

# 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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## HIGHLIGHTS OF THE 86<sup>th</sup> ANNUAL MEETING

Keynote speaker Jack King, National Affairs Manager for the California Farm Bureau Federation, reviewed the efforts underway to achieve meaningful immigration law reform in Washington D.C. and the current status of AgJOBS guest worker legislation. He described how polarizing this issue has become and discussed the difficulty in getting any action on immigration reform legislation in the midst of an election year. He stressed the importance of agriculture continuing to be engaged and telling our story about the need to maintain an adequate labor supply. Chairman of the Board Gary Darpinian outlined the need for a cling peach industry makeover. He noted that in order for our industry to remain competitive in the future, we need to develop rootstocks which reduce tree size and vigor without sacrificing fruit size and yields. He added that new cultivars could be developed which would hold fruit on the tree longer after it ripens and still be firm enough to harvest by machine. He also noted that we need to develop an orchard training system which would be better suited to mechanical thinning and harvesting. He added that this effort will require cooperation and resources from all parts of the industry-growers, processors, University researchers and Farm Advisors. President Hudgins addressed the cling peach industry's long history of successfully adapting to changing conditions and noted that he was optimistic about our ability to achieve this peach industry makeover. He stressed that the key element was maintaining industry profitability so that growers will want to stay in the cling peach business. He also reviewed the Association's involvement with the American Fruit and Vegetable Processors and Growers Coalition which is working to spread the word to government officials that processed fruit and vegetable products are just as nutritious as fresh and deserve equal access to all federal feeding programs. He also noted that the Association would be seeking a substantial increase in federal and state research funding to supplement industry funds in pursuing mechanization and "next-generation" production technology for the cling peach industry. Earlier in the day, Randy Fiorini, Immediate Past President of the Association of California Water Agencies, spoke to the Delegates and Committeemen about the effort underway to improve the water systems and water reliability in California. He noted that efforts were currently underway to place a bond measure on the November ballot. At the Delegate Luncheon, Harbhajan Sandhu of Yuba City received the Association's 11<sup>th</sup> Annual "Outstanding Delegate Award." Following the luncheon, Marty Adrian of Escalon was elected to serve as the Association's State Delegate Chairman for 2008 and Karm Bains of Yuba City was elected as State Delegate Vice Chairman.

## BOARD OFFICERS NAMED FOR 2008

Gary Darpinian of Escalon has been re-elected as Chairman of the Board for 2008. Ranjit Davit of Yuba City and Eric Spycher of Ballico were named as Co-Vice Chairmen of the Board. Dean Kautz of Kingsburg will serve as Secretary and Jasbir Bains of Yuba City will serve as Treasurer. In other Board action, Kuldeep Atwal of Marysville was reappointed as Director-at-Large for 2008.

## 2007/08 PULLOUTS EXCEED 2,100 ACRES

The Association's fieldstaff report that pullouts following the 2007 harvest now total 2,141 acres which represents 8.1% of last year's total bearing acreage. The Yuba/Sutter area has pulled 9.3% of their bearing acreage, Modesto has pulled 5.7%, and Kingsburg has pulled 11.0% of their bearing acreage. Compared to pullouts last year, the Yuba/Sutter area is up 96%, Modesto is up 44%, and Kingsburg is up 637%. Based on current pullout figures, we will have approximately 1,200 fewer acres in production for 2008. Given average yields, our production can be expected to drop approximately 50,000 tons below our 2007 crop volume.

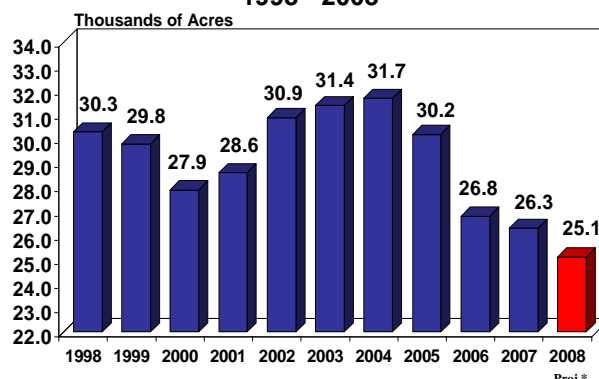
### Cling Peach Pullouts As of January 23, 2008

Area	EE Acres	E Acres	L Acres	EL Acres	Total Acres	% of Bearing
Yuba/Sutter	255	288	407	231	1,181	9.3%
Modesto	234	84	181	63	562	5.7%
Kingsburg	181	101	91	25	398	11.0%
<b>TOTAL</b>	<b>670</b>	<b>473</b>	<b>679</b>	<b>319</b>	<b>2,141</b>	<b>8.1%</b>

### Cling Peach Pullouts As of January 22, 2007

Area	EE Acres	E Acres	L Acres	EL Acres	Total Acres	% of Bearing
Yuba/Sutter	136	96	195	176	603	4.7%
Modesto	119	93	124	55	391	4.1%
Kingsburg	19	0	29	6	54	1.4%
<b>TOTAL</b>	<b>274</b>	<b>189</b>	<b>348</b>	<b>237</b>	<b>1,048</b>	<b>3.9%</b>

### California Cling Peach Bearing Acreage Trends 1998 - 2008



\*Based on YTD Pullouts of 2,141 Acres

## **CHILLING HOURS AND RAINFALL UPDATE**

Chilling hours through February 6 have already surpassed the 800 hour chilling requirement for peach trees. All growing areas are fairly close to last year's levels and are much higher than the previous year's totals. Rainfall totals through February 3 are running higher than normal throughout the Central Valley. Sacramento has posted the largest increase with YTD rainfall of 12.09," up 18% from normal levels. The Department of Water Resources reports that the YTD snowpack at Echo Summit was approximately 120% of average last week with additional snow still being added. The snowpack levels are much better than last year with more storms expected in mid-February.

### **Chilling Hours: November 1 – February 6**

<b><u>Area</u></b>	<b><u>2007-08</u></b>	<b><u>2006-07</u></b>	<b><u>2005-06</u></b>	<b><u>2004-05</u></b>	<b><u>2003-04</u></b>	<b><u>2002-03</u></b>
Nicolaus	1,013	1,044	633	936	743	739
Davis	930	970	597	930	709	633
Modesto	1,054	1,084	756	995	786	881
Parlier	917	1,003	656	880	776	689

### **Rainfall Totals: July 1 – February 3**

<b><u>Location</u></b>	<b><u>2007/08 Actual</u></b>	<b><u>Normal Rainfall</u></b>	<b><u>% Change</u></b>
Marysville	13.17"	12.62"	+ 4 %
Sacramento	12.09"	10.23"	+ 18 %
Merced	7.06"	6.68"	+ 6 %
Fresno	6.63"	5.76"	+ 15 %

## **NCFC ADOPTS POLICY ON USDA FEEDING PROGRAMS**

At the National Council of Farmer Cooperatives' Annual Meeting in late January, the Council adopted a policy statement which calls for USDA to encourage participation of all forms of nutritious products in their feeding programs with the USDA Dietary Guidelines referenced where necessary. This language recognizes that schools and other recipients should have the maximum flexibility to make their own decisions on how to most effectively expand the consumption of fruits, nuts, and vegetables in their feeding programs. In related news, Senator Obama's agricultural platform includes specific provisions calling for more fruits and vegetables (fresh, frozen, canned and dried) to be served in the school feeding programs and for enforcement of the Buy American provisions for meals served at school.

## **SOUTHERN HEMISPHERE PEACH CROP UPDATE**

The South African peach harvest is reportedly 75% complete with quality generally considered to be good. It appears that the overall peach crop will be down approximately 5% from last year. Cannery report some disruptions from South Africa's electricity crisis as blackouts have occasionally forced plants to send workers home early. Some processors have even resorted to using generators to keep plants running during unexpected power disruptions. The Chilean peach harvest is reported to be 10 days later than normal with slightly smaller fruit sizes. Raw product prices are up with slightly more fruit going into puree use. It appears that Argentina is experiencing a disappointing 2008 peach crop with significant amounts of rain falling during the middle of harvest. Deliveries to canners are down sharply from year-ago levels and raw product prices have risen sharply above last year. After suffering through an extended drought period, growers in Australia's Goulburn Valley experienced heavy rains in mid-January which reportedly damaged part of the 2008 peach crop. Prices for raw product have increased for most growers; however higher water costs and higher labor costs appear to have more than offset the growers' price increase. Overall, the combined Southern Hemisphere peach volume this year appears to be lower than last year which should result in no increase in world canned peach stocks prior to the 2008 peach harvest in the Northern Hemisphere.

## **OF INTEREST**

- CanGro Foods, a Canadian processor packing fruits and vegetables under the Del Monte, Aylmer, and Ideal brands, has announced that they intend to sell or shut down their two plants by March 31. CanGro will reportedly outsource their canned fruit and vegetable operations.
- In early January, Del Monte Foods introduced two new fruit products: Del Monte Healthy Kids, the first fortified canned fruit product for children which provides Vitamin A and C as well as calcium; and Del Monte Lite 100 Calorie Fruit which offers the same great tasting canned fruit with only 100 calories per serving.