

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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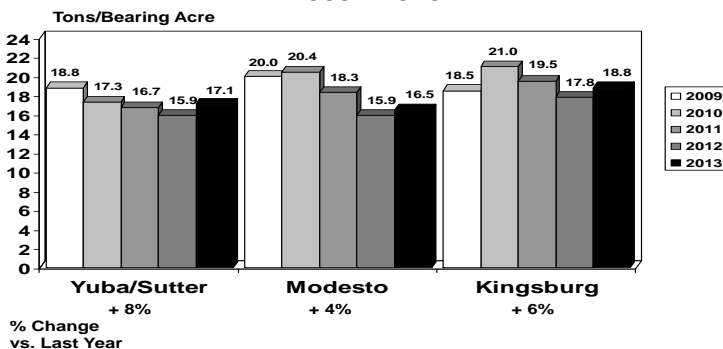
CLING PEACH DELIVERIES DOWN 1% FROM LAST YEAR

According to the September 7 tonnage delivery report issued by the California League of Food Processors, peach deliveries this year have reached 364,343 tons which is 1% below last year's 367,954 ton crop. While harvest is now complete in the Yuba/Sutter, Modesto and Kingsburg areas, it is estimated that there were approximately 50 tons remaining to be picked this week in the Stockton growing area. Based on this estimate, it appears that the final delivery figure for 2013 will reach 364,400 tons. The 2013 peach crop will now supersede 2012 deliveries as the third smallest peach crop in more than 50 years (only 1983 and 2006 were smaller). After struggling through sizing problems with Extra Early varieties due to extreme heat in late June, our yields improved considerably for Lates and Extra Lates with an overall statewide average yield this year of 17.2 tons/acre, up 7% from last year's yield of 16.1 tons/acre. The largest yield increase occurred in the Yuba/Sutter area which averaged 17.1 tons/acre this year vs. just 15.9 tons/acre last year. Kingsburg posted the second largest yield increase with 18.8 tons/acre this year vs. 17.8 tons/acre last year while Modesto managed a 4% increase reaching 16.5 tons/acre this year vs. 15.9 tons/acre last year. Overall, this year's crop fell just 4% below the industry's 380,917 ton Block x Block estimate. The industry's average offgrade this year amounted to 4.1%, up slightly from last year's 3.8% average offgrade primarily due to more undersize fruit at the beginning of the season. More than 94% of all deliveries this year were made at the 0-8% offgrade level with fewer than 1,000 tons delivered in excess of 20% offgrade.

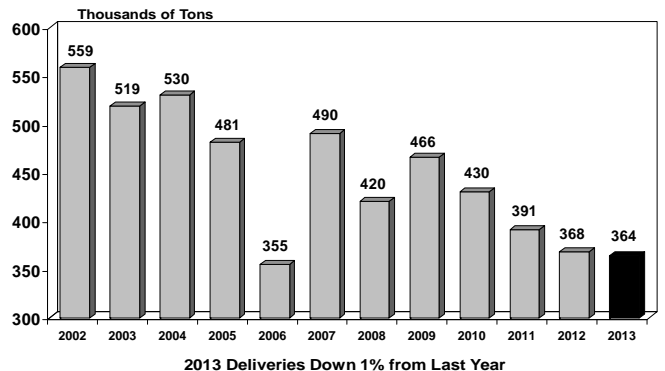
Cling Peach Deliveries for 2013 (Through September 7, approximately 50 tons remaining)

<u>Tonnage by Area</u>						<u>% Change</u>	<u>Yield/</u>
<u>Area</u>	<u>Bearing Acres</u>	<u>2012 Deliveries</u>	<u>2013 Estimate</u>	<u>2013 Deliveries</u>	<u>vs. Estimate</u>	<u>Acre</u>	
Yuba/Sutter	11,511	194,163	201,050	197,308	- 2%	17.1	
Stockton	582	9,841	11,494	10,968	- 5%	18.8	
Modesto	6,981	120,232	126,560	115,487	- 9%	16.5	
Kingsburg	2,158	43,718	41,813	40,580	- 4%	18.8	
TOTALS	21,208	367,954	380,917	364,343	- 4%	17.2	

California Cling Peach Industry Yield/Acre Comparison By Area 2009 - 2013



Cling Peach Delivery Trends Total Tons to All Processors



PULLOUTS TO DATE EXCEED 1,000 ACRES

The Association's fieldstaff report that pullouts to date following the 2013 season amount to 1,026 acres. It is anticipated that we will see another 350 - 400 acres added to the pullout totals in the coming months which will bring total pullouts to approximately 1,400 acres. There are 965 acres of 2011 plantings which will move into the bearing acreage category for 2014 which should result in approximately 20,800 bearing acres for next year.

Cling Peach Pullouts

(As of September 6, 2013)

<u>AREA</u>	<u>EE Acres</u>	<u>EE Acres</u>	<u>EE Acres</u>	<u>EE Acres</u>	<u>TOTAL ACRES</u>
Yuba/Sutter	219	190	140	130	679
Stockton/Modesto	145	138	38	14	335
Kingsburg	12	0	0	0	12
TOTALS	376	328	178	144	1,026

RETURN SERVICE REQUESTED

JUNE/JULY EXPORTS UP 134%, IMPORTS UP 38%

Canned peach exports for June and July totaled 236,290 cases, up 134% from the 101,132 cases exported during this period last year. Shipments to Mexico account for nearly all of the increase with 158,991 cases shipped this year compared to just 24,270 cases shipped last year. (It is widely anticipated that total U.S. canned peach exports to Mexico will be lower this year, but shipments are being made at a faster rate for June/July.) Export sales prices in Mexico this year are running approximately \$2.00/case higher than last year. Canadian export sales amounted to 54,527 cases, down 17% from year-ago volumes. Shipments to all other markets total 22,772 cases which is double last year's 11,454 cases shipped. Canned peach imports for June/July amount to 605,197 cases which amounts to a 38% increase from last year's 437,228 cases imported. Chinese peach imports have risen 57% to 407,645 cases which amounts to two-thirds of total import volume this year. Greece continues to be the second leading importer with 133,344 cases followed by Chile with 44,528 cases and South Africa with 8,515 cases. No other importing country accounts for more than 5,000 cases.

GREEK PEACH CROP COMES UP SHORT IN 2013

According to a recent report in *FoodNEWS*, the 2013 peach harvest in Greece is nearly complete with deliveries expected to amount to just over half of last year's crop. (Greece experienced bad weather this year, in particular a series of severe hailstorms in June.) Final 2013 production figures are expected by the end of September. *FoodNEWS* sources are reporting that Greek canned peach selling prices have increased nearly 20% compared to the prior year while still being below high prices being paid for Spanish canned peaches. However, the trade has been fairly tight-lipped on pricing given the scarcity of product to sell this year.

PROP 65 REFORM EFFORT SHIFTS TO REGULATORY ARENA

The Ag Council of California reports that stakeholders involved in the Prop 65 reform effort championed by Governor Jerry Brown were unable to reach a consensus in recent weeks in order to achieve the necessary support for the two-thirds vote needed for approval in the Legislature. The Ag Council and other stakeholder groups will continue to work with the Brown administration to address several Prop 65 issues through the regulatory process. Among the items to be addressed are developing a more meaningful warning label system, memorializing CDFG's past work with Cal EPA and developing a new memo of understanding between the two agencies when chemicals used for food production come under review, and creating a meaningful solution to address the handling of residues which are naturally occurring in the soil.

OF INTEREST:

- USDA officials will be meeting with all California fruit canners this week to discuss possible changes to USDA's current procurement practices to avoid future shortfalls in canned fruit purchases for the school lunch program. (This year they were only able to purchase 60% of the 6/10 canned peaches and 80% of the 6/10 mixed fruit volumes desired.)
- Fresh Plaza reports that the Australian food retailer Woolworths has committed \$3 million to source Australian grown fruit for their Select brand of canned fruit. Last month Woolworths also announced a \$7 million dollar deal with SPC Ardmona for Australian grown canned apricots, peaches, apples, and pears packed in juice.
- Former Congressman Doug Ose has announced his candidacy for the 7th Congressional District seat currently occupied by freshman Democratic Congressman Ami Bera.
- All CCPA members are reminded to return any empty bins to the nearest receiving station.