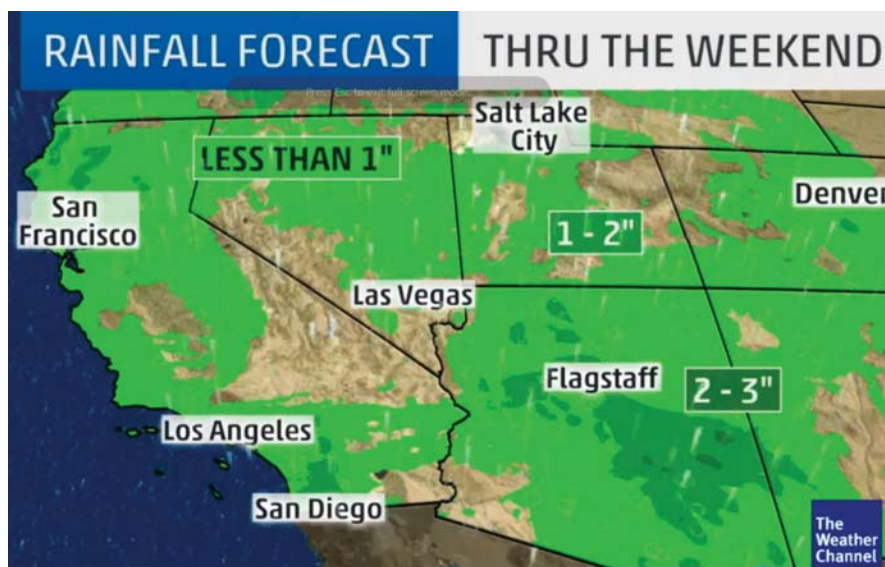


MARKET NEWS

OUTLOOK FOR JANUARY 7 - JANUARY 14, 2016

ALERT!

**WEATHER ISSUES
WREAKING HAVOC
ON PRODUCE
SUPPLIES; PRICES
SKYROCKET**



www.weather.com - 1/7/16

WHAT IS GOING ON?

CALIFORNIA:

It's been colder than normal on the West Coast since mid-December. Rains have been falling steadily throughout growing regions in California. Some flooding has been experienced so far and many row crop vegetables have been delayed or damaged - both organic and conventional.

El Niño weather pattern effects are creating what feels like a conveyor belt of storms coming across the Pacific Ocean for the middle two weeks of January. So far strawberries and row crop vegetables have been impacted, but now citrus harvests will face production issues with these next rounds of rain.

YUMA, ARIZONA:

Cold weather in late December, followed by rains in January have impacted many vegetable crops in this growing region. Brussels sprouts, broccoli, and cauliflower harvests have been delayed. Celery is showing quality issues as are leaf and lettuce products.

MEXICO:

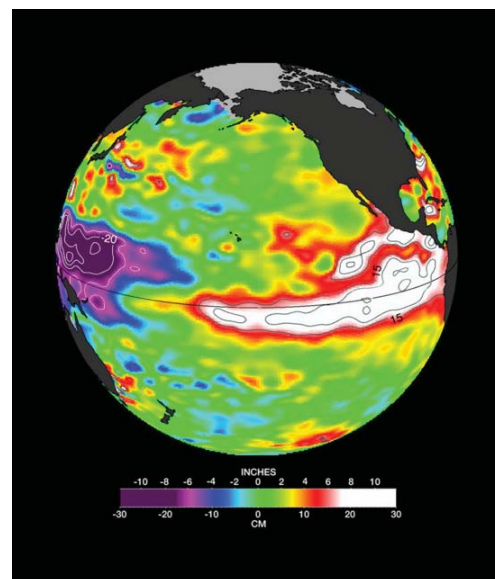
El Niño storms have also hurt cucumber, squash, pepper, tomato, and berry production in Mexican growing regions which are relied upon heavily by the US and Canada during January.

FLORIDA:

Over the past several weeks Florida has experienced dramatic swings in their weather - from hot to cold to wet - creating much stress for the plants and delaying production or forcing growers to replant harvests intended for January and February all together.

CONSUMER DEMAND:

Consumer demand is strong for fresh produce during January as many shoppers are trying to eat healthy or lose weight in the New Year. This additional demand is making the lighter supply situation feel even more dramatic.



www.jpl.nasa.gov - 12/29/15

ORGANIC MARKET NEWS



OUTLOOK FOR JANUARY 7 - JANUARY 14, 2016

ORGANIC VEG UPDATE

ALERT! COLD TEMPERATURE ISSUES OUT WEST

The West Coast has experienced unusually cold temperatures over the past two weeks. This is affecting the following products & supply:

Organic Carrots - already extremely limited due to slow growth; now it's too muddy for growers to do harvests; orders are being heavily prorated or canceled all together; expect out-of-stocks on organic cello carrots, bunch carrots, and even prorates on baby carrots

Organic Lettuces - very limited out of CA, expect to see some blister and discoloration on the stem and rib due to the cold

Organic Romaine Hearts - very, very limited, expect prorates, blister and discoloration on stem as result of cold, product is being loaded with no protection

Organic Cauliflower - slow growth, lack of supply, historically high prices

Organic Celery - very limited supply, some shippers in Mexico had to push off harvests this week due to lack of growth, product quality will not be its best in the weeks ahead

Organic Cucumbers - acres of fields lost due- to cold in Mexico, very high prices this January, expect prorates and out-of-stocks

Organic Zucchini - acres of fields lost due to cold, very high prices



ORGANIC FLORIDA VEG

As diet season ramps up, here's a snapshot of what to expect until mid-January out of Florida:

ABUNDANT SUPPLY - Organic Loose Kale, Bok Choy, Red Kale Loose

ADEQUATE SUPPLY - Organic Lacinato Kale, Green Boston Lettuce, Red Boston Lettuce, Baby Bok Choy, Tatsoi, Collards, Green Cabbage

LIMITED SUPPLY - Organic Fennel, Mustard, Red Mustard, Kale, Red/Green/Rainbow Chard, Mizuna, Dandelions, Romaine Lettuce

Expect to begin to see **Organic Curly** and **Italian Parsley** next week.





OG POTATOES

Organic Russet Potatoes, both count and poly, will increase this week and is expected to increase slightly as we continue into the New Year.

Larger 50 ct **Potatoes** are now done and the sizing profile will continue to yield 90ct and 70ct sized counts.

Organic Red and Yellow Potatoes continue to be nice quality out of Canada with a steady market price.



OG BERRIES

Mexican **Organic Blackberry** prices are firming this week.

Organic Blueberries out of Chile have tightened up this week as we transition growing areas, but plentiful supplies are expected to begin arriving by the end of January.

ALERT! **Organic Strawberry** and **Raspberry** prices continue to be extremely limited with high prices.



OG APPLES

All Washington **Organic Apples** remain extremely tight, with limited supplies and prices on the rise. This is expected to continue until imports begin in the spring. Expect to see sporadic gaps in some varieties. **Organic Granny Smith** and **Fuji Juice Apples** out of Washington have much higher prices and extremely limited availability.

Organic Ambrosia Apples from Canada continue in very limited supply.

New crop **Organic Autumn Glory** and **Lady Alice Apples** are set to arrive early next week in limited supply.



OG HASS AVOCADOS

Organic Hass Avocados are in great supply. Look to promote for the end of the football season on some great eating **Organic Hass Avocados**.

We continue to offer the Equal Exchange Fair Trade **Organic Avocado** program. For more information on this great program check out: www.beyondthepeel.com or contact your Four Seasons sales associate.



OG HERBS

ALERT! In general, **Organic Herbs** have been very tight.

Organic Tarragon, Mint, Chives, and others have all had sporadic issues with quality and supply.



OG GRAPES

Peruvian **Organic Green** and **Red Seedless Grapes** are extremely limited with very high prices. They will finish up for the season over the next few weeks.

New Peruvian **Organic Red Globe Grapes** are expected to arrive any day and continue for the next month.



OG BRUSSELS SPROUTS

Organic Brussels Sprouts are increasing in supply this week out of CA. Mexico should start by the middle of the month.



OG BROCCOLI

Organic Broccoli is increasing in supply out of CA and AZ. Quality has been good to very good. Prices have moderated this week. **Organic Broccoli Crowns** are in better supply as well.



OG CUCUMBERS

ALERT! **Organic Cucumbers** will be in very limited supply out of Mexico and Florida. There will be out-of-stocks and heavy prorates.

Organic Hothouse Cucumbers are in adequate supply out of Spain and Mexico.



OG TOMATOES

ALERT! **Organic Round Tomatoes** have tightened up out of Florida. Expect limited supplies until the middle of January, but quality has been very good. Shippers from Mexico are reporting adequate supplies of **Organic Two-Layer Tomatoes**. The price is higher out of Mexico.

Organic Roma Tomatoes are in limited supply out of Florida and in adequate supply out of Mexico. Shippers appear to have less volume in Mexico this year, resulting in slightly higher prices.

Organic Cherry and **Rainbow Cherry Tomatoes** are in limited supply from Florida, while Mexico shippers report limited supplies of **Organic Cherry Tomatoes**. **Organic Grape Tomatoes** are in adequate supply out of both Florida and Mexico, but there could be spot shortages ahead out of both regions because of quality.



OG CA SPECIALTY CITRUS

We are carrying **Buck Brand Organic Citrus!**

In stock and superb quality:

Organic Buddha's Hand, Algerian Clementines, Finger Limes, Key Limes, Centennial Kumquats, Meyer Lemons, Pink Variegated Lemons, T'Orange Lemons, Makrut Limes, Limequats, Mandarinquats, Satsuma Mandarins, Mango Oranges, Palestinian Sweet Limes, Washington Navel Oranges, and Star Ruby Grapefruit.

New this week:

Organic Lee Mandarins, Blood Oranges, Lou Lou Navel Oranges, Cara Cara Oranges, and Minneola Tangelos

Finished or Soon-to-Finish:

Organic Yuzu Lemons and Fairchild Tangerines



OG CA CITRUS

Organic Blood Oranges begin this week in limited supply in half cases. Prices are high.

Full Box **Organic Cara Cara Oranges** continue with good flavor, deep pink flesh, and a nice exterior.

Organic Clementine Mandarins in the pouch bags have finished for the season. Some bulk fruit continues to be available in limited supply, which will end over the next couple of weeks.

Organic Navel Orange crop firms a little this week due to the rain, but is expected to improve back to normal as the rain moves out.

Organic Minneola Tangelos are in good supply.

Organic Pummelos are here in steady supply and prices.

Organic Satsuma Mandarin supplies will be impacted by the rain, but the full effects are not known at this time.

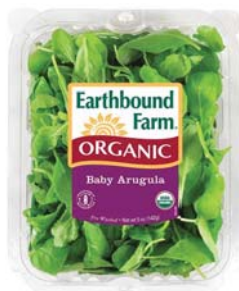
Organic Daisy Tangerines are starting to wind down for the season and are expected to finish up by the end of January. Make sure to promote this excellent eating piece of fruit before they're gone.

New crop **Organic Murcott Mandarins** are expected to begin by the end of January.



OG PINEAPPLES

Organic Pineapple supplies are dwindling. Shippers are expecting **Organic Pineapples** to be in short supply for the end of January and February and beyond.



OG SALADS

Organic Salad supplies were good this week for the start of "diet season," however growers like Earthbound Farms are now anticipating weather related prorates for mid-January.

OTHER STORIES:

- AV Thomas California grown beautiful **Organic Sweet Potatoes** are in great supply and are good items to promote.

- Peri & Sons expects to have good supplies of **Organic Yellow, Red, and White Onions** now into March. **Organic Sweet Onions** are limited and only available in 16/3lb bags out of Peru.

- **Organic Asparagus** out of Mexico should begin by the middle of January.

- Florida **Organic Sunburst Tangerines, Orlando**

Tangelos, and Golden Sweet Tangelos will wrap up this week. Florida **Organic Grapefruit** supplies are back in very limited supply.

- Mexican **Organic Valencia Oranges** are in good supply and are expected to continue to be until domestic fruit begins in early in February.

- **Organic Lime** supply is steady, but we will see slight firming in prices.

- Rain, more expected storms, and flooding in California has limited picking this week and raised

Organic Grapefruit and **Lemon** prices. Supplies are limited.

- **Organic Anjou** and **Bosc Pear** supplies have tightened up significantly, with high prices. **Organic Red Anjou Pears** are in extremely limited supply with higher prices. **Organic Asian Pears** will finish up for the season this week.

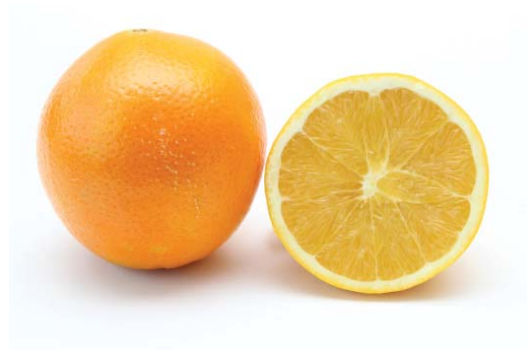
- **Organic Mangos** are in great supply. Look for deals on some really nice fruit through next week.

ORGANIC TOP 40

JANUARY - MARCH

Please contact your Four Seasons sales rep or merchandiser for specific department planning suggestions!

1. OG BANANAS
2. OG STRAWBERRIES
3. OG SALADS BABY SPINACH, 5 OZ
4. OG BLUEBERRIES
5. OG AVOCADOS, HASS
6. OG BROCCOLI
7. OG KALE, GREEN
8. OG SALADS SPRING MIX, 5 OZ
9. OG TOMATOES, GRAPE
10. OG MUSHROOMS, CRIMINI
11. OG RASPBERRIES
12. OG MANGOS
13. OG BLACKBERRIES
14. OG SALADS BABY ARUGULA, 5 OZ
15. OG PEPPERS, RED
16. OG SALADS BABY KALE, 5 OZ
17. OG KALE, LACINATO
18. OG MUSHROOMS, WHITE
19. OG CUCUMBERS
20. OG CELERY
21. OG CAULIFLOWER
22. OG SQUASH, ZUCCHINI
23. OG MUSHROOMS, SHIITAKE
24. OG ORANGES NAVEL, LOOSE
25. OG ROMAINE HEARTS
26. OG TOMATOES, LOOSE
27. OG LEMONS
28. OG SALADS SPINACH, 1 LB
29. OG SALADS 50/50, 5 OZ
30. OG SWEET POTATOES, GARNET
31. OG ONIONS, YELLOW
32. OG BASIL
33. OG BRUSSELS SPROUTS
34. OG LETTUCE, ROMAINE
35. OG SALADS HERB, 5 OZ
36. OG APPLES GALA, LOOSE
37. OG MUSHROOMS, PORTABELLA
38. OG CARROTS BABY, 1 LB
39. OG CILANTRO
40. OG APPLES PINK LADY, LOOSE



**Based on Four Seasons Produce, Inc. historical case volume data from 2015. This reflects availability and market conditions from last Jan-Mar.



It's official!

Covilli's farm is Fair Trade Certified!

We are absolutely thrilled to announce that our farm has been successfully certified by Fair Trade USA! Integrity has always been Covilli's core value, and acquiring the Fair Trade certification was only natural.

In a nutshell: this certification ensures that our farm workers have safe working conditions, access to healthcare and education for workers' children, regulated working hours, as well as rest and sick days. Fair Trade certification also verifies sustainable farming practices.

Buying ANY of Covilli's Fair Trade products is an easy way to support the hard-working people who grow the products that you love. A few extra cents – the Fair Trade Premium - will allow for democratically chosen projects to become a reality in our farm worker communities; whether it's a bus for the High School students, dental services or a multipurpose room, this benefit will bring empowerment through decision making: "What is best for **all of us**?" and "How can we achieve it?"

As the leading organic company, Covilli breaks the mold once again by standing behind it's Fair Trade Program 100% and maintains it's place at the forefront, by offering **ALL VEGETABLES AS ORGANIC & FAIR TRADE**.

Everyone at Covilli is looking forward to improving lives. Thank you for becoming part of this effort.



Covilli
BRAND ORGANICS, INC.

Truly organic, truly fair.



EVERY PURCHASE MATTERS
Quality Products. Improving Lives.
Protecting the Environment.

Contact Iris Montano-Madrigal, Marketing Manager iris@covilli.com. (520)221-6886

Pear Up with **USA PEARS** **DISPLAY CONTEST**



IT'S TIME TO PEAR UP!

HOW TO ENTER:

1

Build an eye-catching display of Anjou, Red Anjou, and Bosc USA Pears!

2

Keep your super cool display up for at least one week (7 days) during January 15 – March 31, 2016.

3

Submit a photo of your display along with the entry form to USA Pears by the deadline of April 15, 2016.

EVERYBODY WINS!

All who submit complete and eligible entries will receive a \$20 Amazon Gift Card as a reward for participating!

This national display contest is open to any store in the U.S. or Canada that wishes to participate. Void where prohibited by law or company policy. Prizes will be awarded per participant's company policy. One entry per store location.

Entries will be judged on a 100 point scale for appearance, creativity, and educational impact. See contest rules for details.

**BONUS
POINTS**
CARRY TWO
SIZES!

13 winners will be announced in each of the following categories:

- 1–5 cash registers
- 6–9 cash registers
- 10 or more cash registers

39 WINNERS

Need insPEARation? Pear Up with USA Pears POS Packs are available!

Call 503-652-9720 or visit trade.usapears.org/contest/ to order your free pack. Limit one per store.

\$16,530
IN PRIZES

Winners in each store category will receive:

- 1st Place: \$1,000
- 2nd Place: \$750
- 3rd Place: \$500
- 10 Honorable Mentions: \$150 each

For more info or to order point-of-sale materials check out: <http://trade.usapears.com/contest>

CONVENTIONAL MARKET NEWS

OUTLOOK FOR JANUARY 7 - JANUARY 14, 2016

CALIFORNIA CITRUS



There's been a nice full rundown of citrus for the past few weeks. There are larger sized **Navel Oranges** with prices coming down. We will have 36/40 count fancy **Navel Oranges** in bins arriving next week.

Along with **Navel Oranges** we are getting into good supplies of **Minneola Tangelos**, both bagged and loose, along with **Stem and Leaf Mandarins**, **Cara Cara Navel Oranges**, **Blood**

Oranges, **Pummelos**, **Lemons**, and **Clementine Mandarins** (the popular 10/3 lb. "**Halos**"). Supplies on all are good with plenty of fruit on hand.

The only thing to worry about is the weather now hitting the West Coast. Heavy rains are expected for the remainder of the week through possibly the end of next week as the west feels the full effect of "El Nino". Although California needs the rain after enduring a very long drought, hitting all at once could interrupt supplies in the short term and create some gaps in supply.

All this rain could create quality issues as well, especially on the more delicate items like the **Clementines**. For now, there is plenty of fruit that has been picked and in storage in anticipation of the weather front and supplies shouldn't be a problem unless the weather event is extended.



CV STRAWBERRIES

Florida has been struggling all **Strawberry** season with weather. They had hot weather a few weeks ago, and this past week the weather cooled off but they battled rain. Plants are stressed causing small fruit with bruising and other quality issues.

The weather forecast looks a little more favorable over the next week. It will take some time to refill the pipeline. Look for prices to remain strong until supplies recover. We will also continue to keep a close eye on quality as we are not quite out of the woods yet.



CV LETTUCE

ALERT! **Iceberg Lettuce** remains light in supply. Cool temperatures and rain have slowed production. Pricing will be higher this week, and some blister and peel is to be expected. This is industry wide and unavoidable, but we will do our best to source the best.

Green Leaf and **Red Leaf Lettuces** are in decent supply, but pricing is up a bit. Quality is nice.

Romaine Lettuce and **Romaine Hearts** are limited with higher pricing this week. Blister and peel is to be expected on. This is industry wide and unavoidable.



LITTLE BEAR TX VEG

During the winter months we will be stocking an extensive line of Little Bear brand Texas "wet veg." Items like parslied, cilantro, greens, beets, and other bunched row crops will be available.

The Little Bear brand is known for great quality and oversized bunches, giving shoppers an excellent value and lots of usable product. It also displays very nicely in your wet veg set.



CV BLUEBERRIES

Most of the **Blueberry** crop has transitioned to pint containers. Good supplies are expected through this month, making **Blueberries** a great item to promote.



CV RASPBERRIES & BLUEBERRIES

Supplies of **Raspberries** and **Blackberries** out of Mexico will be steady this week. Prices will be down slightly with improved quality and supplies.



CV CELERY

ALERT! The **Celery** market remains very limited. The main growing region, Oxnard, CA, is light in supplies on all sizes. Quality has been arriving decent, but pricing remains steady to higher.



CV IMPORT CLEMENTINES

The East Coast has been flooded with **Clementine** supplies and the market hit rock bottom. The Moroccan fruit has been very cheap as shippers struggle to move inventory. The fruit from Spain has been getting about a dollar more over the Moroccan fruit. Quality has been so-so, some softness is prevalent.



CV GRAPEFRUIT

Florida **Red**, **Pink**, and **Dark Red Grapefruit** varieties are at their peak flavor right now - juicy and quite sweet! Now through March is the best time to promote.

The overall crop is predicted to be smaller in volume than other years, but pricing is reasonable.

Texas **Rio Star Grapefruit** are also at their peak flavor the next two months.



CV FL TANGERINES

Not much availability on **Honey Tangerines** as many growers are waiting for fruit to mature. The industry should start packing better volume this weekend with better supplies being available next week.

That being said, this will be a very short and expensive crop on **Honey Tangerines** with supplies concentrated in few hands.



CV WATERMELONS

ALERT! **Watermelon** supplies will be extremely limited this week. Weather in Guatemala has hurt production. Most of the fruit will be larger sizes this week as they crown some new fields (36ct and 45ct bins/3ct and 4ct cartons). Look for very high prices this week.

Personal Watermelons will also be very limited. Mexico will have some limited availability beginning in two weeks.



CV MELONS

Cantaloupe and **Honeydew** supplies will be limited in the early part of the week. Guatemala is transitioning to a new region and Costa Rica fruit is slightly delayed. Vessels are expected in the next week. Prices will remain strong until more supplies arrive.



CV ASPARAGUS

ALERT! **Asparagus** supplies out of Peru will be limited for the remainder of January. They are in their summer season and this is causing lower yields and smaller sizing. The start to the Mexican season has been delayed, causing more of a market disruption. The weather issues in Mexico will push their start closer to February. Look for high prices and light supplies for the month.



CV TOMATOES

ALERT! Tomato pricing has skyrocketed.

Beef and **Cluster Tomatoes** are very tight in supply with higher pricing this week.

Vine Ripe Two-Layer and **25 lb. Tomatoes** remain extremely limited from Mexico and Florida.

Roma Tomatoes will be lower in price with more supply from Florida, but we still don't consider them promotable at this time.

Grape and **Cherry Tomatoes** are in steadier supply, but at much higher pricing than December.



CV BROCCOLI & CAULIFLOWER

ALERT! Broccoli Crowns are very limited. California production is light due to rain issues and Arizona is limited. East Coast supplies are in a skip.

Our main supply will continue to be nice "Little Bear" Mexican **Asian cut Broccoli Crowns** this week with an increase in pricing.

Cauliflower supplies are increasing and pricing will be lower this week from Santa Maria, CA.



CV POTATOES

Cold temperatures last week in Idaho has caused a slightly supply gap on larger sized count **Russet Potatoes** out of Idaho. We will see a complete gap on 50ct and 70ct will be more limited for the upcoming week.

We will have some 50ct PEI product available as a substitute until we can get more larger counts in from Idaho but this cold weather has really put packing sheds behind on packing and shipping count **Russet Potatoes**.



CV CUCUMBERS

Mexican **Super Select Cucumbers** are steady. Honduran product is starting up.

Cello-wrapped Cucumbers are in light supply.

12/6ct Mini Seedless Cucumbers will be higher in price this week due to limited availability.



CV GREEN ONIONS

ALERT! Green Onions remain high and tight, with higher pricing this week. Rain in Mexico has slowed production significantly and are nearly impossible to find. Quality has still been good.



CV BRUSSELS SPROUTS

ALERT! Brussels Sprouts are extremely limited due to transition from California to Mexico and additionally light Mexican supplies to start the deal. Pricing will be up this week.

OTHER STORIES:

- **ALERT!** 14/1lb. **Radishes** remain very limited due to cool weather and slow production in both growing regions (AZ and FL).

- **Green Peppers** are extremely limited from both Florida and Mexico with higher pricing this week. **11lb. Peppers** are steady. **15lb. Red Peppers** are in better supply with very nice quality and lower pricing this week.

- We will continue to have nice North Carolina **Kale** and **Collards** at steady pricing. We will also have

premium "Little Bear" 24ct **Kale** and **Collards** this week (codes 1331 and 1306 respectively).

- **Corn** supplies are light from Mexico and Florida. Pricing will be higher this week. We will mostly have Mexican corn. Bi-color is the tightest color.

- **Artichokes** remain limited. Our main code (00150) will be 24ct code this week.

- **Green Beans** from Florida are nice quality and down in price this week.

- **Zucchini** and **Yellow Squash** supplies are steady. All **Hard Squash** is steady from Mexico.

- **Cabbage** is steady from Florida and Georgia.

- **Eggplant** supplies and pricing are steady from Mexico.

- **Broccoli Rabe** is more abundant with lower pricing this week.

- **Anise** supplies are steady.