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January 24, 2014

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Dear Tomato Growers:

2014 Price Agreement With Stanislaus Foods:

The CTGA has agreed to a floor price of \$83 per ton with Stanislaus Food Products. As part of the agreement, Stanislaus Food Products has agreed that if CTGA negotiates an industry price higher than \$83 per ton, they will pay the higher industry price. Late Season Premiums will remain the same as last year, and are as follows:

9/15 – 9/21	\$3.00	per net ton
9/22 – 9/28	\$6.00	per net ton
9/29 - 10/5	\$9.00	per net ton
10/6 – 10/12	\$12.00	per net ton
10/13 - end	\$15.00	per net ton

The rest of the terms are the same as 2013 Master Agreement.

The Board will be meeting Monday to discuss the next steps moving forward and will continue to monitor current market and weather conditions.

CLFP Releases December Inventory Report:

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-2014</u>	<u>Difference</u>
Beginning Inventory June 1	4,400,000	5,743,000	6,252,000	5,582,000	5,247,000	-6%
Pack	13,971,000	12,776,000	12,396,000	13,187,000	12,653,000	-4%
Total Supply	18,371,000	18,519,000	18,648,000	18,769,000	17,900,000	-5%
Dec 1 Inventory	11,773,000	11,878,000	11,628,000	11,882,000	10,851,000	-9%
6 Month Disappearance	6,598,000	6,641,000	7,020,000	6,886,000	7,049,000	+3%
Monthly Disappearance	1,100,000	1,107,000	1,170,000	1,148,000	1,175,000	+3%

- The Dec 1, 6 month disappearance levels are 3% higher than last year.
- 7,049,000 tons represents the highest total for a six month period.
 - Paste Exports continued to increase over last year by 26.1%.
- The “Paste For Sale” Figures Are Below:

	<u>2012-2013</u>	<u>2013-2014</u>
Total Bulk Tomato “Paste For Sale” Pack	7,450,000	7,178,000
Total Bulk Tomato “Paste For Sale” Inventory as of December 1.	5,654,000	4,590,000

Questions or comments?
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- The industry decreased the “Paste For Sale” pack by 272,000 tons from 2012 to 2013 (this was largely due to the Beet Curly Top Virus). At the same time the ending inventory is 1,064,000 tons less than the previous year. This equates to 792m tons in increased movement for this category.
- As stated in the past, it should be noted that the reported inventory of 4,590,000 does not necessarily mean that there is currently this volume for “sale”. Some of this volume has been contracted/committed to customers. This report reflects inventory on hand that is owned by the processors. Product moves out of inventory when it is actually paid for by a customer and it is not on the processors books. It is currently reported that there is limited to no paste inventory for sale at this time.

2014 USDA Contract Intentions Report:

Estimate	Acres	Yield	Total Tons
2014	290,000	46.55	13,500,000

A few things can be stated about the January Intentions Report for this year:

- A 13.5mm ton crop would represent the largest crop produced in California. This is also 500m tons higher than last year’s intentions of 13.0mm tons.
- A statewide yield of 46.55 TPA per acre would 3.25 TPA below last year’s January intention number of 49.8 TPA.
- The 290m acres planted for 2014 is 29,000 acres higher than was reported to be planted last year.
- Given the current water situation an increase of 29,000 acres appears difficult to achieve. Currently reports from the field are that some growers have been forced to reduce their acreage due to the lack of water. If the weather remains dry, it is very likely that more acreage will need to be followed.

World Crop:

On February 19, the WPTC will compile its first World Crop estimate for the 2014 year. Last year’s World Crop fell short of its original by 2.113mm metric tons and was estimated to be 33.197mm metric tons. This shortfall has resulted in a decrease of World inventories and has definitely tightened global supply on the market place. The upcoming estimate is expected to increase from last year’s levels and may be closer to the 38-40mm metric tons of demand in the World market.

2014 Annual Meeting & Exhibit:

Join us for the CTGA 67th Annual Meeting & Exhibit to be held Tuesday, January 28, 2014 at the Double Tree Hotel in Modesto. Keynote speaker is Karen Ross, Secretary, California Department of Food & Agriculture.

The RSVP form follows. Register by email ctga@sbcglobal.net or FAX 916-925-0213 or Ph. 916-925-0225.
NOTE: The office will be closed the afternoon of Monday, January 27th and all day Tuesday, January 28th. You can register at the door.



67TH ANNUAL MEETING & EXHIBIT

TUESDAY, JANUARY 28, 2014 - DOUBLETREE HOTEL, MODESTO

Please join the California Tomato Growers Association in conjunction with the UC Cooperative Extension Northern San Joaquin Valley Processing Tomato Meeting and Industry Speakers!

PROGRAM

7:30 am	Registration, Continuing Education	11:00 am	Visit Exhibits
8:00 am	Education begins	12:00 noon	CTGA Annual Meeting Luncheon
9:00 am	Exhibits Open		Keynote Speaker & Industry Speakers
9:30 am	Break - Visit Exhibits	2:00 pm	Last Opportunity to Visit Exhibits

REGISTRATION FORM

COMPANY NAME _____ CONTACT PERSON _____

ADDRESS _____ CITY _____

STATE _____ ZIP _____ EMAIL _____

CELL _____ BUSINESS PH _____ FAX _____

LUNCHEON TICKETS

Grower Members are FREE of charge and only registration is required.

Non-Member & Allied Industry \$35 each at the door

We do not accept credit cards.

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