



December 8, 2011

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CTGA 65th Annual
 Meeting & 9th Exhibit

Dear Tomato Growers:

December 7th Price Offer Exchange Update:

On December 7th, the CTGA conducted an exchange of offers with 6 processors for the 2012 season. The offers range from \$63.00 - \$70.00 per ton for next season. Also, you can see below that most processors are looking to adjust the LSP's from last year. The following are the processors offers:

1. Base Price: \$67.00 per No.1 ton

a. Late Season Premium:	9/17 – 9/23	\$2.50/No.1 ton
b.	9/24 – 9/30	\$5.00/No.1 ton
c.	10/1 – 10/7	\$7.50/No.1 ton
d.	10/8 – 10/14	\$10.00/No.1 ton
e.	10/15 – 10/21	\$12.50/No.1 ton
f.	10/22 – end	\$15.00/No.1 ton

*Dockage schedule same as 2011 Master Agreement

2. Base Price: \$63.00/ST FOB grower's field

a. Late Season Premium:	9/15 – 9/26	\$3.00/ton
b.	9/27 – end	\$5.00/ton

*Open to discussing a new methodology such as LSP's to be triggered by weather event, or a scheduled LSP based on the original planned harvest scheduled.

**Terms and conditions: anticipating similar terms and conditions to 2011 master agreements.

3. Base Price: \$68.00/paid ton

Late Season Premium: (assuming 7/10/12 harvest season)*

a.	9/15 – 9/21	\$5.00/paid ton
b.	9/22 – 9/28	\$7.50/paid ton
c.	9/29 – end	\$10.00/paid ton

*Late Season Premium: if harvest starts later than 7/10 then the starting date for late season premiums will be moved back the corresponding number of days. Example: if season starts 7/15, then the LSP program would be:

a.	9/20 – 9/26	\$5.00/paid ton
b.	9/27 – 10/3	\$7.50/paid ton
c.	10/4 – end	\$10.00/paid ton

Questions or comments?
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4. Base Price: \$70.00/ton

- | | | |
|--------------------------------|--------------|-------------|
| a. Late Season Premium: | 9/16 – 9/22 | \$5.00/ton |
| b. | 9/23 – 9/29 | \$7.00/ton |
| c. | 9/30 – 10/6 | \$9.00/ton |
| d. | 10/7 – 10/13 | \$10.50/ton |
| e. | 10/14 – end | \$12.50/ton |

5. Base Price: \$65.65/ton. Total Tomato Value is the sum of the Base Price + Neutral pay solids incentive program + Season adjustment.

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|--------------------------------|--------------|--------------|
| a. Late Season Premium: | 9/16 – 9/22 | \$5.00/ton * |
| b. | 9/23 – 9/29 | \$7.00/ton |
| c. | 9/30 – 10/6 | \$9.00/ton |
| d. | 10/7 – 10/13 | \$10.50/ton |
| e. | 10/14 – end | \$12.50/ton |

*Grower is expected to have tomatoes ripe, ready and available for harvest according to Harvest Plan. Seasonal premiums to be limited to the total dollar amount of premiums initially agreed to in Agreement. (The sum of total weeks' ending tonnage times seasonal adjustment (dollars) per ton per period).

Price equal to the Total Tomato Value obtained above, multiplied by the Standard Defect Adjustment (percentage equals 100% minus the sum of the defect percentages B(1) through B(5) as determined at the PTAB grade and as adjusted below).

1. Worm Damage	One (1) time Stated Percentage
2. Mold Damage	One (1) time Stated Percentage
3. Green	2.0% or less one (1) time Stated Percentage 2.5% or more two (2) times Stated Percentage
4. MOT	Three (3) times Stated Percentage (will adjust Stated) Percentage so that no individual graded load will exceed 3.5%, if such load is harvested by a custom harvester affiliated with _____
5. Limited Use	Up to 5% - zero deduction 5.5% to 8.0% - Stated Percentage over 5.0% 8.5% to 14.0% - 1 ½ times the Stated Percentage over 5.0% 14.5% and over – two (2) times the Stated Percentage over 5.0%
Note: MOT in excess of 0.49% and green in excess of 1.0% will not be counted against Grower's contracted tons.	

6. Base Price: \$65.00/ton

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|--------------------------------|-------------|-------------|
| a. Late Season Premium: | 9/16 – 9/22 | \$2.50/ton |
| b. | 9/23 – 9/29 | \$5.00/ton |
| c. | 9/30 – 10/6 | \$7.50/ton |
| d. | After 10/6 | \$10.00/ton |

*LSP's paid on contracted tonnage, not on the actual delivery date.



CTGA Offer To The Processors:

Based on discussions during our recent processor meetings, it appears that both processors and growers are interested in pursuing a reasonable approach to 2012 price negotiations. In this spirit, the CTGA Board has approved the following for its opening offer:

Base Price:	\$73.00		Per Net Ton
Late Season Premiums:			
	Sept. 15 - 21	\$5.00	“ “
	Sept. 22 - 28	\$7.50	“ “
	Sept. 29 - Oct 5	\$10.00	“ “
	Oct. 6 - Oct 12	\$12.50	“ “
	Oct. 13 - Finish	\$15.00	“ “

*All Late Season Premiums will be paid on a delivered basis.

Over the next couple of weeks the CTGA will be sitting down with the processors to go over the offers in more detail. It appears that there will not only be a lot of discussion around the base price but also the Late Season Premiums.

CTGA 65th Annual Meeting & 9th Exhibit

Please join the California Tomato Growers Association in conjunction with the UC Cooperative Extension, Industry Speakers and Exhibits – Thursday, February 2, 2012 at the Double Tree Hotel in Modesto, California. Registration and Exhibitor information is on our website at www.ctga.org/CTGA-News. The registration form also follows.





Please join the California Tomato Growers Association in conjunction with the UC Cooperative Extension, Key Note and Industry Speakers!

Visit Industry Exhibits!

Network with Growers and Allied Industry!

REGISTRATION FORM

COMPANY NAME _____

CONTACT PERSON _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ CELL _____ FAX _____

EMAIL _____

PRE-REGISTRATION IS REQUIRED BY JANUARY 27, 2012.

LUNCHEON TICKETS

Non-Members, Allied Industry and extra Lunch Tickets are available for \$35 each

Pre-payment required by January 27, 2012

Please enclose a check. We do not accept credit cards.

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