



The Source

December 5, 2011

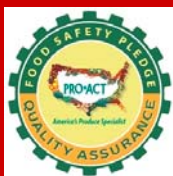
© 2011, PRO*ACT,



THINGS YOU SHOULD KNOW:

Strawberries are very limited with fair quality

Domestic green grapes are extremely limited with fair quality



Weather: Tim Lynch

The third in a series of very cold low pressure storm system will bring much cooler air, strong winds and a slight chance of showers to California and the southwest growing region Thursday into the weekend. Temperatures will struggle to reach 60 degrees as this cold dry system drops into the region. This system may also bring widespread freezing temperatures to the Southwestern desert regions. Winds with this fairly dry system will range in the 20-30 mph range with gusts near 45 mph early this week lessening by mid-week. This will likely cause blowing dust (as well as lesser texture and quality) in the Desert growing regions as these cold temperatures gradually move through the region this week. A slight warming trend is expected late this week.

05 Dec 2011 18:12 GMT / 05 Dec 2011 01:12 PM EST



Freight: Mike McIntire

Trucks in California have loosened up this week. Washington, Eastern and Western Idaho trucks continue to be extremely tight especially with Christmas trees in full swing. Crude oil continues to be over 100 dollars a barrel and is currently at \$101.95. The National Average for diesel was at \$3.964 last week and should trend steady when comes out later today.

Commodity Updates

APPLES/PEARS *John Tole*

Washington Reds are still producing mostly extra-fancy fruit. There are some fancy grade reds but the demand for them has been strong. Reds continue to peak on 80-100's. Golds are peaking on 88/100's and are still producing more of the Washington Extra Fancy grade. Many suppliers have limited supplies of Golden's this year so stay ahead. Granny-Smith is peaking on 88-113's and is still heavier to the higher grades. Galas are mostly small but Mexican export demand remains strong so the availability is poor. Galas are still peaking on 88-113's. The Gala demand has been strong and the market is higher. Washington Honey Crisp is still very large but supplies are light as most suppliers are close to the end of the season. Cameo's, Pink Lady's, Jona Golds, Fuji's, & Braeburns are also still available. California Bartlett pear supplies are very light but what they have left is mostly in the 90 and 100 sizes. California also still has a few Bosc pears left but they are cleaning up. Washington Bartletts are still heavy to 90/100/110's and the US#1 grade. D'Anjou pears are available and peaking on the US#1 grade and 90/100 sizes. Washington Bosc and Stark Crimson pears are also available.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is stronger to start the week. Large sizes out of Mexico continue to be on the light side in availability, with the predominance of sizing coming in small and standard sizing. Suppliers are light in availability. Peruvian product is moderate in availability.

AVOCADO *Tim Kelley*

Mexico inventories and harvest continue steady and looks to stay this way over the next couple of weeks. Mexico is producing 90% to 95% of the fruit in the US. Chile's volume coming to the US remains light, but looks to increase sometime in December.

BELL PEPPERS *Jaime Contreras*

Western: Green Bells and Colored Bells:

Bell pepper production is increasing as additional growers come online. Most production is heavy towards large fruit with light supplies on medium size. Colored bells are starting to trickle in but, mostly in hothouse variety and packs. Conventional colored bells

Commodities at a glance...

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

Commodity Updates continued

continue demand exceeds. Sinaloa colored bells are projected to start in earnest first/second week of December.

Eastern Bells: *Janine Baird*

Georgia is officially done with pepper this week and Central and southern Florida are in full swing on their pepper. With heavy rain moving through those regions, they attempted to push this market up. However, weak demand has brought it back down just a bit and it should stay at current levels for the next few days.

BERRIES *Mike Gorczyca*

Strawberries: Strawberry market is firm with limited supplies out of all areas (Oxnard, Mexico, Florida) Florida strawberry growers have starting harvesting very limited numbers. Quality is being reported as fair to good depending on the lot. Market is firm.

Strawberries are still being harvested out of Oxnard and Santa Maria. Quality has improved slightly with the dry weather. Market is active with light supplies. Quality problems to be aware of will include bruising, decay, pin rot, mold and white shoulders. All fruit coming out of California is running very light in color with up to 30% white shoulder and sides. Fruit is still only holding up more than a day or so after they arrive. Central Mexico and Baja growing areas have started harvesting strawberries in a light way. This fruit is shipping out of Texas but still not enough volume to offset the demand. Markets are very active.

Raspberries: Quality remains good with lighter supplies. Market is firming with better demand.

Blackberries: Quality remains good with supplies starting to wind down which has firmed up the market.

Blueberries: Supplies are light as all shippers are only bringing in what is ordered. The boats from Chile are on the water and should start to hit Miami this week. All growers have switch to 6oz packs. Market is active. Quality is being reported as good.

BROCCOLI *Gabe Romero/Mike Pacheco*

Demand is steady but supplies are off. This market is stronger. Demand has become stronger after the holiday pull. Yuma availability is light. Salinas continues to have production and some suppliers continue to transfer to Yuma. There are also supplies available in Scottsdale.

CARROTS *Tim Kelley*

California carrot supplies are good with good size on the jumbo product as well.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is much more active, as demand clearly exceeds supplies. Availability is expected to be light throughout the week in Yuma so please place orders early. Supplies will be light out of Santa as well. Suppliers continue to have the best availability on twelve count sizing. The overall quality has been good.

CELERY *Gabe Romero/Mike Pacheco*

This market is higher. The cold temperatures have slowed the growth of this commodity. Suppliers are heaviest in availability to the 30 and 36s. Santa Maria as well as Oxnard looks to be the main areas of production. Demand has picked up. The quality is good with no major issues to report at this time. Suppliers are willing to take product to Yuma for an extra charge.

CITRUS *Tim Kelley*

Lemons: Demand is exceeding supplies of the small fruit (140's, 165's, 200's, 235's). Tight supplies will go through December and January. The fruit is sizing up quicker with the lighter crop hanging on the trees of the Desert crop this year.

Oranges: The Navels are in full production. Quality looks very nice and fruit is gaining better color with the cool weather we are now getting. Pack outs are running heavy to Fancy grades.

Limes: Supplies are lighter this week as growers move into the new crop.

CUCUMBERS

Western Cucumber: *Jaime Contreras*

Continued good supplies, although light supplies on Super Selects. Markets are unsettled with wide range of quality and pricing. We expect lighter production this week due to cooler weather.

Eastern Cucumbers: *Janine Baird*

The cucumber market out of Florida continues to drop. Post holiday demand is weak and prices out of the west are very competitive. This market should stay down. Quality remains fair.

Commodity Updates continued

EGGPLANT

Western Eggplant: *Jaime Contreras*

Good supplies and good quality available. Market stable but, we expect sizing to be towards 24ct because of cool weather.

Eastern Eggplant: *Janine Baird*

The market continues to soften on eggplant, despite minimal volume. Quality has been marginal and demand is off this week.

GRAPES: *Amy Grolnick*

The market on red grapes continues to be steady as availability is still good along with light demand. California product is finishing up for the season. Off shore Chilean grapes should get going off the East Coast in the next couple of weeks. Peruvian Crimson is just starting to come in with limited availability. Green grapes are finishing up quickly in the central valley quality is marginal at best. There are Brazilian Festivals available at a premium price off the East Coast and a few available now on the west coast as well with very good quality. Shippers have limited availability on Black Seedless and Red Globe grapes.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is steady. Supplies out of Mexico have picked up in comparison to past weeks. The quality continues to have a few issues with decay upon arrival. Pencil sizing will have the best availability. Supplies are expected to be steady for the week.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The romaine market is stronger. Demand is steady but supplies are lighter. Suppliers are dealing with ice in the fields which is causing harvesting to begin much later than normal. Blister and epidermal peel are issues we will be dealing with for the next couple of weeks. Green and red leaf also will have the same issues as romaine. Demand is steady as well. The main growing area is in Yuma. The Thermal area has also begun production. Supplies out of Santa Maria are light in availability.

LETTUCE *Gabe Romero/Mike Pacheco*

The lettuce market is active. A few suppliers started the week sold out while others were open in pricing. Ice on the plants has delayed production with all growers. Epidermal peel and

blister are going to be issues caused from the cold weather. Although demand is steady, expect it to pick up in the middle of the week. Place orders early. Lettuce carton weights continue to be 35-40 pounds on average. Salinas will have some production if needed for the beginning of the week.

MELONS: *Amy Grolnick*

Cantaloupe: Nogales product is available on all sizes. The offshore season is starting with product availability in Pompano Beach and Manatee, Florida starting off in a very light way with fruit peaking to large sizes and limited availability on small fruit. There will be better sizing availability at the end of the week. The cantaloupe market is steady to lower. Offshore product will be available on the West Coast in a light way this week.

Honeydew: Mexican honeydew crossings into Nogales are now peaking to 6's. Domestic is cleaned up for the season. The market is steady. Florida off shore product is available and peaking to 6's as well. Offshore product will be available in a light way this week.

ONIONS *John Tole*

Yellows in the northwest remain steady with some lower. Idaho/Oregon still has more colossal yellows and Washington has more mediums. Both areas will still discount for volume on colossal, jumbos, and mediums. Colorado supplies remain limited and product is split between the eastern side and the western slope. The quality on all yellows in the northwest has been excellent. Washington still has the most volume of red onions and will still discounting for volume. The Idaho red market remains higher than Washington but steady. White supplies are down as the smaller suppliers have finished packing and are buying. The white market is generally slightly higher.

POTATOES *John Tole*

Idaho potatoes are steady on all Burbanks and norkotah 70's and larger while the norkotah 80's and smaller are slightly higher. The Idaho crop continues to peak on the larger sizes. Washington is steady on all sizes and they continue to peak on 60/70's while 80's and smaller remain short. Colorado is still peaking to 70 counts and larger as well. Russet quality has been good in all areas. Bakersfield,

Commodity Updates *continued*

California continues shipping colored potatoes and all sizes are available. Washington & North Dakota both continue packing reds and gold's. Both areas are heavier to A size, then B's, and both are short on premiums. The North Dakota B-size market is stronger. Wisconsin continues packing reds, whites, and golds and supplies are good but the Red B market is also stronger. Idaho continues packing reds and golds as well and they are also peaking on A-size. Quality has been excellent in Washington while Wisconsin and North Dakota has ranged from excellent to fair.

SQUASH

Western Squash: *Jaime Contreras*

Northern fields expected to taper off as cold weather will hasten their end of northern growing season. Sinaloa production is kicking in but market will go up as demand increases and supplies are lighter due to transition and as cool weather moves through growing area.

Eastern Squash: *Janine Baird*

Yellow squash has finally dropped down to the lower levels where the green squash market has been for the past several days. With prices out of the west so low, many shippers out of Florida are dealing on squash. Demand is off and quality is fair.

STONE FRUIT *Amy Grolnick*

California Peaches, Plums and Nectarines have finished up for the season. Off shore cherries are still being flown in with limited availability and high FOB's.

TOMATOES *Jay Martini*

Western: With the mature green tomato deal in Central California completely finished, we look towards the imports from Baja California and, within a couple weeks, increased crossings at Nogales, AZ. Shipments through McAllen, TX have been increasing as well, especially on Roma tomatoes. Still a few weeks off from Mexico taking control of the round tomato deal though.

Eastern: As harvests in the Palmetto/Ruskin area near Tampa have higher volume, this along with a post-Thanksgiving lull in purchasing have resulted in softer tomato markets overall. In addition, there has been more volume out of south Florida districts in

Immokalee/Naples and Ft. Pierce on the east coast. Quality is very good & yields have been somewhat higher than originally expected, with predominantly smaller sizes.

WATERMELON: *Jaime Contreras*

Higher FOB's. Lighter supplies as some growers begin to wind up their fall plantings. Current availability on Seedless watermelons is heavier towards 5ct and 6cts. First fruit from Jalisco growing area is coming in this week. Seeded watermelon will be available in light supplies as Jalisco gears up.

VALUE ADDED *Gabe Romero/Mike Pacheco*

The lettuce supplies have become lighter due to the fewer hours of harvesting that has occurred. Romaine supplies will be adequate for suppliers to fill all orders. Broccoli supplies are on the light side and this will be the production pattern throughout the week. The cauliflower market will be light in availability. Expect value - added products to have less of a shelf life, due to weaker raw material being used.