

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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PLAN TO ATTEND THE UPCOMING DISTRICT MEETINGS

All members and industry guests should plan on attending the Association's upcoming 2015 District Meetings. The program will include a review of 2015 season results, the current marketing outlook, and the industry's projected supply/demand position for 2016. It is the intent of these meetings to share with you all the information we have available. We will also be recognizing the winners of our 2015 quality awards and the growers who came closest to their 2015 prethinning estimate. The schedule for our 2015 District Meetings is shown below:

<u>DISTRICT/AREA</u>	<u>DATE & TIME</u>	<u>LOCATION</u>
1, 2, 3, 4 & 5 Yuba City, Marysville, Wheatland, Gridley & Live Oak	2:00 p.m. Monday, November 16 th	Ag Commissioner's Office 142 Garden Highway Yuba City
6, 7, 8 & 9 Linden, Escalon, Modesto, Ceres, Hughson, Denair, Merced, Cortez, Livingston & Turlock	2:00 p.m. Wednesday, November 18 th	Stanislaus County Ag Center Corner of Crows Landing & Service Rd. Modesto
10 & 11 Kingsburg & Visalia	2:00 p.m. Thursday, November 19 th	Kearney Ag Center 9240 South Riverbend Parlier

PULLOUTS TO DATE TOTAL 1,016 ACRES

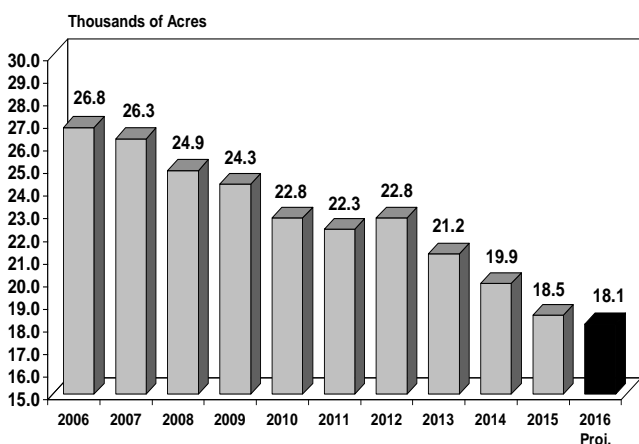
The Association's fieldstaff report that pullouts following the 2015 harvest currently amount to 1,016 acres. This figure represents 5.5% of the industry's 2015 bearing acreage and will result in approximately 18,100 bearing acres for the 2016 season (down 400 acres from 2015). Using the industry's 10-year average yield of 17.2 tons/acre, the 2016 peach crop would amount to 311,700 tons which is 7% below our 2015 production of 335,613 tons. A repeat of last year's 18.1 ton/acre yield would result in a crop of 328,000 tons; however, there has only been one instance where yields surpassed 18 tons/acre for two consecutive years (2009-2010) during the past 40 years. As of October 1, 2015, the Association has a total of 1,545 acres of orchards 18 years and older on its membership rolls. All three canners are continuing to offer \$500/acre planting incentive payments along with 20-year contracts for new orchards in order to meet current market demand.

YTD CLING PEACH PULLOUTS

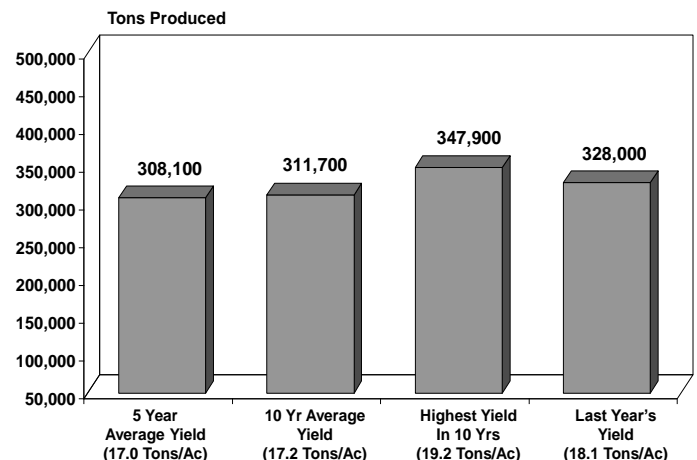
(As of October 23, 2015)

<u>Area</u>	<u>EE Acres</u>	<u>E Acres</u>	<u>L Acres</u>	<u>EL Acres</u>	<u>TOTAL Acres</u>	<u>% of Bearing</u>
Yuba/Sutter	260	102	296	150	808	8.1%
Stockton/Modesto	78	51	34	28	191	2.8%
Kingsburg	0	5	12	0	17	0.9%
TOTALS	338	158	342	178	1,016	5.5%

California Cling Peach
 Bearing Acreage Trends 2006 - 2016



Possible 2016 Peach Crop Scenarios*

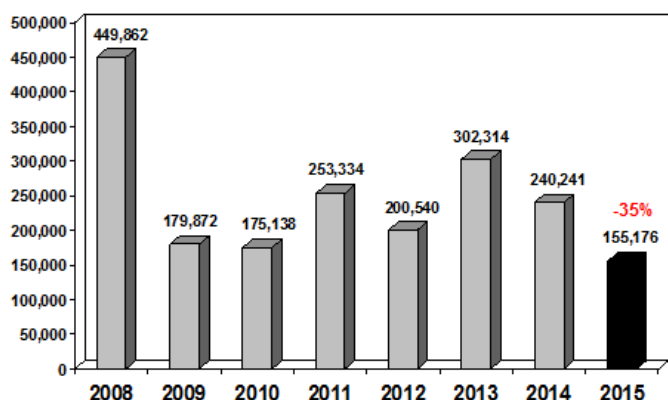


RETURN SERVICE REQUESTED

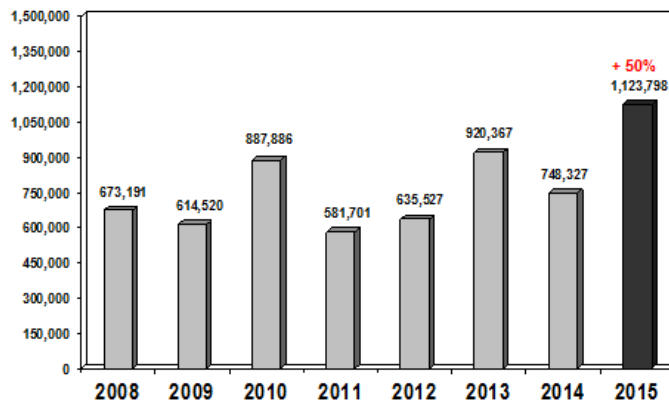
YTD CANNED PEACH EXPORTS DOWN 35%, IMPORTS UP 50%

Canned peach exports totaled 155,176 cases for June-August, down 35% from the 240,241 cases exported during the first three months of the 2014/15 marketing year. Most of the volume decline occurred in the price sensitive Mexican market which experienced a 62% drop in U.S. export volume. Canadian sales posted a 36% decline with total sales of 75,507 cases this year vs. 117,025 cases last year. Canned peach imports for June-August total 1,123,798 cases, up 50% from the 748,327 cases imported during this period last year. This amounts to the largest import volume ever for the first three months of a marketing year (June 1 – May 31). China continues to supply more than half the total canned peach imports with 613,124 cases (+27%) while shipments from Greece totaling 350,345 cases (+80%) are climbing quickly. The only other importing country with shipments in excess of 50,000 cases is Chile with a total of 80,634 cases imported (+83%).

**U. S. Canned Peach Exports
June – August
2008 - 2015**



**U. S. Canned Peach Imports
June – August
2008 - 2015**



CCPA CALLS OUT SACRAMENTO SCHOOLS OVER CHINESE CANNED PEACHES

In a letter to the Sacramento City Unified School District earlier this week, the Peach Association has voiced our objections to their recent decision to purchase Chinese canned peaches and canned mixed fruit to serve in their school lunches. We have asked that they suspend any future sourcing of canned peaches from China and carefully weigh issues such as food safety, pesticide use, raw product traceability, and food miles. (We pointed out that there are four processor warehouses with an ample supply of California-grown canned peaches within a two hour drive of Sacramento.) Governor Brown has cited climate change as one of the greatest threats facing California today noting that “it’s time for boldness to tackle climate change.” The Peach Association is calling on our State legislators to answer the Governor’s call and address this issue by requiring schools and other public agencies spending taxpayer funds on food products to factor food miles into their purchase decisions. Just as farmers and processors are being directed to convert to more fuel-efficient, cleaner burning tractors and trucks, schools and other public agencies should be asked to make food purchasing decisions which complement actions taken by businesses throughout the State. Sacramento prides itself on being the “Farm to Fork” capital. We are hopeful that our leaders in Sacramento will take steps to see that we live up to this billing.

OF INTEREST:

- Seneca Foods has recently announced the acquisition of Michigan-based Gray & Company. This business is the world’s leading provider of maraschino cherries and one of the largest providers of glaze or candied fruit products. Gray & Company has processing facilities in Oregon and Michigan.
- Seneca Foods has also announced their second quarter earnings of \$6.5 million, compared to a net loss of \$0.6 million during the second quarter last year.