



CALIFORNIA CANNING PEACH ASSOCIATION

CLING PEACH REVIEW

Winter/Spring 2013





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ON THE COVER:
Photography: Ron Boone

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California Canning Peach Association

91st Annual Meeting • February 13, 2013

STATE OF THE ASSOCIATION SPEECH

Good afternoon. I'm pleased to welcome all of you to the Peach Association's 2013 Annual Meeting. Each year we gather at this event to discuss the latest industry challenges. During our 91-year history, the challenges facing our industry have come in many different forms. New challenges appear each year and familiar ones often reappear with a new twist. Yet, what hasn't changed over the years is our mission – to maintain a strong cling peach industry and to enhance returns for California cling peach growers.

We are also making some more history today. With Chairman Gary's decision to step down for 2013, the Board gavel has now been passed to Sunny Dale who will become just the 14th Board Chairman in the Association's 91-year history. I am convinced that one of the reasons for the Peach Association's success over many years is a result of having a series of outstanding, knowledgeable, and visionary growers who have unselfishly given countless hours of their time to serve in leadership roles. We will recognize Gary for his service at dinner tonight, but I would like to take this opportunity to thank him for his 8 years of outstanding Board leadership. Sunny will certainly have a tough act to follow.

As we meet today to assess our current position and to examine the industry outlook for the future, there is currently a bit more optimism for peach growers in 2013 following our disappointing 2012 peach harvest.

Simply put, at the conclusion of last year's harvest it was clear that the industry was rapidly approaching a "tipping point" as growers clearly needed higher prices in order for the peach industry to survive in California.

We watched as peach growers removed 10% of the industry's total bearing acreage following the harvest. During our Fall grower survey, the overwhelming message was that, at 2012 raw product price levels, there was little interest in planting additional cling peach acres. In fact, nearly 75% of the grower responses indicated that a price of \$350/ton or higher was necessary to make cling peaches a sustainable crop for their farming operation.

We knew that unless something changed rapidly, growers would continue transitioning to higher margin tree crops such as almonds and walnuts. We also understood that once a grower makes the decision to remove his peaches and to plant almonds or walnuts, the change is permanent. Recognizing that there are a limited number of growers in California with the skill set and desire to efficiently produce high quality cling peaches, we explored opportunities to change our traditional approach to pricing for 2013 in order to address the issues identified from our grower survey. Business as usual didn't appear to be an option for us. After all, the definition of insanity is doing exactly the same thing again while expecting different results! Others in the peach industry also shared our concerns.

In December, we were pleased to accept a price offer of \$350/ton extended by Seneca Foods for the 2013 season which was subsequently adopted by our other processor customers as well. I believe this action was an important step in maintaining our grower base and clearly indicates that we are no longer faced with raw product pricing driven by burdensome canner inventory levels. Establishing an early price agreement was also very beneficial to growers as they sat down with their lenders this winter to discuss financing for next year's crop. I am



Rich Hudgins
President and CEO

We knew that unless something changed rapidly, growers would continue transitioning to higher margin tree crops such as almonds and walnuts.

Chairman's 2013 Address



Gary Darpinian
Chairman of the Board

California Canning Peach Association 91st Annual Meeting • February 13, 2013 CHAIRMAN'S ADDRESS

Chairing today's meeting marks the last official duty of my eight year tenure as chairman of the California Canning Peach Association. That has special significance for me personally, but not really for the organization as a whole. Let me explain.

The Peach Association was formed in 1922 by peach growers seeking to improve their circumstances by joining together to deal with the issues of the day. Those issues, captured so well by the title of former CCPA Chairman Frank Van Konynenburg's book, "A Home and A Price," have not changed substantially over the last 91 years.

Since its inception, the CCPA has been the model of what an effective bargaining association looks like. In fact, I would argue that it is the benchmark against which other bargaining associations should be measured.

Why do I make such a bold statement?

First, throughout its history, the Association has benefitted from the loyalty, support, and most importantly, the active participation of its members. Of course, there have been times in our history where circumstances and events have led to dissatisfaction among growers and caused fluctuations in the Association's industry representation, but overall we have maintained a remarkably stable membership level.....hovering around 80% of growers during my 22 year tenure on the Board of Directors.

There are many reasons for this. One is that our organization has a history of inclusiveness. By this I mean we do our best to embrace divergent or dissenting viewpoints. We encourage participation

from all members who wish to contribute to the conversation of how the Association conducts its affairs. My own history provides a good example of this organizational trait.

I was elected to the Board in 1991 under somewhat awkward circumstances. I had been unhappy with the peach prices negotiated by the Association the previous couple of years and had written a letter to the Board of Directors in the fall of 1990 stating just that.....in a manner that I suspect may have seemed less than diplomatic to the Board at the time. Needless to say, I was a little apprehensive as I walked into the boardroom for my first meeting with my new fellow directors.

But what happened next was both very memorable for me personally and illustrative of the point I am making.

As I entered the boardroom that morning I was immediately greeted by then Vice-Chairman of the Board, John Ferrari. He welcomed me in his customary way, with a very, and let me repeat, a very firm handshake and then he expressed his pleasure at having me join the Board. I was immediately put at ease and, after the feeling came back into my hand, I found that same kind of welcome in everyone I met, whether they were a director or a member of the staff. Inclusiveness has been a cornerstone of this organization. It has been fostered by my predecessors, including Bud Pinkham, who was my first Chairman, and then by Ron Martella.

These two men showed me, by example, how a successful grower association should operate. Of course a successful bargaining association is guided by its Board of Directors, but the day to day operations are managed by its employees. They are the backbone of this organization and without their dedication and competent management the CCPA would not be successful.

In my tenure, the Association has been led by two extremely capable and hard-working presidents; Ron Schuler and Rich Hudgins. Ron Schuler taught me that the best way to handle dissent is to embrace it, first by informing it and then inserting it into the fabric of the organization. Rich Hudgins has taught me that good information and its free dissemination is the currency of good decision making, and the key to garnering the respect of an industry.

These principles and many more have created the strong foundation on which this Association now rests. My point is that this organization is more than the sum of its parts. It succeeds because all those who have been a part of it have recognized that what creates strength is working together in a constructive and respectful manner to confront common issues. It will continue to thrive because of the organizational memory that has been built over the decades.

I am confident that our new Chairman, Sunny Dale, will continue that tradition. Of course, that is not to say that we do not now or will not in the future have our share of challenges or that there will not be disagreement among our membership over how best to deal with them. What I want to emphasize today is that what is most important is that this association of growers stay unified.

Yuba/Sutter, Modesto, Kingsburg – we all have more common interests than differences and without the Peach Association to represent us, we would all be less successful. And so our Association will continue to do what it does best: represent growers. This Association is a strong bargaining agent for its members. Even in the face of weak market conditions, declining acreage and dwindling contracting opportunities, we have done our best to represent your interests. But there is no question these have been difficult years for our members.

I am very pleased that, as we meet here today, our growers know that they will receive \$350 per ton for next year's crop. Even though growers still bear the risk of crop failure in 2013, they can now arrange crop financing and implement the cultural

practices needed to produce a quality crop based on a firm price commitment from our processors. That should be the model for the future. Uncertainty on pricing does not serve growers or processors well.

Of course, the California Canning Peach Association does much more than just negotiate a peach price and the terms of sale each year. One thing I am most proud of during my tenure is the cooperative relationship we have built with all of our canner customers. We work together on many areas of mutual interest such as the impacts of government regulation, expanding export opportunities, maximizing USDA purchases, ensuring food safety, encouraging unbiased scientific nutritional research, defending canned peaches from inaccurate and detrimental nutritional claims in the marketplace, and conducting research into mechanizing the way we produce and harvest our crop. Our processors know that if they have a concern or suggestion they can call the Association office and Rich will do his best to help them work through it.

That's because we know we will succeed only if our processor customers succeed and vice-versa. That is another longstanding organizational mantra that fuels our success. I wanted to share these points with you today to let you know why I am so confident that the Association will continue to thrive in the future. Despite the reduced footprint of our industry, now less than 22,000 bearing acres, or the shifting geography of our growing areas, our members' needs have not changed or diminished. Peach growers will always need a home and a price, and a strong advocate to represent them. That has always been our responsibility and we will continue to fulfill it in the future.

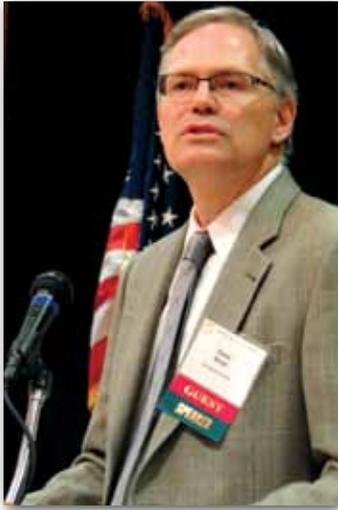
Finally, I want to thank each of you for your support of me and this organization, whether you are a grower member, a member of our talented staff, or one of our processor representatives. That support is the most important reason for our continued success and it is also the reason I have considered it a great privilege to serve as Chairman for the past eight years.

I wish you all the best in 2013. 

Since its inception, the CCPA has been the model of what an effective bargaining association looks like. In fact, I would argue that it is the benchmark against which other bargaining associations should be measured.

I am very pleased that, as we meet here today, our growers know that they will receive \$350 per ton for next year's crop.

Annual Meeting Presentation



Dave West
President and CEO
Del Monte Foods

What they say is that all consumers should eat 2 cups of fruit per day, but statistically, only 2% do. You could look at that as a condemnation of our eating habits or see it as an opportunity to reach the other 98%. Our view is that we can reach the other 98%.

California Canning Peach Association 91st Annual Meeting • February 13, 2013 KEYNOTE ADDRESS

I'm pleased to be able to share some exciting things going on now at Del Monte.

While I've been with the company for a short time, if there is anything you can take away from my speech today, it is this: We are reinvesting to revitalize the Del Monte brand. I hope that is near and dear to all of your hearts.

We are very encouraged by the role fruits and vegetables play in today's ideal diet. We think this provides strong opportunities for growth. What we have to do to tap into that growth is to change consumers' misperceptions about the quality and the role of our products.

Our company is leading the efforts in the industry to do that. We started with foundational consumer research and, as a result, we have started to change our packaging. We are also going to innovate along product lines and invest in our marketing efforts.

First, let me tell you about the role of fruits and vegetables in our diet. All consumers will tell you that they want to eat more of them. The US government recently changed from the Pyramid to the "My Plate" designation. What they say is that all consumers should eat 2 cups of fruit per day, but statistically, only 2% do. You could look at that as a condemnation of our eating habits or see it as an opportunity to reach the other 98%. Our view is that we can reach the other 98%. We think there is a great opportunity there and we should take advantage of the tailwind at our back.

The first thing we need to do is to change the misperceptions that are constraining the growth of shelf-stable fruits and vegetables. We've talked to thousands of consumers over the last year. What they tell us is that, in the best case, they believe the product tastes good although they're not really confident that canned fruits and vegetables are really good for them. In the worst case, they will tell you that they lack interest in the category because

the product is aged (they consider canned products aged). There is also the perception that we use preservatives in the canning process so they think that the product is either older or filled with preservatives and therefore, is not nutritious. We have seen a secular decline in the canned fruit and vegetable markets over the past few years. We have to work to change that misperception.

At Del Monte, we are fully aware that we are the branded leader. When there is a discussion about shelf-stable fruits, vegetables and tomatoes, we are the only brand that spans across all those categories. We view it as our responsibility as the number one or number two manufacturer in all of these categories to take the lead. We have the credibility to do it. The Del Monte brand is trusted. We have 95% total awareness. 95% of all consumers are aware of the Del Monte brand and over 80% are purchasing Del Monte products. Most have at least one Del Monte product in their pantry. We have a very broad reach. This is built on the heritage of our brand which has over 100 years of trusted manufacturing and growing experience.

Excerpts from Del Monte's Canned Peach TV Ad



Key Messages

- **Considerable growth opportunities exist for shelf stable fruits, vegetables and tomatoes.**
- **Changing consumer misperceptions about the quality and role of our products are essential to unlocking growth.**
- **Del Monte is leading this effort by making significant investments in consumer research, marketing, packaging and innovation.**

We have the credibility to do it. Now we have to educate consumers about the truth.

What is the truth? Not just about Del Monte products, but the truth about all the products in the category?

Here it is: Our products are picked and packed at the peak of ripeness. Picked fresh. Most importantly, there are either no preservatives or very little preservatives added in the canning process.

One of the the biggest misconceptions for consumers is that they don't believe that we have the same amount of nutrients as fresh. So, the most important truth we can continue to hammer home is the idea of nutritional equivalency.

One of the things we've allowed ourselves to do over the last few years is to lose the

consumer pathway. We've tended to promote the category so that shoppers wait for canned products to be on sale. They think of this as a decision that's primarily about budget. We ceded the higher ground to fresh produce. The "fresh story" involves quality-of-life with culinary ingredients. That is a very attractive approach in beguiling the consumer. So, as a category, we have allowed fresh produce to take on that position. We need now to take it back. We need to shift from that "shop for sales" way of thinking to a broader and, frankly, more appealing story about quality of life.

So, how are we going to do it? What is our vision?

Our vision is to re-launch the brand. To make us America's preferred fruit, vegetable and tomato brand. We want to inspire people to achieve a sense of a higher quality of life through the enjoyment of what we are calling "garden and orchard-quality" products. It's a total change in the approach we've taken in the past, which was more around price and value. We are moving to a strategy that will remind consumers that our products are available anytime, anywhere

Key Attributes

- **Almost 90% of Del Monte fruit, vegetables and tomatoes are grown in the U.S.**
- **Del Monte fruit, vegetables and tomatoes are picked at the peaks of ripeness, with the majority canned the same day they are picked to lock in nutrients and flavor.**
- **Del Monte fruits, vegetables and tomatoes contain the same essential nutrients as fresh when prepared for the table.**

Continued on page 18



Ending voiceover...

**Grown in America,
picked & packed at
the peak of ripeness,
with the same essential
nutrients as fresh.**

**Del Monte,
*Bursting with Life.***



Peter and his wife Jodi.

“When I was a kid, I remember thinking ‘I’ve got to farm, I’ve got to farm...’

New Generations, New Ideas

Young Peach Farmer Goes Back to His Roots and Establishes New Ones

Ann Schmidt-Fogarty

Peter Martini had no plans to return to the farm where he grew up, yet something kept calling him back. He may not have realized at the time but his decision to go back fit perfectly into his family’s mosaic of fresh thinking, inventive plans and a keen eye fastened on the future.

“When I was a kid, I remember thinking ‘I’ve got to farm, I’ve got to farm, I’ve got to farm’”, he said. “And even though I went to college and pursued different areas of employment, that thought just stayed strong in the back of my mind.”

While his grandfather ran the farm his way, and his father took the business in the direction he wanted to go in, Peter, who is now managing the Martini orchards, has his own hopes and dreams. To ensure that he understands all the forces that will impact his future as well as the fates of other peach growers, he was inspired to take on a leadership role with the Peach Association.

The Beginning

In the second decade of the 20th century, Peter’s grandfather decided to leave his home in Italy in order to build his farm in America.

“He was only 15 years old,” said his admiring grandson. “He came all this way alone. That must have been a tough journey.”

Peter’s father agreed. “Back then, this area was all rolling hills. My father worked with other Italian-born farmers here

who decided to innovate by flattening the land in order to plant peaches.”

The Martini’s acreage, now flat as far as the eye can see, attests to the lasting impact of the young farmer’s willingness to try new things and embrace the changes that would bear the literal fruit of his labor.

Peter the IV joined the crowd when he was given his first name. “I knew my grandfather and my father were named Peter,” he explained. “And I recently found out that my great-grandfather was a Peter as well. It can get very confusing. My grandfather and my dad were called “Pete.” I get called “Re-Pete,” he said, obviously enjoying the fact that people laugh every time he shares his “name history.”

New Directions Lead Back Home

A life of family farming is all that 36-year-old Peter’s father (Peter III) ever envisioned, but his new ideas did not sit well with his dad, who could not let go of managing operations. “My father was very hands-on and very critical,” said the 72-year old, who still shook his head with frustration over the memory. “I wanted to take our cling peach crops in a new direction and use the new farm equipment that was more efficient. It was time for that change, but my father had real difficulty in letting me run the farm. I never wanted to do that to my son.”

Intent on not forcing Peter to remain in the business, Peter III stayed out of the way of his son’s dreams. “My parents never pushed us. They felt strongly about our doing what we wanted,” said Peter IV, admiringly.

While his brother and sister decided to find other paths in life, Peter wanted to pursue his love of agriculture in other ways. “I studied plant breeding and received my Masters degree at UC Davis,” he said. “I worked for Driscoll in Watsonville as a berry breeder and, after 8 years, worked on breeding tomatoes in Lodi. It was a time when I really felt I had fulfilled a lot of my dreams, but I couldn’t get



Peter’s grandfather.

the idea of going back to Escalon out of my mind. It was a time of indecision for me.”

But when thinking about his next steps in order to raise his family and live the life he truly wanted, that indecision vanished. He went back to the family farm, equipped with excitement, energy and, like his father and grandfather, new ideas.” And, Peter’s father had to face the same process of release as his own father did.

The Difficulty of Letting Go

Sitting in his living room, alongside his dad, Peter explained his return to his childhood dream of operating the family farm.

“In one way, we were motivated to move back here because of the high expense of living on the coast. But I was also drawn by the realization that there would be so many people who would love to have such a farm as we do. That’s why, in 2008, I decided to give it a try.”

But how would his father, who was tiring of the long days and endless stress, cope with his young and idealistic son? Would he find it hard to embrace Peter IV’s new ways of farming or submit to ideas that were not his own?

“I did recognize that I was doing to my son what my dad did to me, and I didn’t want that for either of us,” said the now “mostly retired” Pete. “But it took time for me to make that transition.”

“When I first came back to the ranch, it was a little edgy,” Peter said, smiling knowingly at his father. “I had originally thought that my role was to manage the farm and take on almost immediate responsibility. It stressed him out because he couldn’t quite give it up. It was his baby.”

Peter was also frustrated by offering suggestions that his father sometimes ambitiously thwarted. “There were times that I would try to implement something new and my father would change it back into the old ways again. It would drive me nuts. Now, he has accepted that I have new ideas. I still do things a lot like he had always done them but I will be planning on following new directions and he has accepted the reality of that.”

A Noble Profession

While father and son have disagreed on many subjects, both realize that fresh thinking has to be a part of any successful family farm.

“We have to welcome new blood,” says Pete, who found himself championing his son’s decision to think very differently about the direction the business might take. “Some new ideas sound strange or even impossible, but if we don’t look at things in a fresh light, our industry will never get ahead.”

These days, the new custodian of the family’s fortunes can look to his rich history each day that he opens his front door. It is a reminder of the rich convergence of the past, present and future. But some things just had to go. “When we decided to move back, my wife wasn’t very crazy about living in the old cement block my grandfather built. We tore it down and designed our own house. Just a few steps away from our house is an orange tree that was next to a window of the original home.

New and old, tradition and trend-watching perform side-by-side dances regularly at the Martini ranch. But the love of the farming life remains constant and immutable. “We love it here and I can’t think of a more noble calling than being a farmer,” said Peter, as his father nodded in agreement.

Plans for the Future

Excited to learn more about the approaches in the global marketplace for his peaches, Peter says he looks forward to serving on the Peach Association’s Board.

“I know I will learn so much about the competitive efforts to gain consumers all over the world,” he said. “It was also interesting to attend our Annual Meeting



Peter and Pete Martini.

“When we decided to move back, my wife wasn’t very crazy about living in the old cement block my grandfather built. We tore it down and designed our own house.”



*Martini peach blossoms
- photo by Christine Souza*

Continued on page 17

Spotlight Album Annual Meeting



Marjorie Bishop and Janice Oberthier



Peach samples



Kuldip Atwal, Gary Darpinian,
Nina Atwal, and Sarb Atwal



Rich Hudgins, Dave Withycombe, Gary Darpinian, and Sunny Dale



Dave West
addressing the
crowd



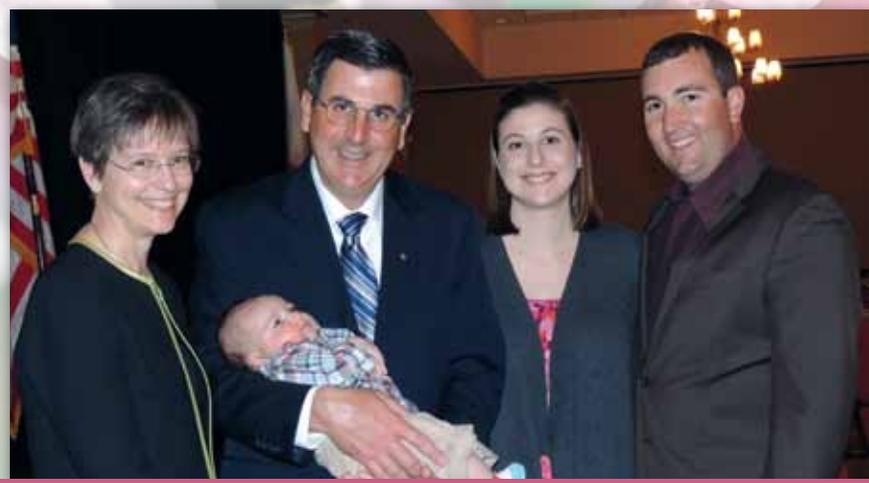
Ron Schuler and Mark Lund



Sunny Dale, Kraig Kayser, and Gurnam Pamma



Marjorie Bishop awarding Oberthier Award to Rick Zolezzi (accepting for Jim Barosso).



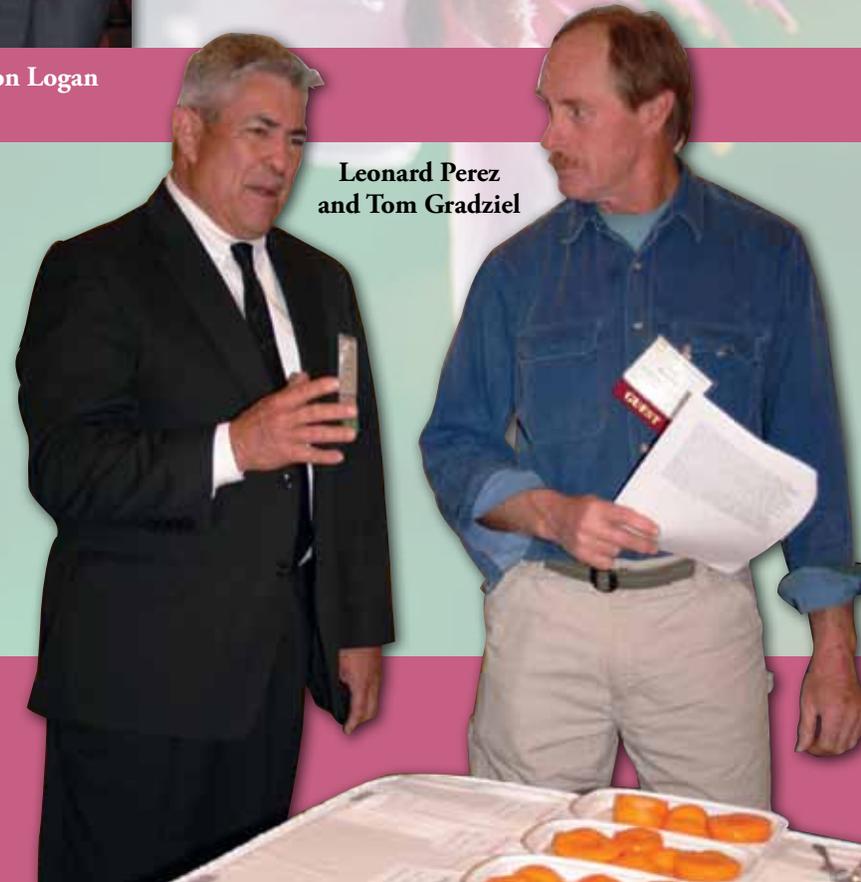
Kelly and Gary Darpinian, Laura and Matt Toste and grandson Logan



Billy Dhami and Peter Martini-
new CCPA Board members for 2013.



Gary Darpinian and Sunny Dale



Leonard Perez
and Tom Gradziel

President's Report - 91st Annual Meeting

Continued from page 3

hopeful that we can continue this early pricing approach for coming years as well, so that both growers and processors have certainty and can make better business decisions.

I'm sure there will be people thinking – wow, they've settled the peach price already and there is no unsold fruit to deal with this year, Rich and his staff don't have anything to do for the next several months! Let me be clear, our efforts to represent and improve the cling peach industry in California don't end with establishing a price agreement. Simply put, the industry must be profitable in order for peach growers to be profitable. There are still plenty of new (and old) challenges on the horizon; it's a matter of looking in the right direction to see beyond the here and now.

As I look to the future, I believe that consumption of canned fruit in the U.S. will, at best, remain flat and is most likely to continue to slightly decline. However, an emerging middle class of consumers globally represents a great opportunity to increase worldwide consumption of canned fruit. Today, 80% of the world's purchasing power and 95% of all consumers live outside the United States.

When I talk about this subject, I often use the example of KFC as a company which is also facing flat to declining U.S. sales while capitalizing on new opportunities internationally. Today KFC serves more than 12 million customers per day in over 100 countries around the world. They have three times as many restaurants outside the U.S. as they have in this country. Sales in China now account for nearly half of the company's \$9.5 billion annual sales revenue. As a result, KFC is a much different company today than it was when both Del Monte and KFC were owned by R. J. Reynolds in the early 1980's. Now, I'll be the first to acknowledge that selling fried chicken and selling canned peaches are two very different business models, but I firmly believe that the U. S. canned peach industry can do more internationally than to simply supply a portion of the Mexican and Canadian

canned peach market. The Association stands ready to work with processors to reach out to more potential peach customers in other parts of the world. Let's identify new market opportunities in countries like Korea, Peru, Columbia, or the Middle East – and let's take the initial steps to introduce U.S. canned peaches to a new audience. There are plenty of trade shows and opportunities to connect with potential retail and institutional buyers, but the buyers won't come knocking on our door and success won't happen overnight. It's pick and shovel work, but the potential long-term benefit to our industry is certainly worth making the investment. While the Association obviously possesses more desire than money, we also are willing to provide plenty of sweat equity in a collaborative effort with processors. Given the choice between selling more or growing less in the future, it's not a hard call to make.

A major challenge for our industry is the need to develop new methods and new technology to reduce our reliance on hand labor for pruning, fruit thinning, and harvesting our crop. While there are encouraging signs coming from Washington, D.C. at the moment regarding the potential for enacting long-overdue immigration reform legislation this year, peach growers are likely to still face continued labor shortages at critical times. We are continuing to look at new approaches for both fruit thinning and harvesting with funding provided by growers and processors through the Canning Peach Mechanization Research Fund. We are trying to cast a wide net, as no one can tell where the next good idea might come from. What I do know is that our message to University researchers, commercial equipment manufacturers, and government officials is very clear. We need to move as quickly as possible to reduce our reliance on hand labor while maintaining the fruit quality necessary for our processor customers. During the past year, we have experimented with a vacuum-assisted harvesting system developed in Michigan, we've initiated a mechanized harvest research project with

...an emerging middle class of consumers globally represents a great opportunity to increase worldwide consumption of canned fruit. Today, 80% of the world's purchasing power and 95% of all consumers live outside the United States.

the newly hired Ag Engineering professor at U.C. Davis, and we've tried a new hand-held blossom thinner for peaches. There still is much more ground to cover. At this point, we have started reaching out to commercial manufacturers of peach harvesting equipment currently on the market seeking their input on how we can best improve the existing mechanical harvesting technology. I am very hopeful that we will have the opportunity to do some additional field testing in 2013 as a result of these ongoing discussions. We are also looking for more opportunities to partner with other tree fruit mechanization research efforts currently underway in other parts of the country. The roadmap which emerges from our efforts may also require us to rethink our orchard configurations to develop systems and varieties more amenable to a more mechanized approach. I believe that the most likely outcome from this mechanization effort won't be one "Eureka moment" which transforms our industry overnight but instead it will come in the form of a series of good ideas strung together in a system-wide approach.

Aside from expanding our international sales presence and reducing our reliance on hand labor, the third element which we cannot afford to overlook is the ongoing campaign to overcome the widely held "fresh is better" misperception held by many consumers regarding our products. This past October, I again joined with Del Monte's nutritionist, Sarah Ludmer and her colleagues, in Philadelphia for the Food and Nutrition Conference held annually by the Academy of Nutrition and Dietetics, to underline the close connection between our family farmers and their processor customers and to highlight the nutritional equivalency of our many shelf stable fruit products to fresh fruit. We've got a great story to tell on the nutrition front with fruit picked at the peak of ripeness. Our products also offer a lower cost-per-serving than many fresh fruit items. I've been thrilled with the new Del Monte TV advertising campaign designed to reach more people with this message. The Produce for Better Health Foundation has also done some excellent work this past year to highlight the importance of "all forms" of fruits and vegetables as part of a healthy lifestyle. Obviously we all have a lot at stake regarding consumer's perceptions and

their daily food purchase decisions. Nutrition, especially in children's meals, is often cited as one of the top five food related issues for 2013. Today there is also more interest than ever in hearing about where and how our food is grown. California peach growers are the best in the world and we should welcome more opportunities to communicate our message directly to consumers so they can make informed purchasing decisions.

As we talk about what it takes for our organization to succeed in our mission to serve peach growers and the industry, I would like to recognize members of the team who serve as the staff of the California Canning Peach Association. I am very proud of their accomplishments and their ability to work together to meet the needs of our grower members. Collectively, they have logged over 120 years of service to the Peach Association.

In closing, the reality is that all of the challenges I've described today can't be categorized as just a grower problem or just a processor problem. The reality is that growers need processors and processors need growers. We are all in this together and must appreciate the importance of keeping this industry strong and viable for many more years. Just as we have a responsibility to be good stewards of the land, the air, and our water, we also have a responsibility to be good stewards of the peach industry in California. Maintaining a balanced supply/demand position in the industry is the cornerstone for future success. While some new plantings are necessary to replace aging orchards, we must avoid a return to overproduction at all costs. Any grower tempted to plant a peach orchard without a contract will be well served to remember what I said earlier this afternoon about the definition of insanity! While we may have differences from time to time on tactics, we share common goals and can only achieve these goals by working together. We can be proud of our accomplishments this past year, but there is no such thing as a neutral gear in this business. You are either moving forward or you are moving backward. However, it's not the speeches we give today; it's what we do about it tomorrow that matters. Let's continue working for a better tomorrow in the peach industry. Thank you. 

Our products also offer a lower cost-per-serving than many fresh fruit items. I've been thrilled with the new Del Monte TV advertising campaign designed to reach more people with this message.

New “Cans Get You Cooking” Initiative Launched

Cans Get You Cooking builds on a new consumer research study that confirmed strong positive perceptions among existing canned food consumers, including their confidence in the freshness and nutrient content of canned food.

The Can Manufacturers Institute (CMI) recently launched a nationwide “*Cans Get You Cooking*” multi-year, fully-integrated campaign during February as part of National Canned Food Month. The campaign, funded by CMI members (Silgan Containers, Crown Holdings, Inc. and Ball Corporation) kicked off by partnering with ABC’s *The CHEW* to highlight different ways for consumers to get cooking with canned products. *The CHEW* is a nationally televised daytime food and lifestyle series which will now feature weekly segments where chefs can “engage and educate” consumers about the benefits of using canned foods in making recipes. CMI’s investment in this campaign is expected to exceed \$5 million during the first year. The campaign will also include a robust consumer-facing public relations program, partnerships with in-store registered dietitians and a trade media campaign. *Cans Get You Cooking* builds on a new consumer research study that confirmed strong positive perceptions among existing canned food consumers, including their confidence in the freshness and nutrient content of canned food.



“Research shows that consumers already trust the ironclad technology of cans to deliver food that is fresh, flavorful, nutritious and convenient” says CMI President Robert Budway. “Through the *Cans Get You Cooking* program, we will team with the country’s leading brands and grocery

retailers to remind consumers of their love for canned food, drive center-store sales, and encourage more usage occasions.”

The effort will also have online, digital, and social media presence through ABC’s media assets – plus a co-branded contest in which consumers who share their favorite canned food recipes can earn chances to attend a taping of *The CHEW* in New York City. In addition, social media initiatives have been

launched on Facebook, Pinterest, YouTube and Twitter, all meant to engage and inspire consumers with the benefits of cooking using canned ingredients in their recipes. Retailers will be supplied with customizable “*Cans Get You Cooking*” content, programming, and a toolkit for supermarket registered dietitians. Retailers will also be offered various options for tying into “*The CHEW*” promotional partnership.

Dietitians are also weighing in with this message – “Cans ironclad seal locks in freshness, flavor, and nutrients, so you can always rely on canned foods to create wholesome and delicious meals for your family,” says Elizabeth Fassberg, MPH, RD CDN and owner of *EAT FOOD*, a food and nutrition consultancy in New York City.

The new CMI campaign has been enthusiastically welcomed by California’s peach canners. “This campaign drives greater awareness around the goodness that canned foods provide which has become forgotten. When canned foods are added to their grocery carts, families have more options to make nutritious dinners at home with the low cost and convenience they need in today’s world,” says Sarah Ludmer, who serves as Manager of Nutrition Services and Communication for Del Monte Foods.

Dan Vincent, President & CEO of Pacific Coast Producers, is also very supportive of the effort. “In bringing our growers’ crops to our customers, canned goods offer a great combination of value, convenience and nutrition. We fully support the CMI campaign to get this message out in new and exciting ways,” says Vincent.

The *Cans Get You Cooking* campaign represents a major increase in consumer outreach by the canned food industry and it will supplement the ongoing work of the Canned Food Alliance. “The Canned Food Alliance (CFA) has been working closely with CMI to ensure our campaigns complement each other. We will continue to work together to cross-

promote messages and share content through social and traditional media channels,” says Katie Calligaro, Communications Manager for the Canned Food Alliance.

The Canned Food Alliance has also commissioned numerous research studies on the benefits offered by canned foods. The latest, published last year in the *Journal of Nutrition and Food Science*, examined cost, waste, and preparation time to determine that most canned foods offer similar nutrients, often at a lower cost than fresh, frozen, or dried fruits and vegetables.

Interestingly, the challenge of consumer misperceptions regarding canned fruit is not limited to the U.S. market. The CMI

initiative’s messaging is similar in many ways to the Supercan campaign underway in South Africa to heighten South African consumers’ awareness of the nutritional benefits and convenience of canned fruit. This effort uses the tagline “You can taste the goodness anytime” to highlight that canned fruit is always in season and perfect for any occasion.

While CMI’s “Cans Get You Cooking” campaign is welcome news for our industry, it will be important to maintain the energy and continue reaching out to consumers. After all, the perceptions regarding canned products did not form overnight and will not change quickly. However, this campaign represents a significant step toward improving our industry’s future outlook. 

Cans Get You COOKING

Get involved in a national campaign designed to increase awareness of the superior benefits of canned food and drive increased consumption.

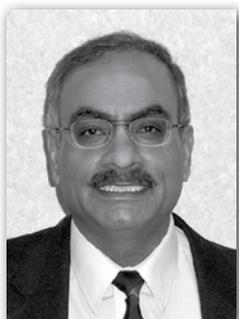
What is it?

Cans Get You Cooking is a multi-year, fully integrated campaign that builds on the insights from a new, comprehensive values-based consumer research study revealing consumers’ strong positive associations with canned food.



Integrated Channels

Cans Get You Cooking will launch nationwide during National Canned Food Month in February 2013.



Ajayab Dhaddey



Brian Sowden



William F. Bryan

Northern District

Fall of 2012 brought a lot of changes to the peach industry. Total pullouts to date in the Yuba/Sutter area are 1,280 acres for the north out of 2,396 acres pulled statewide. The Yuba/Sutter area has pulled 10.5% of its total bearing acres this Fall.

After the processors analyzed their supply/demand situation, all the unsold acres received contracts for 2013. However, if you are considering planting peaches in the future, we strongly urge you to obtain a letter of intent from a processor before planting an orchard in 2014.

CCPA was able to get an early price agreement with the processors for the 2013 crop. This will allow growers to make early adjustments

to their cultural practices; out in the field and with the banks. Using the same terms of sale as 2012 means that growers will have to prune and thin properly to obtain adequate size for the processors.

Chilling hours recorded this year at the UC Davis center are 1,185 which is more than enough to satisfy chilling requirements for cling peaches. Last year Davis recorded 1,116 chilling hours.

Full bloom is predicted for March 13th this year; last year it was March 8th. The bloom is looking strong; however, some Late and Extra Late varieties are on the lighter side. At this point, it looks like we are off to a good 

Central District

Rainfall or the lack of rainfall dominates the conversations of peach growers in the central valley. Rainfall totals for the months of November and December were very good, when we received a total of 6.33 inches. But January and February have been very dry with only 1.84 inches falling at this point.

Chilling hours for 2012/13 are at 1,162 total hours, last winter we accumulated 1,271 hours. This should be adequate for our 2013 peach crop.

Pullouts for the central districts are at 697 acres which is 8.5% of the total bearing acres in the

districts. Cling peach plantings in 2013 are expected to be less than half of the pullouts this winter.

Full bloom in 2012 was March 8; full bloom for 2013 is estimated to be about 5 days later this year because of recent cold weather. Estimated full bloom for the central area is March 13.

In conclusion, growers are more optimistic in 2013 and their bankers are happy. All central valley growers are hoping for a much better peach crop this year. 

Southern District

Rainfall numbers are running only slightly higher than last year. At this time the Kingsburg area has received 3.88 inches compare to 2.95 inches last season. Our chilling hours this year are 919 hours; this is slightly below what we had last winter when we received 1,122 hours.

The big news in the area after the 2012 harvest was the pullouts. Growers in district 10 and 11 pulled a total of 419 acres, which amounts to 17.1% of the total bearing acres in the area. New plantings for the district in 2013 will be less than 100 acres going back into peaches.

Full bloom last year was March 5 in Kingsburg, the 2013 full bloom was a little later this year due to the cold temperatures in February. At this point we have called March 11 as full bloom for Kingsburg this year.

In conclusion, growers should be more optimistic about the future with the price and terms already established. However, the labor situation will be critical to getting our peach crop thinned and harvested in a timely manner. 

Grower Profile

Peter Martini

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recently. We got to hear about Del Monte's plans for packaging and marketing to younger consumers who care more and more about health and wellness."

CCPA's Rich Hudgins is pleased that young peach farmers such as Peter are willing to participate in the Association's efforts to improve the peach industry. "Peter's intelligence and curiosity will be a definite asset and a huge benefit to our growers," he said. "We are proud that he is going to be a part of taking us to the next level. With issues like labor, mechanical harvesting and emerging markets looming large, we know Peter will offer a fresh and vital perspective."

Looking toward the future, Peter Martini plans to hold onto his peach acreage and wants to go against the current trend of pulling out labor-intensive fruit trees and the planting of more nut orchards. "Sooner or later, the demand will change or lessen for almonds and walnuts. And, right now, it just isn't interesting to me to do what everyone else is doing."

Instead, he is considering trying out new crops, such as blueberries and focusing on educating his local community about the nutritious bounty from his orchards. "I've been considering opening up some stands, just to get the chance to talk with people about what we do," he explained. "Nothing is set in stone yet, but I am definitely going to think of new things and put my stamp on our business."

No "Re-Pete-ing"

Today, Peter, his wife, Jodi, and their two children enjoy the safety, peace and security of the close-knit community of his childhood. They plan to live and farm there just as Pete II and Pete III did. But there is one thing that has changed for good with the Martini clan.

"I want my son to have his own dreams and his own name." Along with his 7-year-old daughter, Lauren, Peter is proud of his kindergartner son, Vincent. "No more Peters with Roman numerals, said the confident, happy, fresh-blooded and game-changing farmer. "I am the end of the line." ❧

CCPA's Rich Hudgins is pleased that young peach farmers such as Peter are willing to participate in the Association's efforts to improve the peach industry.



Lee Tipton with Norm Kline and BJ Kline at the CCPA's Annual Meeting

Norman Kline Steps Down After 20 Years of Board Service

Norman Kline recently announced that he was stepping down from his Board seat after serving for 20 years on the Association's Board of Directors. We greatly appreciate the countless hours he has devoted to the CCPA and commend him for the job he has done in representing peach growers. Norman is one of just 15 Board members in the last 50 years who have logged 20 years of service on the Board of Directors. ❧

Growers with 20 Years of Service on CCPA Board

| Director | Years Served |
|------------------|--------------|
| Albert Avedikian | 25 |
| Didar Bains | 30 |
| Jasbir Bains | 22 |
| Sukhjinder Bains | 21 |
| Ugo Cavaiani | 31 |
| Rajinder Chohan | 25 |
| Gary Darpinian | 23 |
| Satinder Davit | 26 |
| Norm Kline | 20 |
| Gary Little | 25 |
| Ron Martella | 22 |
| Bob Michigian | 23 |
| Bud Pinkham | 25 |
| Marvin Stowe | 21 |
| Johnnie Wurm | 26 |



We think we can find success with new recipes featured in culinary and epicurean magazines. We can guarantee the quality of the product the consumers are going to get.

Keynote Speaker

Dave West

Continued from page 7

with nutritional equivalency.

You're going to see more of what we call "360° marketing." We're touching the consumer everywhere. We're involved with media. Our television advertising will be the first sustainable advertising we've done in about 20 years. We are telling a social and digital story. You'll find that we are dealing with print magazines and we're also doing some consumer promotion at the store in order to intercept the consumers where and when they are shopping.

The most important thing about our campaign is that it features what we are calling "Bursting with Life." This is how we are bundling together all of the proof points that we talked about. We are emphasizing that we have picked and packed our fruits and vegetables at the peak of ripeness. We focus on the fact that we have the nutritional equivalency of fresh. That is the core of everything we're trying to do. We are trying to address the misperceptions by consumers of center-of-the-store fruits and vegetables in cans. And we're trying to re-ignite category growth by telling consumers about all the benefits of our products.

For instance, to further focus on the "proof points" in one advertisement, we feature a clear bowl and clear liquid. The ability for viewers to see through the bowl is an important thing. It gives consumers a sense of purity. The peaches splashing into water in the can at the end of the commercial reinforces the fact that all that is added to the peaches in the can is water. So, when we talk about "picked and packed at the peak of ripeness," we are also giving visual keys to consumers about what's inside the can and, more importantly, what's not.

Unfortunately, what is been "outside the can" hasn't changed in 100 years. We hadn't really updated our packaging graphics. That is going to change with this pack season. This will be the largest packaging refresh-and-redesign effort in the company's history.

Over the course of the next two years, we will touch all of our packaging. My operations and plant managers squirmed in their seats a little bit when I talked about "touching" every package and every product, but we are going to do it. We think it's the right thing to do. The new packaging reinforces the Del Monte brand. Consumers will be looking at the pictures of the fruits and vegetables and nothing else. We emphasize that "straight-from-the-orchard-and-garden" message. You'll see boxes and crates and all the farming elements that emphasize the message we want to convey. It'll be much lighter packaging and much more appealing, we think.

So we are going to change the product. We've changed our formulations to improve our products' tastes. We've changed the promotional aspects. We changed the packaging aspects. And we're in the process of changing essentially all of the "4P's" that marketers like to talk about. It's long overdue.

Having just joined the company a little more than a year ago, I am excited and encouraged by the fact that we have a 100-year-old brand that has a high household penetration and the consumers' trust. And we haven't really done anything with it in 100 years from a marketing standpoint. So, as we activate this, we are very encouraged about what we are going to see. Starting in October and November, we were on TV. In January, we started running the peach spot, we will be on air with green beans and a back-to-school campaign. So you'll see us pulse in and out depending on what consumers will be looking to buy. And we're on year-round with a social and digital campaign.

One of the things most appealing to consumers may not be captured on a TV spot. We have proud, multi generational farmers who grow our products. We also have a story to tell about water usage and pesticides and our food safety record. That is a story best told in a 360°- social and digital outreach. We look forward to tapping into

some of your stories because growers are an important part of our story and it makes it very compelling for people to understand how exactly this supply chain works.

We are going to be continuing our media push in 2013. We're also trying some new things when the consumer actually gets into retail. In the reality of most shopping trips, four out of 10 consumers never make it up and down any aisle in the grocery store when they shop. They almost always shop the perimeter of the store. Most shopping trips are on the way home. They are usually fill-in trips. Most of the shoppers are looking for the makings of a meal. We are the center of the store. We have to find a way to get consumers in the center of the store and when they get there, we have to make it easy for them to shop.

We have two different tests going on. One of them is similar to what Campbell Soup started a few years ago in the soup aisle. They have gravity-fed shelving units to make it easier for the consumer to find the variety they are looking for. One of the other tests involved a rip-open gravity-fed case which would make it easier for retailers to keep the product in stock. They'll just be able to slot in a new cartridge, which actually, from a sustainability standpoint, is also pretty attractive. It reduces the amount of corrugated cardboard that we are using with the product.

We are testing these ideas in Pennsylvania, Ohio and Tennessee and we're excited to see how consumers will react when we make our products a little more "shoppable" for them.

There are new products on the way as well. One of the things that I would tell you about fruit and, particularly, our canned and plastic fruit cups is that we are not penetrating the market in the same way that fresh fruits and fresh vegetables are. Fresh vegetables and fruits are eaten throughout the day and tend to be more portable. We haven't marketed our products as providing the same benefits and we should. We think that, with some small changes to the product line, we have the

ability to meet some needs where we are not currently focusing on. We are examining ways of marketing, such as the idea of promoting our fruit cups as being a mid-morning pick-me-up.

And, marketing fruit as dessert is something that we used to do well and I think we should recapture. We think we can find success with new recipes featured in culinary and epicurean magazines. We can guarantee the quality of the product the consumer's going to get. The same thing can't be said about fresh. So it comes to recipe usage, the quality and consistencies of our products are things consumers should be looking for.

We are changing the products, we are changing the packaging, and we are changing experiences at retail. We are changing the way we interact with consumers at computers and smart phones. We are changing the way they receive information about us on TV and in print.

This is about as complete and total a brand overhaul as you can get. The good news is we're starting with great credentials and credibility with consumers. I'm excited to be a part of the management team that gets to do this. We'll see great results. At the end of the day, the consumer wants to eat more fruits and vegetables. It is our job to make that easy for them to do. We believe we can do that, but we have to change consumer perceptions about nutritional equivalency. That is the core of everything we are doing.

And you are the core of everything we are doing. Without our growers, we don't get started. So we're proud of the relationships and proud of what you do, because we both have a higher order of purpose in feeding people. We make people's lives better. There's nothing that should make us all prouder than that. 🍌





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2nd Row (left to right):

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