



The Source

November 30, 2009

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THINGS YOU SHOULD KNOW:

Tomato supplies continue to be well below typical volumes

Small sized apple supplies remain limited with crops peaking on 6/4/72/80 ct

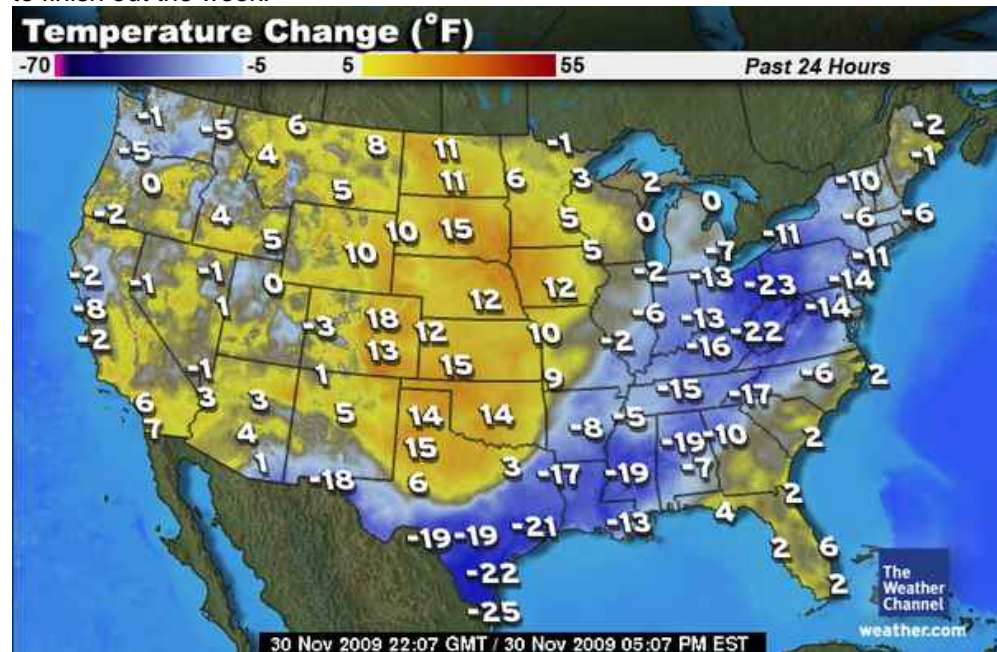
Navel orange supplies remain limited on small size fruit



Weather:

High pressure out West following the cold storm system over the weekend will keep the region clear and sunny this week. The Southwestern Desert regions will see near seasonal temperatures in the mid 70s through the week. These regions received a sparse dusting of rainfall over the weekend. Overnight lows in the 40s to high 30s are forecast with the coldest mornings expected mid week. There remains a slight possibility of morning frost in these regions on Wednesday and Thursday.

In the Southeast a fairly pleasant start to the week is forecast with high temperatures in the mid 70s in the Northern regions to low 80s in Central and Southern Florida with a chance of showers the front part of the week. Big changes are forecast however on Wednesday. A storm front is expected to move through the Deep South on Wednesday bringing a line of strong thundershowers to the region mid week. This squall line is expected to bring significant rain and winds to the region. High pressure behind this system will usher in cooler temperatures from the north along with winds to finish out the week.



Freight:

The availability of eastbound trucks in California, Washington and Idaho have loosened up some especially in CA. Crude oil prices remain steady and are currently at \$77.31 per barrel down .35 cents since last Wednesday. The National Average on diesel went down slightly to \$2.775, a decrease of 1.2 cents.

Commodity Updates

APPLES/PEARS

Small sized apples in all varieties remain extremely short especially in the 100ct and smaller sizes. There are other areas in the Northeast (including the Carolina's, Virginia, Michigan and New York) packing red 'typed' apples, and demand for those is very good as well, especially with the limited supply of small sizes. There are deals available in the larger sized fruit, and quality is excellent on all apples! Anjou Pears are in excellent shape with better supplies in Washington and Bartlett pears are still going strong. There are also varietal pears available including Bosc, Seckel, Concorde, Comice and Crimson Red Pears. Specialty apples, including the famed Honeycrisp variety, are still in good supply.

ASPARAGUS

This market continues to be steady with good supplies from Peru, Chili, and Mexico. Prices are expected to remain stable for the rest of the week. Supplies will be ample for all orders. Quality is nice from all areas.

AVOCADO

Mexico and Chile have scaled back shipments for the next couple of weeks in efforts to firm up the market. The over all supplies will still be good, they are just trying to reduce the guilt.

Mexican Fruit: Mexico has reduced picking to let inventories catch up with demand.

California Fruit: California fruit should begin with light harvest over the next 2 weeks. This year's crop forecast looks much larger than last year's.

Chilean Fruit: Chile is also reducing volumes coming to the states in efforts to firm the market.

BELL PEPPERS

Western Green Bells and Colored Bells:

Green bell from Coachella Valley has leveled out in production, and are beginning their decline to their season over the next couple of weeks. Mexico is going on greens and will increase as we move on into December when volumes look to be good. Red bells from Baja and Coachella continues with fair volume, with size still an issue out of Coachella with pack outs mostly to a medium to small size. Large sizes are limited. Yellow bell remain very limited.

Commodities at a glance...

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

Legend

Quality
Excellent
Good
Fair

Market
Steady
Higher
Lower

Commodity Updates *continued*

Eastern Bells: Volume in Florida remains good, with the market continuing to soften. With little demand on the east for bells but plentiful supply we should see this market continue to drop through the week.

BERRIES

Strawberries: Demand is starting of light the start of this week with a steady to slightly weaker market. Strawberries are still being harvested in Santa Maria, Oxnard and Mexico. Florida will start breaking ground in a very light way over the next week or so. The Northern Growing areas (Salinas/Watsonville) are done for the season most part. The cool weather we are getting up and down the coast of California is slowing down the harvest. Quality is fair to good.

Raspberries: Good demand with light production is causing a firm market. Cool weather in the Raspberry growing areas is causing this products slowdown. Quality remains good. Raspberries are being harvested in California and Mexico at this time.

Blackberries: Blackberries supplies have started to decline which has cause this market to firm up. Supplies are mainly coming out of Mexico at this time.

Blueberries: Supplies steady this week and arrivals of offshore fruit are still somewhat sporadic. The main pack still available is the 4.4 oz. As production continues to increase look for more of the 6oz. pack to become available.

BROCCOLI

Supplies are lighter in the Santa Maria and Salinas growing regions. Yuma has begun production on the light side. Expect this commodity to be light in availability over the next few weeks as we transition into Yuma. Salinas will continue production through this week. Some defects that have been reported include yellowing, knuckling, and pale green appearance. Processors are purchasing as much product as can be had and this will cause shortages in availability for carton business.

CARROTS

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

CAULIFLOWER

Supplies are light in Salinas and Santa Maria. Yuma has started production but supplies are limited. Salinas will continue to harvest throughout this week and possibly into next week also. Expect the availability on this commodity to be sporadic over the next few weeks as the transition to Yuma begins. Some reports of brown spotting have already begun to be seen upon arrivals.

CELERY

This market is stable. Production is occurring in Santa Maria, Oxnard and Salinas. Oxnard has the best production numbers but there are options to purchase at different regions. Overall, the market is stable. The quality continues to be strong with no major issues to report.

CITRUS

Lemons: Demand is improving and 140's and smaller are getting tight in supplies. The Desert crop is 30 to 40 percent lighter this year and quality is very good.

Limes: Supplies are slowly coming back as some new crop has started. Volume of larger sizes is picking up. Quality remains good.

Oranges: Navel quality is very good. Crop continues to peak on fancy 72's and 88's followed by 56's. Supplies remain tight on 113's and 138's of both grades. Demand continues to exceed supplies choice 138's. Small fruit looks to be tight for the season as this years crop is heavy to big fruit.

CUCUMBERS

Western Cucumber: Baja has moderate supplies remaining as the come to the end of their season. Mainland Mexico has very good supplies.

Eastern Cucumbers: The cucumber market, like much of the east, is suffering from heavy supply and little demand. Efforts to compete with the low prices out of Nogales will keep the cucumber market on or near the floor for this week.

GRAPES

The domestic Green Seedless crop is all but finished for the season with the exception of a few lots that should be loaded with caution. There are, however 18# Brazilian Festivals

Commodity Updates continued

(only located on the East Coast) available, and they can be delivered to most mid-western and eastern locations. Overall supplies on green seedless look to remain very low for at least the next 3 weeks and markets will remain at very high levels. The first Chilean grapes look to be arriving sometime within the next 7-10 days, all predicated on clear weather for the vessel arrivals. Domestic California Red Seedless grapes (Crimson) are still available, but they are winding down very quickly and markets are rising. Expect supplies to wind down and be finished by the end of week 50 (approximately December 11th)*. Demand is strong again this week for red seedless. Market levels for green seedless will continue at higher levels this week and could elevate again next week with even lighter supplies.

GREEN ONIONS

This market continues to be stable. Supplies are moderate to good on Mexican grown product. 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.

KIWI

California Kiwi supplies are still very good and there is also Italian Kiwi available on the East Coast. The market will remain steady with strong demand, and quality continues to be very good.

LEAF LETTUCE

Issues continue to exist like the previous weeks on leaf items. These issues include romaine having such defects as brown spotting, brown to red discoloration up the rib, brown butts, fringe burn and internal burn. Green leaf supplies are better than all other leaf items. This market will be active over the next two weeks. Red leaf continues to also be active. Romaine hearts are extremely tight and very active. The quality is marginal at best. Fringe burn is still being seen upon arrivals. The hearts are twisted in growth with some suppliers. Continue to expect defects on leaf items over the next couple of weeks with production from Yuma. Also the weights on all leaf are very light. Expect truck delays that have leaf items on the order throughout the week.

LETTUCE

This market is extremely active. Shippers are very light on production numbers and holdover will be an issue for trucks loading on Monday. Salinas and Huron seasons have finished production. All lettuce will be loading in Yuma. Contracts are being covered but open business is light with many of the suppliers. Suppliers continue to deal with lightweights, ranging from 34 -38 pounds. Trucks should expect delays throughout this week when loading this commodity.

MELONS

Cantaloupes: Most all Arizona shippers have finished up their remaining supplies of domestic cantaloupes with the exception of a couple of growers. Offshore fruit from Guatemala is going strong now at shipping points of Pompano Beach and Port Manatee, FL as well as Los Angeles, CA but in limited size availability. The prices are slightly lower for the large sized offshore fruit and they are already looking for movement. Domestic cantaloupe prices are steady this week and they are looking to get them finished up. Cooler weather prevails and sizing remains on the small side to finish domestic production this week. The peak sizing is in 15/18ct. There are still supplies of Mexico Cantaloupes crossing through the Nogales, AZ point of entry, but movement is only fair and sizing is limited. Quality on product of Mexico is only fair and supplies have topped out. Overall fruit quality remains decent with moderate sugar levels.

Honeydews: Honeydews supplies out of Mexico have dropped off considerably with the transition from the North to the South districts and the Arizona desert is almost finished for the season. The market on Arizona fruit is slightly higher especially in that of the larger sizes out of all areas. Volume has switched sizes in Mexico and is now heavier to the smaller sizes 6/8/9ct. Offshore fruit is coming into Florida with light volume and large sizes. Supplies for offshore fruit will realistically not pick up for another 10-14 days.

ONIONS

Demand remains light with good quality out of Idaho and Washington. The market is staying steady with Washington keeping the prices low due to ample supplies and good quality. With

Commodity Updates continued

the nice quality #2 product is limited. There are good supplies available out of Colorado and Utah.

POTATOES

Product is available but some shippers are a little limited coming out of the Holiday weekend. Idaho is steady on supplies of Norkotahs which is still the main varietal, but Burbanks are available as well. Washington Norkotahs are going strong with good quality and availability. Colorado is going strong with new crop supplies as well. Mount Vernon, Washington with good availability; product quality is excellent. North Dakota and Wisconsin have good supplies of red, yellow and white potatoes.

SQUASH

Western Squash: Mainland Mexico's supplies are very good on both Italian and yellow, and looks to stay this way through next week.

Eastern Squash: Florida has abundant supply and there is dealing on both colors of squash. Yellow, however, has been suffering the quality defects caused by past winds and rain. This market should be steady through the week.

STONE FRUIT

There are decent supplies of both East and West coast imported Cherries available with heavier volume in the East. Sizing is very large and quality is very good for these first shipments by air. The first Apricots are now available also from air shipments but sizing is limited and FOB pricing is high. Supplies for other Chilean fruits are only limited to day to day shipments. There are still excellent supplies of domestic fall fruit items available such as Persimmons, Pomegranates and Quince.

TOMATOES

Western: Tomato production and supplies continue to be down and the demand continues to be strong. We continue to see higher markets and low availability. Achieving color will be challenging due to the diminished supply. Roma and Grape tomatoes are more available and have declined on their fobs slightly. Crossings into San Diego have increased slightly compared to earlier production which was disrupted due to an earlier tropical storm. Achieving load volume is

available, but need to pre book to secure fruit.

Eastern: Supplies in Florida continue to be well below typical levels, with an expected increase in market pricing. Florida growers are continuing to experience major problems with reduced yields, dropping to 25% from normal averages. Both central and southern growing areas are looking at gradual improvement by early December, but will have to wait till then to see how the market will adjust which we have not yet. The majority of the supply concerns Rounds, Grape and Cherry tomatoes is directly related to the high temps we encountered at the end of September – early October which caused a bloom drop, thus reflecting in lower yields and reduced volume. The overall quality is good. There is a lack of bigger sized tomatoes. All round supplies are down anywhere from 40-50%. There has been an increase in the Roma supplies and availability.

WATERMELONS

Watermelons are available from Mexico coming up through both Nogales, AZ and Texas shipping points. Supplies are better this week on Seedless but continue extremely light on Seeded Watermelons. Markets are slightly stronger this week on the Seeded Watermelons with their supply shortage, but remain steady on the Seedless. Overall Watermelon quality is very good!

VALUE ADDED

Processors continue to purchase as much broccoli, cauliflower, lettuce and romaine as possible. Traditionally, the first week of transition is hectic with processors. Complaints continue to be reported on the chopped romaine not having as long a shelf life as in past months. The cauliflower and broccoli raw product will get even tighter as Salinas finishes production. Brown spotting on cauliflower florets and yellowing and pale color on broccoli florets will be common issues talked about with these products.