



# CROP REPORT

9.21.17

## Valued Customers:

It's been quite a year for Mother Nature. Wildfires in The Northwest, multiple days of 110+ degrees in California, early and late rains all have really challenged farmers this year. Photos right of some of the split set and weather challenges this season.

**California Tomatoes:** 2017 California Processing Tomatoes started slow and seem to be ending the same way. As August concluded, a stretch of 110 degree days and high humidity brought some challenges to a pack that had finally begun to pick up speed. As a result, the North is reporting higher mold counts and some are now projecting a crop finishing at between 10.5 and 10.8MM tons. This would be about 9.5% shorter than originally projected by the CTGA and the smallest crop since 2006!

The quality of this year's crop has been mixed throughout the region with the North experiencing some of the most difficult conditions. There are still significant acres to be harvested, but the weather and crop conditions will determine how much of that is actually fully utilized. The next 10 days looks dry, mid 70's-low 90's and conducive to good harvesting. All indications are the organic harvest will be down in excess of 42% from previous year.

The CTGA price agreement for 2017 crop established a base price for conventional tomatoes at 70.50 per ton. Late season premiums are now in full effect. Given the yields, fluctuating harvest, significant reduction in total tons, easing of US Dollar strength for exports, we are already seeing price advances in the market. We expect those to accelerate over the next 4-6 weeks.

**Northwest Sweet Cherries:** The 2017 crop set a new record at 24.5 million, 20# boxes of fresh cherries. This would top the 2014 record of 23.4 million boxes. As of July 10, 12.5 million boxes have been packed with a new single day record of 682,000 boxes set on June 26<sup>th</sup>. Sizing has been running a little small this year with 30+% in the "small/11 row" size thus far. Export shipments to Asia are still strong with premium pricing for superior Northwest product. Below find a shot of incoming Bings arriving at Northwest Packing this week. We have good supply of dark sweet cherries in retail and foodservice sizes in syrup or juice pack for your domestic or export needs.

**Northwest Bartlett Pears:** The Fresh crop is projected to be down about 2% from 2016 and about 10% down from five year average at 17.6 million boxes. The Pacific Northwest Processing Pear tons will be off as much as 25% this year and we have begun limited production of available tonnage. Price per ton moved up again this year, another 6% to \$360 per ton, the highest in history. Pricing is



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firming and advancing quickly given limited supply and increased component pricing. ***If you haven't booked your NW Pears by now, please get with your Regional Sales Manager quickly.***

**Northwest Italian Plums: *No change...*** We expect total NW tonnage to be in the 250-300 tons range and harvest will begin in mid-September. Plums continue to be the most cost effective canned fruit in terms of health benefits to price per ounce out of the northwest. We're in a strong inventory position and continue to bid truckloads at very competitive pricing.

**Northwest Cranberries:** Due to oversupply, the USDA has decided to mandate Handlers to holdback 15% of the total conventional tons for 2017 with continuing discussion about an increased holdback next year. For this year, the ruling does not apply to organic fruit. These rulings have been implemented to increase grower pricing. Latest forecasts are for Wisconsin to be down 7% and Quebec down 30% from last year. Here in The Pacific Northwest, we have begun early harvest and while total berry count is good, sizing is small, resulting in a predicted crop of 40-42MM pounds...just shy of the projected 45MM. At this point, we see pricing very similar to last year and firm pricing will not be known for a few more weeks. ***Please submit your bids and bookings now for 2017 holiday season so that we can insure you're in good supply of the finest quality Oregon Trail® brand or private label cranberries.***

**Costing:** Aside from the 2017 raw tonnage pricing mentioned above, we anticipate the following increases for the 2017/18 season: +3% Tinplate; +12% Fiber (domestic online purchasing and pollution crisis in China has created a shortage in corrugate globally); +4% Film; +2.5% Labor; +2% Natural Gas; +7% Hwy Diesel; +4% Rail; +4% Spices/Ingredients; + 2.5% Warehousing.

Thanks as always for your continued partnership in the year ahead!

*Jon*

Jon K. Holt  
Sales & Marketing Director

