

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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YTD PULLOUTS EXCEED 1,200 ACRES

The Association's field staff reports that pullouts following the 2020 harvest now total 1,204 acres which amounts to 7.5% of the industry's total bearing acreage in 2020. As a result, we will have fewer bearing acres in 2021 since we have just 782 acres of 2018 plantings moving into the bearing acreage category for next year. As of October 30th, the Association had a total of 424 acres of unsold orchards still in the ground although more than half of these were scheduled to be removed in the coming months. It is clear that any unsold Ross or Late Ross orchards will have virtually no chance of getting a cannery contract for the 2021 season and we strongly suggest that growers not spend money pruning or spraying these orchards since these costs will most likely not be recovered. Assuming that more than half the remaining unsold orchards are removed this winter, the Association is projecting a total of 15,340 bearing acres for the 2021 season vs. 16,002 bearing acres this year. Since the industry has slowed new plantings dramatically following 2017, our bearing acreage will continue to decline following 2021. We have just 235 acres of 2019 plantings slated to move into bearing status for 2022 so our bearing acreage is projected to drop to the mid-14,000 acre level. Given differing yield assumptions, a projected 2021 crop could range from 266,900 tons to 236,200 tons with a midpoint at 251,550 tons.

Cling Peach Pullouts As of November 24, 2020

1. By Area

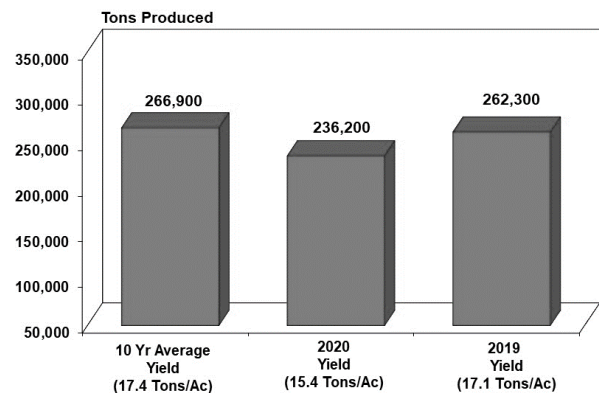
Area	EE Acres	E Acres	L Acres	EL Acres	Total Acres	% of Bearing
Yuba/Sutter	266	74	242	152	735	7.6%
Modesto	125	85	73	101	384	8.1%
Kingsburg	62	0	24	0	85	5.5%
TOTAL	453	159	339	253	1,204	7.5%

2. By 2020 Processor

Processor	EE Acres	E Acres	L Acres	EL Acres	Total Acres
DMF	227	40	95	95	457
PCP	203	105	223	154	685
All Others	23	14	21	4	62
TOTAL	453	159	339	253	1,204

Last year pullouts totaled 815 acres as of December 12th.

Possible 2021 Peach Crop Scenarios*



2020 Deliveries Totaled 246,500 Tons

* Based on 15,340 Acres in 2021

PEACH GROWERS LOOK FORWARD TO STRENGTHENED BUY AMERICAN PROVISIONS

As the Biden administration staffing announcements continue, peach growers are looking forward to working with the new administration and Congress to strengthen existing Buy American provisions for school food purchases. During his campaign, candidate Biden outlined a comprehensive Buy American plan built around the premise that when the government spends taxpayer money, it should purchase American products and support American jobs. The plan also called for a crackdown on waivers or exceptions to Buy American requirements (for example the "significant cost differential" exception currently used by schools to purchase Chinese canned peaches and other foreign sourced food products). The Biden plan would also establish a fully transparent process so that any time a federal contractor requests a waiver based on a claim that something can't be produced in America, it would be published on a website for all potential bidders and relevant stakeholders (like labor unions) to see. We strongly believe that a requirement to use taxpayer dollars to produce U.S. grown or produced food products would significantly benefit both the peach growers and the thousands of Teamster union employees working in California's fruit canneries. Clearly, the Biden campaign sensed a continuing shift in public sentiment towards a "made in the US" focus. Others are responding to the same indications. For example, Walmart has recently been running a TV advertisement with a patriotic theme titled "American Jobs" which announces their plan to dedicate \$50 billion over the next ten years to buy goods made in the US and to hire veterans returning home from war. In response to COVID concerns, the Food Marketing Institute's recently issued 2020 Power of Produce report finds that 54% of shoppers would like to see a greater assortment of locally grown produce at their primary grocery store. (While not specifically asked, it would make sense for this same attitude to exist for processed fruits and vegetables as well.)

2021 ANNUAL MEETING POSTPONED

The Association's Board of Directors took action at their November 18th meeting to indefinitely postpone our 2021 Annual Meeting (which is typically held in January) due to ongoing COVID safety concerns. We trust that COVID vaccinations will become widely available in 2021 so we can safely gather for a big celebration of the Association's 100 year anniversary in 2022.

RETURN SERVICE REQUESTED

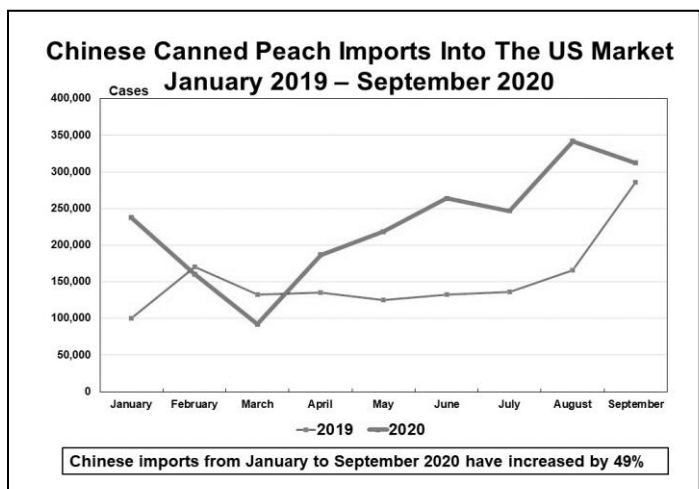
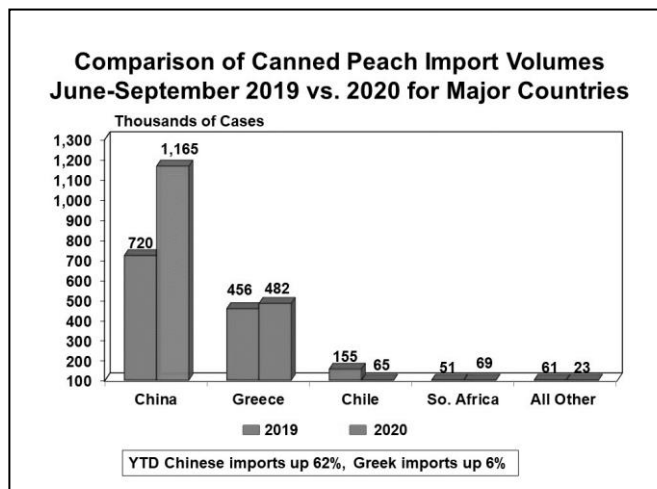
2020 QUALITY AWARD WINNERS RECOGNIZED

Sukhvir & Parveen Bains won the Association’s 2020 Statewide Quality Award for achieving the lowest average offgrade among growers who delivered at least 250 tons over more than two weeks with an average offgrade of just 1.60%. The average offgrade for all 27 Quality Award winners was 2.6%. The top three Quality Award winners in each district delivered an average of 551 tons with 3 growers in excess of 1,000 tons delivered. Our congratulations to all of the Quality Award winners shown below:

<u>District</u>	<u>1st Place</u>	<u>Offgrade</u>	<u>2nd Place</u>	<u>Offgrade</u>	<u>3rd Place</u>	<u>Offgrade</u>
1	Mohammad Aslam Khan	1.78%	Vicki Anderson	1.94%	Jaspal Orchards	2.00%
2	Jaspal Orchards	1.54%	Sukhvir & Parveen Bain	1.60%	Michele Family Farms	1.65%
3	Gian Kaur Bains	1.07%	Mand Farms, L.L.C.	1.76%	Balbir K Bains Trust	2.34%
4	Balbir K. Bains Trust	2.69%	Ramsaran & Kamaljit & Harinder Dhanota	2.97%	Daljit Thandi	4.08%
5	Dalvir S. Gill	3.49%	Gill Brothers	3.53%	Smith Ranches	4.64%
6/7	Blom’s Ranch, Inc	2.20%	John L Miller Farms, Inc	2.85%	Luchessa Ranches	4.13%
8	John L. Miller Farms, Inc	2.35%	Noeller Farms	3.21%	John Colt	3.40%
9	HEK Farms	1.82%	Fiorini Ranches	2.34%	Jeff & Cara Strom	2.40%
10/11	J&L Siliznoff Farms	2.31%	Sihota Ranches	2.37%	Kenneth J. Thiesen	2.55%

YTD CANNED PEACH IMPORTS UP 25%

Although total canned peach import volume for the month of September declined 2% from last September (508,460 cases vs 519,878 cases last year), year to date canned peach imports for June- September amount to 1,803,857 cases which represents a 25% increase over last year’s 1,443,372 cases imported. YTD Chinese canned peach imports total 1,164,553 cases, up 62% from year ago levels. During the same period Greek canned peach imports total 482,195 cases, up 6% from last year’s 456,445 cases imported. Canned peach imports from all other countries except China and Greece totaled just 157,109 cases, down 41% from the prior year’s 267,233 case volume. China continues to be the largest source of imported product. Looking more closely at 2020 Chinese import volume vs year ago shipments for January thru September, there was a brief dip in volume during March due to COVID disruptions at Chinese ports but monthly shipments since April have been running consistently ahead of 2019 monthly volume.



OF INTEREST

- Just in time for the holiday season, canned peach gift packs are now available for purchase by CCPA members. A case of six 29 oz. cans of peach halves sells for \$12 and a case of twelve 8 ¼ oz. cans of chunky diced peaches sells for \$7.50. Please contact your local CCPA field representative to arrange for pickup or delivery.
- Ballots for the Association’s 2021 Board of Directors election are being mailed out to members this week and must be returned by Wednesday, January 6th. Two incumbents have chosen not to seek another term, we extend our thanks to Rajinder Chohan and Blaine Yagi for their many years of service and contributions to Board discussions.
- Don’t miss the December 11th deadline to apply for CFAP2 payments through your local USDA Farm Service Agency office. More than 230 fruit, vegetable, horticulture and nut crops are eligible to participate.