

Dear Friend of the California Processing Tomato Industry,

The following are a few key factors related to the future 2017 California Tomato Crop:

**1. CTGA (California Tomato Growers Association) Field Price Negotiations (from November 23, 2016):**

CTGA opening offer was at \$74/ton (Processors paid \$72.50/ton last year in 2016)

The Processor countered with a range as follows:

- Low- \$58/ton
- Average- \$66.21/ton

The other item worth noting is 5 of the 8 bids from processors included lower LSP (Late Season Premium) values.

**2. Organic Raw Tomato Tonnage on the Increase:**

California organic tomato production increased at rate of 57% from 469,864 tons in 2015 to a total of 736,816 tons in 2016.

**3. Good News! Lots of water and snowfall in California! California Comparison Reservoir Status / Precipitation to Date:**

Please see attached Conditions of Major Reservoirs comparing January 2016 with January 2017. Also, see pictures below of Lake Oroville January 2016 as compared with January 2017

As always, thank you for your friendship and support for our company and for the California Processing Tomato Industry.

