

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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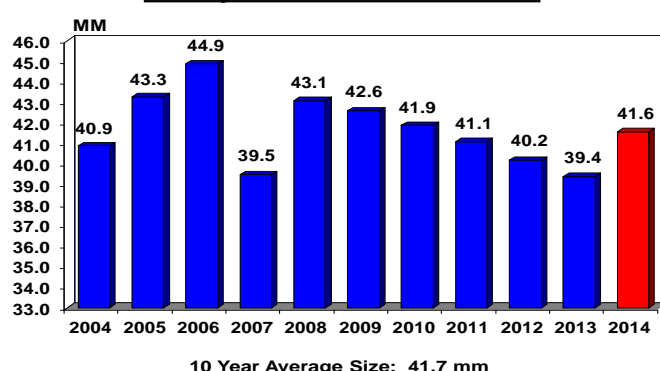
2014 PEACH HARVEST UNDERWAY

The 2014 peach harvest began with Ceres Carsons being picked in Kingsburg on June 10 which is five days earlier than last year's initial harvest date. The first Loadels in the Kingsburg area were picked on June 20 this year (eight days earlier than last year). The first Ceres Carsons in the Modesto area were picked on June 21 this year (five days earlier than last year). Harvest in the Yuba/Sutter area is expected to commence during the week of July 7 compared to a July 3 initial harvest date last year. CCPA member deliveries through June 29 total 3,753 tons with an average total offgrade of 4.59%. Although average fruit sizes are better than last year, the biggest challenges for the Extra Early's appear to be a wide range in fruit sizes and mixed maturity. The increased tolerances for No. 2 fruit in our terms of sale this year (from 5% to 10% for Extra Early's and from 2% to 5% for all other varieties) should benefit growers who are faced with a wide range of fruit sizes in their orchards this summer. All growers will now be impacted by the 12% increase in California's minimum wage effective July 1, 2014.

Offgrade Comparison CCPA Member Deliveries Thru June 29

	2010	2011	2012	2013	2014
Start	June 23	June 21	June 14	June 15	June 10
YTD Tons Delivered	799	1,415	2,296	3,923	3,753
Total Offgrade	4.63%	5.35%	5.78%	3.50%	4.59%
Offgrade Detail					
Green	1.48%	0.67%	0.33%	0.47%	0.73%
Bruise & Override	0.22%	1.78%	1.14%	0.59%	1.11%
Undersize	0.93%	0.65%	1.39%	1.05%	1.68%
Inv Splits	0.29%	0.75%	0.25%	0.19%	0.31%
No. 2 Fruit	3.30%	3.01%	4.67%	3.90%	4.58%
% Delivered 0-8%	92%	91%	81%	93%	95%

Reference Date Sizes in Yuba/Sutter 30 Days After Reference Date



2014 BLOCK X BLOCK ESTIMATE TOTALS 340,144 TONS

The California League of Food Processors has released the industry's 2014 Block x Block crop estimate of 340,144 tons. This represents a 17.1 ton/acre yield, nearly unchanged from last year's average yield of 17.2 tons/acre. The 340,144 ton estimate is slightly larger than the Association's 335,837 ton Prethinning Estimate which was conducted in early May. The largest yield increase this year is projected in Extra Early's with an estimate of 15.6 tons/acre, which amounts to an 8% increase over last year's Extra Early yield of 14.4 tons/acre and a 3% increase over the five-year average yield of 15.2 tons/acre. The largest yield decrease is projected in Extra Late varieties with an estimate of 16.9 tons/acre, which would amount to a 9% decrease over last year's 18.5 ton/acre yield and an 8% drop from the five year average yield of 18.4 tons/acre. The Kingsburg area is estimating the largest crop in yield with an estimate of 17.4 tons/acre this year compared to last year's 18.8 ton/acre yield. If the 2014 peach crop reaches the Block x Block estimate, the California peach industry is projected to pack just 12.8 million cases, down 5% from last year's 13.5 million case pack.

2014 Block x Block Estimate

<u>TONNAGE BY AREA</u>	<u>Bearing Acres</u>	<u>Blk x Blk Estimate</u>	<u>2013 Deliveries</u>	<u>% Change vs. Last Year</u>	<u>Yield/Acre</u>
Yuba/Sutter	10,555	182,766	197,308	-7.4%	17.3
Stockton	638	10,458	11,001	-4.9%	16.4
Modesto	6,645	110,950	115,487	-3.9%	16.7
Kingsburg	2,063	35,970	40,580	-11.4%	17.4
TOTALS	19,901	340,144	364,376	-6.7%	17.1
<u>Varietal Group</u>	<u>Bearing Acres</u>	<u>Blk x Blk Estimate</u>	<u>2013 Deliveries</u>	<u>% Change vs. Last Year</u>	<u>Yield/Acre</u>
Extra Early	5,668	88,382	86,670	+2.0%	15.6
Early	2,775	44,687	47,810	-6.5%	16.1
Late	8,238	152,633	162,649	-6.2%	18.5
Extra Late	3,220	54,442	67,247	-19.0%	16.9
TOTALS	19,901	340,144	364,376	-6.7%	17.1

JUICE FRUIT SALES OPPORTUNITIES IN 2014

The Association will have a sort-out juice fruit sales program available for members and nonmembers this summer. Any grower interested in participating must submit a copy of your pesticide treatment form and be approved by an Association field representative prior to making a delivery. For more information on juice fruit sales opportunities this summer, please contact your local CCPA field office. Remember that juice fruit deliveries must have no mold or brown rot, no worms, no grounders, and no leaking bins.

RETURN SERVICE REQUESTED

CCPA OFFERS MEMBERS EARLY FINAL CROP PAYMENT OPTION IN 2014

At their June 26th meeting, the Association's Board of Directors approved an expansion of the Early Final Crop Payment Program which provides CCPA members with cash contracts the option of receiving their final \$95/ton crop payment prior to the October 1, 2014 scheduled payment date. Program sign-ups are being handled on a first-come, first-served basis up to a program cap of \$2,500,000 in total payments. All early payments will be made by CCPA one week after the 2014 delivery payment is made by the processor and all early payments will be subject to a \$1.00/ton interest charge by CCPA. Last year over 30 growers participated in the early payment program, please contact your local field office if you are interested in receiving an early payment in 2014.

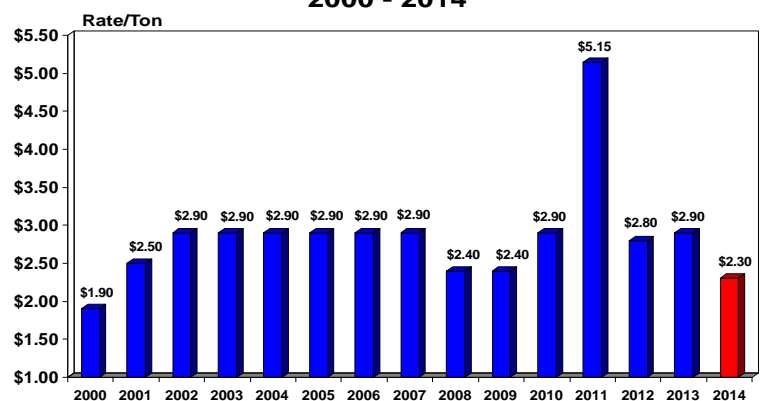
YTD CANNED PEACH IMPORTS SET NEW RECORD

Canned peach imports for the 11 month period June 1 – April 30 totaled 4,287,308 cases, up 23% from year-ago levels. This figure represents a new all-time marketing year import volume record with one month's shipments remaining to be added to this total. (The previous record import volume was 4,217,000 cases during the 2007/08 marketing year.) China continues to be the major canned peach importer with 3,330,861 cases this year, up 43% from last year's 2,333,392 cases shipped into the U.S. market. Based on these figures, Chinese product now accounts for nearly one quarter of all U.S. domestic canned peach consumption. Greece is a distant second with 656,593 cases this year, down 12% from year-ago volumes. No other peach producing country has shipped more than 150,000 cases into the U.S. market this year.

2014 ADVISORY BOARD ASSESSMENT SET AT \$2.30/TON

At their May 29th meeting, the California Cling Peach Board approved a 2014 grower assessment of \$2.30/ton to fund the Board's activities for the 2014/15 fiscal year. This amounts to a 21% decrease from last year's \$2.90/ton grower assessment and represents the lowest grower assessment since 2000. In light of our industry's significant decline in bearing acreage, the Board's Domestic Promotion budget has been reduced from last year's \$435,000 to \$300,000 for this year. The new budget also includes \$650,000 for export promotion (including \$500,000 of MAP funding from USDA, net grower cost is \$150,000), \$142,329 for research, \$202,500 for government and trade relations, and \$157,250 for administration/other. Monfort Management Services will continue to manage the Board's activities for the 2014/15 fiscal year.

**History of Advisory Board Assessments
2000 - 2014**



OF INTEREST

- The CCPA's Board of Directors has named Seb Cipponeri from Turlock to fill the remaining term of Jim Tavernas who stepped down from the Board in May.
- *Foodnews* reports that peach growers in Greece suffered damage as a result of hailstorms in mid-June. According to initial estimates, the damage ranges from 30%-100% in an area which accounts for approximately 20% of Greece's total peach production.
- Del Monte Pacific officials have announced plans to raise \$630 million to refinance a bridge loan the company used to acquire Del Monte Foods last February. The plan calls for a combination of issuing new preferred shares, a rights offer, and a new medium term loan.