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## Dear Tomato Growers:

### CLFP Releases December Inventory Report:

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Difference</u>
Beginning Inventory June 1	2,811,227	3,130,000	4,393,000	4,400,000	5,743,000	+31%
Pack	10,628,578	12,660,000	12,306,000	13,971,000	12,807,000	-8%
Total Supply	13,439,805	15,790,000	16,699,000	18,371,000	18,550,000	+1%
Dec 1 Inventory	8,170,173	9,991,000	10,136,000	11,773,000	11,878,000	+1%
6 Month Disappearance	5,269,632	5,799,000	6,563,000	6,598,000	6,672,000	+1%
Monthly Disappearance	878,272	966,000	1,094,000	1,100,000	1,112,000	<1%

- The Dec 1st 6 month disappearance levels are very similar to last year's level.
- If we equal last year's movement of 12.6mm tons, it would leave the industry with a 5.95mm ton inventory heading into the 2011 season.

While we all understand what inventory issues mean to an industry, it is very concerning that the processors intend on producing a 12.6mm ton crop that would appear to be adding to the inventory situation.

### 2011 USDA Contract Intentions Report:

Estimate	Acres	Yield	Total Tons
2011	268,000	47.00	12,600,000

A few things can be stated about the intentions for this year:

- A 12.6mm ton crop would represent a 300,000 ton increase from last year. This would also be the second largest crop California has produced.

Questions or comments?  
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- A statewide yield of 47.0 tons per acre would be another record for the industry. If you look back over the last three years a 268,000 acre crop would have produced the following size crops:

	TPA	Total Tons
○ 2008	42.8	11,470,400
○ 2009	43.2	11,577,600
○ 2010	45.7	12,247,600

As you can see, there is a potential for a million ton swing if we were to achieve reported tons per acre that were reported in 2008 and 2009.

I think this number is surprising since we continue to hear that there is an inventory problem that needs to be corrected. It is very clear that a crop of 12.6mm tons will not help correct the inventory situation and in fact will add to it.

### **2011 Pricing Activities:**

Discussions are continuing with the processors regarding establishing a price for 2011. Our discussions with the processors have been focused on the increased costs that growers are facing this year. The majority of the cost increases are centered on fuel and fertilizer. We do not have to look back further than 2008 when we saw those input costs skyrocket to over \$200 per acre. We will continue to work on achieving a price in a timely manner that will bring a fair and reasonable return to the grower.

### **Annual Meeting & Exhibit:**

If you have not done so already, please register for the CTGA Annual Meeting that will be held on January 26<sup>th</sup> at the Double Tree Hotel in Modesto. The program will begin at 8:00 a.m. and conclude at 2:00 p.m. The Exhibits will be open from 9:00 am until 3:00 pm.

The RSVP registration form, outlining the program and list of exhibitors, is available at [www.ctga.org/CTGA-News](http://www.ctga.org/CTGA-News) or register by calling 916-925-0225 or emailing [ctga@sbcglobal.net](mailto:ctga@sbcglobal.net)