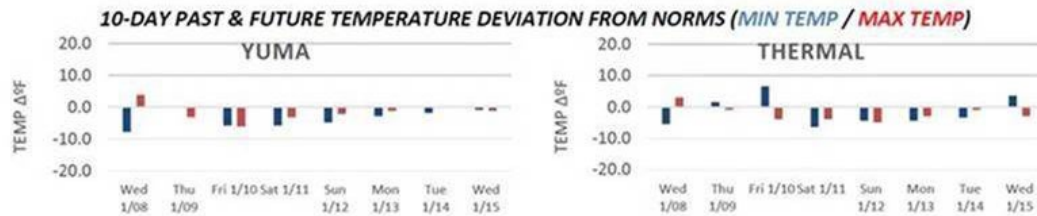


Good Morning,

The unrelenting cool weather in the Desert growing regions continues to create quality challenges and slow growth rates across all commodities, resulting in reduced industry supplies and elevated commodity markets. All core-veg items organic and conventional, head lettuces and baby leaf supplies are either tight, getting tighter or short of budget. More cold weather is on the way too. Lettuce ice and below normal temps are forecasted through essentially all of this week, this will only exacerbate the shortages and delay recovery times. All facilities worked yesterday, though production could be limited by both raw material and attendance rates after repeated Sunday shifts. The untimely lettuce ice delays this weekend will limit harvest windows and could contribute to an already impacted capacity environment at all facilities.



<http://media.campaigner.com/media/46/469055/DESERTS/Sonoran%20Desert%20Valleys%20011120.pdf>

Arugula: No significant change expected until the week of 1/20. Intense mildew pressure and widespread yellowing has much of our crop unmarketable through this week. The mildew is not confined to a particular variety or growing district; we use multiple seed varieties in different areas and results are the same across the board. Our harvest forecast today through Wednesday of this week is very bleak, we will likely have no more than 10-20% of anticipated demand available. The blends should be covered, but even those will be day to day. The back half of next week, if we can get a break in the weather could see some slight improvements, but again probably not a significant change until the week of 1/20.

Kale: Moderate improvement to supply situation. Yellowing and weaker yields are still a concern. Forecasted to have about 80% of normal demand through next week. Demand is elevated due to recent shortages, actualized fill rates could be lower.

Spinach & Spring Mix: Better shape relative to arugula & kale, but still lean due to exceptionally high demand across the system. Fill rates will only be limited by plant capacities, which are significant. Quality challenges, mostly due to yellowing are still apparent across the tender leaf category, expect more of the same in the short term.

Iceberg Lettuce: Supplies are becoming more limited due to increased acreage consumption due to light bin weights that have resulted from poor head density (slow growth) and increased outer leaf peel-downs as mildew pressure has climbed. We will have difficulty covering above budget orders for the next few weeks, average volumes should be covered. TF has had to buy into the current \$30 market to stay afloat.

Org/Conv Broccoli: Slow and irregular growth along with pin-rot and decay issues has limited yields; the continued cold weather will keep broccoli supplies very lean. Covering average volumes over the next two weeks should be feasible, however we will likely continue to run short of current demand which is extremely high. Diet season shopping habits in conjunction with hot commodity markets (\$30 on conv, \$40+ organics) has demand for all-cut veg items extremely high. Prorates through the weekend will be based on cases shipped relative to averages. All customers should receive their 12 week average, if not more.

Brussels Sprouts: Heavy mildew and internal decay in the last of the Salinas plantings, plus poor quality in the Northern MX product leaves us with very little clean material to cover whole sprouts through the weekend. We are working with our local grower to jump into cleaner lots but they have advised that acreage and options are limited as the season comes to a close.

Thanks,
Stu