

# 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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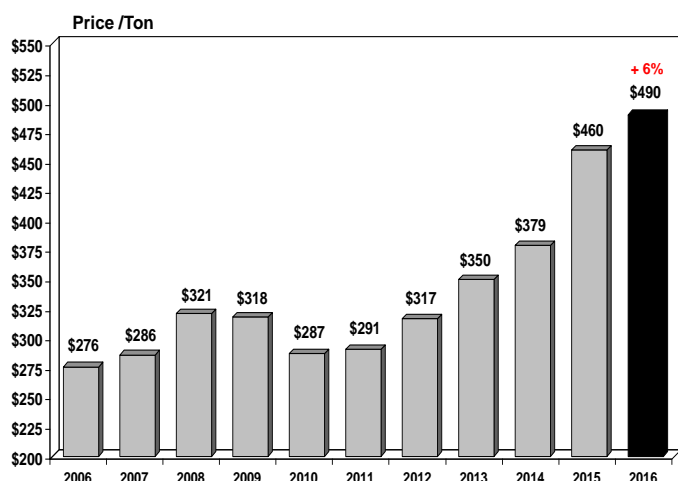
## CCPA BOARD RATIFIES 2016 PRICE AGREEMENT

At their February 1<sup>st</sup> meeting, the Association's Board of Directors ratified a 2016 price agreement reached with Seneca Foods. The 2016 base price is \$490/ton which amounts to a \$30/ton (6.5%) increase over last year's \$460/ton price. The 2016 Terms of Sale include changes in payment terms for No. 2 peaches and the constant tolerance for other general defects. The No. 2 fruit payment provisions are reverting back to the 2014 terms which called for full payment up to tolerance levels with excess No. 2's counted on the Schedule of Values offgrade. The constant tolerance provisions also reverted back to the 2014 terms with full payment for up to 3% other general defects with any amounts over 3% counting on the Schedule of Values offgrade. Obviously, fruit sizing was a challenge for processors in 2015. We believe that these changes to our Terms of Sale will lead to improved results in the plant during the 2016 harvest as growers have time to adjust their pruning and thinning practices. The Association expects to reach agreement with all our remaining processors in the near future so that all growers have certainty on 2016 pricing prior to ordering trees this spring for 2017 plantings. A summary of the 2016 Terms of Sale is detailed below:

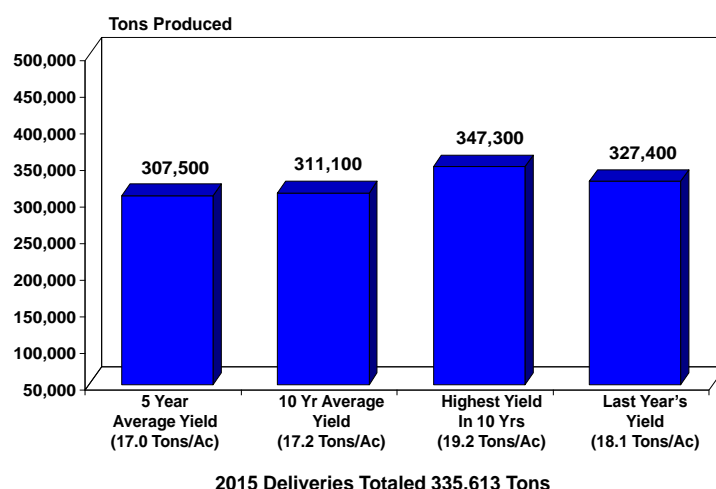
### SUMMARY OF 2016 TERMS OF SALE

<u>Description</u>	<u>2015 Actual</u>	<u>Price Agreement for 2016</u>																				
<b>EE PREMIUM</b>	\$55/ton: Loadels, Ceres Carson \$40/ton: Stanislaus	\$55/ton: Loadels, Ceres Carson \$40/ton: Stanislaus																				
<b>NO. 2 PEACHES</b>	EE – Up to 10% paid at \$400/ton. Between 10%-15% paid at \$185/ton. All Other-up to 5% paid at \$400/ton. Between 5%-10% paid at \$185/ton. Excess not counted on Schedule of Values. Canner Option to Reject Loads >15% No. 2's.	EE – 10% <b>Paid at full price.</b> All Other - Up to 5% <b>Paid at full price.</b> <b>Excess counted on Schedule of Values.</b> Canner Option to Reject Loads >15% No. 2's.																				
<b>UNDERSIZE REJECT LEVEL</b>	Canner Option to Reject Loads >10% Undersize Fruit.	Canner Option to Reject Loads > 10% Undersize Fruit.																				
<b>MATURITY</b>	Minimum pressure 2.9 lbs.	Minimum pressure 2.9 lbs.																				
<b>CONSTANT TOLERANCE</b>	3% Constant Tolerance paid at full price. Between 3%-10% paid at \$200/ton. Excess not counted on Schedule of Values.	3% Constant Tolerance paid at full price. <b>Excess counted on Schedule of Values.</b>																				
<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 price differential. No differential for 2 <sup>nd</sup> pick. Processor Approval Required.	\$20/ton Differential. No differential for 2 <sup>nd</sup> pick. Processor Approval Required.																				
<b>PAYMENTS</b>	75% on Delivery-Balance Oct. 1.	75% on Delivery-Balance Oct. 1.																				

California Cling Peach Price Trends



Possible 2016 Peach Crop Scenarios



RETURN SERVICE REQUESTED

**CHILLING HOURS UPDATE**

Chilling hours accumulated as of February 1<sup>st</sup> are still running significantly ahead of last year for the Yuba City and Modesto areas. (We have added the weather station data from Verona which is close to the Yuba City municipal airport to replace Nicolaus station data which is no longer available.) Although we are generally ahead of 2014/15 chilling hour totals, our current chilling hours are still below the 5-year average for this period.

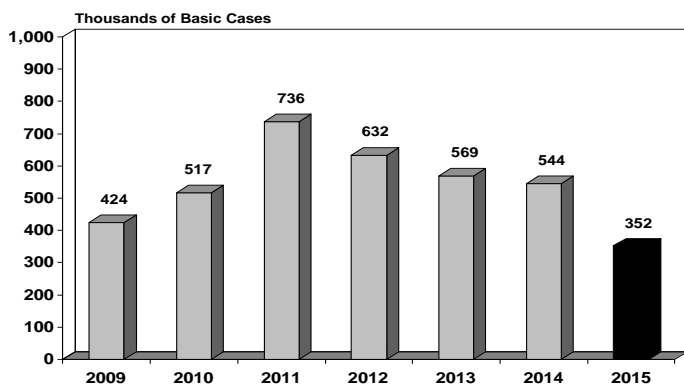
**Chilling Hours: November 1 – February 1**

<u>Area</u>	<u>Current</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Verona (YC)	799	623	1,114	840
Davis	673	470	872	894
Modesto	856	648	1,114	948
Parlier	918	1,038	923	776

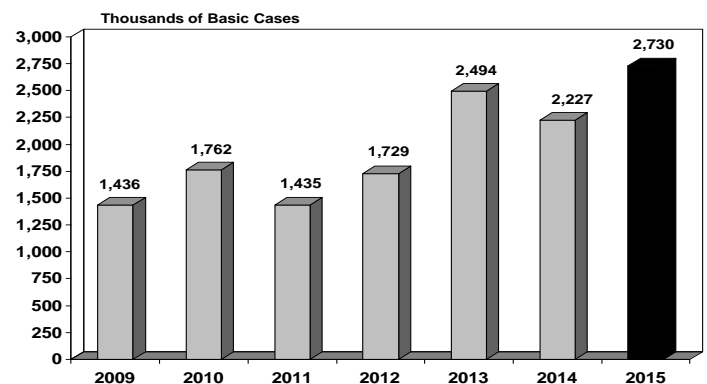
**YTD CANNED PEACH EXPORTS DOWN 35%, IMPORTS UP 23%**

Canned peach export shipments for the first half of the 2015/16 marketing year total 351,522 cases, down 35% from the year-ago total of 544,014 cases. The largest volume decrease has occurred in the price sensitive Mexican market which has experienced a 111,699 case decline in sales volume. Canadian sales are currently running 76,808 cases behind last year’s volume while shipments to all other export markets are down 3,985 cases (5%). Canned peach imports for the first half of the marketing year total 2,730,379 cases, up 23% from year-ago levels. The largest import volume increase is occurring with Greece which has posted a 238,219 case gain (+40%) over the prior year. China continues to be the leading importer with YTD shipments of 1,624,393 cases (+11%).

**YTD Canned Peach Export Trends  
 June – November**



**YTD Canned Peach Import Trends  
 June – November**



**OF INTEREST**

- The recently completed 2016 CCPA Board of Directors election has resulted in four changes on the Association’s Board of Directors. The newly elected Board members are: Dave Dulai from Gridley, Suki Rahul from Yuba City, Sarb Johl from Marysville, and Steve Lagorio from Linden.
- Sunny Dale has been reelected to serve again as Board Chairman in 2016. Eric Spycher of Ballico has been reelected as the Board’s Vice Chairman, Leonard Perez from Kingsburg has been reelected as Board Secretary, and Kevin Voss of Hughson has been elected as Board Treasurer for 2016.
- California Senators Dianne Feinstein and Barbara Boxer along with Connecticut Senator Christopher Murphy have also written a joint letter to USDA Secretary Tom Vilsack calling for the Department to improve its efforts to ensure that school purchase U.S.-grown products to the fullest extent possible for school meals.