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WEEKLY NEWSLETTER AND COMMODITY REPORT

JANUARY 19th, 2010

CUSTOMER SPOTLIGHT

Dining with



Starkville, MS – Article by Jennifer Barnette Mississippi State University has come a long way. Each year additions are added, buildings are renovated, and more students become a part of the MSU experience. Many departments work each year to keep up with the growing number of Bulldogs, and MSU Dining is one of them. With 15 locations, the campus and the community can find a variety of places to eat.



Recently renovated, the Marketplace at Perry, or fondly called “Perry Cafeteria”, is a staple on MSU’s campus. You can find just about anything in Perry from Southern style cooking to hamburgers hot off the grill to delicious entrees cooked right in front of you. New to Perry is an Asian concept, serving a taste from the Far East every day. The salad bar, bakery, and pizza stations are also available everyday.

New to the MSU campus is Real Food on Campus at Templeton. This dining hall will offer foods similar to Marketplace at Perry, and is located in the Templeton Athletic Academic Center. The recently renovated Union Food Court has a variety of places to eat including Chick-fil-A, Sbarro, and Mississippi Steak, which serves Philly Cheese steak sandwiches and fresh cut fries. The Food court also has a Mexican, Deli, and Sushi location. New this past fall was the addition of Village Pizza, featuring fresh made pizzas and refreshing smoothies.

Another great location adding some new tasty ideas is the State Fountain Bakery. Located comfortably in the heart of MSU, the Bakery offers full cakes, pastries of many varieties, and now fresh made deli sandwiches. Location manager Nav Ashford is thrilled to have some variety there. “The Bakery has been an icon on campus for years, and many love to come sit and enjoy the atmosphere. Now you can get lunch here and enjoy it more.”

With New Year’s resolutions still on everyone’s minds, MSU Dining Services is seeing an increase in demand for salads and lighter fare, and like many other universities has seen an increase in “grab and go” snacks and meals.

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WEEKLY NEWSLETTER AND COMMODITY REPORT

WEATHER REPORT

The West Coast is bracing for a series of strong Pacific low pressure storm systems behind the current system impacting California today. Strong winds (25-40mph) are forecast throughout California and the desert growing regions as this system moves east and another system moves into the Pacific Northwest. Models anticipate at least three significant storm systems to slam into California during this time frame. Rainfall totals could easily reach the 4 to 8 inch range with double digit amounts in the mountains. This jet stream pattern will likely bring significant rain to the Desert regions as well as strong winds and much cooler temperatures to the entire Southwest this week. These storm systems will impact harvests in Southern California and the desert regions this week.

High pressure in the Gulf of Mexico will move over Florida early this week with only high clouds in the forecast. High temperatures in the 70s with lows in the 50s will be the norm through mid-week. Mid range forecast show a potential showers and a slight warm-up late this week. Crop damage assessments are continuing in this region following the freeze and rain of last week.

This rain could hurt the strawberry supplies as well as many of the other row crop commodities. This could also effect the harvest and supply of oranges and lemons.

THE OUTLOOK

The West Coast is bracing for the series of very powerful Pacific storm systems set to impact the entire West Coast through the week possibly well beyond. These systems will bring cooler temperatures very strong (gale force at times) winds and significant precipitation throughout California beginning on Sunday. The desert growing regions of Southwestern Arizona are also expected to receive a cool down very strong winds and decent shot of significant rain as these systems roll through. These desert fields do not handle rain well and moderate amounts of rainfall can cause significant harvest disruptions. The cooler temperatures, strong winds and rain will surely impact supplies, (especially lettuce, leaf and spring mix items) quality and shelf life in future harvests. Also in the direct line of fire is the upcoming strawberry production in Southern California. These coastal stands will surely be pounded by these upcoming systems putting upcoming Valentines Day supplies in jeopardy. It is safe to say that supplies will be limited especially stem supplies. On the ominous side certain (many) extended long range forecasts (10+ days out) show a reloading of this jet stream with a possible pineapple express type of pattern setting up after Sunday. This is the type of pattern where the jet stream picks up warm moisture from the Southern Pacific (El Niño) and slams California with heavy precipitation. Needless to say we will be closely watching the weather patterns as we move forward. Upcoming weather patterns will play a crucial role as to future supply and quality and at this point we will have to wait and see the how the various regions come through these storms.

****WHAT YOU SHOULD KNOW****

Although the recent weather related developments in Florida have created an unfortunate, yet real, situation, the assessment of crop damages continues as growers pick up the pieces from the aftermath. It is still too early to know the overall effects from the freeze but one thing is for sure, it's going to be a bumpy ride for weeks to come, and in some cases months. Things to expect well into February and beyond include elevated price points, subpar quality and lesser shelf life on many items such as strawberries, tomatoes, cucumbers, peppers, squash and beans, to name a few. Also, additional demand for supplies from the west coast and Mexico will certainly raise prices and tighten supplies from these regions.



WEEKLY NEWSLETTER AND COMMODITY REPORT

Some growers have already enacted their Act of God clauses within contracts to help mitigate financial losses while still supplying customers with as much product as possible. Many others are taking a slower, methodical approach and will evaluate their position in the next few days and even into next week. That being said, we anticipate most growers to invoke Act of God clauses sometime in the foreseeable future. In fact, our east coast contract supplier has invoked the Act of God Clause on the following products:

Cucumbers
Eggplant
Green bell pepper
Yellow squash
Zucchini squash

We'll continue to communicate pertinent information as we work closely with our sources on the ground in Florida.



MARKET REPORT

ITEMS TO WATCH -- MARKETS VOLATILE, PRICES UP

Avocado	Bell Peppers	Blackberries	Broccoli	Celery	Cucumbers	Green Onions	Honeydew
	Lemons	Onions	Pears	Squash	Strawberries	Tomatoes	Watermelon

ITEMS TO WATCH -- MARKETS GOING DOWN/STEADY

Apples	Asparagus	Blueberries	Cantaloupes	Carrots	Cauliflower	Grapes	Iceberg Lettuce
	Leaf Lettuce	Oranges	Potatoes	Raspberries	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. 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. Anjou Pears are in excellent shape with better 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.



WEEKLY NEWSLETTER AND COMMODITY REPORT

ASPARAGUS

The asparagus market is steady. Supplies the previous week were light out of Mexico; however supplies are much better to start the week. Jumbo sizing is still very light and will likely be light throughout the week. Peru still has supplies coming into the East and West Coast. Prices remain steady with availability on all sizes. The Quality has been nice on the new crop coming from Mexico.

AVOCADO

Mexico and Chile shipments are steady. 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 are picking light volumes of California fruit. Supplies are slowly increasing as we move through the month. Maturity is very early.
- **Chilean Fruit:** Chilean fruit season is approaching the end. Volumes are much lighter coming to the states. Quality remains very good.

BELL PEPPERS

Eastern Bells:

Florida's weekend freeze has devastated bell pepper supplies. Demand will far exceed supplies this week and with continued cold temperatures in the Southeast there will be no relief for at least two more weeks. Additionally quality will be poor due to how easily pepper bruises in cold weather.

BERRIES

- **Strawberries:** Rain, Rain go away. California will be receiving rain all week which will limit supplies the balance of this week. There could be days this week which the growers will not be able to harvest at all. Look for the quality to go down hill as this week moves on. Water soaked berries, decay, pin rot, and 10% to 30% white shoulders showing up in the packs. Florida growers are back in to their fields this week with light to moderate supplies. Quality is fair with a firm market. The long range forecast for California is for the storm track to open up for the next two weeks. This will interrupt product off the west coast and make for a demand exceeds situation on both coasts. If this weather does open up for the next two weeks in California it will have a major effect on the Valentine Day pull that is coming up the first part of February.
- **Raspberries:** Supplies are steady with good demand the start of this week. Market is firm and quality is being reported as good. Driscoll is the main supplier at this time of the year.
- **Blackberries:** Blackberry supplies are limited due wet weather in the growing areas. Market is slightly higher. Quality is fair.
- **Blueberries:** Moderate demand with improving supplies is starting to weaken the market slightly. Quality is great.

BROCCOLI

Although business is slow, suppliers have attempted to raise pricing slightly to start the week. Rain is expected to be in all the growing regions this week, and harvesting will be lighter. Supplies continue to be ample to fill all orders. The quality is strong from all areas.

CARROTS

California carrots coming out of Bakersfield are finally starting to size up and there is a little better supply of jumbo carrots.

CAULIFLOWER

This market continues to be steady with most suppliers. Brown and black spotting and discoloration has been seen sporadically upon arrivals on this commodity. This was due to the very cold weather the past few weeks. The heavy rains expected throughout the week will inevitably affect the quality going forward. Supplies are good to fill all orders.

CELERY

This market is very active. The freeze in Florida has sent many customers to the Oxnard region for product. Clearly, this market demand exceeds supplies and this will continue throughout the week. The supplies vary amongst the shippers in terms of sizing available. There has been light production in Yuma; however pricing is almost the same as Oxnard. Florida production will continue to be light throughout the week.



WEEKLY NEWSLETTER AND COMMODITY REPORT

CITRUS

- **Lemons:** Supplies are good on 115's and larger, with 165's and especially 200's becoming very tight. Quality is very good.
- **Limes:** Supplies are back this week as weather has cleared. Sizes are peaking on 200's and 230's and 175's. Quality remains good.
- **Oranges:** Demand is very strong. Heavy rains this week and next week should keep supplies very tight. Crop continues to peak on fancy 72's, 56's and 88's. The supplies of choice grades remain tight.

CUCUMBERS

Eastern Cucumbers: Florida's frigid temperatures have ended the domestic cucumber deal. The market on the off shore product will be high for the next week or so, as is typical with the scarce supplies at the beginning of the off shore deal. Many suppliers will push for even higher prices in keeping with the sky rocketing prices on other Florida product. Quality, however, is good.

GRAPES

Domestic grapes have all but finished for the season. Chilean flames with better availability this week. There should be good supplies for the Valentines Day pull on red seedless but we may see greens gapping the first week of February. The forecasted rain may tighten supplies toward the end of this week on the west coast. Good availability on the seeded Red Globe with excellent quality. Black seedless with limited supplies and very good quality.

GREEN ONIONS

This market is steady to start the week. Labor workers have returned however the crop as lessened. Demand is light and all orders are being filled. 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 continues to be steady. 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. This market should be stronger towards the middle of the week with all the rains expected.

LETTUCE

This lettuce market is steady. Prices continue to vary by 2-3 dollars depending on the shipper. Quality has been good with weights in the 40-44 pound range. Florida has started production also. There continues to be some lots reporting epidermal peel and blister. Heavy rains expected throughout the week will be a factor in the upcoming quality of this product out of the Yuma region.

MELONS

- **Cantaloupe:** Honduran fruit is just getting going and supplies are dependent on when containers come in. Small fruit 15's and smaller are still extremely limited. We should start to see some Costa Rican fruit arriving in a light way over the next couple of weeks. 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

The Northwest yellow onion market is very active due to good demand for export overseas and into Mexico. Look for this trend to continue for the next couple of weeks. Quality is still very nice with sizing still peaking on jumbos and larger. Steady demand and supplies of red onions has kept this market steady. Demand exceeds supplies on all sizes of white onions out of all areas. Market is very active.



WEEKLY NEWSLETTER AND COMMODITY REPORT

POTATOES

Cold weather is the only thing that can slow down production which might increase the market. Most shippers are peaking on 70ct. Quality is still good with a few shippers reporting some light peepers starting to show up in some of their storage potatoes. This is mainly caused by the shippers having to run some heat on the storage potatoes to keep them from freezing. Both Norkotahs and Burbanks are being packed depending on the shipper. Washington Norkotahs are going strong with good quality and availability. Washington shippers are peaking on 60ct and larger. Colorado is going strong with 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: Domestic supplies of squash in Florida have been all but wiped out by the weekend freeze. Many Florida shippers are bringing squash in out of the West just to try to cover contracts, but those supplies are dwindling as well. The market on yellow is already at its peak – now it is just a matter of availability.

STONE FRUIT

Cherries are winding down, demand remains strong for good quality fruit as there have been some quality issues out there. 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

Eastern: Florida has encountered a very cold arctic blast that has brought temps below freezing in the previous week. The temperatures are currently 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. Growers have picked as much fruit as possible to salvage as much of the crop as they can, and are running out of that fruit. We can expect to see higher fob's probably up through the spring accompanied with shortened supplies. Quality issues will probably not appear for another week.

WATERMELON

There is very little fruit coming in from Mexico and FOB's continue to rise on both seeded and seedless. 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

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 cauliflower and broccoli raw product availability is ample to fill demand. Brown spotting on cauliflower florets, yellowing and pale color on broccoli florets will be common issues talked about with these products