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April 18, 2017

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Dear Tomato Growers:

2017 Price Negotiations Continue:

At this time, price negotiations with the processors continue for the 2017 raw product price. Over the last month progress has been made in reaching a price that is fair and reasonable, given all the factors relating to processed tomatoes.

While we completely and thoroughly understand the current markets and situations, our members still need a price that will provide a fair return given those factors. The current wet conditions in many parts of the state during this season's planting period, has many members concerned about the outcome of what is already going to be a very margin challenged year.

We will continue to meet with processors to establish a fair price as quickly as possible.

UC Cooperative Extension Releases Cost Of Production Study:

The UC Cooperative Ext. recently released its latest Sample Costs for the Sacramento Valley and Northern Delta. One key takeaway is that based on current costs, a crop of 49TPA (higher than our five year average) would require \$69 per ton to break even. I encourage each of you to take a look and see the latest update.

https://coststudyfiles.ucdavis.edu/uploads/cs_public/d7/b2/d7b2ee5f-8961-417d-b9d1-216d41fb47d8/2017processtomssacvalfinaldraft32817.pdf

World Processing Tomato Council World Crop Forecast:

The latest figures from the WPTC estimate the 2017 tomato crop at 38.241 million metric tons. This estimate is very similar to last year's crop of 38.072 million metric tons. The biggest change from last year is California's reduction from 11.5mm metric tons to 10.5mm metric tons. There have been other slight increases by a few countries that have easily made up for our decrease. A crop of 38.241 is very close to recent consumption trends and should slightly reduce global inventories.

Questions or comments?

Please contact

Mike Montna

President/CEO

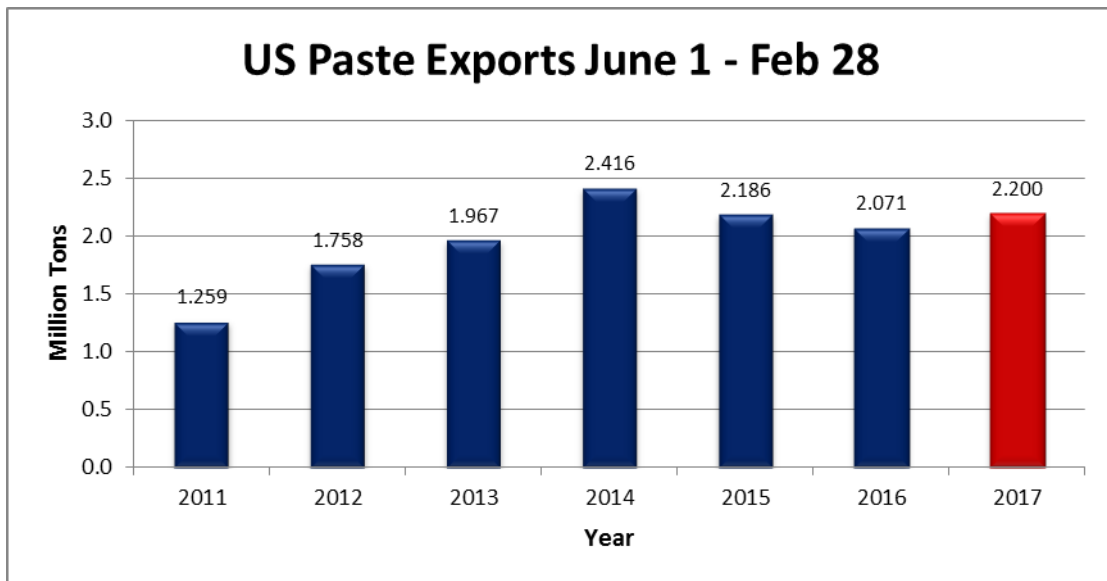
Phone 916-925-0225

Cell 916-335-0677

CLFP Releases March Inventory Report:

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Difference</u>
Beginning Inventory June 1	5,582,000	5,247,000	4,024,000	5,017,000	6,981,000	+39%
Pack	13,187,000	12,644,000	14,637,000	14,755,000	13,190,000	-12%
Total Supply	18,769,000	17,900,000	18,661,000	19,772,000	20,171,000	+2%
March 1 Inventory	8,412,000	7,281,000	7,791,000	9,535,000	10,486,000	+10%
9 Month Disappearance	10,345,000	10,610,000	10,870,000	10,237,000	9,685,000	-5%
Monthly Disappearance	1,149,000	1,179,000	1,208,000	1,137,000	1,076,000	-5%

- The March first, nine month disappearance levels are reported to be 5% lower than the previous year.
- Based on historical movement our June 1 inventory will be slightly higher than last year's 6,981,000 tons. It appears that the number will be close to 7,500,000 tons. This figure is the main driver in this year's tonnage reduction to 11,600,000 tons. This number should allow us to begin to chip away at the inventory.
- As you can see from the chart below exports are up approximately 130,000 tons from last year over the same time period.
- Current export figures below show that 21.4% of our total movement is in the paste export market. On a positive note this figure is slightly higher than the previous two years.



CTGA 2017 GUESSTOMATOR CONTEST

Please submit your guesstomate for the 2017 crop size ***prior to the May 31st 2017*** contest closing date using the entry form below. Mail your completed form to the address provided, or FAX to 916-925-0213, or email your response to info@ctga.org. As with previous years, the winner will be based on the closest Grower and the closest Allied Industry “guess”, as compared to PTAB’s final 2017. The winners will be announced at the January 24th, 2018 CTGA 71st Annual Meeting. Each winner will receive a bottle of Caymus Cabernet Sauvignon.

Entry form must be received before May 31st, 2017

California Tomato Growers Association, Inc.
2300 River Plaza Drive, Suite 100
Sacramento, CA 95833
email info@ctga.org
FAX 916-925-0213

CTGA 2017 CONTEST ENTRY

Check one: Grower Allied Industry

Please Print Clearly

Name _____ Company _____

Address _____ City _____ State _____ Zip _____

Phone _____ Fax _____ Email _____

My guesstomate for the 2017 California processing tomato crop size is _____ Tons