



The Source

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THINGS YOU SHOULD KNOW:

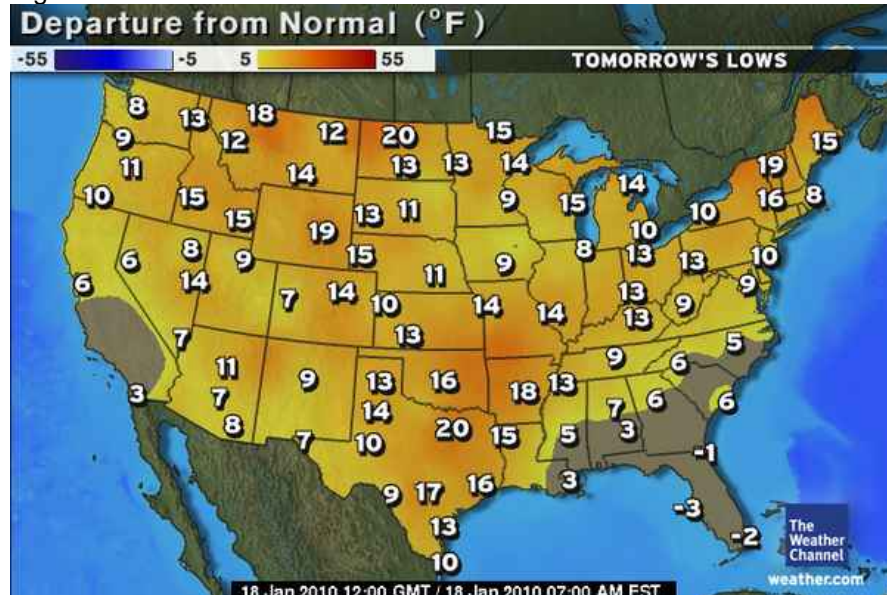
California will be getting rain all this week which will hurt the strawberries supplies as well as many of the row crop commodities.

It is also going to hurt the harvest and supply of oranges and lemons.

Weather: *Tim Lynch*

The West Coast is bracing for a series of strong Pacific low pressure storm systems behind the current system impacting California today. Strong winds (25-40mph) are forecast throughout California and the desert growing regions as this system moves east and another system moves into the Pacific Northwest. Models anticipate at least three significant storm systems to slam into California during this time frame. Rainfall totals could easily reach the 4 to 8 inch range with double digit amounts in the mountains. This jet stream pattern will likely bring significant rain to the Desert regions as well as strong winds and much cooler temperatures to the entire Southwest this week. These storm systems will impact harvests in Southern California and the desert regions this week.

High pressure in the Gulf of Mexico will move over Florida early this week with only high clouds in the forecast. High temperatures in the 70s with lows in the 50s will be the norm through mid-week. Mid range forecast show a potential showers and a slight warm-up late this week. Crop damage assessments are continuing in this region following the freeze and rain of last week.



Freight: *Mike McIntire*

The availability of eastbound trucks in California, Washington and Idaho are steady. Crude oil prices are currently at \$78.25 per barrel. The National Average on diesel remains at 2.879 today. With today being MLK day we will see an updated price on Tuesday.

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. 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 adequate supply. Anjou Pears are in excellent shape with better supplies in Washington. Bartlett pears are in short supply. There are also varietal pears available including Bosc, Seckel, Concorde, Comice and Crimson Red. Please consider different varieties on red apples in order to fill orders that require 100's, 125's, 138's and smaller.

ASPARAGUS *Gabe Romero/Mike Pacheco*

The asparagus market is steady. Supplies the previous week were light out of Mexico; however supplies are much better to start the week. Jumbo sizing is still very light and will likely be light throughout the week. Peru still has supplies coming into the East and West Coast. Prices remain steady with availability on all sizes. The Quality has been nice on the new crop coming from Mexico.

AVOCADO *Tim Kelley*

Mexico and Chile shipments are steady. The over all supplies remain good. Demand is 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 light volumes of California fruit. Supplies are slowly increasing as we move through the month. Maturity is very early.

Chilean Fruit: Chilean fruit season is approaching the end. Volumes are much lighter coming to the states. Quality remains very good.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells: Demand continues to be very good for Mexican product. Production has increased for this week with warmer temps in Mexico. Colored

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

Commodity Updates continued

bells from Mexico are in good supplies, but expect them to shorten up in the up coming weeks.

Eastern Bells: *Janine Baird*

Florida's weekend freeze has devastated bell pepper supplies. Demand will far exceed supplies this week and with continued cold temperatures in the Southeast there will be no relief for at least two more weeks. Additionally quality will be poor due to how easily pepper bruises in cold weather.

BERRIES *Mike Gorczyca*

Strawberries: Rain, Rain go away. California will be receiving rain all week which will limit supplies the balance of this week. There could be days this week which the growers will not be able to harvest at all. Look for the quality to go down hill as this week moves on. Water soaked berries, decay, pin rot, and 10% to 30% white shoulders showing up in the packs. Florida growers are back in to their fields this week with light to moderate supplies. Quality is fair with a firm market. The long range forecast for California is for the storm track to open up for the next two weeks. This will interrupt product off the west coast and make for a demand exceeds situation on both coasts. If this weather does open up for the next two weeks in California it will have a major effect on the Valentine Day pull that is coming up the first part of February.

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

Blackberries: Blackberry supplies are limited due wet weather in the growing areas. Market is slightly higher. Quality is fair.

Blueberries: Moderate demand with improving supplies is starting to weaken the market slightly. Quality is great.

BROCCOLI *Gabe Romero/Mike Pacheco*

Although business is slow, suppliers have attempted to raise pricing slightly to start the week. Rain is expected to be in all the growing regions this week, and harvesting will be lighter. Supplies continue to be ample to fill all orders. The quality is strong from all areas.

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 market continues to be steady with most suppliers. Brown and black spotting and discoloration has been seen sporadically upon arrivals on this commodity. This was due to the very cold weather the past few weeks. The heavy rains expected throughout the week will inevitably affect the quality going forward. Supplies are good to fill all orders.

CELERY *Gabe Romero/Mike Pacheco*

This market is very active. The freeze in Florida has sent many customers to the Oxnard region for product. Clearly, this market demand exceeds supplies and this will continue throughout the week. The supplies vary amongst the shippers in terms of sizing available. There has been light production in Yuma; however pricing is almost the same as Oxnard. Florida production will continue to be light throughout the week.

CITRUS *Tim Kelley*

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

Limes: Supplies are back this week as weather has cleared. Sizes are peaking on 200's and 230's and 175's. Quality remains good.

Oranges: Demand is very strong. Heavy rains this week and next week should keep supplies very tight. 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 remains steady. Demand is steady, and the market looks to hold through the week.

Eastern Cucumbers: *Janine Baird* Florida's frigid temperatures have ended the domestic cucumber deal. The market on the off shore product will be high for the next week or so, as

Commodity Updates *continued*

is typical with the scarce supplies at the beginning of the off shore deal. Many suppliers will push for even higher prices in keeping with the sky rocketing prices on other Florida product. Quality, however, is good.

GRAPES *Amy Grolnick*

Domestic grapes have all but finished for the season. Chilean flames with better availability this week. There should be good supplies for the Valentines Day pull on red seedless but we may see greens gapping the first week of February. The forecasted rain may tighten supplies toward the end of this week on the west coast. Good availability on the seeded Red Globe with excellent quality. Black seedless with limited supplies and very good quality.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is steady to start the week. Labor workers have returned however the crop as lessened. Demand is light and all orders are being filled. 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 continues to be steady. Red leaf continues to demand a higher price compared to other leaf items. Florida has started packing romaine. Romaine and romaine hearts continue to show blister and epidermal peel from the cold temperature experienced last month out of Yuma. Quality has been average with tip burn and fringe burn showing up in some lots. This market should be stronger towards the middle of the week with all the rains expected.

LETTUCE *Gabe Romero/Mike Pacheco*

This lettuce market is steady. Prices continue to vary by 2-3 dollars depending on the shipper. Quality has been good with weights in the 40-44 pound range. Florida has started production also. There continues to be some lots reporting epidermal peel and blister. Heavy rains expected throughout the week will be a factor in the upcoming quality of this product out of the Yuma region.

MELONS *Amy Grolnick*

Cantaloupe: Honduran fruit is just getting going and supplies are dependent on when containers come in. Small fruit 15's and smaller are still extremely limited. We should start to see some Costa Rican fruit arriving in a light way over the next couple of weeks. 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 (12ct and larger). The prices remain at higher levels on the small size fruit. 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. Supplies on 8's and smaller continue to be light. Good supplies of honeydew out of Mexico and the quality is good.

ONIONS *Mike Gorczyca*

The Northwest yellow onion market is very active due to good demand for export overseas and into Mexico. Look for this trend to continue for the next couple of weeks. Quality is still very nice with sizing still peaking on jumbos and larger. Steady demand and supplies of red onions has kept this market steady. Demand exceeds supplies on all sizes of white onions out of all areas. Market is very active.

POTATOES *Mike Gorczyca*

Cold weather is the only thing that can slow down production which might increase the market. Most shippers are peaking on 70ct. Quality is still good with a few shippers reporting some light peepers starting to show up in some of their storage potatoes. This is mainly caused by the shippers having to run some heat on the storage potatoes to keep them from freezing. 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 60ct and larger. Colorado is going strong with supplies as well. Mount Vernon, Washington, has good availability on colored potatoes; product quality

Commodity Updates continued

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*

Yellow squash remains very short. Italian supplies have improved as we start this week and look to continue to increase over the next 7 to 10 days and the yellow squash will follow about a week later.

Eastern Squash: *Janine Baird*

Domestic supplies of squash in Florida have been all but wiped out by the weekend freeze. Many Florida shippers are bringing squash in out of the West just to try to cover contracts, but those supplies are dwindling as well. The market on yellow is already at its peak – now it is just a matter of availability.

STONE FRUIT *Amy Grolnick*

Cherries are winding down, demand remains strong for good quality fruit as there have been some quality issues out there. Peaches are in good supply and will remain that way over the next week. All other stone fruit including nectarines, plums and apricots are limited.

TOMATOES *Ryan Frayo*

Eastern: Florida has encountered a very cold arctic blast that has brought temps below freezing in the previous week. The temperatures are currently cooler than normal (but not freezing) and will continue into this week for the southern growing areas. The damage the frost is becoming a bit clearer as growers are finding out if they need to re-plant or get another harvest off of existing plants. Growers have picked as much fruit as possible to salvage as much of the crop as they can, and are running out of that fruit. We can expect to see higher fob's probably up through the spring accompanied with shortened supplies. Quality issues will probably not appear for another week.

Western: Limited harvesting in Florida has increased interest in Nogales. Nogales continues facing challenges getting fruit with color, everything is crossing very green.

Supplies are not up to full speed either. Typically we would be full bore by now, but with cooler than normal temps in Mexico is slowing production. Shippers in Nogales will need advance notice on load volume orders, calling for at least two days notice to allocate fruit accordingly. All tomato packs are higher with fob than weeks previous.

WATERMELON *Amy Grolnick*

There is very little fruit coming in from Mexico and FOB's continue to rise on both seeded and seedless. The mini seedless are very limited and what is out there is disappearing quickly. Quality continues to be excellent on the fruit that is available.

VALUE ADDED *Gabe Romero/Mike Pacheco*

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 cauliflower and broccoli 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.