

# PEACH FUZZZ



An exclusive membership newsletter published by California Canning Peach Association the cooperative bargaining association in the canning cling peach industry.

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Vol. 47, No. 3  
 June 19, 2017

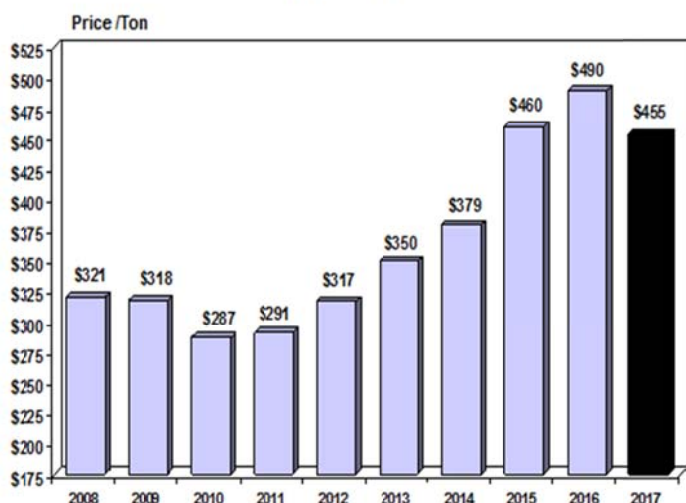
## CCPA BOARD RATIFIES 2017 PRICE AGREEMENT

At their June 15<sup>th</sup> meeting, the Association’s Board of Directors ratified a 2017 price agreement reached with Del Monte Foods. The 2017 base price is \$455/ton which amounts to a \$35/ton (7.1%) decrease from last year’s \$490/ton price. The 2017 Terms of Sale include changes in payment terms for No. 2 peaches, penalties for excessive amounts of small fruit, and elimination of the 3% constant tolerance for other general defects. We believe that these changes to our Terms of Sale will address the concerns expressed by our processor customers regarding fruit sizing. The Association expects to reach agreement with all our remaining processor customers in the near future. A summary of the 2017 Terms of Sale is detailed below:

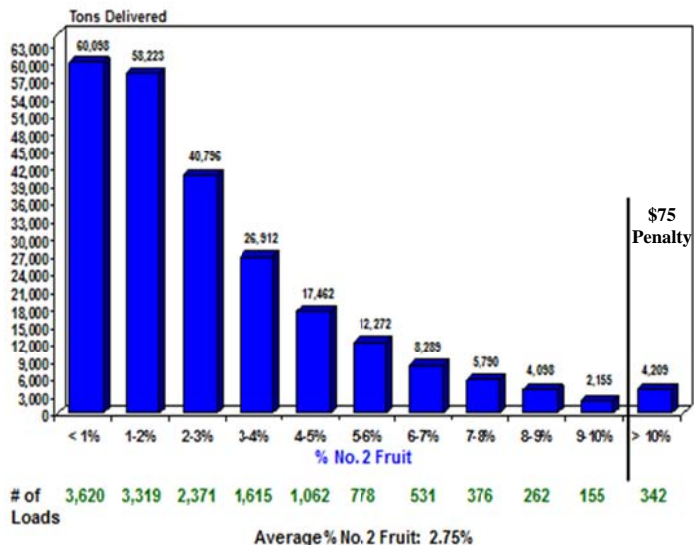
### SUMMARY OF 2017 TERMS OF SALE

<u>Description</u>	<u>2016 Actual</u>	<u>Agreement for 2017</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 – 10% Paid at full price. All Other - Up to 5% Paid at full price. Excess counted on Schedule of Values. Canner Option to Reject Loads >15% No. 2’s.	EE – Up to <b>4% Paid at full price.</b> All Other - Up to <b>2% Paid at full price.</b> Excess counted on Schedule of Values. Canner Option to Reject >15% No. 2’s. <b>Loads with &gt;10% No. 2’s subject to a \$75/ton penalty on Schedule of Values (Excluding flat rate tons).</b>																				
<b>UNDERSIZE REJECT LEVEL</b>	Canner Option to Reject Loads >10% Undersize Fruit.	Canner Option to Reject Loads > 10% Undersize Fruit. <b>Loads with &gt;5% Undersize Fruit subject to a \$75/ton penalty on Schedule of Values (Excluding flat rate tons).</b>																				
<b>MATURITY</b>	Minimum pressure 2.9 lbs.	Minimum pressure 2.9 lbs.																				
<b>CONSTANT TOLERANCE</b>	3% Constant Tolerance paid at full price. Excess counted on Schedule of Values.	<b>No Constant Tolerance.</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  
2008 – 2017



Number 2 Fruit Distribution for 2016 Season



RETURN SERVICE REQUESTED

**2017 BLOCK X BLOCK ESTIMATE TOTALS 310,245 TONS**

The California League of Food Processors has released the industry’s 2017 Block x Block crop estimate of 310,245 tons. This amounts to an average yield of 17.1 tons/acre, down 4% from last year’s average yield of 17.8 tons/acre. The 310,245 ton estimate is 7% lower than the Association’s 334,499 ton Prethinning Estimate which was conducted in early May. The largest yield decrease this year is projected to be in the Extra Late varietal group with an estimate of 17.8 tons/acre vs. last year’s 19.1 ton/acre average yield. All three major growing areas of the state are projecting yield decreases ranging from 4 - 6% below last year’s totals. If the 2017 peach deliveries match the Block x Block estimate, the crop will be the smallest in modern history. Based on this estimate, the California peach industry is projected to pack 11.4 million cases this year, down 5% from last year’s 12 million case pack.

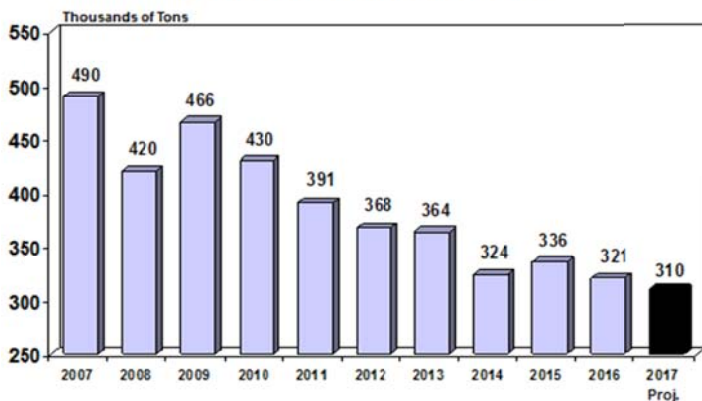
**Industry Block x Block Estimate vs. 2017 CCPA Prethinning Estimate**

<u>Area</u>	<u>Blk x Blk Acres</u>	<u>Blk x Blk Estimate</u>	<u>Prethinning Estimate</u>	<u>Blk x Blk Yield/Acre</u>	<u>Prethinning Yield/Acre</u>
Yuba/Sutter	10,317	179,500	194,847	17.4	18.8
Stockton	762	13,759	12,946	18.1	18.0
Modesto	5,270	84,458	93,643	16.0	16.4
Kingsburg	1,756	32,528	33,063	18.5	18.5
<b>TOTALS</b>	<b>18,105</b>	<b>310,245</b>	<b>334,499</b>	<b>17.1</b>	<b>18.0</b>

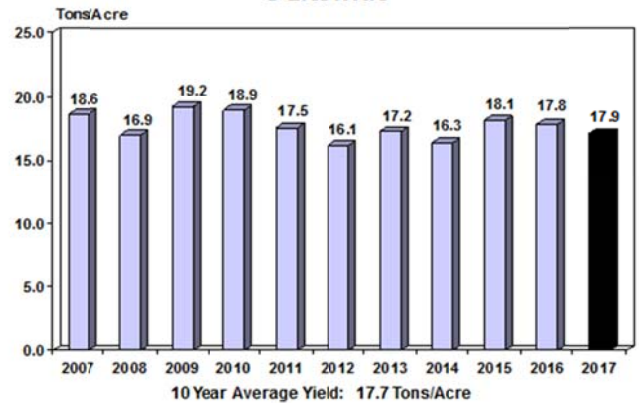
  

<u>Varietal Group</u>	<u>Blk x Blk Acres</u>	<u>Blk x Blk Estimate</u>	<u>Prethinning Estimate</u>	<u>Blk x Blk Yield/Acre</u>	<u>Prethinning Yield/Acre</u>
Extra Early	4,913	69,967	71,698	14.2	14.4
Early	2,991	49,729	51,698	16.6	17.3
Late	7,552	143,332	162,913	19.0	20.7
Extra Late	2,649	47,217	48,185	17.8	17.7
<b>TOTALS</b>	<b>18,105</b>	<b>310,245</b>	<b>334,499</b>	<b>17.1</b>	<b>18.0</b>

**Cling Peach Delivery Trends  
 Total Tons to All Processors**



**California Cling Peach Yield Trends  
 Statewide**



**2017 PEACH HARVEST UNDERWAY**

The 2017 Ceres Carsons peach harvest began on June 8<sup>th</sup> in Kingsburg which is 4 days later than last year’s initial harvest date. Just 218 tons have been delivered through June 18<sup>th</sup> with an average offgrade of 4.6%. Fruit sizes appear to be much better this year with No. 2 fruit amounting to just 1.97% compared to 4.28% No. 2’s as of June 18<sup>th</sup> last year while offgrade for undersize fruit amounted to just 0.55% compared to 1.64% last year. Reference Date plus 30-day size measurements taken by the Association’s fieldstaff show improved sizing in both the Modesto & Kingsburg areas while the Yuba/Sutter fruit sizes appear to be in line with last year’s sizing. Despite better fruit sizes at this point, there is some concern regarding the impact of extreme heat this week on fruit sizing.

**Reference Date Sizes in Yuba/Sutter  
 30 Days After Reference Date**

