

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 FALL 10% BELOW ESTIMATE

According to the latest delivery report (W/E July 26) issued by the California League of Food Processors, our Extra Early variety deliveries amount to 79,177 tons which represents a 10% drop from the industry's 88,382 ton estimate. (There were only approximately 200 tons of Extra Earlies remaining to be picked in the state after July 26.) Statewide Extra Early yields amount to 14.0 tons/acre, down 1.6 tons/acre from this year's Block x Block estimate and down 0.4 tons/acre from last year's Extra Early yield. The Yuba/Sutter area was the only area which exceeded last year's yield for Extra Early varieties (14.0 vs. 13.1 last year). Deliveries for the Early varietal group peaked on Friday, July 25 with total deliveries of 25,005 tons through Saturday, July 26. (CCPA members have delivered an additional 5,140 tons of Earlies on July 28th and 29th, bringing projected total industry volume to 31,511 tons of Earlies which amounts to 71% of the estimate for YTD deliveries.) Our Ross and Davis harvest volume is accelerating quickly. The first Ross peaches were picked in Kingsburg this year on July 16 compared to July 23 last year while the Yuba/Sutter area started on July 24 vs. July 29 last year. At this rate, the peach harvest will essentially be complete by the end of August. Fruit quality for 2014 has been very good with undersize fruit being the largest single offgrade category. The YTD statewide offgrade is currently 3.45% with 95% of deliveries falling into the 0-8% offgrade category. Given the industry's declining acreage position, even under the best case yield scenario (all other varieties picking out at estimate), the 2014 cling peach crop in California will be the smallest in the last 50 years.

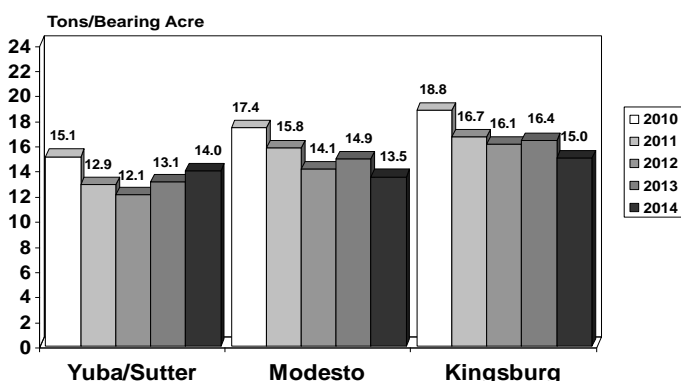
Extra Early Deliveries Thru July 26

Area	Block x Block Estimate	Tons Delivered	% vs. Estimate	Yield/Acre
Yuba/Sutter	39,505	36,472	-7.7%	14.0
Stockton	2,103	1,958	-6.9%	14.0
Modesto	32,526	27,908	-14.2%	13.5
Kingsburg	<u>14,248</u>	<u>12,839</u>	<u>-9.9%</u>	<u>15.0</u>
TOTALS	<u>88,382</u>	<u>79,177</u>	<u>-10.4%</u>	<u>14.0</u>

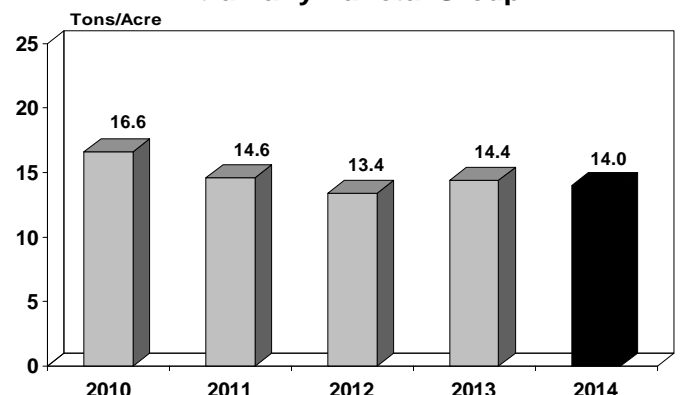
Early Deliveries Thru July 26

Area	Block x Block Estimate	Tons Delivered	% of Est. (YTD)
Yuba/Sutter	26,192	11,275	43%
Stockton	1,304	477	37%
Modesto	13,465	10,181	76%
Kingsburg	<u>3,726</u>	<u>3,072</u>	<u>82%</u>
TOTALS	<u>44,687</u>	<u>25,005</u>	<u>56%</u>

California Cling Peach Delivery Trends
 Extra Early Yield/Acre Comparison
 2010 - 2014



California Cling Peach Yield Trends
 Extra Early Varietal Group



WAWONA PACKING CO. ISSUES STONE FRUIT RECALL

Wawona Packing Company, based in Cutler, CA, recently issued a voluntary national recall for their conventional and organic peaches, plums, nectarines, and pluots for possible listeria contamination on July 19 after an Australian importer discovered minute levels of listeria on three peaches. The Australian food safety authorities did not reject the product since the residue level was less than the level considered to present a public risk for many countries. However, the U.S. Food and Drug Administration has established a zero tolerance for listeria. The recall covers fruit shipped from June 1 through July 12. As of July 21, no illnesses had been reported in connection with the recalled fruit. (Clovis-based Wawona Frozen Foods is a separate company and is not involved with this recall.) Following the recall announcement, Wawona Packing officials shut down the packinghouse and sanitized the entire facility. No further residues have been detected.

USDA MAKES ANOTHER 2014 CANNED FRUIT BUY

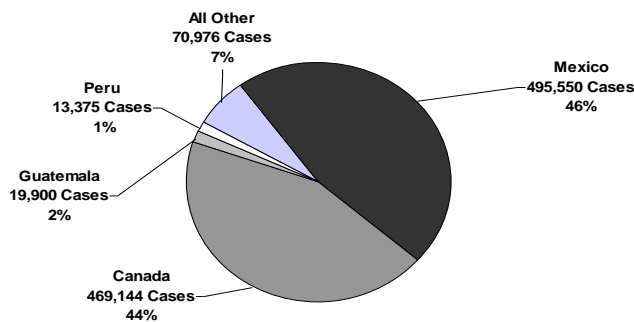
On July 30, USDA officials announced their latest canned fruit purchase. Del Monte was awarded 2,736 cases of 6/10 peaches, PCP was awarded 25,536 cases of 6/10 peaches (plus supplying another 3,648 cases through a service disabled veteran-owned bidder), and Seneca was awarded 30,096 cases of 6/10 peaches. In addition, PCP was awarded 44,688 cases of 6/10 mixed fruit (plus another 3,648 cases through the same bidder). Pricing for California delivery points was in excess of \$30/case. This year marks the second consecutive year that USDA has been unable to source all of their desired canned peach volume.

RETURN SERVICE REQUESTED

2013/14 CANNED PEACH EXPORTS DOWN 10%, IMPORTS UP 18%

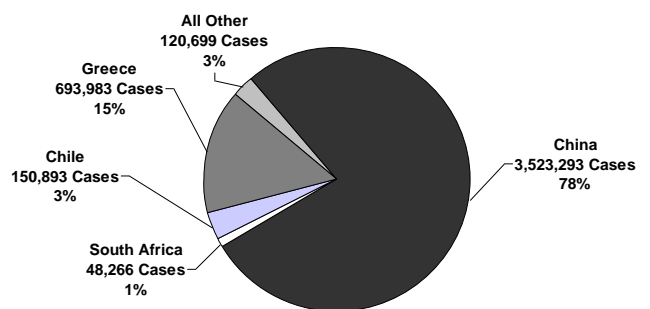
U.S. canned peach exports for the 2013/14 marketing year (June-May) totaled 1,068,945 cases, down 10% from the 1,185,454 cases exported last year. Mexico narrowly held on to its traditional spot as our largest export market with 495,550 cases sold this year, down 25% from the 662,458 cases sold last year. Canadian shipments rose slightly to 469,144 cases vs. 428,261 cases last year. The Canadian sales volume this year is the highest since 2004/05 when the U.S. industry exported over 473,000 cases into Canada. Exports to all remaining export destinations totaled 104,251 cases, up 11% from year-ago levels. Canned peach imports for 2013/14 reached a new all-time high with 4,537,134 cases, up 18% from last year's 3,858,569 case import volume. The 2013/14 import total surpasses the previous record of 4,217,000 cases imported during the 2007/08 marketing year. China continues to be the dominant supplier with Chinese imports of 3,523,293 cases accounting for 78% of total imports. Greece continued to be the second largest importer with 693,983 cases shipped into the U.S. market. No other country accounted for over 200,000 cases of import volume this year.

**U. S. Canned Peach Exports
 2013/14 Marketing Year**



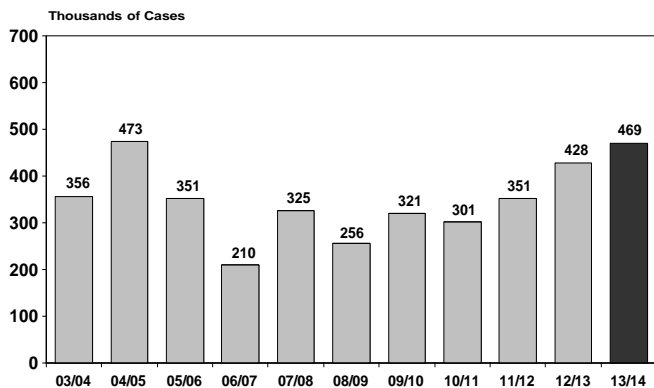
Marketing Year Total: 1,068,945 Cases (- 10%)

**U. S. Canned Peach Imports
 2013/14 Marketing Year**

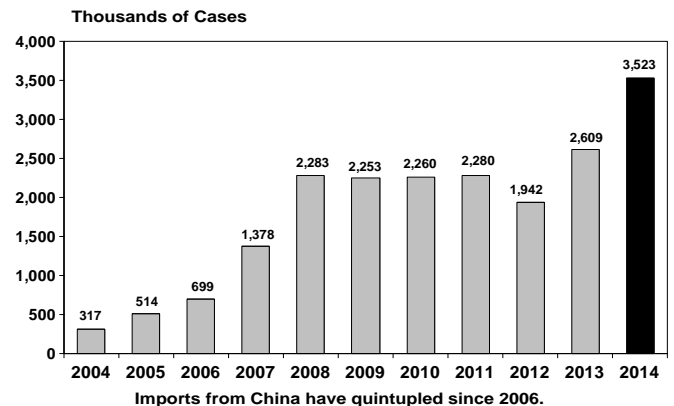


Marketing Year Total: 4,537,134 Cases (+18%)

**U. S. Canned Peach Exports to Canada
 2004 - 2014**



**U. S. Canned Peach Imports from China
 2004 - 2014**



Imports from China have quintupled since 2006.

OF INTEREST

- CCPA members are reminded that the August 1 deadline is rapidly approaching for our 2014 Early Final Crop Payment Program which allows growers with cash contracts the option of receiving their final \$95/ton crop payment one week after the delivery payment.
- *Foodnews* reports that peach growers in Greece suffered more damage from a second set of hailstorms on July 22. Costas Apostolou, President of the Greek Canners' Association, indicated that while it was too early to precisely measure the damage, it is clear that a large volume would move from canning to puree use in 2014.
- California Pear Growers has settled the 2014 California canning pear price at \$380/ton for #1A fruit, up \$35/ton from 2013 pricing. As a result of reduced pear volume this year, one canner recently announced a bonus program seeking additional volume for canning use.