

# PEACH FUZZ



An exclusive membership newsletter published by California Canning Peach Association the cooperative bargaining association in the canning cling peach industry.

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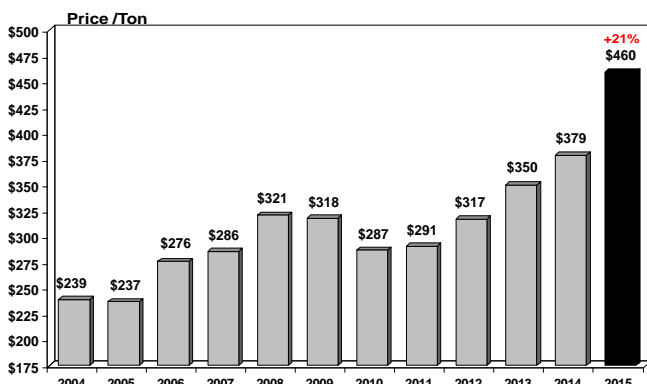
## CCPA BOARD RATIFIES 2015 PRICE AGREEMENT

At their December 12 meeting, the Association's Board of Directors ratified a 2015 price agreement reached with Del Monte Foods. The 2015 base price is \$460/ton which amounts to an \$81/ton (+21%) increase over last year's \$379/ton price. The agreement also includes higher premiums for Extra Early varieties with Loadels & Ceres Carson deliveries now receiving \$55/ton (up \$17/ton from last year's \$38/ton premium) while Stanislaus deliveries will receive a \$40/ton premium (up \$12/ton from last year's \$28/ton). The No. 2 fruit payment provisions have also been changed with Extra Early variety No. 2's between 0-10% being paid at \$400/ton while deliveries with No. 2's between 10-15% will be paid at \$185/ton. No. 2's in all other varietal groups will be paid for at \$400/ton up to 5% and at \$185/ton for deliveries between 5-10%. Excess No. 2's will not be counted on the Schedule of Values. The constant tolerance for other general defects (excluding green, bruised & overripe, undersize, visible split pits, worms, and brown rot) will pay full price for up to 3% while deliveries between 3-10% will be paid for at \$200/ton. Any excess will not be counted on the Schedule of Values. The 2015 price is more than double our largest single year price increase per ton and it is hoped that establishing this early price agreement will lead to the needed new plantings of peach orchards to meet current market demand. (All processors are willing to offer growers 20 year contract terms for new plantings.) The Association expects to reach agreement with all our remaining processor customers by the end of the month so all cling peach growers have certainty and can secure needed 2015 crop financing. A summary of the key Terms of Sale is detailed below.

### SUMMARY OF 2015 TERMS OF SALE

<u>Description</u>	<u>Terms Used in 2014</u>	<u>Price Agreement for 2015</u>																				
<b>EE PREMIUM</b>	\$38/ton: Loadels, Ceres Carson \$28/ton: Stanislaus	<b>\$55/ton:</b> Loadels, Ceres Carson ( <b>\$515/T</b> ) <b>\$40/ton:</b> Stanislaus ( <b>\$500/T</b> )																				
<b>NO. 2 PEACHES</b>	EE - 10% Paid at Full Price. Between 10-15% paid at \$160/ton* All Other-5% Paid at Full Price. Between 5-10% paid at \$160/ton* Excess not counted on Schedule of Values* Canner Option to Reject > 15%.	EE – Up to 10% paid at <b>\$400/Ton.</b> Between 10-15% paid at <b>\$185/Ton.</b> All Other- Up to 5% paid at <b>\$400/Ton.</b> Between 5-10% paid at <b>\$185/Ton.</b> Excess not counted on Schedule of Values. Canner Option to Reject > 15%.																				
<b>UNDERSIZE</b>	Canner Option to Reject Loads > 10% Undersize Fruit.	Canner Option to Reject Loads > 10% Undersize Fruit.																				
<b>MATURITY</b>	Minimum pressure 2.9 pounds.	Minimum pressure 2.9 pounds.																				
<b>CONSTANT TOLERANCE</b>	3% Constant Tolerance at Full Price. Between 3-10% paid at \$160/ton* Excess not counted on Schedule of Values*	3% Constant Tolerance paid at Full Price. <b>Between 3-10% paid at \$200/Ton.</b> Excess not counted on Schedule of Values.																				
<b>SCHEDULE OF VALUES</b>	<table border="1"> <thead> <tr> <th><u>Offgrade</u></th> <th><u>Price/Ton</u></th> </tr> </thead> <tbody> <tr> <td>0 – 8%</td> <td>Base Price</td> </tr> <tr> <td>8 – 12%</td> <td>- \$40/Ton</td> </tr> <tr> <td>12 – 20%</td> <td>- \$80/Ton</td> </tr> <tr> <td>&gt; 20%</td> <td>\$75/Ton Flat Rate</td> </tr> </tbody> </table>	<u>Offgrade</u>	<u>Price/Ton</u>	0 – 8%	Base Price	8 – 12%	- \$40/Ton	12 – 20%	- \$80/Ton	> 20%	\$75/Ton Flat Rate	<table border="1"> <thead> <tr> <th><u>Offgrade</u></th> <th><u>Price/Ton</u></th> </tr> </thead> <tbody> <tr> <td>0 – 8%</td> <td>Base Price</td> </tr> <tr> <td>8 – 12%</td> <td>- \$40/Ton</td> </tr> <tr> <td>12 – 20%</td> <td>- \$80/Ton</td> </tr> <tr> <td>&gt; 20%</td> <td>\$75/Ton Flat Rate</td> </tr> </tbody> </table>	<u>Offgrade</u>	<u>Price/Ton</u>	0 – 8%	Base Price	8 – 12%	- \$40/Ton	12 – 20%	- \$80/Ton	> 20%	\$75/Ton Flat Rate
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<b>MACHINE HARVEST</b>	\$20/ton Differential. No price differential for 2 <sup>nd</sup> pick. Processor Approval Required.	\$20/ton Differential. No price differential for 2 <sup>nd</sup> pick. Processor Approval Required.																				
<b>PAYMENTS</b>	75% on Delivery-Balance Oct. 1. *Modified in July, 2014	75% on Delivery-Balance Oct. 1.																				

California Cling Peach Price Trends



Largest Peach Price Increases since 1984

<u>Crop Year</u>	<u>Prior Year Price</u>	<u>Current Year Price</u>	<u>Increase/ Ton</u>
<b>2015</b>	<b>\$379</b>	<b>\$460</b>	<b>\$81</b>
<b>2006</b>	<b>\$237</b>	<b>\$276</b>	<b>\$39</b>
<b>2008</b>	<b>\$286</b>	<b>\$321</b>	<b>\$35</b>
<b>1984</b>	<b>\$148</b>	<b>\$183</b>	<b>\$35</b>
<b>2013</b>	<b>\$317</b>	<b>\$350</b>	<b>\$33</b>
<b>1995</b>	<b>\$185</b>	<b>\$213</b>	<b>\$28</b>
<b>2012</b>	<b>\$291</b>	<b>\$317</b>	<b>\$26</b>

RETURN SERVICE REQUESTED

**2015 ANNUAL MEETING PLANS**

The Association’s 2015 Annual Meeting will be held on Tuesday, January 20<sup>th</sup> at the Sacramento Hilton Hotel located at 2200 Harvard Street. The meeting will get underway at 4:00 p.m. with Dan Dooley (Former Senior VP for External Relations for the University of California who has returned to practicing law and is specializing on water issues) as our Keynote Speaker this year. Immediately following the Annual Meeting program, the Peach Family Dinner will take place with cocktails at 5:00 p.m. followed by dinner at 6:00 p.m. (Advance reservations are required for dinner – please RSVP to the Association’s Sacramento office no later than Friday, January 9<sup>th</sup>. All CCPA members and invited industry guests are encouraged to attend this meeting.

**YTD RAINFALL TOTALS RUNNING AHEAD OF NORMAL**

Rainfall totals from July 1–December 12 are now running significantly ahead of normal for Northern California. However, we are still far below the rainfall needed to break our three year drought.

**Rainfall Totals: July 1 – December 12**

<u>Location</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Normal</u>	<u>% of Normal</u>
Yuba City	2.58”	13.80”	2.30”	10.45”	5.76”	181%
Sacramento	2.35”	7.59”	1.90”	8.30”	4.53”	183%
Modesto	1.91”	3.78”	1.49”	6.07”	3.01”	202%
Fresno	1.57”	2.20”	0.73”	2.89”	2.45”	118%

**CHILLING HOURS UPDATE**

Chilling hours accumulated as of December 14 are significantly lower than last year’s chilling hours on this date. All locations are at least 140 hours above year ago totals. Winter chilling hour totals as more rainfall has kept temperatures above 45 degrees for most nights. A minimum of 800 hours of chilling between Nov. 1–Feb. 28 is considered necessary to satisfy the basic requirements of a cling peach tree.

**Chilling Hours: November 1 – December 14**

<u>Area</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Davis	81	360	217	348	228	393
Modesto	145	467	272	403	292	452

**ASSOCIATION BOARD OF DIRECTORS ELECTION UNDERWAY**

Ballots for the Association’s 2015 Board of Directors election were mailed to members on Tuesday, December 9<sup>th</sup> and must be returned to the Association’s Sacramento office by Friday, January 9<sup>th</sup>. The Association’s recently completed 2015 Delegate election resulted in two new Delegates (Jeff Cederlind in District 8 and Tom Neufeld in District 10/11) being elected to serve in the coming year. Members cast 43% of the eligible votes in our 2015 Delegate elections.



***THE ENTIRE CCPA STAFF WISHES  
 EVERYONE A VERY MERRY CHRISTMAS  
 &  
 A PROSPEROUS NEW YEAR***

