

# 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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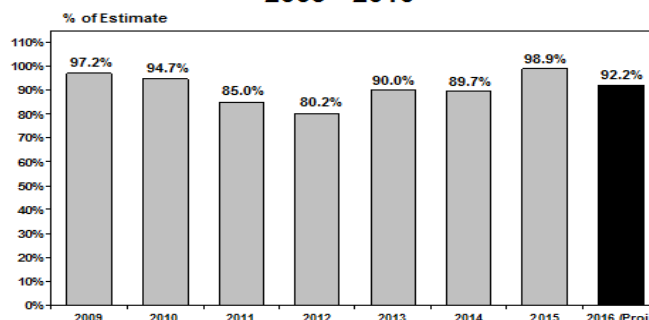
## EXTRA EARLIES FALL BELOW ESTIMATE

According to the latest cling peach delivery figures (through July 16), the Extra Early variety deliveries amount to 70,075 tons with approximately 1,350 tons remaining to be picked this week. The projected total of 71,425 tons represents 92.2% of the industry's 77,430 ton Block x Block estimate. The 2016 Extra Early results reflect the 7<sup>th</sup> consecutive year that deliveries have fallen below the industry's Block x Block estimate. The 71,425 tons of Extra Early deliveries will amount to a statewide average yield of 14.3 tons/acre, down nearly 5% from last year's 15.0 ton/acre yield. The only area with Extra Early yields better than last year is Kingsburg with 16.9 tons/acre this year vs. 15.7 tons/acre last year. Deliveries in the Early varietal group are currently four days ahead of last year's harvest timing and the first Ross variety peaches were picked in Kingsburg on July 16 which is two days earlier than last year. Fruit quality for the 2016 harvest has been very good with fruit sizing improved over the last two year's results for Extra Early deliveries. The YTD Statewide total offgrade amounts to 3.62% with 96% of deliveries falling into the 0-8% category. The Association is currently providing members with hail damaged fruit the opportunity to participate in our (very limited) juice fruit sales program this year as a means of assisting these Yuba/Sutter area growers in maximizing their 2016 crop value.

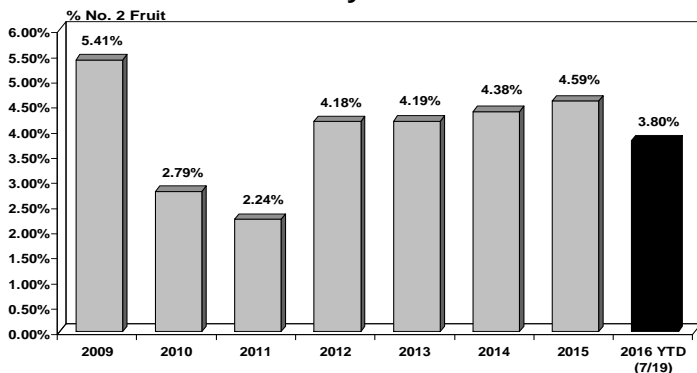
### Extra Early Deliveries Thru July 16

Area	Blk x Blk Estimate	Tons Delivered	% vs. Estimate	Yield/Acre (YTD)	2015 Yield/Acre
Yuba/Sutter	33,065	30,570	- 7.5%	13.6	15.2
Stockton	2,417	1,237	-48.8%	8.3	16.6
Modesto	28,077	25,210	-10.2%	13.7	14.3
Kingsburg	13,871	13,058	- 5.9%	16.9	15.7
TOTALS	77,430	70,075	- 9.5%	14.0	15.0

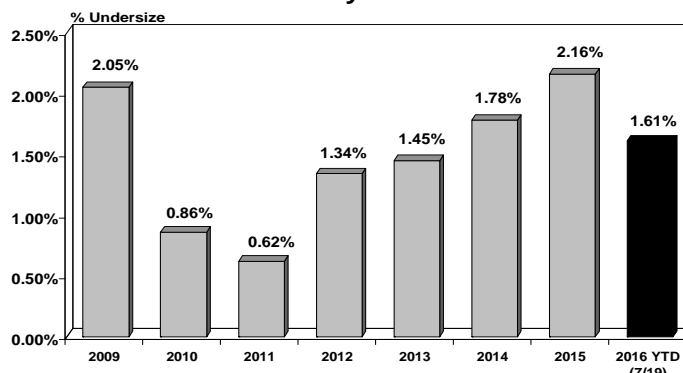
### Comparison of Deliveries vs. Estimates Extra Early Varieties 2009 – 2016



### No. 2 Fruit Delivery Trends Extra Early Varieties



### Undersize Fruit Delivery Trends Extra Early Varieties



## USDA MAKES SECOND 2016 CANNED FRUIT BUY

On July 18, USDA officials announced the results of the second canned fruit purchase for the 2016/17 school year. Seneca Foods was awarded just over half of the canned peach and canned mixed fruit volume (334,704 cases of 6/10 canned peaches, 416,340 cases of 24/300 canned peaches, 165,984 cases of 6/10 mixed fruit, and 388,800 cases of 24/300 mixed fruit). Del Monte Foods was awarded 32% of the total peach and mixed fruit volume (386,688 cases of 6/10 canned peaches, 343,824 cases of 6/10 mixed fruit, and 1,620 cases of 24/300 mixed fruit) while PCP is supplying the remaining 10% of the purchase volume through a minority-owned bidder. Pricing for California delivery points is down sharply from 2015 levels as increased import volume during the past several years is apparently having an impact on 2016 selling prices. Based on these bid results, we are hopeful that USDA will consider spending some of the savings realized on additional canned peach volume for schools and needy family feeding programs this year. YTD USDA purchases now amount to 1,196,544 cases of 6/10 peaches and 672,300 cases of 24/300 peaches. Last year, USDA officials made a third canned peach and mixed fruit buy on August 18<sup>th</sup> amounting to a total of 240,684 cases.

## CCPA CONTINUED EFFORTS ON BUY AMERICAN PROVISION FOR SCHOOLS

The Association continues our efforts to secure increased monitoring and enforcement of the Buy American provision for school food purchases at both the Federal and State levels. CCPA President & CEO Rich Hudgins spoke on this issue to the California State Board of Food and Agriculture on July 5<sup>th</sup> noting that efforts undertaken by the California canned fruit industry to address climate change issues are more than negated when school districts elect to spend taxpayer funds to source Chinese fruit produced over 6,000 miles away.

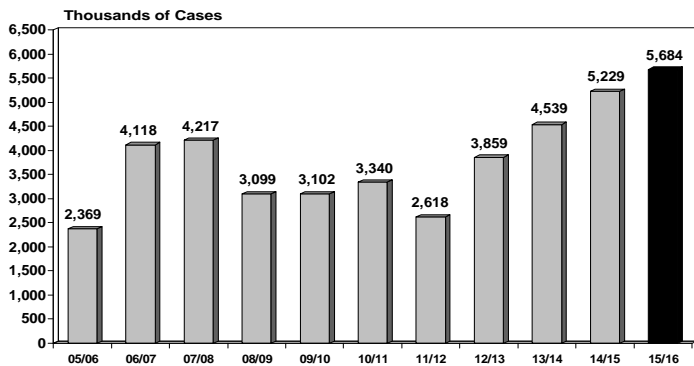
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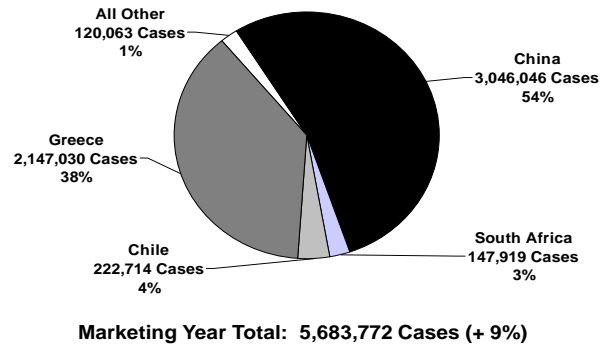
**2015/16 IMPORTS UP 9%, EXPORTS DOWN 42%**

Canned peach imports for the 2015/16 marketing year reached a third consecutive all-time record high with 5,683,772 cases, up 9% from the previous record of 5,229,457 cases imported. China continues to be the leading importer with 3,046,046 cases shipped (54% of total volume) while imports from Greece have surged to 2,147,030 cases (38%) which represents an increase of 57% over Greek imports the previous year. Chile remains in a distant third place position with just 222,714 cases shipped into the U.S. market. Unfortunately, the impact of this increased import volume is being felt in both the foodservice and retail market channels as this volume displaces domestic canned fruit sales. As an indication of the magnitude of canned peach imports in relation to domestic production, the 2015/16 canned peach imports amount to the equivalent of nearly 114,000 tons which is 35% of California’s peach crop this year. U.S. canned peach exports for 2015/16 fell by 42% to just 566,403 cases which amounts to our lowest export sales volume since 2002. Canada continued to be our largest export destination with 319,442 cases followed by Mexico with 134,716 cases. No other destination exceeded 100,000 cases in export sales for the 2015/16 marketing year.

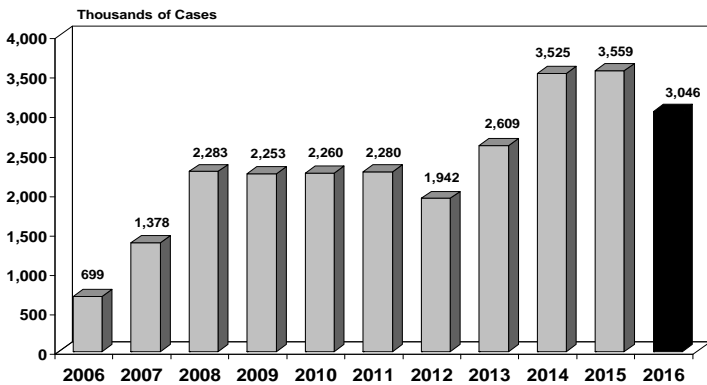
**U.S. Canned Peach Import Trends  
 2006 - 2016**



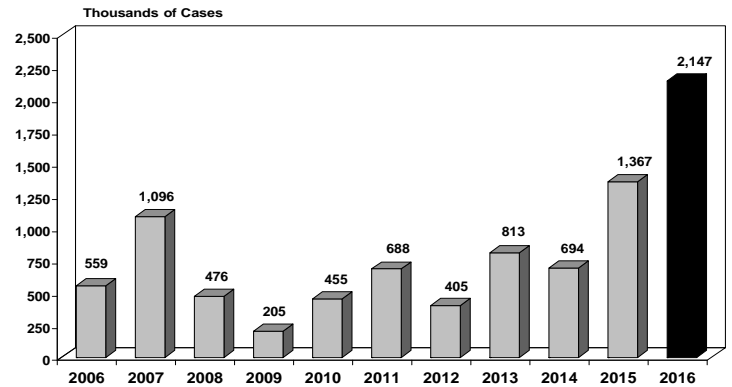
**U. S. Canned Peach Imports  
 2015/16 Marketing Year**



**U. S. Canned Peach Imports from China  
 2006 - 2016**



**U. S. Canned Peach Imports from Greece  
 2006 - 2016**



**OF INTEREST**

- Over 50 California school districts have reportedly purchased low cost Chinese canned fruit on direct bids awarded to distributors this year. Efforts are underway to identify additional school districts purchasing Chinese canned fruit.
- A Fresno County judge has extended the deadline to July 28<sup>th</sup> for employers with piece-rate compensation systems to apply for a “safe harbor” provision if they failed to pay a separate hourly wage for rest periods, heat safety, cool-down breaks, and other non-productive time prior to 2016.