



WEEKLY NEWSLETTER AND COMMODITY REPORT

DECEMBER 21st, 2009

WEATHER REPORT

The trailing end of an exiting Pacific storm system will bring cool breezy (20-30mph) conditions to Southwest desert regions into Wednesday. Cool but sunny days and cold nights look to be the norm with highs in the low 60s and overnight lows in the mid to high 30s. There remains a chance of frost possibly late this week.

In the Southeast a cold dry air mass will bring a chance of freezing temperatures to Northern and Central Florida overnight ahead of a warming trend Tuesday. Seasonal temperatures return mid-week with a chance of showers the latter part of the week mainly to the south.

MARKET REPORT

ITEMS TO WATCH -- MARKETS VOLATILE, PRICES UP

| | | | | | | | |
|--------------|--------------|-----------|------------|------|-------------|--------------|--------|
| Bell Peppers | Blackberries | Cucumbers | Grapes | Kiwi | Raspberries | Strawberries | Squash |
| | | Tomatoes | Watermelon | | | | |

ITEMS TO WATCH -- MARKETS GOING DOWN/STEADY

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|--------|--------------|----------|-----------------|--------------|------------|---------|-------------|
| Apples | Asparagus | Avocado | Blueberries | Broccoli | Cantaloupe | Carrots | Cauliflower |
| Celery | Green Onions | Honeydew | Iceberg Lettuce | Leaf Lettuce | Lemons | Onions | |
| | | Oranges | Pears | Potatoes | Stonefruit | | |

APPLES/PEARS

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

The asparagus market is 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. Quality is nice from all areas.

AVOCADO

Mexico and Chile have scaled back shipments in efforts to firm up the market. The over all supplies remain good.

- **Mexican Fruit:** Mexico has reduced picking to let inventories catch up with demand.
- **California Fruit:** Limited picking of California fruit has started. Maturity is very early.
- **Chilean Fruit:** Chile is also reducing volumes coming to the states in efforts to firm the market.

BELL PEPPERS

Eastern Bells:

Market is steady with good volume and quality. Production may be cut back slightly with the colder weather, but availability is still good and demand is fair.



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BERRIES

- **Strawberries:** Demand still exceeds supply on both coasts due to the Christmas pull and limited supply. Markets are active. California supplies were affected by the wet and cold weather that we have been getting the last couple of weeks. Florida supplies are limited at this time due to cool and wet weather. Quality on both coasts is fair at best. Look for water soaked fruit, light decay, white shoulders and bruising in all packs.
- **Raspberries:** Supplies are still limited with good demand. Driscoll is the main supplier at this time. We should start to see some light supplies of raspberries coming out of Chile in the next couple of weeks.
- **Blackberries:** Blackberry supplies have started to decline which has caused this market to firm up. Quality is fair at best. At this time, supplies are mainly coming out of Mexico.
- **Blueberries:** Supplies are starting to improve this week due to boats from Chile hitting both coasts. Markets are still active but will weaken towards the weekend.

BROCCOLI

Supplies are a lot better this week. Most shippers started to raise their prices last week, but the lack of demand and better supplies over the weekend negated any increase. 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

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

CAULIFLOWER

This market is steady. Supplies look to remain steady also in the Santa Maria and Yuma growing regions. 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

The celery market has started to come off slightly. Demand has fallen off due to the extremely high prices. Supplies continue to be light. The main reason for the prices falling is due to a lack of demand. 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

- **Lemons:** Demand is increasing, causing the 140's and smaller to get tight in supply. 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:** Rain this weekend has slowed harvesting. Crops continue 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. Demand continues to exceed supply on choice 138's. Small fruit looks to be tight for the season as this years crop is heavy on the big fruit.

CUCUMBERS

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

GRAPES

Crimson Red Seedless and Green Seedless grapes are finished for the domestic season. There are now Chilean grapes available with the heaviest supplies being 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. Supplies for Red Seedless, on the other hand, are extremely tight. Demand remains very strong for both Red and Green Seedless. Expect to see elevated prices on the Peruvian and Chilean Red Seedless this week.



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GREEN ONIONS

This market is steady but as the holiday season approaches, supplies will get tight. 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.

LEAF LETTUCE

The market is lower with wide ranges in pricing and availability from shipper to shipper. Some suppliers are much better off than others. 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 be stable compared to last week. 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

This market is lower. There is a wide range in prices from shipper to shipper. Demand has fallen off and suppliers have started to offer deals on lettuce. The previous cold weather has kept the lettuce from sizing properly; hence weights have been lighter than normal. 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. Some deals can be made on load volume orders.

MELONS

- **Cantaloupes:** Offshore fruit supplies from Guatemala appear to be lower next week because of rainfall for the last three days 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 lower levels on the large size fruit and they continue to look for movement on those sizes. It looks like 4-6 days until anything in the small cantaloupe category (15's and smaller) will be arriving into domestic ports. There are still only limited supplies of Mexico 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 have topped out. Overall fruit quality for the offshore fruit is very good.
- **Honeydews:** Offshore fruit is still arriving into Florida, California and New Jersey with volume remaining in the large sizes (4ct/5ct). Supplies on small 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 very low with the transition from the North to the South districts, and now it's the small sizes that are limited. The market on Honeydews is steady to finish this week.

ONIONS

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

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

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



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STONE FRUIT

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. 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

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. There are reports of some more rain to possibly affect some growing areas but it does not look to be as wide spread as the last system that came through.

WATERMELONS

Colder weather in the Watermelon growing districts continues to slow production especially in the seeded. Supplies are still crossing through mainly Nogales, AZ with only a few into the McAllen, TX area. 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

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 and broccoli raw product availability is getting very tight. Expect some shippers to hold customers to their respective 12 week averages. Brown spotting on cauliflower florets, yellowing and pale color on broccoli florets will be common issues talked about with these products.