



The Source

March 10, 2009

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THINGS YOU SHOULD KNOW:

No Food Safety Alerts at this time.



ALERT

Currently, there have been mildew issues on organic spinach items.

Expect to purchase conventional product throughout this week minimum until this issue is resolved.

Weather:

Building high pressure on the West Coast will keep Central and Southern California dry but on the cool side through mid-week when a gradual warming trend takes place. Seasonal temperatures in 60s along the coast 70s inland and 70s to low 80s in the desert regions look to be the norm this week. Warmer temperatures have returned to the Southeast following the latest round of cool temperatures last week. Intermittent showers and seasonal temperatures are expected through the week.



Freight:

Trucks in California, Idaho, and the Northwest remain steady. Crude oil continues to be around 45.00 per barrel and is currently at 47.79. The National Average on diesel fuel dropped slightly this week and is at 2.045 per gallon.

APPLES/PEARS

Plentiful supplies of apples remain for Controlled Atmosphere fruit and there continues to be deals available especially in the smaller sized, lower grade (color being the only factor making it the lower grades) fruit. Washington remains the leading production area for apples and will so through the spring and summer months. Regional production areas including Michigan and New York continue shipping light supplies of storage apples; demand remains light for those. Washington and Oregon Pears continue production from storage including mainly the Anjou, Bosc and Golden Bosc varieties.

ASPARAGUS

This market continues to be steady. By the end of the week supplies will be lighter out of Mexico. California production has started up with light numbers. Mexican jumbo sizes are on the lighter side but orders have been covered in full. With the holiday pull coming, expect the market to be stronger next week.

AVOCADO

Mexican fruit – Mexican is bringing good steady supplies into the states. Supplies are good. Demand continues to be good.

Chilean Fruit – Still a few Chilean avocados coming in, but very limited. Their season will be finish by the end of the month.

California Fruit - Growers are harvesting limited volume, but look to wrap up production as we move through March.

BELL PEPPERS

Western Green Bells and Colored Bells:

Very light supplies of green bells coming from Mexico as volume continues to drop off, with size and quality a problem. Demand is very good. Red and yellow bell supplies remain light.

Eastern Bells: Cool, windy weather in Florida's growing region coupled with diminishing supplies as transition to Central Florida begins is creating a tight market on bell peppers. This market will continue to tighten up for the next couple of weeks.

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates continued

BERRIES

Strawberries: California strawberry production continues this week with lower than expected production due to cool temps in the Oxnard growing area. We are expecting dry sunny days for the next 7 – 10 days. Shippers had anticipated better production this week but it looks more like next week for the volume to increase to big numbers. There have been reports of the berries sizing up nicely. Oxnard will be in good production next week as reports have expressed that the plants have all stages of growth on them, bloom, green, white and red ripe fruit. Florida production is not as strong as California. Florida had some early on freeze issues and now is warming up significantly causing some minor quality issues, further more lessening the amount of packable fruit. McAllen crossings are winding down with Driscoll being the only major player left shipping there.

Raspberries Raspberry production continues tight this week due to diminished transfers from Chile and Mexico. There has been some local California production, but with the past and current light rain patterns, the numbers have fallen greatly. Quality has been affected with California production. We can expect tight supplies for the foreseeable future.

Blackberries: Blackberry production is slowing down with less transfers arriving from Mexico. There are some shippers in much better shape than others but definitely less product than in previous weeks. We are now looking at local production to increase.

Blueberries: Blueberry transfers are slowing down from Chile and some shippers are looking for higher fobs. We are seeing less fruit arriving on vessels, and taking longer to be released. There is one more vessel expected to land March 11th and some shippers are expressing that we may see the end of Chilean product by the first week of March. There are small quantities of local Californian blues with great size and quality (under hoops). We can expect a gap as the eastern early varieties where affected by early frost damage.

BROCCOLI

Cold weather has slowed production and has made this market more active. Suppliers are much shorter in supplies and this will likely be the case for the entire week. The holiday pull should make this commodity active, especially

with broccoli crowns. Mexico continues to produce good production numbers on Asian crowns with excellent quality. Small heads and yellowing continue to be seen lightly on Yuma production.

CARROTS

California carrots have moved into new fields in Imperial Valley. Size is running small right now as cool weather has slowed growth. This has lighted supplies of jumbo sized carrots. Size is expected to come back in 2 to 3 weeks. Quality remains good. Georgia has good availability and quality on the East Coast.

CAULIFLOWER

Availability is much tighter with all suppliers. Salinas has started some early production. Expect this commodity to be active throughout this week as most suppliers begin to finish up the season in Yuma. Demand is definitely stronger. Some defects showing up include black spotting and yellowing upon arrivals.

CELERY

The market is gaining strength. Yuma is finishing up production this week and Oxnard will be the main area to pull product. Salinas will not start production until late May to early June. Business has slowly picked up with the upcoming holiday. Cold weather is expected over the next three days. Expect this market to be stronger the following week.

CITRUS

Lemon: Supplies remain very good on 95's thru 140's. There are good supplies of 165's, with 200's being a little on the tight side.

Oranges: There will be good supplies of Navels available into May. Peak sizes are 48's through 88's.

CUCUMBERS

Western Cucumber: Production has dropped this week from Mexico as southern growers come to the end of fields, and what volume they are sending is heavier to off grades.

Eastern Cucumbers: The cucumber market is climbing back up to the higher levels. Off shore supplies are dwindling and Central Florida is weeks away from any significant volume. Anticipate a rising market for the next couple of weeks.

Commodity Updates continued

GRAPES

Supplies remain short on red seedless grapes this week and the market is definitely stronger! The transition is on from Flames to Crimsons, but there just aren't enough supplies around to fulfill the demand pressure. The red shortages look to continue for at least another 7-10 days as the Crimsons have been slow to color up and get ready to ship from Chile. There are a few light supplies of Ruby red seedless this week, but size is small and eating quality is not quite comparable to the Flame and Crimson. Demand looks to remain strong for all red seedless for this week and next. Green seedless supplies continue to arrive in large numbers and there are deals that we're offering for this week and next! There are currently only light supplies of Black seedless and seeded Red Globes, and overall grape quality remains very good. Continue to promote Green Seedless Grapes for St. Patrick's Day!

GREEN ONIONS

This market continues to stay steady. Supplies continue to be excellent out of the Mexico growing region. The market remains steady with very inexpensive prices. Defects such as decay, slime, and yellowing have been minimal.

KIWI

Italian Kiwi supplies are decent and demand is only moderate. Quality remains very good and with the fair demand the market will remain unchanged.

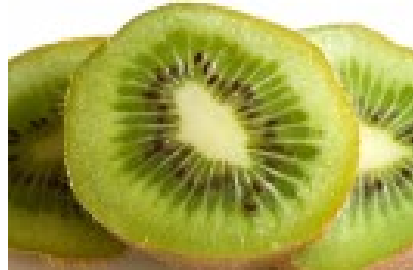
LEAF LETTUCE

This market is showing good production in green leaf and romaine. Supplies on green leaf are better and deals can be made on volume orders. Most shippers continue to be ahead of their projected harvesting times on the leaf fields. Some Quality defects continue to include epidermal peel, fringe burn, tip burn, and wind burn. This market should be stable for the remainder of the week.

LETTUCE

The lettuce market continues to be stable. Most suppliers have enough production to cover orders. With demand slow across the nation, look for this market to be stable over the next few days, minimum. There have been

reports of epidermal peel due to the lettuce ice from last week. Supplies should be average or above with most suppliers throughout the week.



MELONS

Cantaloupes: Large sizes (9/12ct)* remain very tight and supplies on them don't look to increase until mid-next week. Furthermore the market is up significantly, especially on the 9ct. Smaller sizes are the better deal now, and that will be the case for the next 7-10 days.

Shippers continue to look for movement and quality remains very good.

Honeydews: Very good supplies remain on most all sizes and on both coasts and the market remains steady. Volume concentrations will be in the smaller sized melons (6 & 8ct) and that is where the deals are. Quality will remain very good!

ONIONS

Quality on storage onions continues to be good with the exception of translucency that typically starts showing up at this time in the season. If this is just in the first few layers of the onion it can be rectified with lots of air flow through the onions to help dry them out. There are still good supplies of all colors and sizes of onions in Idaho and Washington. Idaho will have product available through the end of April. Mexican product is now in Texas with good supplies of all colors, quality is good. Texas onions will be available in the next couple of weeks. Load volume deals are still available.

POTATOES

Norkotahs are finishing up for the season and shortly Burbanks will be the only varietal available out of Idaho. The market is steady but 70ct and #2-10oz remain very snug. We are trying to get all requests for a particular

Commodity Updates *continued*

varietal fulfilled, by time of shipment Burbanks and/or Norkotahs may be the only product available. Wisconsin and Colorado still have good supplies and quality. Colored potatoes are loading out of North Dakota and Wisconsin with Washington cleaning up for the season. California has good quality and supplies of colored potatoes.

SQUASH

Western Squash: Nogales supplies for Italian Squash is lighting as we start this week. Demand is improving. The Yellow Squash market continues to be strong and quality continues to be a major factor in yields from Mexico.

Eastern Squash: Despite warm sunny weather in Florida, the yellow squash market continues to rise as demand stays strong on both coasts. Green squash will follow as overall squash volume in South Florida falls off. Anticipate high markets on both for another few weeks until Plant City is ready. Quality has been fair.

STONE FRUIT

The Chilean deal is in the wind-down mode and supplies have dropped off considerably. There is still good quality eating fruit in Peaches, Nectarines and Red/Black Plums, but look for lighter supplies in the coming weeks on the West and East Coasts. Light demand for the limited supplies is keeping the market steady.

TOMATOES

Western: Mexican growers have pulled back a bit on production to get themselves out of the low market they have been in for a month. There is still plenty of fruit to go around but we are seeing unstable fobs for round tomatoes. There have been daily price adjustments due to current demand. There are vastly more vine ripe tomatoes opposed to gas green. Roma tomatoes started to react a bit but have come right back to low market prices.

Eastern: Tomato production in Florida is lower than Mexico but demand is keeping the playing field level. There has been no major upswing to pricing even with lower production. Cooler weather is slowing production and growth. There seems to be more of the bigger fruit than

smaller due to the fact that smaller fruit has been affected by the recent cold temps more so than the larger fruit.

WATERMELONS

Although there are increasing supplies of watermelons, offshore arrivals from Honduras on the East Coast and crossings from Mexico into Nogales, AZ and McAllen, TX have been very sporadic. Decent supplies will continue this week on watermelons and there will even be a few more seeded towards the end of the week. Quality continues to improve and the market will be steady this week.

VALUE ADDED

There have been no issues with raw material availability with processors. Aside from the cleaning of the outer leaves, the raw material has been clean. Good quality continues to be reported on chopped Romaine. Complaints have been minimal on green onions also.