



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...

There will not be a publication on Wednesday this week.

Have a wonderful holiday!



The Source

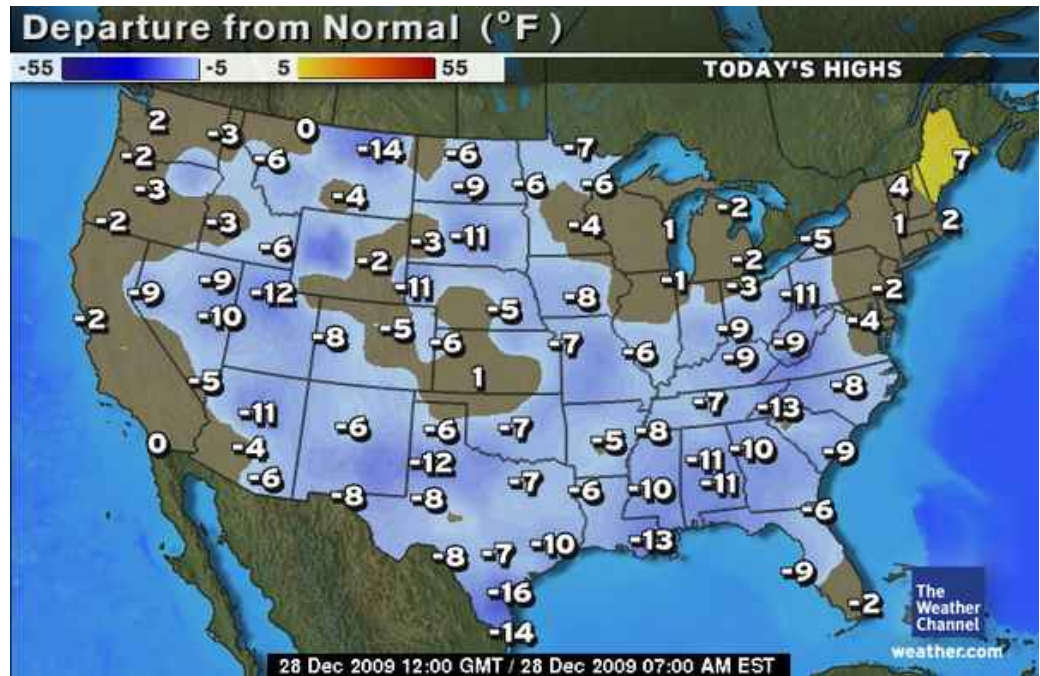
December 28, 2009

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Weather: *Tim Lynch*

A couple of weak cold fronts approaching Northern California early this week will bring cool breezy conditions to Southern California, with a slight chance of showers mid week. In the southwestern Desert regions these passing systems will bring high clouds with temperatures in the mid 60s through the week. High pressure builds over the region by Thursday leading to warmer, (low 70s) seasonal temperatures into the weekend.

In the Southeast a cold dry air mass will bring a chance of freezing temperatures to Northern Florida overnight ahead of a warming trend mid week. Seasonal temperatures return mid-week with a chance of showers the latter part of the week mainly to the south. Another more powerful cold front expected over the weekend has the potential to bring widespread freezing temperatures across the interior regions of Florida over the weekend.



Freight: *Mike McIntire*

The availability of eastbound trucks in California, Washington and Idaho has tightened up due to the holiday week. Crude oil prices went up slightly and are currently at \$78.61 per barrel. The National Average on diesel remained steady and is currently at \$2.732.

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. The Christmas break will help with lighter demand, but overall it continues very strong compared 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 with good supplies from all growing areas. Good supplies of standard and large size asparagus from Mexico and Peru. 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 steady. The over all supplies remain good.

Mexican Fruit: Mexico has good steady supplies crossing into the states. Quality is very good.

California Fruit: All shippers are picking limited volume of California fruit. 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 continues to increase and looks to have good volume through next week. Red bells from Coachella will finish up this week with the remaining shippers. Mexico has started crossing with light volume and increase volume by next week. Yellow Bells remain very limited.

Eastern Bells: *Janine Baird*

Market is steady with good volume and quality. Production may be cut back slightly with the

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 | Steady |
| Bell Peppers (Eastern) | Good | Higher |
| Berries: Strawberries | Fair | Steady |
| Berries: Raspberries | Good | Higher |
| 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 | Steady |
| Cucumbers (Western) | Good | Steady |
| Cucumbers (Eastern) | Good | Lower |
| Grapes | Good | Higher |
| Green Onions | Good | Steady |
| Kiwi | Good | Steady |
| 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) | Good | Steady |
| Squash (Eastern) | Fair | Higher |
| Stone Fruit | Good | Steady |
| Tomatoes (Western) | Good-Fair | Higher |
| Tomatoes (Eastern) | Fair-Good | Higher |
| Watermelons | Good | Higher |

Legend

Quality
Excellent
Good
Fair
Poor

Market
Steady
Higher
Lower

Commodity Updates *continued*

colder weather, but availability is still good and demand is fair.

BERRIES *Mike Gorczyca*

Strawberries: Demand and supplies are moderate the start of this week. Market is still firm. Strawberries are being harvested out of California, Florida and Mexico at this time. The quality out of California and Florida is fair to good.

Raspberries: Demand exceeds supplies the start of this week. 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 have started to decline which has caused this market to firm up. Quality has been poor but 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*

Supplies continue to get stronger. Pricing has eased up as business has slowed down. Demand should pick up later this week for the up incoming New Years Day pull but supplies look to remain good all week. 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 stronger. Supplies look to be light over the next few weeks. Most shippers are still harvesting ahead of schedule. Suppliers have planted less acreage in the Yuma growing region than in past seasons and this will inevitably cause volumes to be inconsistent all season. Some brown spotting has already been seen.

CELERY *Gabe Romero/Mike Pacheco*

The celery market continues to slowly decline. Demand has definitely fallen off due to the extremely high prices. Supplies continue to be

light. The lack of demand is the main reason for the price falling. The quality continues to be strong with no major issues to report. Cold weather is expected through the rest of the week with the highs in the low 60's in Oxnard area.

CITRUS *Tim Kelley*

Lemons: Demand is increasing, causing the 140's and smaller supply to get tighter. 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 remain tight on 138's of both grades. Small fruit looks to be tight for the season as this years crop is heavy with the big fruit.

CUCUMBERS *Tim Kelley*

Western Cucumber: Mainland Mexico volume is lighter, but looks to kick back in by the end of the week as new blocks break. Demand is good.

Eastern Cucumbers: Market remains good and quality has been consistent throughout Florida. Colder weather helping with color, and production is steady

GRAPES *Amy Grolnick*

Chilean flames are extremely limited this week on both coasts. Most containers are coming in Wednesday for Thursday loading after going through the inspection process. The heaviest supplies are definitely in the Green Seedless (Sugarone and Perlette varieties). 18# Brazilian Festival green seedless along with Peruvian Sugarone/Thompson are also available, now on both coasts. Overall supplies on Green Seedless are very good right now. Demand remains very strong for both Red and Green Seedless. Expect to see elevated prices on the Peruvian and Chilean Red Seedless through this week. Next week we should see some softening of the market.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market continues on a steady course. As the holiday season approaches, supplies will get tighter. Supplies are moderate to good on

Commodity Updates continued

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.

LEAF LETTUCE *Gabe Romero/Mike Pacheco*

The market is lower with wide ranges in pricing and availability from shipper to shipper. There are suppliers that have better availability than others, but overall, supplies are ample to fill all orders. Issues on romaine include such defects as brown spotting, brown to red discoloration up the rib, brown butts, fringe burn and internal burn. Red leaf supplies are better. Romaine hearts continue to be tight. The quality is marginal at best. Fringe burn is still being seen upon arrivals. The hearts are twisted in growth with some suppliers. Green leaf continues to get softer. Continue to expect defects on leaf items over the next couple of weeks with production from Yuma. Lightweights will continue to be an issue on all leaf items.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is softer. There continues to be a wide range of pricing as high as five dollars with certain suppliers. Demand has fallen off. The cold weather has kept the lettuce from sizing properly which has caused weights to be on the light side. 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*

Cantaloupes: Offshore fruit supplies from Guatemala are lower this week because of the rainfall two weekends ago in the growing regions. 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. It looks like 4-6 days until anything in the small cantaloupe category (15's and smaller) will be arriving at domestic ports. There are still extremely limited supplies of Mexican cantaloupes crossing through the Nogales, AZ point of entry, and that will remain the case on a day-to-day basis. Sizing is limited to daily

crossings only. Quality on product of Mexico is only fair and supplies are nearly finished. Overall fruit quality for the offshore fruit is very good.

Honeydews: 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. Smaller sized offshore honeydews will realistically not pick up for another 4-6 days. Honeydews supplies out of Mexico remain low from the Southern districts. The market on Honeydews appears to be steady for the week.

ONIONS *Amy Grolnick*

Demand remains light with good quality and supplies out of Idaho and Washington. Trucks are very limited. Shippers are running full days and there are ample supplies. With the nice quality #2 product is limited. There are good supplies available out of Colorado and Utah.

POTATOES *Amy Grolnick*

Demand and the market is steady the start of this week. The weather is cooperating this week. Both Norkotahs and Burbanks are being packed depending on the shipper. Washington Norkotahs are going strong with good quality and availability. 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 *Tim Kelley*

Western Squash: Northern Mexico's areas are finished. Their southern growing areas are starting and ramping up production over the next 2 weeks.

Eastern Squash: Squash market is higher on both zucchini and yellow squash, with limited availability. Colder weather creating problems for growers with harvesting,

STONE FRUIT *Amy Grolnick*

There are still very 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.

Commodity Updates continued

Sizing is large and quality is very good for fruit now. 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 to start with are limited, but expect prices to adjust in the coming days with more fruit arrivals.

TOMATOES *Ryan Frayo*

Western: 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.

Eastern: 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.

WATERMELONS *Amy Grolnick*

Colder weather in the Watermelon growing districts continues to slow production especially in the seeded. Supplies are still crossing through mainly 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*

Complaints continue to be reported on the chopped romaine not having as long a shelf life, as well as bruising of the darker green leaves. The cauliflower raw product availability is getting very tight. Brown spotting on cauliflower florets, yellowing and pale color on broccoli florets will be common issues talked about with these products.