



Tomato

TOMATO BULLETIN

G R O W E R S A S S O C I A T I O N

June 19, 2011

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Dear Tomato Growers:

2011 Price Negotiations Update:

In May, we updated our membership that the CTGA had reached agreement with 8 processors for the 2011 tomato price. The following processors have agreed:

- Morning Star
- Ingomar
- Los Gatos
- Stanislaus Foods
- Campbell's Soup
- San Benito/Tomatek
- Escalon Premier Brands
- Unilever

The 8 processors listed above represent approximately 77% of the tonnage that is purchased on a commercial basis. They each have agreed to a base price of \$68 per ton, with the following Late Season Premiums:

- Sept. 15-21 \$5.00
- Sept. 22-28 \$7.50
- Sept. 29- Oct. 5 \$10.00
- Oct. 6 – 12 \$12.50
- Oct. 13- end \$15.00

The remaining terms are the same as 2010.

Currently, the CTGA has not reached agreement with ConAgra, Olam, and Del Monte. Both ConAgra and Olam have filed for Conciliation with the California Department of Food and Agriculture. The Conciliation process is what the State offers to the industry to reach an agreement and is non-binding. The ConAgra conciliation is scheduled for June 23 in San Francisco. We are currently in the scheduling process with Olam and hope to complete the process as soon as possible.

What is the CTGA's position on this process?

- We currently have agreements with 8 of the 11 processors.
- These processors represent approximately 77% of the commercial tons purchased in California. With 77% of the industry in agreement on what a fair and reasonable price is for 2011, that constitutes the market price for tomatoes from our members.

Questions or comments?
Please contact
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- It is apparent that two processors believe that \$68/ton is too high. I know many of our growers feel that the agreed to price for this season is not high enough to provide an adequate return given other alternatives out there and increased expenses. The \$68 per ton agreement was reached through a negotiation process that began in October of last year with the processors. This is the nature of a negotiation; one party does not usually get what it wants but agrees to a compromise based on the most recent information available. At the end of the day, the price is what the market establishes, not what either side wishes for. Just as we must accept the market price in years when we believe that price is too low, so must these two processors pay it in years when they may think it is too high.

We will keep you informed of the progress with the other processors. We know of no reason why any of them should pay you less than the other eight other processors are paying you for the same tomatoes. You can be assured that the CTGA is fully committed to establishing a fair and reasonable price for all processors that its members sell to. We will not stop until this job is done.

USDA/NASS Estimates 2011 crop at 12.2mm tons with 258m acres:

- There has been some change in the numbers from the January intentions forecast.

	January Intentions	June Contracts
Acres	268,000	258,000
Tons	12,600,000	12,200,000
TPA	47.01	47.2

- The 47.2 tons per acre for the upcoming year would be higher than last year's record of 45.6 tons per acre.
- Below is a breakdown by County and the change from 2010 to 2011:

<u>County</u>	<u>2010</u>	<u>2011</u>	<u>Percent Change</u>
Colusa	14,000	12,000	-14.3%
Fresno	100,000	92,000	-8.0%
Kern	14,000	12,000	-14.3%
Kings	34,000	29,000	-14.7%
Merced	18,000	16,000	-11.1%
Sacramento	2,000	2,000	0.0%

San Joaquin	24,000	23,000	- 4.2%
San Benito	2,000	3,000	+50%
Solano	9,000	10,000	+11.1%
Stanislaus	9,000	10,000	+11.1%
Sutter	7,000	7,000	0.0%
Yolo	32,000	38,000	+18.8%
<u>Other</u>	<u>5,000</u>	<u>4,000</u>	<u>-20%</u>
Total	270,000	258,000	- 4.4%

* Included in Other Category

Comments:

- Many believe that the probability of the industry achieving a 1.62 TPA increase from last year could be difficult given the wet/cool weather the state has had for most of the spring. Reports are coming in some parts of the state of bacterial spec taking is starting to show up and impact the crop.

Extend Ag Available to CTGA Members :

CTGA has an agreement with John Deere which was purchased by Constellation Software to pay the ExtendAg Grower Delivery Reporting (GDR) transaction fees for all of their member growers through 2012.

CTGA member growers:

- CTGA is paying the GDR transaction fees for their members
- CTGA member growers are responsible for paying their own setup fees and additional user license fees
- If you have not already done so, indicate that you are a CTGA grower on the form and remit to PTAB or you can call or office at (916) 925-0225 for any questions or help with signing up. The Grade Access for 2011 is attached.

CTGA Database Update Form:

Attached is a CTGA Database Update Form for those growers who have not submitted their information already sent to you. If you want to have your information resent, please contact the office at 916-925-0225 or email at ctga@sbcglobal.net



2011 GROWER INFO ACCESS

Please fill out **one form for each grower entity** and mail or fax it back to us at least 7 days before you wish to access information from the grade stations. Thank you.

Grower Name: _____

Grower Address: _____

City, State, ZIP: _____

Contact Person: _____

Phone #: _____ Fax #: _____

E-Mail Address: _____

_____ Please check here if you are a **CTGA** member and want PTAB to share your load information with the California Tomato Growers Association. (By checking here, all pertinent load information associated with the Grower Code listed for the years **2007-2011** will be sent to CTGA.)

I want PTAB to send my grower code and password to the above address or fax number (**Do not write in a password**).

Name of Grower Representative

Signature of Grower Representative

Date

If you have had problems in the past with multiple grower numbers or any other issues, please call us at (530) 759-7501 as soon as possible so we can try to solve the problem before the season starts. Our fax number is (530) 759-7504.

PTAB will fill in the following and fax the information back to you:

Grower Code: _____

Password: _____

