



# CROP REPORT

2.25.21

## Valued Customers:

We hope this finds you and yours healthy and well and ready for a fresh start in 2021 as channels of trade begin to normalize. Typically, we reserve our first crop report for May/June to communicate the forecasted growing conditions for California tomatoes and Northwest cherries, our first seasonal crops. However, we are seeing truly unprecedented cost increases from our vendors on virtually every cost component with which we pack our products. We felt our customers should be aware of the significant increases for the 2021 pack year, by all processors.

By now we're confident you too are experiencing similar increases from your vendors. Further, that this information now may help you with your planning efforts for the months ahead. Recognizing that we need to keep your pricing and our costs as competitive as possible, we contract annually and on fixed volumes where we are able. In many instances, we don't know our true costs until the pack season is completed, as crops and conditions vary season to season. The following is a breakdown of what we've been able to pull together thus far and we're still not certain if these are the "ceiling increases" for the 2021 pack durations.

Cans: +9%  
Conventional CA Tomatoes; NW Pears, Cherries, Plums: Still in discussions.  
Organic CA Tomatoes +18-20%  
Cranberries +18-20%  
Ingredients (Spices/Oils/etc): +18-40%  
Labor: +2.5%  
Health Benefits: +12.5%  
Utilities: +7%  
Sugar/Corn Syrup: +6-7%  
Fiber: +8%  
Labels: +6%  
Warehousing: +5%  
Transportation: +8%  
General OH: +2.75% (items like general liability insurance; PPE; etc)

With the consumption shift from foodservice to retail in 2020 and the addition of USDA sponsored food box programs, retail carryover on both canned fruit and tomatoes is as low as it's been in a decade. The low inventories, tempered 2021 crop forecasts and increased component costs will necessarily force price increases. As the season progresses, we will provide additional data points on 2021 CTGA and contract NW Fruit pricing as they become available. As always, we continue to strive for optimal efficiency and sourcing to provide our customers with the most competitive, fair pricing.

Thank you for your continued partnership!

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