



The Source

January 4, 2010

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THINGS YOU SHOULD KNOW:

We are in the process of updating *The Source* format, you will now see the Commodity Manager listed next to each of the products, as we take produce personal.

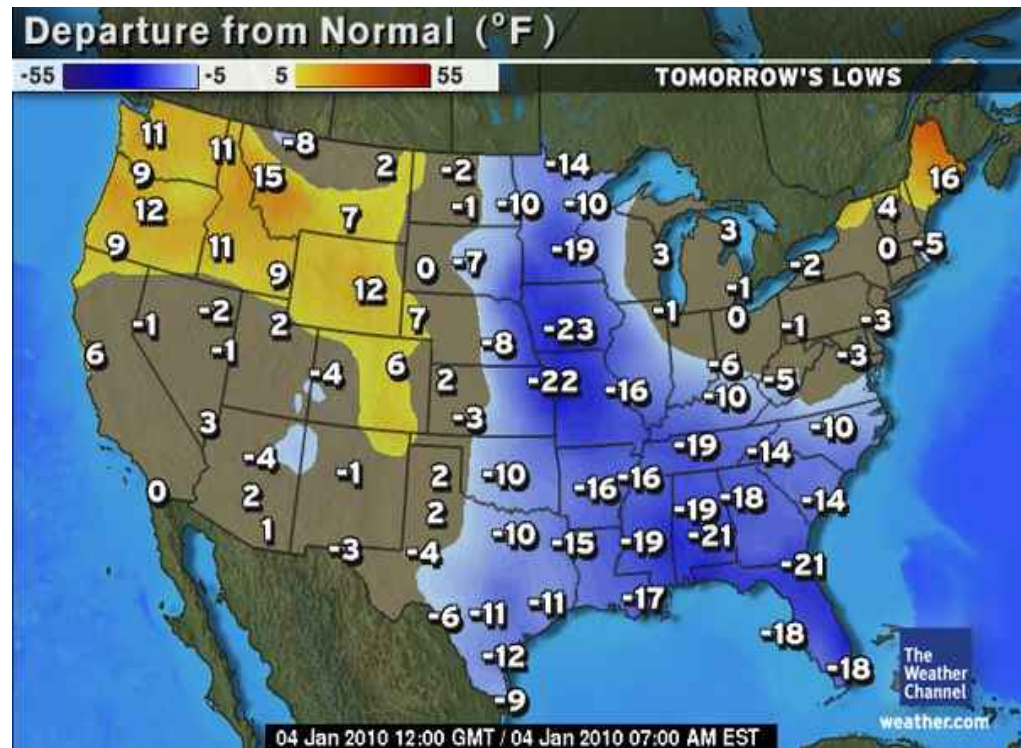
More exciting updates to follow...



Weather: *Tim Lynch*

High pressure over the western desert regions will bring seasonal temperatures in the mid 70s with low in the high 30s through the week. There is a chance of lettuce ice in the coldest locations this week.

In the Southeast a very cold dry air mass will continue to bring freezing temperatures to much of Florida over the next few days. A hard freeze warning is in effect especially in the north. High temperatures in the 50s with overnight lows in the 20s look to be the norm into mid week.



Freight: *Mike McIntire*

The availability of eastbound trucks in California, Washington and Idaho has tightened up due to the holidays. Crude oil prices are back above 80.00 and are currently at \$81.61 per barrel. The National Average on diesel went up and is currently at \$2.797.

Commodity Updates

APPLES/PEARS *Jim Murphy*

Red Delicious, Gold Delicious and Granny Smith, along with most all varietal apples, remain in short supply on small sized fruit. This will be a season long dilemma and each week the supplies get lighter. Schools are almost all back in session now after the holiday break. Demand continues to be very strong on small fruit and will continue to be very strong 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 good supply. Anjou Pears are in excellent shape with better supplies in Washington. Bartlett pears are still going strong. There are also varietal pears available including Bosc, Seckel, Concorde, Comice and Crimson Red.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market continues to be steady to start the week. The availability is stronger on the large sizing as opposed to standards. Prices and demand remain steady. Supplies will be plentiful for all orders except for jumbo size. The quality continues to be good from all areas.

AVOCADO *Tim Kelley*

Mexico and Chile shipments are lighter, but steady. The over all supplies remain good.
Mexican Fruit: Mexico represents about 2/3 of the market at this time. They continue to have excellent quality and good steady supplies.
California Fruit: All shippers are picking limited volume of California fruit. Supplies will slowly increase as we move through the month. Maturity is very early.
Chilean Fruit: Chilean fruit is now coming in on smaller vessels. Volumes are much lighter coming to the states. Quality remains very good.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells: Mexico production dropped this week due to cooler wet weather. Also, many growers have let their greens go to the red stage. Mexico has started crossing better volume of Red and Yellow bells this week. Supplies of colored bells will continue to increase.

Commodities at a glance...

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

Commodity Updates continued

Eastern Bells: *Janine Baird*

Market is tightening up and will continue to do so throughout the week. Cold weather has delayed picking and resulted in bruised peppers with those suppliers who are over eager to pick. With the temperatures in Florida expected to drop this market will climb in the coming days.

BERRIES *Mike Gorczyca*

Strawberries: Very cool weather in the Florida growing areas has almost put harvest in this area to a stop. The forecast is for cool weather for the balance of this week. Production will be very limited with a firm market. Quality is fair to good the start of this week. California has been having some nice weather but with the new grow just getting started does not have enough volume to meet demand. Market is firm with good quality fruit the start of this week.

Raspberries: Cool weather in Mexico is slowing raspberry harvest the start of this week. Quality is good. Demand exceeds supplies. Driscoll is the main supplier and we should start to see some light supplies of raspberries coming out of Mexico in the next couple of weeks.

Blackberries: Blackberry supplies are still limited the start of this week; this is mainly due to cool weather in the growing areas. Quality has started to improve. Currently supplies are mainly coming out of Mexico.

Blueberries: Supplies are starting to improve each week. Market is still firm. Quality is being reported as good.

BROCCOLI *Gabe Romero/Mike Pacheco*

Suppliers have started the week strong in availability. Loading for product can be had in Yuma, Salinas and Santa Maria. Pricing has eased up as business has slowed down. Some defects that have been reported include yellowing, knuckling, and pale green appearance.

CARROTS *Tim Kelley*

California carrots coming out of Bakersfield are still sizing slower due to cooler weather. Jumbo market is firm.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is a little stronger to start the week. Expect supplies to be on the lighter side with

most suppliers throughout the week. Most shippers are still harvesting ahead of schedule. It is important to remember that growers have planted less acreage in the Yuma growing region than in past seasons and this will inevitably cause volumes to be inconsistent all season. Light spotting has been seen sporadically upon arrivals.

CELERY *Gabe Romero/Mike Pacheco*

The celery market continues to get softer. Florida has started production and this will inevitably lower pricing in the marketplace. Supplies seem to be stronger on 24s and 30s out of the Oxnard region. The quality continues to be strong with no major issues to report. Cold weather, similar to this past week, is expected all through the week.

CITRUS *Tim Kelley*

Lemons: Supplies are good on 140's and larger, with 165's and especially 200's becoming very tight. Quality is very good.

Limes: Supplies remain lighter due to cold wet weather in Mexico. Volume of larger sizes is picking up. Quality remains good.

Oranges: Crop continues to peak on fancy 72's and 88's followed by 56's and 113's. Supplies of choice grades remain tight.

CUCUMBERS

Western Cucumber: *Tim Kelley*

Mainland Mexico is improving, but also the demand for them. Demand is good and the market has a firmer feel.

Eastern Cucumbers: *Janine Baird* Florida's frigid temperatures will bring an end to the domestic supply of cucumbers this week. The market on the off shore product will be strong this week as Florida's cucumber crop dwindles. Quality on off shores should be good.

GRAPES *Amy Grolnick*

Chilean flames with better availability this week. The containers should start coming in more regularly so we should have more consistent supplies. The heaviest supplies are still in the Green Seedless (Sugarone and Thompson varieties). 18# Brazilian Festival green seedless are available as well. Overall supplies on Green Seedless are very good right now. Demand remains very strong for both Red and Green Seedless.

Commodity Updates continued

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is a little stronger as supplies have been less from Mexico. Pencil sizes are still the largest volume available. The quality continues to be good with no significant problems to report. Processors have had minimal problems with the raw product available.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The market is softer, however there continues to be a wide ranges in pricing and availability from shipper to shipper. Issues on romaine include such defects as brown spotting, brown to red discoloration, blister and peel, brown butts, fringe burn and internal burn. Red leaf is softer in the market, as supplies have increased while demand has fallen off. The hearts continue to have twisting seen upon arrival. Green leaf is also softer in the market. Continue to expect defects on leaf items over the next couple of weeks with production from Yuma.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is softer. The pricing gap has closed considerably compared to the previous week. Demand has fallen off. The cold weather has kept the lettuce from sizing properly which has caused weights to be less than ideal. The weights are getting better and are averaging 38 to 40 pounds, with the head size being on the small side. Expect suppliers to be pushing lettuce this week to keep inventories clean.

MELONS *Amy Grolnick*

Cantaloupe: Offshore fruit supplies from Guatemala are very limited and finishing up. Honduran fruit is just getting going and will have limited supplies to start out as well. So, there will be limited supplies through the end of the month. Costa Rica got a late start on planting so have been pushed back a few weeks from their normal start and we should start seeing fruit from there by the end of this month or beginning of next month. Shipping points in Pompano Beach and Port Manatee, FL as well as Los Angeles, CA and Camden, NJ continue to receive fruit but sizes are all large (12ct and larger). The prices remain at higher levels on the large size fruit. There are still extremely limited supplies of Mexican cantaloupes crossing through the Nogales, AZ

point of entry and quality is fair at best. Overall fruit quality for the offshore fruit is very good.

Honeydew: Offshore fruit is still arriving into Florida, California and New Jersey with volume supplies mainly in 5's and 6's. Supplies on 8 sized fruit continue to be light. Good supplies of Honeydew out of Mexico and the quality is good.

ONIONS *Mike Gorczyca*

Demand remains steady the start of this week. All three colors (yellow, red, white) continue to be peaking on Jumbo's and larger. Quality continues to be good. Look for the white onion market to start to show strength. Trucks are very limited. Shippers are running full days and there are ample supplies. There are good supplies available out of Colorado and Utah.

POTATOES *Mike Gorczyca*

Retail demand is the driving force for potatoes again this week. This is helping most shippers to produce lots of cartons. Most shippers are peaking on 80ct. Market is steady. Quality is good. Both Norkotahs and Burbanks are being packed depending on the shipper. Washington Norkotahs are going strong with good quality and availability. Washington shippers are peaking on 80ct and larger. Colorado is going strong with new crop supplies as well. Mount Vernon, Washington, has good availability on colored potatoes; product quality is excellent. North Dakota and Wisconsin have good supplies of red, yellow and white potatoes. California supplies will increase as more shippers come on board in the next couple of weeks with red, yellow and white potatoes.

SQUASH

Western Squash: *Tim Kelley*

Mexico's southern growing areas are ramping up production and will have fair to good supplies over the next 2 weeks. Demand looks to stay good.

Eastern Squash: *Janine Baird*

Squash market is higher on both zucchini and yellow squash, with limited availability. Florida's cold weather has delayed both the growing and the picking of squash. If the temperatures drop to freezing, as many suspect they will, then we could be looking at quality issues going into the weekend.

Commodity Updates continued

STONE FRUIT *Amy Grolnick*

There are still good supplies of both East and West coast imported cherries available, with heavier volume in the East and good volume of the bagged and volume fill packs. Sizing is large and quality is very good. Apricots are also available from air shipments, but sizing is limited and FOB pricing is somewhat high. Other Chilean fruit including peaches and nectarines are now arriving via vessel into both East and West Coast ports. Volumes are still limited but better supplies should start to come in soon.

TOMATOES *Ryan Frayo*

Eastern: Tomato production is steady, with moderate to low demand. We continue to see prices slowly adjust down on round and Roma tomatoes. There are good supplies of cherry and grape tomatoes as well. Quality remains good out of San Diego. Nogales is crossing better volume of Rounds, predominantly crossing Hot House and Roma, but is asking higher FOB's than both Florida and San Diego. From the reports I have gathered it looks like we can expect Nogales to be going by January.

Western: Supplies in Florida continue to be moderate but we are seeing a steep price decline. The growers started getting loaded up with smaller sized fruit and had to make some serious pricing decisions to keep things moving, but there still a lack of larger sized tomatoes particularly, the 5x6's. It looks like the market has somewhat stabilized (demand will dictate). Roma tomatoes have also stabilized but once again demand will dictate.

WATERMELON *Amy Grolnick*

Colder weather in the watermelon growing districts continues to slow production especially in the seeded. Supplies are still crossing mainly through Nogales, AZ. Supplies are decent on Seedless, but sizing remains to the small side. Markets remain strong for both Seeded and Seedless. Overall Watermelon quality is still very good.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Chopped romaine continues to be a challenge for processors. Bruising continues to be reported. The shelf life is not as strong. With the cold weather, expect this item to be

marginal until the weather gets better. The cauliflower raw product availability is ample to fill demand. Brown spotting on cauliflower florets, yellowing and pale color on broccoli florets will be common issues talked about with these products.