



A MESSAGE FOR OUR CUSTOMERS

Friday, March 20, 2020

Thank you for your support, your patience, your flexibility, your collaboration. Thank you for your feedback and questions, and for helping us understand your needs as they evolve daily amidst these unprecedented times with the COVID-19 situation. Our teams are acting quickly, being creative, and making adjustments as new developments occur.

The team at Four Seasons Family of Companies is taking the risk of the Coronavirus very seriously. We know our responsibility as an essential service is to do everything we can to keep all of us safe and healthy in order to provide food to the region. Our associates are working very hard and we know you are too.

Communities are relying on neighborhood food retailers like you. Four Seasons Produce is committed to helping our partner customers keep the fresh food moving... not just for a few days of consumer "panic buying," but also for the long-haul. The supply chain disruption and capacity issues are very real, but we will navigate them together.

Updates on what we're doing:

1. Aggressive steps in social distancing, sanitation, hygiene based on official guidance continue as we operate 24/7.
2. Efficiency and simplification measures are being taken to create more shipping/receiving/delivery capacity to support customers.
3. Contingency plans and arrangements are being made in the event that temporary workers and drivers are needed.
4. Temporary benefit and policy adjustments have been made to support our associates and their families.

Collaborative requests:

- Please be mindful of our dedicated **Delivery Drivers**. Let's protect one another from unnecessary exposure with 6-8' of social distancing and by allowing drivers to drop the order without an extended check-in process. Sign the bills with your own pen and let them get to the next stop. Our customer reps can help you manage discrepancies.
- Discuss **ordering strategies** frequently with your sales rep and merchandiser to maximize efficiency and be nimble. The supply chain for grower/shippers, producers, distributors, and retailers will continue to be strained – so flexibility and communication will be paramount.

FAQ's:

Will promotional activities continue?

Yes, we are continuing to honor all existing ad circular pricing and contracts, however fill-rates may be a difficulty. Our intent is to keep quoting future ads and promos for our partner retailers, but it will be tricky and fraught with risk as the supply chain is in chaos, demand is uncertain, and growers worry about having enough labor. We'll do our best to help you continue to find value to offer your shoppers.

If grower/shippers issue "Act of God" clauses on contracts or if certain producers temporarily suspend off-invoices or ad activities we'll pass that information along to you. We hope to resume daily deal sheets the week of 3/23 too. Some display contests are temporarily in flux due supply issues caused by COVID-19 demand, but we'll keep you posted on that too. Creativity and flexibility will be key as we work together to find promotable items. Stay tuned for further developments.

Will there be caps on daily orders?

When there was a run on food retailers starting 3/13, we were forced to cap order volumes so as not to let the operation get completely overwhelmed and disrupt future shipping. Our teams are working to expand capacity and open up even more volumes for our loyal partner customers. We're reviewing the situation daily and will implement order volume caps only as needed.

Pre-built mixed skid and full-pallet deals are options to get more volume when our case selection capacity is at it's limit. Ask your sales rep or merchandiser for more info.

More questions?

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As the situation evolves, we'll keep you updated on any changes or new developments that can help us all keep fresh food moving, safely. Thank you for your partnership!

With appreciation,
Four Seasons Produce, Inc.

PRODUCT IMPACTS

The impacts of COVID-19 are creating ripple effects far and wide, and the situation continues to evolve daily. Here are some topics to be aware of as of 3/20/20:

- Staples are in demand and consumers are grabbing bagged product at stores. Meanwhile the foodservice industry is virtually at a standstill. The demand for bagged potatoes and carrots far outpaces the capacity right now. IMPACTS/IDEAS:

- Expect lower fill-rates on bagged Potatoes for the coming weeks, but there will be opportunities to buy bulk 50lb cases originally destined for foodservice which could be sold by the pound in totes at your store.

- Grower/Shippers like Cal-O/Grimmway, AV Thomas/Natural Beauty, and others are reducing “value-added” and specialty packs like carrot chips or microwaveable sweet potatoes to focus on producing their core staple items. Make display adjustments accordingly.

- Salad and Cut Veg Producers like Taylor/Earthbound and Olivia’s Organic others are temporarily reducing SKUs to focus on their best sellers; others like Fresh Express simply cannot keep up with demand due to worker attendance issues which is creating many gaps in supply.

- For efficiency sake and fill-rate, many national retailers are focusing their procurement on the staple items and best sellers.

- Weather has not been cooperative out West with heavy rains as veg crops wrap up in Arizona and transition to California, and California citrus growers are in trying to harvest their late varieties. Prices on many of these staples are up due to lower supply.

- Across the supply chain, available labor on the farm, in production plants, with truck carriers, and warehouses will be something to watch as COVID-19 spreads. Every part of the supply chain is working to keep food moving, safely.

- Conventional Produce supply, in general, has been more available than Organic. Foodservice demand which relies more on Conventional has dropped drastically, freeing up more product. With Organic, the supply chain is even more strained.

Check out the United Fresh Produce Association Coronavirus Consumer Resource Page:

<http://ow.ly/H8a950yRdg0>

The screenshot displays the United Fresh Produce Association website. The header includes the United Fresh logo, a search bar, and links for SIGN IN and CONTACT. A sidebar on the left lists navigation options: EVENTS & PROGRAMS, MEMBERSHIP, ABOUT US, ADVOCACY, FOOD SAFETY, and NUTRITION. The main content area is titled "CORONAVIRUS: CONSUMER RESOURCE PAGE" with a date of "MAR 16, 2020". It features a "RESOURCES" section with a link to "THE PRESIDENT'S CORONAVIRUS GUIDELINES FOR AMERICANS". A right sidebar highlights "Coronavirus/ COVID-19 Resources" and promotes the "UNITED FRESH 2020 CONVENTION & EXPO" with the tagline "Make Waves in San Diego" and a "REGISTER TODAY" button. At the bottom right, there is a "SALES TRAINING" section with an image of two people in a meeting.

ORGANIC MARKET NEWS



MARCH 20 - MARCH 27, 2019



OG CARROTS

ALERT! Grimmway has made the decision to **temporarily discontinue** their **Organic Carrot** retail value added items (10oz Shredded Carrots, 1lb Crinkle Cuts, 1lb Carrot Chips, 12oz Carrot Sticks, 12oz Rainbow Chips, banded snack packs) until further notice.

They are converting these lines to run **Organic Baby Carrots** and **Organic Cello Carrots** to try and catch up a little bit.

National demand has been so strong, growers picked ahead to fill orders which will now delay the next production runs.



OG TOMATOES

ALERT! **Organic Beefsteak Tomato** harvests are extremely short. Mexico has very limited supplies and most Canadian shippers have not yet started harvests.

Organic Cluster Tomatoes remain very limited this week. Most Canadian production isn't expected to start up until mid-April. Mexico has little to no supplies, and overall demand is extremely high. Expect gaps in supplies this week.

Organic Grape Tomato prices are rising as well as overall demand is up. Mexico is producing steady supplies and Florida has not yet begun the spring harvests.

Organic Roma Tomatoes will again be extremely limited this week. Mexico production has become very short. Expect shortages and gaps as demand is strong with very little supplies available.



OG POTATOES & ONIONS

ALERT! **Organic Russet Potato** demand on both counts and russets is through the roof. Suppliers are limiting the future orders they have on the books in order to stretch out product as long as possible.

Peri & Sons **Organic Onions** out of Nevada is now completely done with shipping this week. We will transition supply up to Pacific Northwest storage crop and we will see Mexican new crop **Organic Onions** getting started in early April.



OG ASPARAGUS

Organic Asparagus continues to be one of the few promotable veg items. Harvest numbers are strong, and quality is excellent.



OG PEPPERS

ALERT! **Organic Colored Peppers** are in high demand due to the inbound flights from overseas stoppage. This is causing extra demand on Mexican product which is experiencing less than ideal weather conditions and Canadian product is not available yet.

Organic Mini Sweet Peppers may be a good alternative from time-to-time when bell peppers are out of stock.



OG GRAPES

As we transition **Organic Grapes** from Peru to South Africa, and with everything going on in the world, this is going to lead to very a bumpy road.

Organic Green Grapes are virtually done for the season out of all regions. We expect to gap for 5-8 weeks until Mexico ramps up.

Ask about spot deals the week of 3/23 on **Organic Red Seedless** and **Black Sweet Sapphire Grapes**.



OG BRUSSELS SPROUTS

Organic Brussels Sprouts continue to be available, though pricing is on the rise headed towards April due to weather conditions and demand.



OG BERRIES

NOTE: We are getting prorated pretty heavily on **Organic Berries** out of Mexico due to worker availability (COVID-19 panic) and rain.



OG CITRUS

Organic Citrus markets are on fire. Growers experienced multiple days of rain and a spike in demand from consumers following the announcement of the pandemic. Growers are raising prices and supplies will start to dwindle on some specialty varieties, including **Organic Mandarins**.



OG APPLES & PEARS

NOTE: Growers are beginning to raise prices across all **Organic Apples** varieties for late March due to excessive demand and shorter than expected supply. Sporadic packing is really starting to set in and leave us short in areas.

Organic Bartlett Pears are in good, steady supply with new **Organic Red Bartlett** and **Abate Pears** just arriving.



OG VEG

A lot of items such as **Organic Lacinato Kale**, **Leeks**, **Cilantro**, **Chards**, and **Scallions** are being sourced from many shippers due to the increased demand shippers are feeling right now as a result of COVID-19.

Lady Moon Farms has been winding down on a few commodities from Florida such as **Organic Bok Choy** (extremely limited in CA due to increase demand & less than ideal weather), **Fennel** (expect to see CA product to supplement), and specialty items such as **Organic Mustard Greens**, **Tatsoi**, **Red Baby Bok Choy**, and **Mizuna**.



OG TROPICALS

ALERT! **Organic Hass Avocados** continue to be very tight. Four Seasons will have good supplies for late March, but prices are increasing considerably.

ALERT! **Organic Pineapple** supplies will be tight for late March as suppliers are seeing limited fruit coming out of Costa Rica.



OG WESTERN VEG

ALERT! **Organic Broccoli**, **Cauliflower**, and **Romaine Hearts** are difficult to source due to the high demand of the items, mixed with increasingly bad rains/weather in Southern California or Yuma, AZ. Transition time is expected by the beginning of April.

Good news for now, is that **Organic Celery** continues to be readily available at a slightly increased price.



OG CUCUMBERS & SQUASH

Organic Euro Seedless Cucumbers continue to be promotable.

ALERT! **Organic Cucumbers**, **Green Zucchini**, and **Yellow Squash** continue to be extremely limited and expensive. **Organic Zucchini** from Florida still remains limited as well.



OG HARD SQUASH

NOTE: **Organic Hard Squash** is very limited this week due to intense rains in the growing regions. There is a lot of product to be harvested but equipment and crews cannot get into the fields to harvest until they have some drier weather.

CONVENTIONAL MARKET NEWS

MARCH 20 - MARCH 27, 2020



CV CARROTS

ALERT! Grimmway has made the decision to **temporarily discontinue** their **Carrot** retail value added items (10oz Shredded Carrots, 1lb Crinkle Cuts, 1lb Carrot Chips, 12oz Carrot Sticks, 12oz Rainbow Chips, banded snack packs) until further notice.

They are converting these lines to run **Baby Carrots** and **Cello Carrots** to try and catch up a little bit.

National demand has been so strong, growers picked ahead to fill orders which will now delay the next production runs.

We are sourcing extra cello carrots from Texas to fill in.



CV BERRIES

Raspberries will remain steady as we go forward for late March. We're expecting good supplies as these growing areas didn't experience the same challenges as blackberries. Quality has been very nice on all **Raspberries**.

NOTE: Strawberries will continue to be in short supply from all growing areas. Florida is coming to an end for the season, while California continues to struggle with rain. Expect higher prices this upcoming week until growing conditions improve in California.

NOTE: Blackberries will be in much tighter supply this week from Mexico, and pricing will begin to climb. These growing areas experienced significant rain, which is affecting the overall supply, but the expectation is that this should last 10-14 days.

NOTE: Blueberries will continue to be in tighter supply this week. The majority of our supply will be in 6oz, but pints should be right around the corner from Florida and Mexico. Florida is expected to start in good volume in April.



CV TOMATOES

ALERT! Beefsteak Tomato prices are hot and rose significantly. Mexico has very short, if any supplies and Canadian production has just begun. Demand from Covid-19 has so far exceeded supplies causing the jump.

ALERT! Cluster Tomato prices are also very high. Again, Mexico has very little to no supplies coming in. Canadian production is just beginning for season and demand has exceeded supplies. Supplies are extremely tight; however, quality is outstanding on the new Canadian crop and US harvests.

Grape Tomato prices are rising due to stronger than normal demand. Florida continues to be the main supplier as Mexico has very little supplies to offer. Quality has been nice.



CV LETTUCE

Leaf Lettuces will be more available. Quality will be hit or miss due to heavy rain.

Iceberg Lettuce and **Romaine Hearts** are more limited as consumers are gravitated towards these staples (and are also packaged). Growers are still in the transition from Yuma, AZ to Southern California. Both regions have experienced rain.



CV CUCUMBERS

ALERT! Super Select Cucumber prices jumped significantly this week due to demand and lack of availability. Florida is still not ready to harvest creating a gap in transition.

Seedless Euro Cucumbers have also raised significantly. Mexico is starting to clean up the winter harvests putting the pressure on the early spring crop from Canada and production is not ready for the demands. Quality has looked great.



CV PEPPERS

ALERT! 11lb Red, Orange, and Yellow Peppers are very hot and going up as Mexico is finishing up and Canadian production has just begun. **Orange** is the shortest of the colors and expect gaps in supplies. **Red** and **Yellow** will be more readily available.

Green Pepper prices raised significantly as Mexico is cleaned up and Florida is just beginning their spring harvests. Demand continues to exceed supplies. Florida quality will be great as this is the crown pick on new crops.



CV CITRUS

NOTE: As the **Halos Mandarin** season is winding down, expect to see smaller sized fruit in the bag. Demand is huge and the crop may wind down in early April.

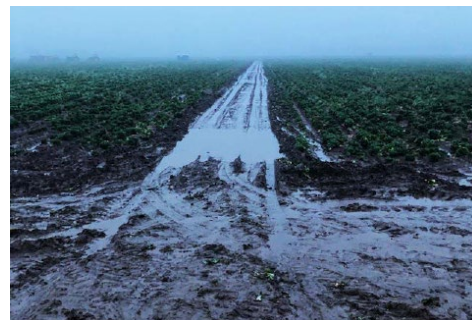
NOTE: Rain in mid-March interrupted **Navel Orange** supplies. Pricing is up and growers are behind on packing schedules due to huge consumer demand following the pandemic announcement.



CV POTATOES & ONIONS

ALERT! Retail **Bagged Potatoes** are in extreme shortage this week and shippers just do not have the packing capacity to keep up with the intense retail demand.

Bulk Loose Potatoes are in better supply this week as most food-service customers are canceling orders with suppliers.



CV WESTERN VEG

ALERT! Yuma, AZ is struggling to recoup from the heavy rains in early March and then got hit with more rain again! **Vegetable** growers are finishing out their season in Yuma as they transition back into CA over the next few weeks. CA has been colder and got hit with a few rains as well, slowing crops. Demand is far exceeding supply. Vendors are selling out every day! Pricing is determined day of shipping and most will not take pre-books at this time. Quality will be hit or miss.



CV BROCCOLI & CAULIFLOWER

NOTE: The best supply of **Broccoli** is still coming out of Mexico. CA and AZ are limited, and price will continue to increase.

ALERT! 12ct **Cauliflower** is extremely limited and will high in price. Some 9cts will be available.



CV HASS AVOCADOS

Hass Avocado supplies have been good. There are deals on #2 fruit due to restaurant and food service businesses closing. This could affect #1 pricing next week. Pricing will be a few dollars lower for the end of the month.



CV ONIONS

We have seen the overall market on **Onions** remain pretty steady this week on price with the exception on **Bagged Onions** in retail packages. Pricing will increase slightly as we head into next week to cover the extra labor to keep up with the heavy demand.



CV GRAPES

Keep pushing **Red Seedless Grapes**! Supplies are ample and priced aggressively. **Green Grapes** are on their way up. Expect to pay higher prices for good **Green Grapes**.



CV ASPARAGUS

Asparagus remains promotable for late March. Quality has been excellent out of Mexico.

OTHER STORIES

NOTE: As supply tightens due to rain, prices continue to increase on 25lb **Brussels Sprouts**. Quality is for the most part good with some hit or miss due to all the rain.

ALERT! **Celery** and **Celery Hearts** will be limited with increasing prices due to weather issues and demand.

OUTLOOK: **Watermelons** from Florida are expected to come into season for late March. This will be first of the season and so far, pictures look great.