

PEACH FUZZ



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

2300 River Plaza Drive / Suite 110 / Sacramento, CA 95833
 Sacramento: 916/925-9131 – Yuba City: 530/673-8526 – Modesto: 209/537-0715
 Website: <http://www.calpeach.com>

Vol. 47, No. 4
 August 3, 2017

E-mail: ccpa@calpeach.com

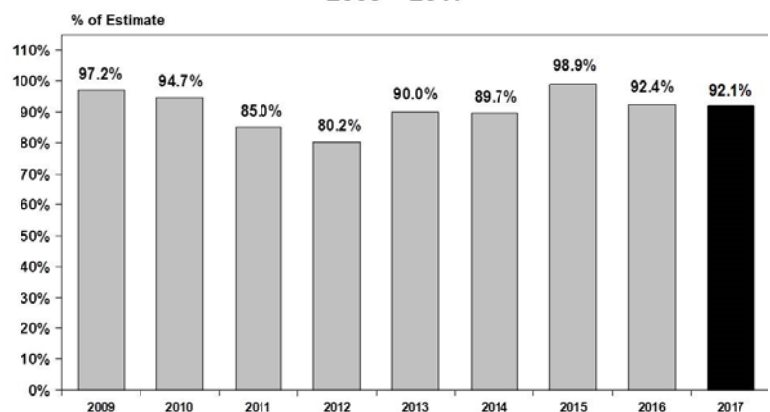
EXTRA EARLIES FALL 8% BELOW ESTIMATE

According to the latest cling peach delivery figures (through August 2), the Extra Early variety deliveries amount to 64,446 tons with just a few tons remaining to be picked this week. The 64,446 tons delivered represent 92% of the industry's 69,967 Block x Block estimate. The 2017 Extra Early results mark the 8th consecutive year that deliveries have fallen below the industry's Block x Block estimate. The 64,446 tons delivered amounts to a statewide average yield of 13.1 tons/acre, down 8% from last year's 14.3 ton/acre yield. The 2017 yield represents the lowest Extra Early yield per acre since 2006 (11.6 tons/acre). The first Loadel variety peaches were picked 9 days later than last year and harvest has continued to run well behind last year's pace. The peak delivery day for Extra Early harvest this year was July 19th vs. a July 6th peak delivery day last year. Deliveries in the Early varietal group are approximately 60% complete as of August 2nd. Fruit sizing for the 2017 harvest has been much improved for Extra Early deliveries although there is concern regarding the impact of high temperatures this week on the Ross variety peaches which are just beginning their harvest. (The first Ross variety peach was picked in Kingsburg this year on July 21st, 5 days later than last year.) The YTD Statewide offgrade through August 2nd amounts to 5.60% with 89% of deliveries falling into the 0-8% offgrade category.

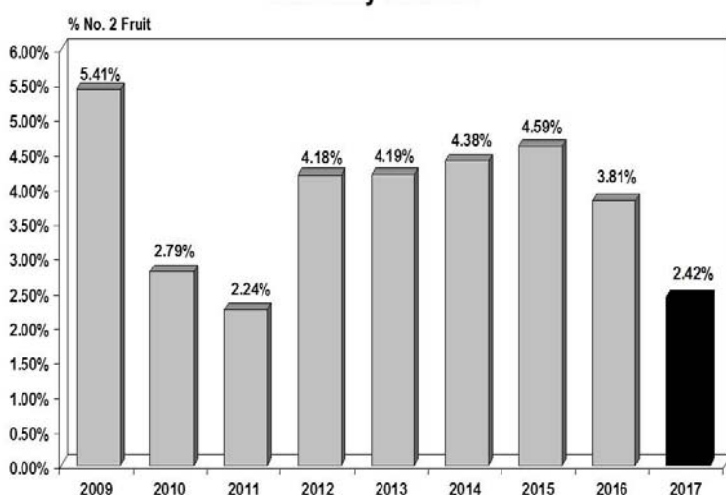
Extra Early Deliveries Thru August 2

Area	Blk x Blk Estimate	Tons Delivered	% vs. Estimate	Yield/Acre	2016 Yield/Acre
Yuba/Sutter	32,114	29,149	- 9.2%	12.9	13.7
Stockton	2,625	1,981	-24.5%	12.4	10.9
Modesto	22,917	21,440	-6.4%	12.3	14.0
Kingsburg	12,311	11,896	- 3.4%	15.9	17.4
TOTALS	69,967	64,446	- 7.9%	13.1	14.3

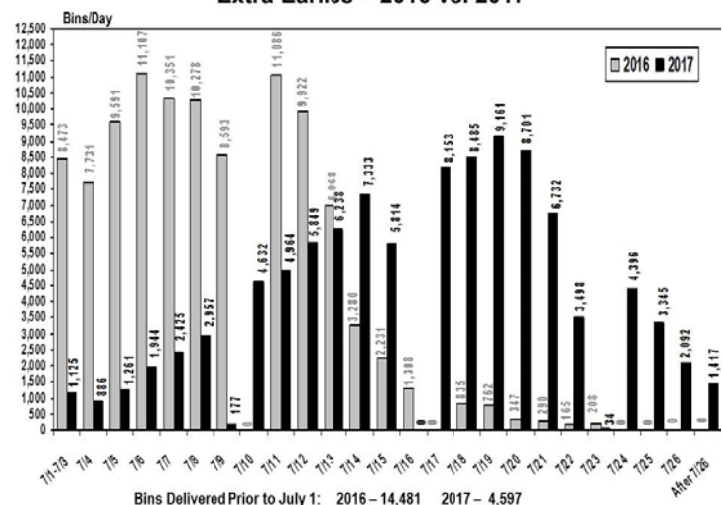
Comparison of Deliveries vs. Estimates Extra Early Varieties 2009 – 2017



No. 2 Fruit Delivery Trends Extra Early Varieties



CCPA Member Delivery Volume Extra Earlies – 2016 vs. 2017



CEO'S MEET WITH SECRETARY PERDUE ON BUY AMERICAN PROVISION FOR SCHOOLS

On July 17th, the CEO's of The National Council of Farmer Cooperatives (NCFC), Seneca Foods, Pacific Coast Producers, California Canning Peach Association, U.S. Apple Association, Gold Star Foods, and Trident Seafoods Corporation met with Secretary of Agriculture Sonny Perdue to discuss strengthening the monitoring and enforcement of the current Buy American provision for school food purchases. Despite multiple guidance memos from USDA to schools over several years, there has been an alarming increase in foreign-sourced food products being served in school feeding programs. This trend poses a number of concerns. First, when schools elect to purchase foreign product over domestic, it hurts American companies and ultimately U.S. farmers and ranchers. Secondly, there is no doubt that the U.S. produces the safest and highest quality food products under the most stringent laws and regulations in the world. The bottom line is that American taxpayer dollars should be used to support American agriculture. The group shared several suggested improvements to the current Buy American provision to address this problem and looks forward to working closely with the Department in the coming months to resolve this issue. Thanks again to NCFC for organizing this meeting.

RETURN SERVICE REQUESTED

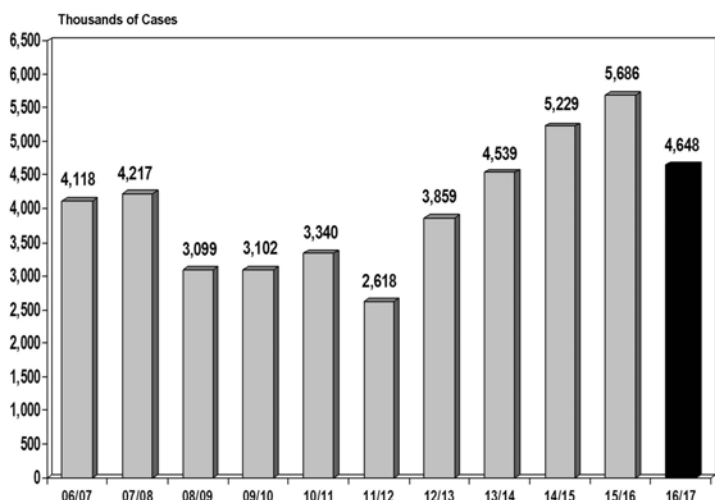
AUDIT FAULTS BUY AMERICAN COMPLIANCE BY SCHOOLS

In a report released last week, the California State Auditor has determined that none of the six school districts they audited had implemented adequate “Buy American” policies and procedures and that the California Department of Education had not taken steps to monitor Buy American compliance by California school districts. The audit, initiated by the Ag Council of California and championed by Senator Cathleen Galgiani (D-Sacramento) through the Joint Legislative Audit Committee last August, reviewed food purchases in six school districts – Elk Grove, Fresno, Los Angeles, San Diego, San Francisco, and Stockton. The audit disclosed that all six districts had purchased foreign-sourced food products and that the justification for those purchases was not sufficiently documented. The audit also noted that the California Department of Education had failed to publish any of its 146 school reviews online, as required. The State Auditor points out that current Federal regulations require the California Department of Education to ensure that schools comply with all Federal requirements related to school feeding programs and the Buy American requirement has been a part of Federal law since 1998. Five of the six school districts audited have agreed with the State Auditor’s recommendations regarding the establishment of written policies and procedures to ensure future compliance with the Buy American requirement. The Peach Association believes this is not a “California only” problem and that the audit findings further demonstrate the need to strengthen the monitoring and enforcement of the Buy American provision for school food purchases. In order to address this issue, the bipartisan American Food for American Schools Act (HR 1241) has been introduced in Congress by Congressmen Garamendi and LaMalfa and SB 730 has been introduced in the California legislature by Dr. Pan (D-Sacramento). SB 730 has passed the Senate and is currently awaiting consideration by the Assembly Appropriations Committee. The school audit results have gained widespread media attention throughout the state and national coverage by the Associated Press.

2016/17 IMPORTS DOWN 18%, EXPORTS FALL 29%

Canned peach imports for the 2016/17 marketing amount to 4,647,620 cases, down 18% from last year’s record high of 5,685,551 cases imported. China continues to be the leading importer with 2,810,027 cases shipped (61% of total volume) followed by Greece with 1,125,815 cases (24%) and Chile with 317,693 cases (7%). The 2016/17 import volume represents the equivalent of nearly 90,000 tons of raw product which amounts to almost 30% of California’s 2017 peach crop. U.S. canned peach exports fell by 29% to 400,214 cases which amounts to our lowest export sales volume during the past 40 years. Canada continues to be our largest export destination with 191,447 cases shipped, followed by Mexico with 88,860 cases. Surprisingly, our third largest export destination this year was Venezuela with 24,349 cases shipped vs. no shipments at all during 2015/16.

**U.S. Canned Peach Import Trends
2007 - 2017**



**U. S. Canned Peach Export Trends
2007 - 2017**

