

Labatt **FOOD SERVICE** *Produce Department*

4500 Industry Park

San Antonio, TX 78297

1-800-324-8732

MARKET REPORT: DECEMBER 6, 2010

****MARKET ALERT** Fresh Garlic prices continue to trend upward and we are seeing a substantial price increase moving into next week. Cooler weather has continued to plague the Strawberry market, prices remain strong.**

We appreciate your business. Please let us know if you have any questions. Have a great weekend!

WEATHER IN CURRENT GROWING REGIONS

Yuma, AZ: Recent overnight lows have been below freezing in the outlying areas. Lows will rise into the low to upper 40s through Dec. 7. Daytime highs have recently been in the low to mid-60s and will rise into the low to mid-70s through Dec. 7.

Oxnard, CA: Daytime highs will rise into the low to mid-60s through Dec. 7 with overnight lows in the mid-40s. There is a slight chance of rain Dec. 5 and Dec. 6.

Bakersfield, CA: Daytime highs will be in the mid-50s to low 60s through Dec. 7 with overnight lows in the low 40s. There is a slight chance of rain Dec. 2-6.

TRANSPORTATION AND FUEL

The average price in California for a gallon of diesel is \$3.33, which is 13 percent higher than last year. The nationwide average price for a gallon of diesel the week of Nov. 29 was \$3.16, which is 14 percent higher than one year ago. The availability of trucks on the West Coast is fairly good.

PRODUCE NEWS

ASPARAGUS

This market is firm on all sizes. Mexican product is demanding a higher price on all sizes. The jumbo sizing has the tightest in availability. Peruvian product can be loaded in Miami or Los Angeles. The quality continues to be strong from all the growing regions.

AVOCADO

California is done for most shippers and there are only limited supplies of what is still being packed. Mexico is crossing good volume and the harvest continues at a pace, production looks to remain steady. Chile is continues with light volume being shipped to the States. Shippers are only getting small volume of fruit in due to the light crop in Chile this year, supplies look to stay light through December.

BELL PEPPERS

Coachella looks to have fair supplies for the next 2 weeks. Mexico's supplies are starting to increase as more shippers come online. Overall supplies look good over the next few weeks on green bells. Red bell supplies have fallen due to the freezing temperatures in the California desert. Size out of Coachella will run small to medium. Yellow bells supplies continue to be very light and quality is fair. Mexico looks to have some Red bells by mid month. The pepper market remains soft as Georgia continues production alongside Florida and Nogales. With all regions competing for demand, prices should stay down for several more days.

BROCCOLI, CAULIFLOWER & CELERY

The broccoli market is strong. Crowns continue to be light in availability and pricing is active. Bunched product is light also with all suppliers and supplies will be light throughout the week. Mexico production on crowns is an alternative source. Salinas has finished production for the season and supplies in Yuma and Santa Maria are light. The cauliflower market is stronger on all sizes. Pricing is expected to get higher next week. Supplies are extremely tight. Cold weather has slowed growth down tremendously. The celery market is stable moving into next week but forecasts are calling for increased pricing at the end of next week. Quality remains good.

CITRUS

Lemons: The Desert crop is going and supplies are increasing on small fruit, with the larger sizes not coming in volume until the later in December.

Limes: Supplies are beginning to decline as the current crop moves to the end of the crop cycle. The next crop is getting off to a slow start due to cooler weather and volume still is projected to be down.

Oranges: Navels are in full production. Sizes are still running small. Fruit quality continues to improve on color and sugar/acid ratios. The fruit is beginning to color up naturally in response to the recent cold temperatures.

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SAN ANTONIO, TX 78271

1-800-524-0132

ICEBERG LETTUCE

The theme to the early portion of the winter lettuce season has been "cold temperatures." The recent cold weather pattern usually occurs from mid-December to mid-January. Recent lettuce ice has delayed the start of the harvest daily until 10 a.m. and in some cases until noon.

Early desert lettuce is usually planted in the higher elevations around Yuma where it is a bit cooler during the hot growing conditions of September and early October. This is working against shippers now because the same areas receive the coldest temperatures during cold periods. Shippers said that the recent lettuce ice is resulting in varying degrees of epidermal peel.

The early cold spell can be attributed to La Nina conditions, which produce colder and drier conditions in Southern California and Arizona. The market has eased noticeably since the last full week in November.

The near-term weather forecast calls for slightly warmer days and above-freezing overnight temperatures through Dec. 7. Shippers expect moderately higher production the week of Dec. 6, and it should be met with the beginning of the Christmas pull. The near-term market should stabilize near current levels, and buyers should fully expect varying degrees of epidermal peel.

LEAF LETTUCE

The recent cold weather has taken a toll on early-season leaf quality in the desert. Romaine seems to be the hardest hit and is showing the most ill effects. Some shippers said that Romaine has epidermal peel four to five layers deep -- and it's only Dec. 2. Romaine prices remain considerably high and noticeably above green leaf and red leaf. Near-term leaf prices are expected to follow the recent downturn in the Iceberg market. Leaf supplies are available in Oxnard, Coachella, the Imperial Valley and Yuma.

MELONS

Cantaloupe: Domestic cantaloupe is finishing with only a couple players left this week out of Yuma. Mexican product is still coming in but quality and brix levels have been hit and miss. Off shore melons are late coming in this year but the first few vessels have crossed and the fruit is nice. The market will continue to be strong.

Honeydew: Domestic dews are finishing up for the season. Nogales has good supplies of Mexican fruit peaking to 6's quality is fair. We will see the first of the offshore fruit next week. Quality is said to be very good.

POTATOES

Shippers said that the Thanksgiving consumer bale demand was exceptionally strong. Shippers are now experiencing a modest lull in bale demand between Thanksgiving and the Christmas rush, which is expected to begin Dec. 10-13. Keep in mind that packingsheds run to meet consumer bale demand and that cartons are generated as a by-product. Generally speaking, heavy bale demand usually results in ample carton supplies, and contrarily light bale demand translates into lighter carton availability.

Many shippers are running Norkotahs, which are clean and offer very few No. 2s. Buyers in search of No. 2s will have the best success in Idaho from shippers running Burbanks. The Burbank 10-ounce No. 2s are noticeably more expensive than U.S. No. 1 carton count 80s through 120s. The availability of trucks has tightened considerably and will remain as such during the holidays.

Rates have increased and will stay expensive until the New Year. Winter weather periodically will become harsh and further limit the already tight truck market. Buyers are urged to plan well in advance.

ONIONS

Export demand to date has been strong and is influencing the current market. The mid- and long-term onion markets will be driven by increasing export demand. The Wisconsin, Michigan and New York yellow onion crops are undersized and did not produce the usual percentage and tonnage of medium yellow onions. Onion buyers who normally rely on these states for medium yellows will be forced to look to the Northwest. The Oregon, Idaho, Utah and Washington medium yellow markets are tight, and prices will closely follow the jumbo market into March.

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STRAWBERRIES

Strawberry growers are experiencing an extremely difficult time with tough winter weather, including freezes and rain. Strawberry plants have essentially switched from growth mode to survival mode. Flower growth is minimal, and fruit production is far below today's heavy demand. Shippers are exercising the "acts of God" clause on all contract commitments.

A major shipper with winter operations in California, Florida and Mexico said that the strawberry market will not return to normal until the second week of January. Buyers can expect extremely high prices to continue into the new year. When fruit is available, shippers will be forced to prorate orders heavily through the month of December.

The overall market seems to be in a temporary holding pattern. Shippers said that both winter weather in the Northwest and limited truck availability are momentarily curbing the market. It's important to note the above-normal pace at which Washington shippers are depleting supplies. The medium and long-term forecasts call for bullish conditions and rising prices. The availability of trucks is very tight and will remain as such into the New Year.

TOMATOES

Eastern: Florida production is good and is up to speed with great quality, weather has been favorable. Shippers continue to say it is the best crop they have seen in years. Grape and Cherry tomato production has increased. Roma production is slowly increasing. Reports of quality are good.

Western: San Diego production continues to be a bit sluggish and inconsistent and will be through December as things will transition to Nogales in January. Roma tomatoes have become more available than weeks previous and fobs have stabilized.