

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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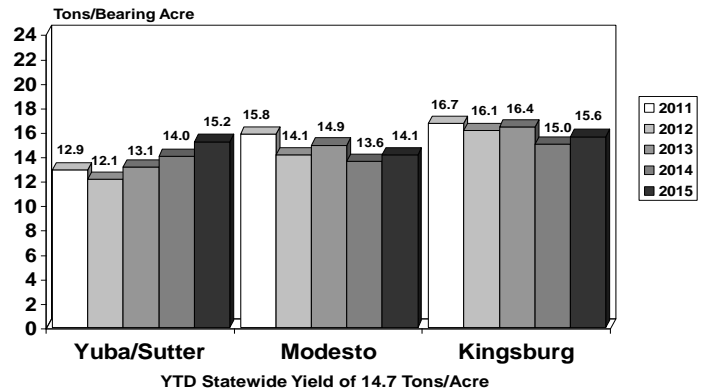
EXTRA EARLIES REACH 97% OF ESTIMATE

According to the latest cling peach delivery figures (through July 20), the Extra Early variety deliveries amount to 77,507 tons which currently represents 97% of the industry's 79,690 ton Block x Block estimate. At this point, there are approximately 600-900 tons of Extra Earlies remaining to be picked this week. The 2015 Extra Early harvest has turned out to be the closest to the Block x Block estimate in recent history, last year deliveries fell 10.3% below estimate and our five year industry average is 12.1% below estimate. Statewide Extra Early yields currently amount to 14.7 tons/acre, up 5% from the 2014 yield of 14.0 tons/acre. All three growing areas are experiencing better yields than last year. Although the 2015 peach harvest started four days earlier than last year, harvest timing seems to be slowing somewhat during the past week. Deliveries in the Early varietal group are currently running approximately two days ahead of last year's timing and the first Ross variety peaches were picked in Kingsburg on July 18 which is two days later than our first Ross delivery last year. Fruit quality for the 2015 harvest has been very good with undersize fruit continuing to be the most common offgrade. The YTD Statewide total offgrade is currently 3.66% with undersize fruit accounting for nearly 60% of all offgrade. The undersize offgrade in Extra Early varieties is the highest in the last six years (although very close to our 2009 results). Other than size issues, quality has been excellent so far this year. At this point CCPA members have delivered a total of 4,816 tons of mechanically harvested fruit this year, up 36% from last year's mechanically harvested delivery volume through July 19.

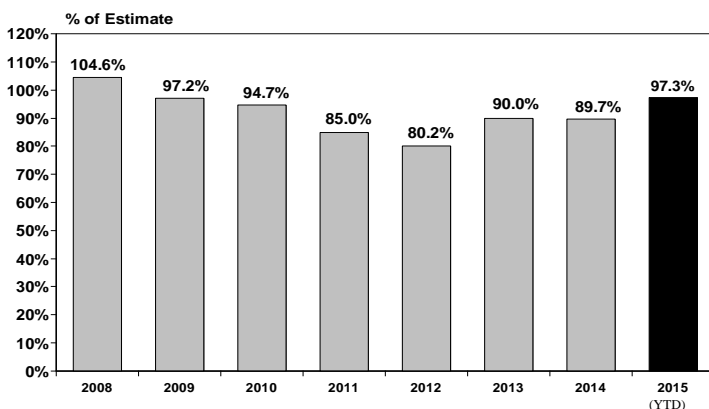
Extra Early Deliveries Thru July 20

Area	Block x Block Estimate	Tons Delivered	% vs. Estimate	Yield/Acre
Yuba/Sutter	36,099	36,213	+ 0.3%	15.2
Stockton	2,270	1,548	-31.8%	11.1
Modesto	28,880	27,430	- 5.0%	14.1
Kingsburg	<u>12,441</u>	<u>12,316</u>	<u>- 1.0%</u>	<u>15.6</u>
TOTALS	<u>79,690</u>	<u>77,507</u>	<u>- 2.7%</u>	<u>14.7</u>

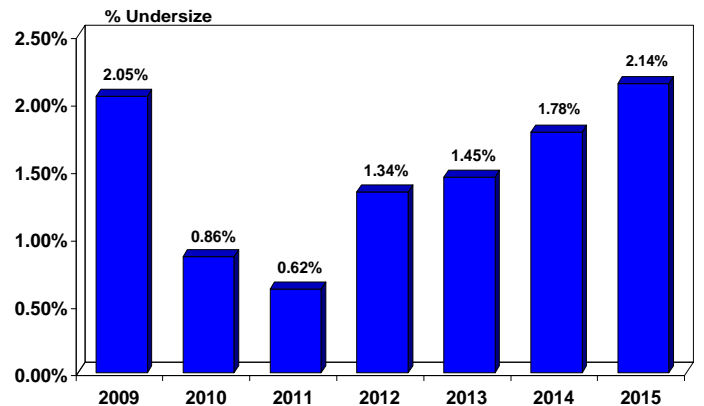
California Cling Peach Delivery Trends
 Extra Early Yield/Acre Comparison
 2011 - 2015



Comparison of Deliveries vs. Estimates
 Extra Early Varieties
 2008 – 2015



Undersize Fruit Delivery Trends
 Extra Early Varieties



USDA MAKES SECOND 2015 CANNED FRUIT BUY

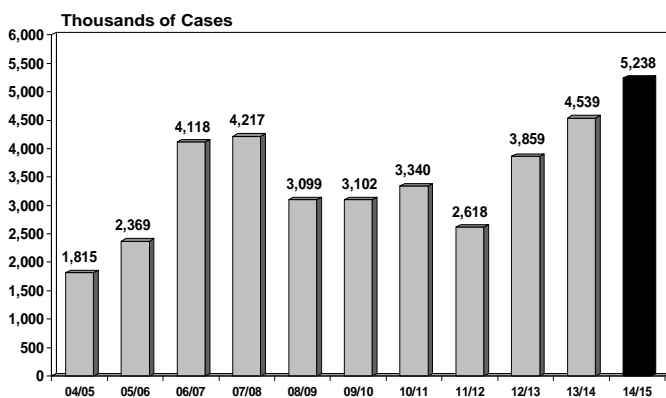
On July 1, USDA officials announced the results of their second 2015 canned fruit purchase for the 2015/16 school year. Del Monte Foods was awarded 152,280 cases of 24/300 sliced peaches, 47,424 cases of 6/10 diced peaches and 100,320 cases of 6/10 mixed fruit. Pacific Coast Producers was awarded 50,220 cases of 24/300 sliced peaches, 207,024 cases of 6/10 sliced peaches, 206,112 cases of 6/10 mixed fruit, and 142,560 cases of 24/300 mixed fruit. Seneca Foods was awarded 299,700 cases of 24/300 sliced peaches, 217,968 cases of 6/10 sliced peaches, 446,880 cases of 6/10 diced peaches, 349,296 cases of 6/10 mixed fruit, and 249,480 cases of 24/300 mixed fruit. Pricing for delivery to California locations ranged from \$31.73-\$39.31/case for 6/10 peaches and from \$18.93-\$23.76/case for 24/300 canned peaches. Based on year-to-date harvest results, it may be possible for the industry to supply additional canned fruit to USDA this summer. USDA officials are currently reviewing their needs for additional 2015 volume for both schools and needy family feeding programs.

RETURN SERVICE REQUESTED

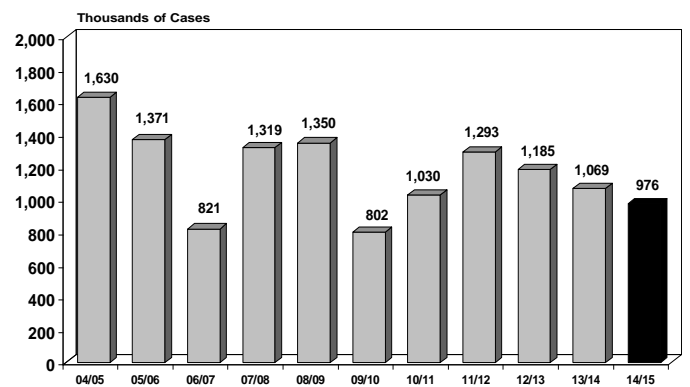
2014/15 CANNED PEACH IMPORTS UP 15%, EXPORTS DOWN 9%

Canned peach imports for the 2014/15 marketing year reached a second consecutive all-time record high with 5,237,933 cases, up 15% from last year's previous record of 4,538,947 case import volume. China continues to be the leading importer with 3,567,870 cases shipped (68% of total volume) followed by Greece with 1,366,563 cases (26%). Chile is a distant third with just 144,411 cases shipped. Imports of canned peaches from China are now seven times larger than 2005 levels and imports from Greece nearly doubled during the past year. In U.S. retail sales channels the single largest source of shelf stable imported peach products are peaches packed in plastic cups or jars under the Dole label. U.S. canned peach exports for 2014/15 fell by 9% to 975,851 cases. Canada was our largest export destination with 534,753 cases (55% of total exports) followed by Mexico with 293,716 cases (30%). U.S. canned peach exports to Canada grew by 14% during the past year while sales to Mexico declined by 41%. Given limited stocks and a strengthening U.S. dollar, it is expected that our 2015/16 canned peach exports will continue their recent decline.

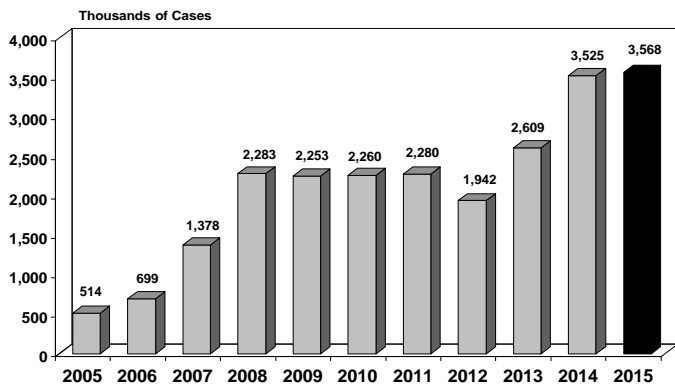
**U.S. Canned Peach Import Trends
2005 - 2015**



**U. S. Canned Peach Export Trends
2005 - 2015**

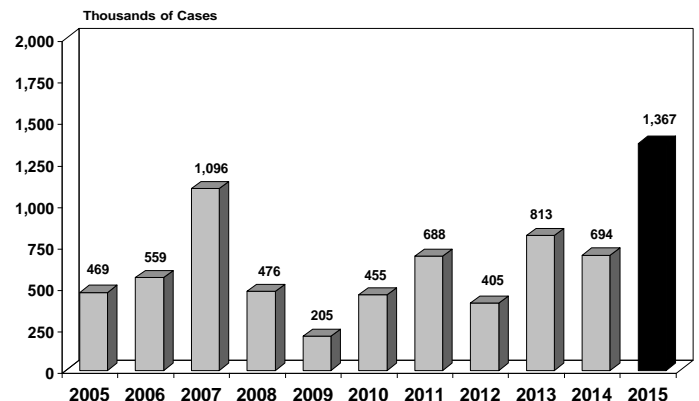


**U. S. Canned Peach Imports from China
2005 - 2015**



Imports from China are seven times larger than 2005 levels.

**U. S. Canned Peach Imports from Greece
2005 - 2015**



OF INTEREST

- CCPA members are reminded that the August 1st deadline is rapidly approaching for our 2015 Early Final Payment Program which allows growers with case contracts the option of receiving their final \$115/ton payment one week after the initial delivery payment.
- CCPA members have recently voted to adopt a By-law amendment which requires that all acreage owned or controlled by a member is signed into CCPA membership in order to be eligible to serve on our Board of Directors. 82% of the votes cast in the election favored this change which will be in effect for the 2016 Board elections.