

PEACH FUZZ



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

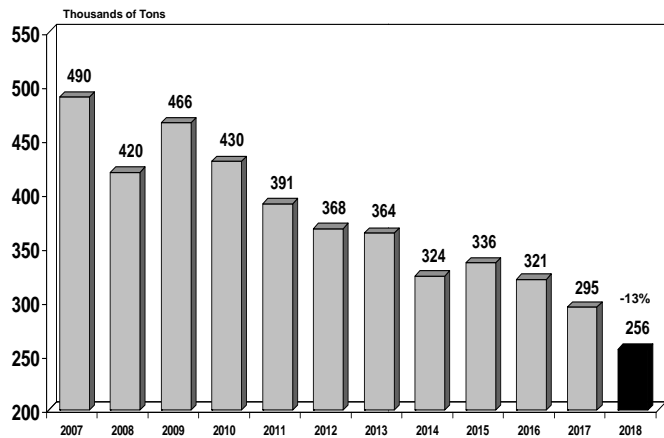
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Vol. 48, No. 5
 September 17, 2018

CALIFORNIA CLING PEACH CROP DOWN 13% FROM LAST YEAR

Based on the latest 2018 delivery report issued by the California League of Producers (W/E September 8) plus the last deliveries for 2018 (8 tons) on September 10th, cling peach deliveries this year totaled 256,178 tons, down 13% from last year's 295,120 ton crop. The 2018 crop amounts to the smallest peach crop in modern history (produced on the fewest acres), yet the industry continues to shrink as imports and rising costs impact total sales. The 2018 statewide yield amounts to 16.3 tons/acre which is unchanged from last year's yield and is 6% below the 10-year average yield of 17.4 tons/acre. Looking at yields by area, the Yuba/Sutter area averaged 15.8 tons/acre while Modesto averaged 17.8 tons/acre and Kingsburg averaged 16.0 tons/acre. The best results this year came in the Late varietal group driven by excellent Ross and Late Ross crops. Lates averaged 19.6 tons/acre, up 7% from last year's 18.3 ton/acre average yield. The worst yields this year occurred in the Extra Early varietal group which averaged just 12.3 tons/acre, down 6% from last year's 13.1 tons/acre. A total of three varieties (Ross, Late Ross, and Starn) amounted to nearly half of all CCPA member deliveries this year. The industry's total offgrade amounted to 4.4% this year down from 4.8% for the 2017 season. We benefited from generally cooler July and August weather this year partially due to smoke from numerous California wildfires blanketing much of the Central Valley. Due to the reduced number of plants operating this summer, the industry had less capacity to handle mechanically harvested fruit this year. CCPA members delivered a total of 12,233 tons of machine harvested fruit this summer (7% of total deliveries) compared to 20,307 tons of mechanically harvested fruit deliveries in 2017. The 2018 canned peach pack in California is projected to be less than 10 million basic cases (combined volume of cans and fruit cups).

Cling Peach Delivery Trends Total Tons to All Processors



2018 Season Results

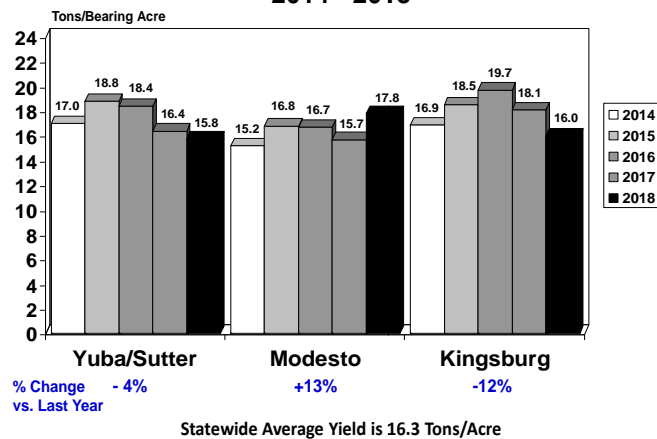
Tonnage by Area

Area	Bearing Acres	Blk x Blk Estimate	2018 Deliveries	% Change vs Estimate	Yield/Acre
Yuba/Sutter	9,333	149,330	147,594	-1%	15.8
Stockton	561	9,302	8,319	-11%	14.8
Modesto	4,105	72,644	73,014	N/C	17.8
Kingsburg	1,698	28,083	27,251	-3%	16.0
TOTALS	15,697	259,359	256,178	-1%	16.3

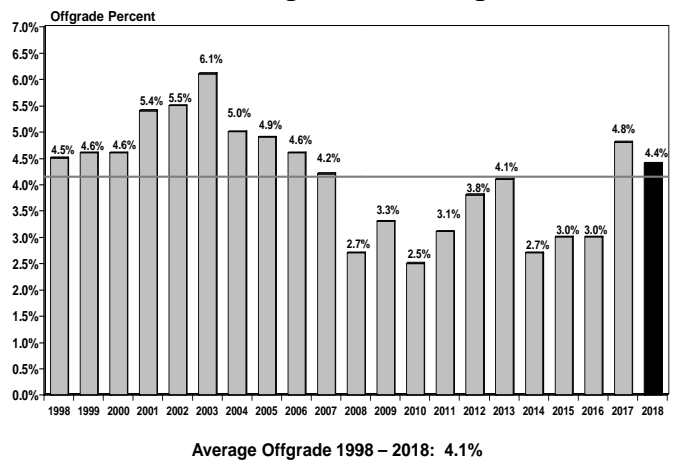
Tonnage by Varietal Group

Varietal Group	Bearing Acres	Blk x Blk Estimate	2018 Deliveries	% Change vs Estimate	Yield/Acre
Extra Early	4,078	57,380	50,084	-13%	12.3
Early	2,885	42,438	44,000	+ 4%	15.3
Late	6,497	121,791	127,258	+ 4%	19.6
Extra Late	2,237	37,750	34,836	- 8%	15.6
TOTALS	15,697	259,359	256,178	-1%	16.3

California Cling Peach Industry Yield/Acre Comparison By Area 2014 - 2018



California Cling Peach Production Total Offgrade Percentage



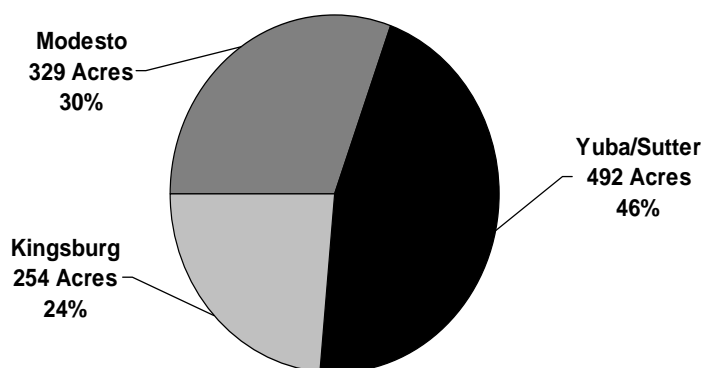
Former Peach Association President & CEO Ron Schuler passed away on Thursday, September 13th at the age of 80. He is survived by his wife Laurie, daughters Chelane and Ronnell, and son Rett. He served as President & CEO of the Peach Association for 28 years (1974-2002) and was widely recognized as a leader in California agriculture. In memory of Ron, charitable gifts may be made to the Ronald A. and Laurel L. Schuler Scholarship Fund at UC Davis which will benefit student leaders in the College of Agricultural and Environmental Sciences. To make a contribution, make checks payable to: UC Davis Foundation and indicate "Schuler Scholarship Endowment" on the memo line. Mail to: Leslie Foster CA&ES Dean's Office, UC Davis, One Shields Ave., Davis, CA 95616. A memorial service for Ron will be held at the Centerpoint Community Church located at 515 Sunrise Ave. in Roseville on Wednesday, September 26th beginning at 2:00 p.m.

RETURN SERVICE REQUESTED

UPDATE ON 2018 CONTRACT EXPIRATIONS

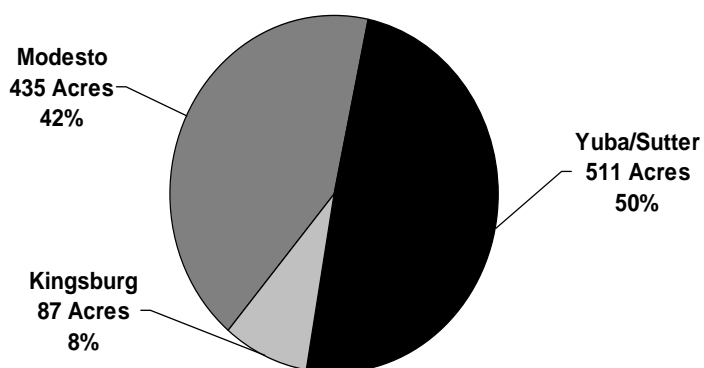
The California cling peach industry has experienced a 30% decrease in volume over the past 5 years. However, faced with declining consumption, increasing import pressure, and rising costs it will be necessary for canners to further reduce their contracted acreage this fall. The Association currently has a total of 1,075 acres with 2018 contract expirations. Based on recent conversations with both PCP and Del Monte, we anticipate that most, if not all, of these contracts will not be renewed. (Remember that the industry has nearly 1,400 acres of 2016 plantings which will move into bearing acreage status for the 2019 season with even more acres coming into bearing in 2020.) If you have a contract which expired this year and have not been given an indication that your contract will be renewed within the next month, you should not expect to have a contract for the 2019 season. There may be limited opportunities for growers to purchase PCP delivery rights from current PCP members, contact your local PCP field representative for more information. The Association is also calling on canners to give growers advance notice on any 2019 contracts that they do not intend to renew so that growers can make pullout decisions now while the orchards with expired 2018 contracts are being removed.

CCPA Contracts Expiring in 2018
Acreage by Area



Total Acres: 1,075

CCPA Contracts Expiring in 2019
Acreage by Area



Total Acres: 1,033

YTD IMPORTS UP 7%, EXPORTS UP 166%

Canned peach imports for June-July total 658,134 cases, up 7% from last year's June-July import volume. The bulk of the increase in imports is due to a 25% increase in volume from China (468,290 cases vs. 374,967 LY). Greece continues to be the second leading importer with 113,752 cases shipped during the first two months of the 2018/19 marketing year. Canned peach exports for June-July amount to 75,536 cases, up 166% from the 28,370 cases exported during this period last year. Canadian shipments amounted to 34,063 cases, up 60% from year-ago levels, while the second largest export destination this year is Singapore with 18,744 cases.

OF INTEREST

- As of September 14, a total of 626 acres have been removed following the 2018 peach harvest. Half of the Modesto/Kingsburg area pullouts to date (178 acres) had remaining years on their contracts. If you plan on removing acres this fall, please let your CCPA field representative know about your plans.
- All CCPA members are reminded to return any empty bins to your nearest receiving station by the end of September.
- PCP has finalized their 2017 peach pool returns at \$519.98/ton which represents a 14% premium over the \$455/ton commercial price for 2017 deliveries.