

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 2023 PRICE AGREEMENT

At their June 22nd meeting, the Association's Board of Directors ratified a 2023 price agreement reached with Pacific Coast Producers (the largest fruit canner in California). The 2023 Base Price is \$635/ton, up \$32/ton (5.3%) from last year's base price of \$603/ton. Up to 5% of No. 2 peaches in Extra Early varieties will be paid for at \$200/ton with No. 2's up to 3% paid for at \$200/ton for all other varietal groups. There will also be a 5% Constant Tolerance for general defects which will be paid at full price. PCP's fieldstaff encourages all growers to utilize the 5% green paid-for tolerance on all Ross and Late Ross deliveries in order to minimize any soft fruit issues at the plant. Following this action, Wawona Frozen Foods has also agreed to the same price and terms. The Association expects to reach an agreement with Del Monte Foods on the same price and terms of sale in the coming days. (Any Del Monte deliveries made before they have agreed to 2023 pricing will be paid using the 2022 harvest terms of sale with a payment equal to 75% of our three-year average price which results in a \$403.04/ton harvest payment.)

SUMMARY OF KEY 2023 TERMS OF SALE

VARIETAL PREMIUMS	\$90/Ton: Loadel, Ceres Carson, Calaveras, American \$75/Ton: Stanislaus \$50/Ton: EE varieties not qualifying for EE Premium										
NO. 2 PEACHES	EE – Up to 5% Paid for at \$200/ton No. 2's over 5% excluded from Schedule of Values offgrade. Canner option to reject loads >15%. All Other – Up to 3% Paid for at \$200/ton No. 2's over 3% excluded from Schedule of Values Canner option to reject loads with greater than 15% No. 2's.										
UNDERSIZE	Canner Option to Reject Loads >5% Undersize Fruit. Extra Early & Early Variety Loads with greater than 4% Undersize Fruit and Late and Extra Late Loads with greater 2.5% Undersize Fruit subject to a \$75/ton penalty on Schedule of Values. (Excluding flat rate tons.)										
MATURITY	Minimum pressure 4.2 lbs. Loads with >5% green subject to \$75 /ton penalty (No. 2 Disc) When using the #2 color disc, Ross and Late Ross varieties shall have a 5% green paid-for tolerance and the amount up to 5% shall not count on Schedule of Values offgrade. Loads >6% Bruise/Overripe subject to \$75/ton penalty (No.2 Disc) Canner option to reject loads with greater than 12% Bruise/Overripe.										
CONSTANT TOLERANCE	5% Constant Tolerance on General Defects paid at full price. Excess Counted on 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</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
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0 – 8%	Base Price										
8 – 12%	- \$40/Ton										
12 – 20%	- \$80/Ton										
> 20%	\$75/Ton Flat Rate										
MACHINE HARVEST	\$40/ton differential for All Varieties No price differential for 2 nd pick once 50% of fruit removed from every tree in block. Processor Approval Required.										
PAYMENT SCHEDULE	75% on Delivery-(\$476.25/ton), Balance on October 1.										

RETURN SERVICE REQUESTED

2023 BLOCK X BLOCK ESTIMATE TOTALS 212,333 TONS

The California League of Food Producers released the industry’s 2023 Block X Block estimate of 212,333 tons on June 14th. The 2023 crop estimate (which represents a statewide average yield of 15.8 tons/acre) amounts to a 4% increase over last year’s 204,440 ton crop. Our 2023 bearing acreage amounts to 13,424 acres which represents a 248 acre decrease from last year’s bearing acreage. The projected 15.8 ton/acre average yield equals our previous five-year average yield.

2023 Block by Block Estimate

Tonnage by Area

<u>Area</u>	<u>Bearing Acres</u>	<u>Blk x Blk Estimate</u>	<u>2022 Deliveries</u>	<u>% Change vs Last Year</u>	<u>Yield/Acre</u>
Yuba/Sutter	8,341	127,568	119,687	+7%	15.3
Stockton	688	11,978	11,312	+6%	17.4
Modesto	3,162	54,948	54,186	+1%	17.4
Kingsburg	1,233	17,839	19,255	-7%	14.5
TOTALS	13,424	212,333	204,440	+4%	15.8

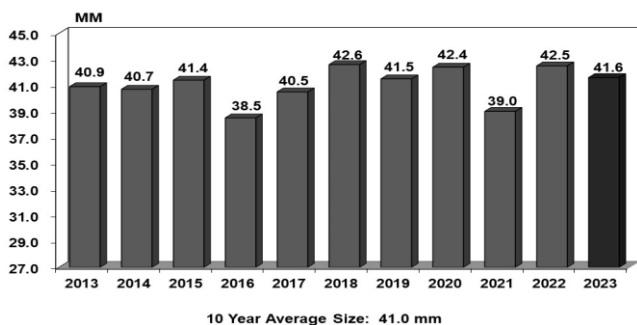
Tonnage by Varietal Group

<u>Varietal Group</u>	<u>Bearing Acres</u>	<u>Blk x Blk Estimate</u>	<u>2022 Deliveries</u>	<u>% Change vs Last Year</u>	<u>Yield/Acre</u>
Extra Early	3,177	45,963	38,528	+16%	14.5
Early	2,952	41,998	39,361	+7%	14.2
Late	5,679	100,628	102,374	-2%	17.7
Extra Late	1,616	23,744	23,177	+2%	14.7
TOTALS	13,424	212,333	204,440	+4%	15.8

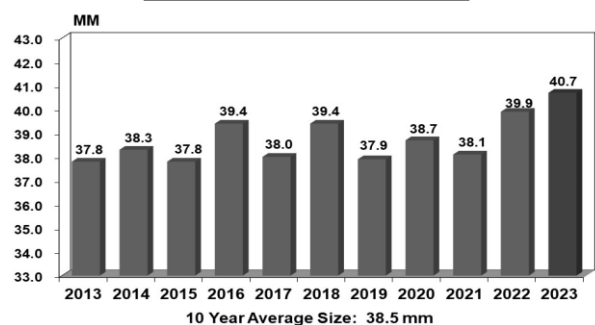
CURRENT CROP CONDITIONS

The 2023 peach harvest began in Kingsburg with one grower picking his American variety on June 13th which was seven days later than last year’s initial harvest date. However, we do not believe this seven day difference in harvest timing is reflective of the entire crop but due more to this orchard having a light set this year. At this point, we expect that initial harvest dates for most growers will be approximately 10-14 days behind the 2022 harvest timing. Fruit sizing in all areas continues to be better than our 10-year average fruit sizing with relatively mild temperatures so far during the month of June.

**Reference Date Sizes in Kingsburg
 30 Days After Reference Date**



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



EARLY FINAL PAYMENT PROGRAM AVAILABLE FOR 2023

The Association will continue to offer our members the opportunity to participate in our Early Final Payment Program for 2023 crop deliveries. This program allows growers with cash contracts to receive \$158.75/ton on their 2023 deliveries prior to the scheduled October 1, 2023, final payment date. These accelerated payments will be made one week after the 75% harvest advance is paid by the processor and is subject to a \$2.50/ton interest charge. Growers with PCP Coop membership deliveries will have the opportunity to receive an early payment of PCP’s three progress payments (February, April, and June of 2024) from CCPA one week after the 2023 delivery payment is made by PCP. Advance payment of PCP’s three progress payments will be subject to an \$8.50/ton interest charge. Sign-ups for the 2023 Early Final Payment Program will be handled on a first come, first served basis. Any member interested in participating in this program should contact your CCPA field representative for more information and a sign-up form.