



Crop Report - May 04, 2023

Valued Customers:

Welcome to the beginning of our harvest season at The Neil Jones Food Company!

We generally start in June with sweet cherries out of the Yakima and Hood River valleys, followed by California tomatoes in July. By late summer/early fall, we start processing our Pacific Northwest pears, plums and cranberries, in about that order. This year, with unusually cooler and wetter weather (particularly in California), all crop cycles are running about 2-4 weeks behind schedule. The good news is, after several drought years, the Sierra snowpack is the largest we've seen in a decade, providing some water resource relief to our growers for the harvest season. However, a remaining concern is the speed at which that snowpack will melt and flow into the San Joaquin Valley, possibly contributing to more flooding.



California tomato transplants 4-15-2023

California Tomatoes

The January USDA forecast was 12.4 MM tons for 2023, but with the recent, regional flooding events it is doubtful we will reach that level. California industrial and cased inventories are at record lows due to the short pack from last year. Processors and manufacturers are anxious to restock their warehouses with higher quality fruit, compared with the 2022 harvest.



With the unusually late start this season due to weather conditions, the late season premiums are likely to have more of an impact on product costs and pricing for the 2023 harvest. The CTGA and processors agreed to a base price of \$138 per ton in late January. This is a 31.4% increase over 2022's rate of \$105. Additionally, the late season premiums also took a significant jump and are as follows:

Dates	2022	2023
9/15 – 9/21	\$2.00	\$3.00 per net ton
9/22 – 9/28	\$4.00	\$5.00 per net ton
9/29 - 10/5	\$8.00	\$10.00 per net ton
10/6 – 10/12	\$12.00	\$14.00 per net ton
10/13 - end	\$16.00	\$18.00 per net ton

The chart to the right is provided courtesy of the CTGA and you'll note the 72% increase in price per ton since 2020. As of today, agreement on the price per ton of organic tomatoes has not been reached.

As usual, we encourage our foodservice customers to contract with us over the next 8 weeks to secure your California tomato and Pacific Northwest fruit needs through Summer, 2024. For those of you who opt not to contract, product is available on a first come, first served basis.

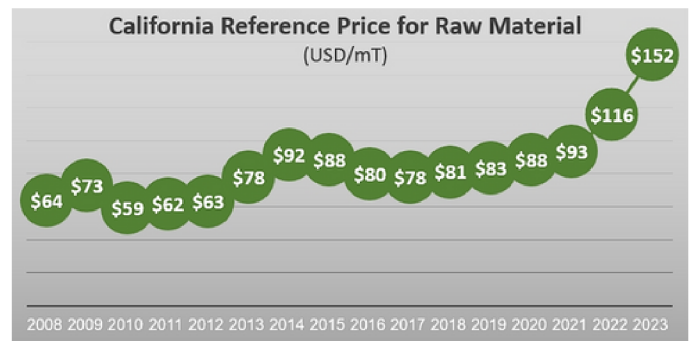


Image courtesy the CTGA

Pacific Northwest Fruit



Cherry blossoms in Washington State, 4-20-2023

Cherries:

With the cooler weather in Oregon and Washington, we expect a later start to the cherry harvest. Our current estimates indicate we'll harvest around June 15th, but the weather in the coming weeks could move that date forward or backward about 7 days. The recent temperatures in the 70s/80s have been optimal for growth and have signaled the bees to start working!

At this point, our growers are optimistic about producing in excess of 21 million fresh 20# cartons. We anticipate we will have canned and cased cherries ready to ship to customers by July 15. These tend to move out quickly, so please secure your bookings early!



Pears:

At this time, our pear harvest is approximately 15-20 days behind where we were last year, setting us up to begin in mid-September. To illustrate, we saw our first full bloom last year on April 7th, 2022 and the three pictures below show current bud stage in that same orchard, as of April 24th, 2023.



PNW Pear Blossoms, 4-24-2023

That said, we're beginning to see glimpses of warm Spring weather. Flower buds moved fast this past week with light winds, clear skies and temperatures reaching the mid-80s, encouraging full bloom in the Lower Yakima Valley and some of the Hood River, OR areas. The overall expectation among growers is that this has the potential be a large crop, weather permitting.

The negotiated price for cannery pears this year is \$410/ton, up 9.3% from last year's \$375/ton. It's also worth adding, the price per ton this year is up 20.5% from 2020 levels.

Cranberries:

We have retail and foodservice cranberries available for the 2023 holiday season on a first come, first served basis. Most of our largest, forward-thinking customers have already booked their cases. If you'd like to secure your holiday needs, we highly recommend you get with your salesperson in the next 6-8 weeks to contract.

The majority of our fruit comes from the Bandon, Oregon region which has been growing cranberries since the 1890's. This growing region is recognized globally for producing dark crimson color, superior nutritional value berries with amazing flavor and quality. We will update our readers on the cranberry bog harvest in our next crop report.



Cranberries in Bandon, OR, 2022



Plums:

We harvest Northwest Italian plums in September/October and pack for your Healthcare, Foodservice and Retail needs. We will provide crop updates in August.



Our Oregon Trail Plum Halves in Juice are packed ripe and full of flavor in their natural juices. They're convenient to use, good for your health and taste great in a smoothie!



Juice Concentrates and Purees:

As a reminder, our Northwest Packing facility produces a wide variety of concentrates, purees, essences and pomaces, all derived from our quality, Pacific Northwest fruit. These include apple, blueberry, raspberry, marionberry, elderberry, and of course, cranberry, high PAC cranberry, pear, plum and cherry. We are a leading supplier for several nationally recognized branded juices, ice creams, confectionaries, and nutraceuticals. We also proudly supply to cider, seltzer, and craft beer producers and routinely engage in custom formulation work.

The Best of the Pacific Northwest

Purees,
Juice Concentrates,
Single Strength/NFC Juice



Essences/Aromas,
Pomaces and more!

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Costs

We are beginning to see some leveling of costs. Specifically cans and fiber, though still stubbornly high compared with 2019, have slowed their increases. California and Washington have two of the highest minimum wages in the nation. Similarly, these states also lead in natural gas and electricity costs. Aside from costs of raw product, pointed out above, please note additional price component increases as demonstrated in the graphs that follow:

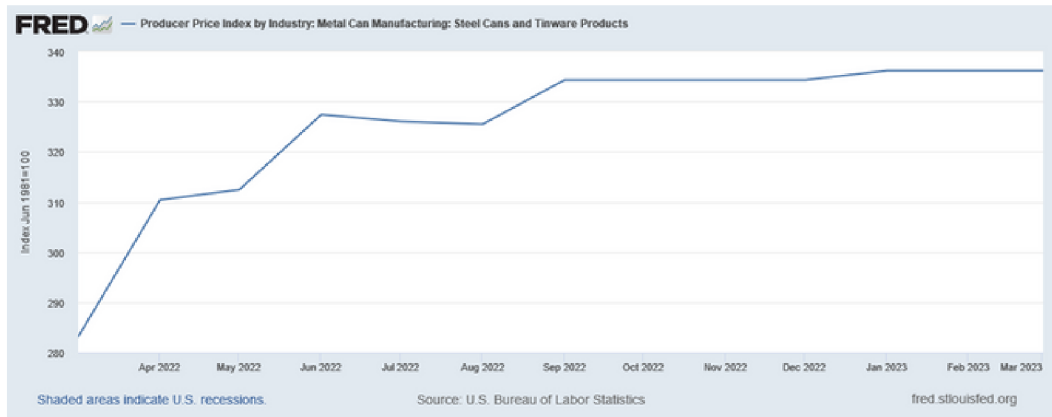


Figure 1: Steel & Tin Prices 2022-2023



Figure 2: Fiber Prices 2018-2023



Figure 3: Olive Oil Prices 2020-2023

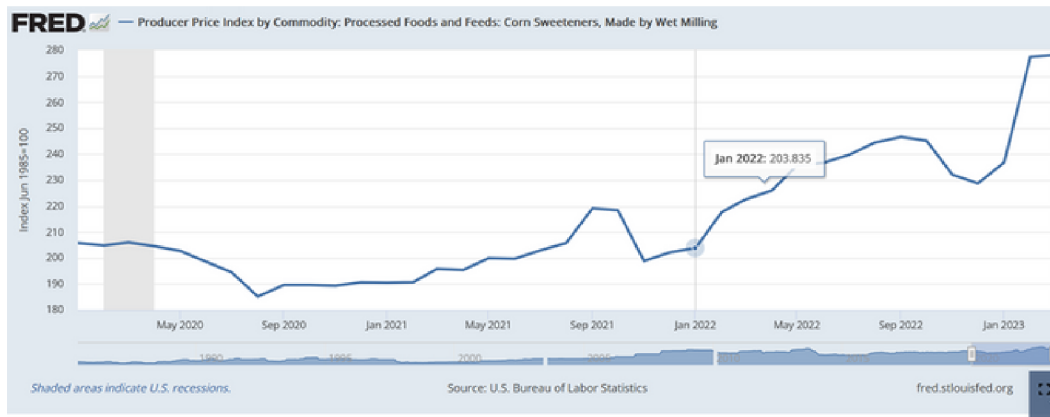


Figure 4: Corn Sweeteners Prices 2020-2023

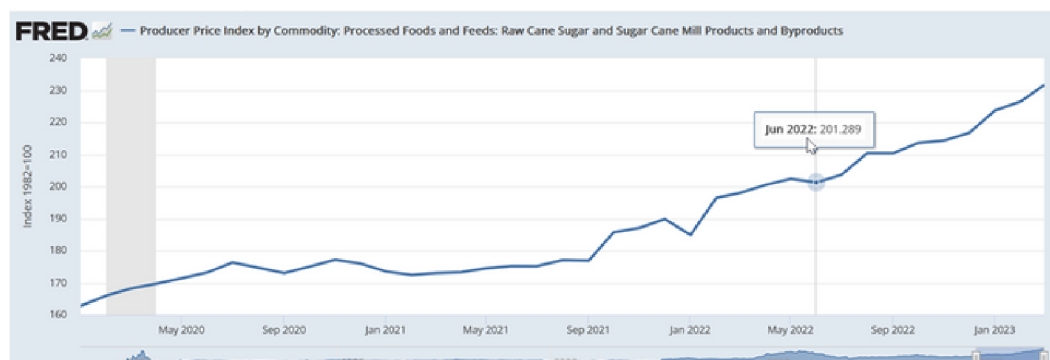


Figure 5: Sugar Prices 2020-2023

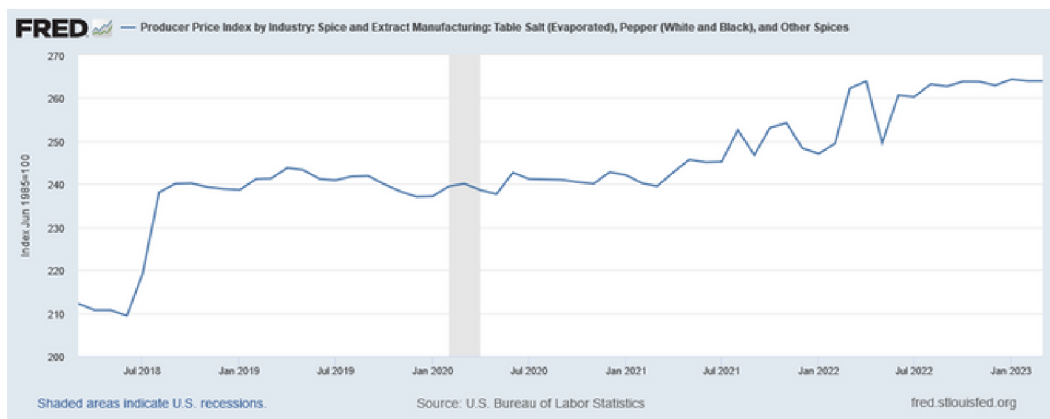


Figure 6: Spice & Extract Prices 2018-2023

We will continue to provide updates as the season progresses and should have considerably more clarity on crop conditions (both in California and the Pacific Northwest) by mid-June, when the majority of weather-related issues have played out. We look forward to good weather, robust crops and a strong foodservice/retail economy!

We appreciate your partnership!

Jon K. Holt
The Neil Jones Food Company

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