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September 8, 2017

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Dear Tomato Growers:

USDA/NASS Releases Latest Crop Estimate at 11,500,000 tons:

- The USDA announced their latest crop estimate of 11.5mm tons on August 29. This is 300m tons lower than the May forecast of 11.8mm tons and 800m tons below last year's 12.6mm ton crop.
- The reported planted acreage has decreased slightly from 235m acres in May to 233m acres currently. Of the 233m acres that have been planted, 230m acres are expected to be harvested.
- Based on the 233m planted acres the expected yield would be 50.00 TPA (A Record Yield).

Historically this estimate has been very accurate to what was actually produced. It appears that this year may be the exception to that history. Based on reports from the field it does not appear we will be anywhere close to a record yield for 2017. In fact at this time, a crop of 11mm tons appears to be slightly out of reach.

The impacts of both the wet spring planting conditions along with abnormally hot summer have taken a toll on this year's crop.

Final Paste Export Numbers for 2016 Crop Year:

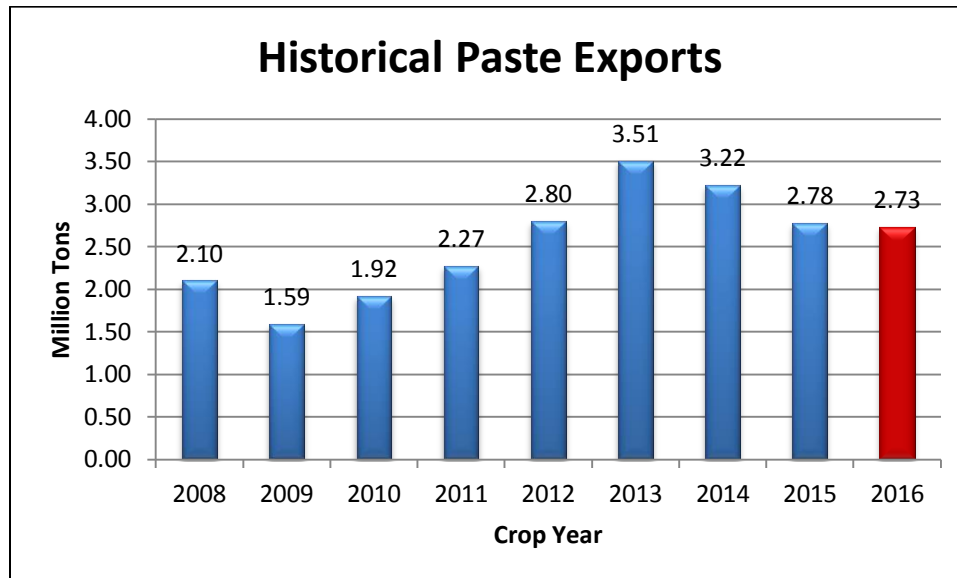
Paste exports for last year were very similar (-1.5% reduction) to the previous year in total movement. The major difference was in price received by the sellers. The overall price received for all paste exports was down by approximately 10%. On a positive note there has been some weakening of the Dollar against the Euro that has taken place since December, when the ratio was \$1.04 to 1 Euro to the current exchange rate of \$1.19 to 1 Euro. While this is not back to previous Dollar/Euro exchange rates, it is trending in the right direction that may help us move some greater volumes in the export markets.

Questions or comments?
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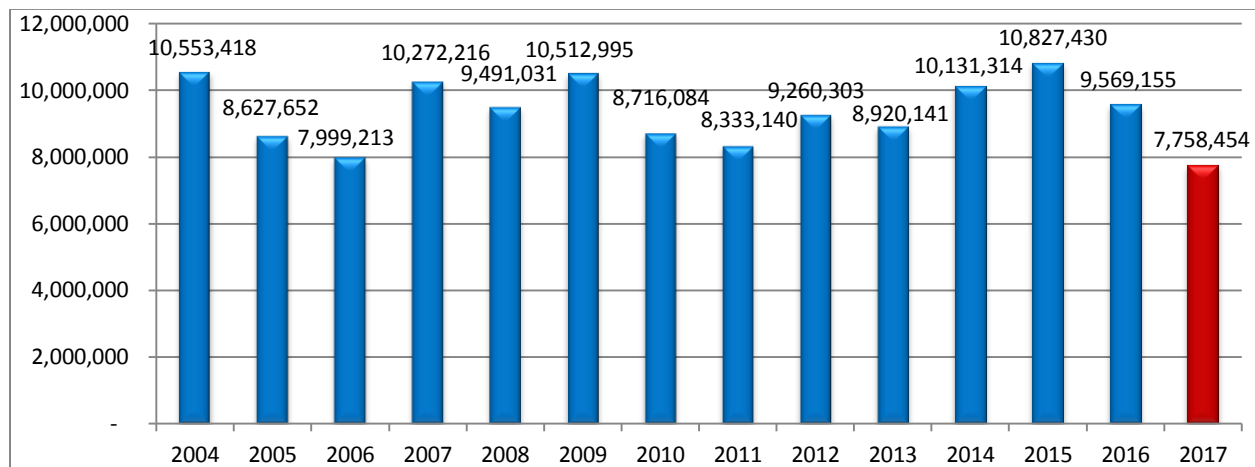
The chart below shows historical paste exports:

Numbers In Raw Tons Of Tomatoes



PTAB Projects 931,000 Tons To Be Processed This Week:

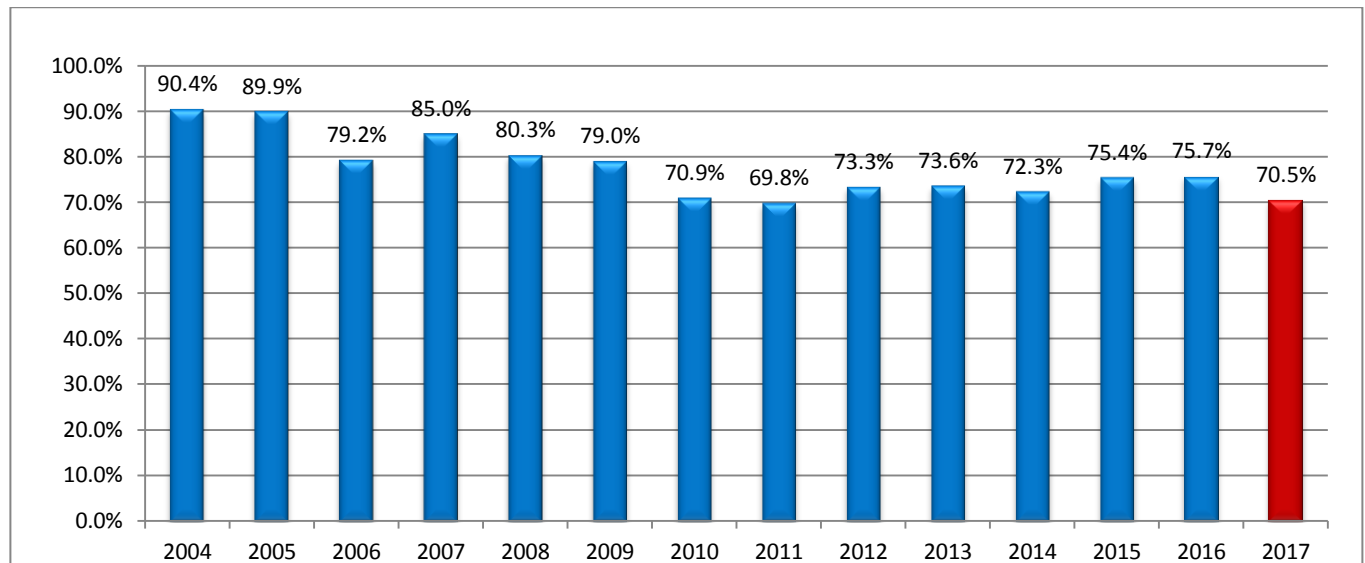
Tomato Deliveries Projected Thru Sept. 9th:



- The average yields for the State are reported to be below contracted levels overall at this time.
 - a crop of 11mm tons would represent a yield of 47.21 TPA
- The industry has had 2 weeks over a million tons harvested in 2017, compared to a total of 7 weeks in 2016.
- The 7,758,454 tons would represent the lowest amount harvested to Sept. 9th in the last 15 years.

The following chart takes a historical look at the percent completion of harvest:

Tomato Deliveries Projected Thru Sept. 9th



*The 2017 percentage is based on a 11.0mm ton crop.

World Crop Update:

Harvest is currently underway for the majority of the major processing tomato regions around the world. The World Processed Tomato Council's (WPTC) June estimate was for 38.472mm metric tons. On September 1, the WPTC released a revised estimate that reported a world crop that was lower at 37.554mm metric tons. (This report reflects a California crop of 11mm short tons). Based on the latest information the world crop will end below 37mm metric tons and would be below world demand estimates.

Historical World Production Figures All Figures In Metric Tons

