

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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CCPA BOARD RATIFIES 2020 PRICE AGREEMENT

At their June 30th meeting, the Association's Board of Directors ratified a 2020 price agreement reached with Del Monte Foods. The 2020 base Price is \$492/ton, up \$4/ton from last year's price of \$488/ton. In addition, changes to the 2020 terms of sale would amount to an additional \$4.60/ton on last year's crop deliveries. Terms of sale changes include a \$10/ton increase to current Extra Early premiums, a new \$30/ton varietal premium for Earlies (excluding Klamath) and any Extra Early varieties not covered by previous Extra Early premium payments. There is also a new \$75/ton penalty for loads delivered with more than 6% bruise/overripe when canners are using the #2 color disk. The machine harvest differential has been lowered to \$15/ton for all Extra Early and Early varieties. Agreement with other processors is expected in the near future.

SUMMARY OF 2020 TERMS OF SALE

| EE PREMIUM | \$65/ton: Loadels, Ceres Carson, American, Thiara & Calaveras (+\$10/ton) \$50/ton: Stanislaus (+\$10/ton) | | | | | | | | | | |
|-------------------------------|---|-----------------|------------------|--------|------------|---------|------------|----------|------------|-------|---------------------------------------|
| EARLY PREMIUM | \$30/ton: Early Varieties (exl. Klamath) + EE varieties which are not covered under current EE premium payment category. (Carson, Kader, and Experimental) | | | | | | | | | | |
| NO. 2 PEACHES | EE – Up to 4% have no value but are excluded from Schedule of Values offgrade. No. 2's over 4% to be counted on Schedule of Values offgrade. Canner option to reject loads with greater than 15% No. 2 Fruit. All Other Varieties – Up to 2% No. 2's have no value but are excluded from Schedule of Values. No. 2's over 2% to be counted on Schedule of Values. Loads with greater than 7% No. 2's subject to a \$75/ton penalty on Schedule of Values. Canner option to reject loads with greater than 15% No. 2's. | | | | | | | | | | |
| UNDERSIZE REJECT LEVEL | Canner Option to Reject Loads >5% Undersize Fruit. Loads with >4% Undersize Fruit subject to a \$75/ton penalty on Schedule of Values. (Excluding flat rate tons) | | | | | | | | | | |
| MATURITY | Minimum pressure 3.6 lbs. | | | | | | | | | | |
| GREEN | When using the #2 color disc, loads with >5% green fruit subject to a \$75/ton penalty on schedule of values. (Excluding flat rate tons.) | | | | | | | | | | |
| BRUISE/OVERRIPE | Loads >6% subject to \$75/ton penalty when using the #2 disc. | | | | | | | | | | |
| CONSTANT TOLERANCE | 3% Constant Tolerance. | | | | | | | | | | |
| INVISIBLE SPLITS | 50% Paid as No. 1 fruit & remaining 50% Excluded from Schedule of Values. | | | | | | | | | | |
| SCHEDULE OF VALUES | <table><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>> 20%</td><td>\$75/Ton Flat Rate (Reject Option)</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 (Reject Option) |
| <u>Offgrade</u> | <u>Price/Ton</u> | | | | | | | | | | |
| 0 – 8% | Base Price | | | | | | | | | | |
| 8 – 12% | - \$40/Ton | | | | | | | | | | |
| 12 – 20% | - \$80/Ton | | | | | | | | | | |
| > 20% | \$75/Ton Flat Rate (Reject Option) | | | | | | | | | | |
| WORMS OR BROWN ROT | Any load delivered with greater than 4% offgrade and less than 6% in either category subject to a \$20/ton penalty. Offgrade between 6% and 12% subject to a \$40/ton penalty. Loads with over 6% offgrade may be rejected at canner's option and loads with offgrade greater than 12% will be paid \$75/ton at canner's option. | | | | | | | | | | |
| MACHINE HARVEST | \$15/ton price differential for Extra Early and Early Varieties \$30/ton price differential for Late and Extra Late Varieties No price differential for 2 nd pick. Processor Approval Required. | | | | | | | | | | |
| PAYMENT SCHEDULE | 75% on Delivery (\$369/Ton), Balance Oct. 1. | | | | | | | | | | |

RETURN SERVICE REQUESTED

2020 BLOCK X BLOCK ESTIMATE TOTALS 267,144 TONS

The California League of Food Producers released the industry’s 2020 Block x Block estimate of 267,144 tons in mid-June. The 2020 crop estimate (which amounts to a statewide average yield of 16.7 tons/acre) represents a 4,797 ton increase over last year’s 262,347 ton crop. The 2020 Block x Block estimate is 20,821 tons less than the Association’s prethinning estimate conducted in early May. The 2020 Block x Block estimate reflects an increase of 647 acres over last year’s 15,355 bearing acres, but a decrease in overall yields vs. last year’s yield of 17.1 tons/acre. The Modesto area accounted for nearly all of the projected yield decrease with a 7% drop while the Yuba/Sutter area posted a 3% yield increase.

2020 Blk x Blk Estimate

Tonnage by Area

| <u>Area</u> | <u>Bearing Acres</u> | <u>Blk x Blk Estimate</u> | <u>2019 Deliveries</u> | <u>% Change vs Last Year</u> | <u>Yield/ Acre</u> |
|---------------|----------------------|---------------------------|------------------------|------------------------------|--------------------|
| Yuba/Sutter | 9,690 | 155,878 | 147,266 | +6% | 16.1 |
| Stockton | 833 | 11,738 | 12,536 | -6% | 14.1 |
| Modesto | 3,919 | 70,509 | 74,804 | -6% | 18.0 |
| Kingsburg | 1,560 | 29,019 | 27,741 | +5% | 18.6 |
| TOTALS | 16,002 | 267,144 | 262,347 | +2% | 16.7 |

Tonnage by Varietal Group

| <u>Varietal Group</u> | <u>Bearing Acres</u> | <u>Blk x Blk Estimate</u> | <u>2019 Deliveries</u> | <u>% Change vs Last Year</u> | <u>Yield/ Acre</u> |
|-----------------------|----------------------|---------------------------|------------------------|------------------------------|--------------------|
| Extra Early | 4,051 | 56,789 | 53,383 | +6% | 14.0 |
| Early | 3,172 | 49,952 | 48,400 | +3% | 15.7 |
| Late | 6,811 | 127,169 | 126,420 | +1% | 18.7 |
| Extra Late | 1,968 | 33,234 | 34,144 | -3% | 16.7 |
| TOTALS | 16,002 | 267,144 | 262,347 | +2% | 16.7 |

2020 PEACH HARVEST UNDERWAY

The 2020 peach harvest began in Kingsburg with the Calaveras variety being picked on June 8 which was one day later than last year’s initial harvest date. The first Ceres Carsons were picked on June 17, two days later than last year. The first Loadels were picked on June 29, three days later than last year’s first Loadel delivery. YTD CCPA member deliveries to Del Monte through June 29 total 1,459 tons with an average offgrade of 7.50%. Kingsburg area growers are reporting more split pits and smaller fruit sizes than last year at this point of the harvest. The first Yuba/Sutter area grower picked Loadels on July 3rd this year, twelve days earlier than last year’s initial harvest date in the Yuba/Sutter area. Reference Date plus 30 days fruit sizes in the Yuba/Sutter area averaged 40.8mm which is 1mm better than last year, but still below the ten-year average fruit size of 41.4mm.

**Offgrade Comparison
 Initial Del Monte Deliveries**

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Start | June 6 | June 4 | June 8 | June 11 | June 7 | June 8 |
| Deliveries Thru | June 29 | June 29 | June 29 | June 29 | June 29 | June 29 |
| YTD Tons Delivered | 4,452 | 4,162 | 1,816 | 1,133 | 1,371 | 1,459 |
| Total Offgrade | 3.82% | 3.35% | 6.23% | 7.65% | 4.74% | 7.50% |
| <u>Offgrade Detail</u> | | | | | | |
| Green | 0.30% | 0.38% | 0.51% | 1.27% | 0.32% | 0.57% |
| Bruise & Overripe | 1.13% | 0.51% | 1.93% | 1.62% | 0.15% | 0.61% |
| Undersize | 1.85% | 1.87% | 1.10% | 0.84% | 0.75% | 0.90% |
| Inv Splits | 0.22% | 0.14% | 0.42% | 1.13% | 1.09% | 0.79% |
| No. 2 Fruit | 4.28% | 4.43% | 2.85% | 2.18% | 1.81% | 3.60% |
| % Delivered 0-8% | 89% | 95% | 78% | 72% | 99% | 94% |

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

