steady and demand remains light. The export demand is down and isn't affecting the domestic market. Quality is still very nice and sizing remains heavy on jumbos and larger. Mediums are still very short. Reds are steady however we are nearing the end of the storage deal for most packers. Most of the Washington shippers have raised their prices as storage supplies are lower so expect the Idaho/Oregon boys to start raising their prices also. We recommend continuing to go heavier on reds. The white onion market is still in a demand exceeds supplies situation as Mexican demand is strong, but the market has stabilized. That being said, White storage supplies are low & a few packers are done for the season so expect the high market to stay until Mexican volume improves.

POTATOES *John Tole*

Idaho potatoes remain steady with light demand. Most shippers are still hungry for business and continue to peak between 70 and 90 counts. There are deals on certain sizes depending on the shipper and variety. Most of the packers have finished with the Norkotahs variety so expect a smaller overall size profile.

Commodity Updates continued

on cartons. Burbanks and Westerns are the main varieties available now. Quality is still good on all varieties. Washington Norkotahs are going strong with good quality and availability but also light demand. Washington shippers are peaking on 60ct and larger and that market is also steady. Colorado shippers are packing Norkotahs and have a steady market, good quality, and light demand. Colorado is heaviest to 70 & 80 count. Mount Vernon, Washington has good availability and excellent quality on red and Yukon-golds, while they are done with whites. North Dakota and Wisconsin have good supplies of red & yellow potatoes with few whites. California packers have good supplies of reds, whites, and yellows.

SQUASH

Western Squash: *Tim Kelley*

Mexico production has slowed due to rains and cool weather and will continue to do so over the next couple of weeks. Yellow squash remains very short.

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 several more weeks.

STONE FRUIT *Amy Grolnick*

Chilean peaches are still in good supply with very good quality. Demand still exceeds supply on the Nectarines. Both red and black Plums are limited but available.

TOMATOES *Ryan Frayo*

Eastern: 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. Quality issues are appearing with some light spotting and some softer than normal fruit and shorter shelf life, but for the most part growers are doing a good job packing decent fruit.

Western: Supplies continue to be good and what demand is there is not overbearing or

exceeding supplies. Nogales and San Diego are both certainly loaded on fruit with color, which is the primary reason for the price decreases that we are currently seeing. As the shippers clean up on the color they may try to take price back up (production and demand will dictate). The Roma market has become a little active due to some light rain that passed through Northern Mexico, but there are shippers still dealing close to minimums. There are plentiful supplies of grape tomatoes both in Nogales and San Diego. The tight fruit is currently cherry tomatoes and looks to continue to be until the spring.

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.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Things have not changed on the value-added items. Chopped romaine and romaine blended items continue to experience brown and red discoloration on finished product. Suppliers are working diligently to use the best raw material available for the processing facilities. The cold weather Yuma Arizona has been experiencing has resulted in product having a shorter shelf life. The processed cauliflower has had a few issues on brown and black spotting. Again, processors are using the best product available.