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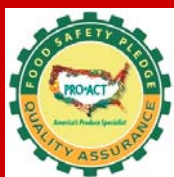
January 25, 2010

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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

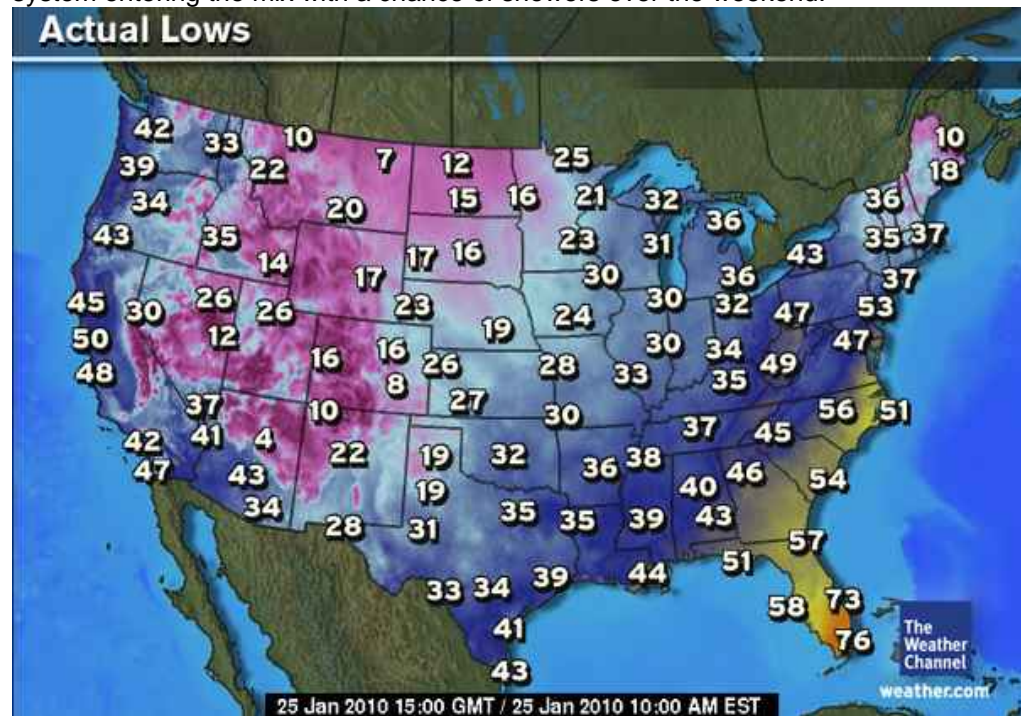
It is also going to hurt the harvest and supply of oranges and lemons



Weather: *Tim Lynch*

The West Coast is bracing for another Pacific low pressure storm system to impact California today into Wednesday. Rainfall totals in Southern California could reach the 1/2 to 1 inch range with up to 1/4 inch possible in the desert locals. Another system set for late this week looks to remain in Central California and north in latest forecasts. A slight warm up is expected beginning mid week but overall temperatures will remain 5-10 degrees below seasonal norms through the week.

Low pressure pushing through Florida today will bring a chance of showers to the region before moving out this afternoon. High pressure behind this cold front will usher in colder temperatures and breezy conditions through mid week. Low temperatures in the mid-30s in the north to mid 40s south, with highs in the high 60s to mid 70s look to be the norm. High pressure moves out mid week with another system entering the mix with a chance of showers over the weekend.



Freight: *Mike McIntire*

The availability of eastbound trucks in California, Washington and Idaho have lightened up a little from the previous two weeks, expect that to remain the same this week. Crude oil prices are currently at \$75.26 down \$2.20 per barrel from last Wednesday. The National Average on diesel remained steady at 2.833 down 3.7 cents from last 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. The market will continue to increase on the small sized Granny Smith, Red and Gold Delicious Apples this week. This will be a season long dilemma and each week the supplies will 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. D'Anjou Pears are in excellent shape with good 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 has remained steady. Supplies are light on jumbo and standard sizing from Mexico. Supplies are good on small, large and extra large. 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*

Mexico and Chile shipments are steady. California fruit harvest continues to be slowed by the rains. 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 have stop picking due to the rains. Harvest will resume as weather clears.

Chilean Fruit: Chilean fruit season is approaching the end. There will be a final push for the Superbowl. Quality remains very good.

BELL PEPPERS *Tim Kelley*

Western Green Bells and Colored Bells:

Supplies are lighter to start the week due to rain in some of the growing areas. Look for supplies to come back mid week as growers

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	Steady
Bell Pepper (Eastern)	Fair	Steady
Berries: Strawberries	Fair	Higher
Berries: Raspberries	Good	Steady
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Good	Higher
Broccoli	Good	Steady
Carrots	Good	Steady
Cauliflower	Fair	Steady
Celery	Good	Higher
Citrus: Lemons	Good	Higher
Citrus: Oranges	Good	Steady
Cucumbers (Western)	Good	Steady
Cucumbers (Eastern)	Fair	Lower
Grapes	Good	Steady
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	Steady
Potatoes	Good	Steady
Squash (Western)	Fair	Steady
Squash (Eastern)	Good	Steady
Stone Fruit	Good	Steady
Tomatoes (Western)	Good	Lower
Tomatoes (Eastern)	Fair	Higher
Watermelons	Good	Higher

Commodity Updates *continued*

get back into their fields Tuesday and Wednesday. Colored bells from Mexico remain in good supplies, but look to lighten up as we move through the week and into next week.

Eastern Bells: *Janine Baird*

The market on Florida pepper is steady from the weekend, but the supplies will once again dwindle, as growers have picked about all they can out of the fields. Expect this market to shoot up at the end of the week along with quality issues related to the recent freeze.

BERRIES *Mike Gorczyca*

Strawberries: California Strawberry growing regions were hit hard last week with rain. The forecast is for rain again this

Tuesday/Wednesday then again on the weekend. Growers are only getting about 20% of their harvest packed for the fresh market the start of this week. Quality will remain problematic with white shoulder, bruise, pin rot, mold and water damage likely to be prevalent as fields recover. Only order what you need. It will take some time for fields to recover and produce quality fruit with upcoming weather patterns the determining factor or crucial to future volume and quality. The only good news in the strawberry world currently is that nice weather in Florida since the freezing temperatures have increased volumes from this region. I feel this will be short lived however and harvest numbers will drop quickly. This is due to bloom damage done during the freeze coupled with cold temperatures shutting down the plants growth cycle for an extended 2+ week period. Valentine's Day pull which starts in a week has set it self up to be a very challenging one. All packs of Strawberries including Long stems for Valentine's Day will be very hard to come by to say the least. Market is active on both Coasts.

Raspberries: Supplies have increased slightly the start of this week with a slightly weaker market. Quality is being reported as good. Driscoll is the main supplier at this time of the year.

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

Blueberries: Good retail demand this week has firmed up the market. Availability is also limited on all pack sizes. Quality is great. Look for supplies to get limited in the middle of

February due to the freeze Chile had a few months ago.

BROCCOLI *Gabe Romero/Mike Pacheco*

Supplies are good and many suppliers have come out at the beginning of the week 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 being harvested in Salinas 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 market continues to be steady with most suppliers. Demand is down and with a push this market could be stronger. Brown and black spotting and discoloration continues to be seen sporadically upon arrivals on this commodity. Past cold weather is the cause of this defect. Supplies currently are ample to fill all orders.

CELERY *Gabe Romero/Mike Pacheco*

Product is more readily available on large sizing and pricing varies from 3-4 dollars compared to the smaller sizes. There are a few shippers having product in Yuma if Oxnard and Santa Maria is not desired. With Florida still recovering from the freeze, pressure will continue to be put on California production to pick up the slack. The pricing this week should continue to be active 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: There are good supplies available with a good run of sizes.

Oranges: Demand remains steady. Rain forecast for this week and next could keep supplies light. 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 continues with

Commodity Updates continued

good steady supplies to start the week, but shippers will have lighter volume towards the weekend.

Eastern Cucumbers: *Janine Baird* The off shore supplies are gradually increasing and with the dropping market on the west, the East could begin to see the cucumber market decline in the coming weeks. Quality has been fair at best – typical on the first few shipments out of Honduras.

GRAPES *Amy Grolnick*

Chilean flames with good availability but product is still very small. Thompsons and Sugarones are in good supplies with product peeking to the med/large size. There should be good supplies for the Valentines Day pull on red seedless but we may see greens gapping next week. 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. Supplies are on the light side out of Mexico but all orders are being filled. Demand has definitely been stronger these past few weeks and it looks to be strong throughout the week, as numbers will be light from Mexican production. 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*

Suppliers have attempted to raise pricing, but demand has not justified this. 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. Weather issues will inevitably cause quality issues towards the end of the week on all leaf items. Expect pricing to get stronger towards the end of the week if there is any demand for product.

LETTUCE *Gabe Romero/Mike Pacheco*

This lettuce market is steady, with a variance in pricing by 2-3 dollars. The quality has been good with weights in the 40-44 pound range. Florida has started production also. Suppliers are expecting stronger production numbers at the end of the week. Rain is expected in the Yuma region Tuesday and Wednesday, then clear for the rest of the week. Muddy boxes will continue to be seen on the front side of this week upon arrivals.

MELONS *Amy Grolnick*

Cantaloupe: Honduran fruit is now available but supplies are dependent on when containers come in. Small fruit 15's and smaller are still extremely 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 (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 *John Tole*

The Idaho/Oregon yellow onion market has stabilized. The export demand remains strong but time will tell how it affects the domestic pricing. For now the market is level. Quality is still very nice and sizing is still heavy to jumbos and larger. Reds are up slightly as we are nearing the end of the storage deal for most packers. Once the Idaho/Oregon packers start buying from Washington the market will jump upwards. Now is a good time to go heavier on reds. The white onion market is still in a demand exceeds supplies situation as Mexico is buying all they can although the market is down slightly. We expect the white market will remain strong into the Mexican/Texas deal.

POTATOES *John Tole*

The Idaho potato market is steady to slightly

Commodity Updates continued

lower with light demand. Most shippers are hungry for business and are still peaking on 70ct. Quality is good with a few shippers reporting some light peepers showing up in their storage potatoes. Norkotah, western, and Burbank varieties are being packed in Idaho. Washington Norkotahs are going strong with good quality and availability, and light demand. Washington shippers are peaking on 60ct and larger. Colorado is going strong steady supplies, light demand, and good quality. Mount Vernon, Washington has good availability on red and Yukon-gold potatoes, while they have some whites but not as many. The quality in Mount Vernon is excellent. North Dakota and Wisconsin have good supplies of red & yellow potatoes with few whites. Some California packers have good supplies of reds, whites, and yellows while some are experiencing low pack-outs on the Yukon's.

SQUASH

Western Squash: *Tim Kelley*

Yellow squash remains short. Italian supplies are good, but lighter to start the week due to rains in the northern fields. Look for supplies to improve by mid week. Yellow squash is still a couple of weeks away from any real increase in supplies.

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 yellow squash in out of the West just to try to cover. The market on green, however, appears to be dropping as Nogales continues to lower their prices.

STONE FRUIT *Amy Grolnick*

Cherries are cleaning up and demand remains strong for good quality fruit. 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 weeks, and we are now seeing the effects. The temperatures are continuing to remain 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. There has been significant crop loss and supplies out of Florida will be down and won't rebound probably until spring. Growers have initially picked as much fruit as possible to salvage as much of the crop as they could, but are now running out of that fruit. 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, but for the most part growers are doing a good job packing decent fruit.

Western: Limited harvesting in Florida has increased interest in Nogales, but supplies are plentiful and what demand is there is not overbearing or exceeding supplies. There has been surprisingly enough there has been a price decrease out of Nogales and San Diego. They both have certainly loaded on fruit with color, which is the primary because from 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 is at the bottom right now with prices based off of Mexican Minimums. The tighter fruit is cherry and grape tomatoes.

WATERMELON *Amy Grolnick*

There is very little fruit coming in from Mexico and FOB's continue to rise on both seeded and seedless. The seeded being the shortest in supply as some shippers are no longer growing of them. 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 processed cauliflower has had a few issues on brown and black spotting. Again, processors are using the best product available.