CLING PEACHES TODAY

LABOR INTENSIVE CROP

TOMORROW?

California Minimum Wage Trends
1980 - 2002

Ron Schuler CEO Ermitus, Canning Peach Bargaining Association
Cling Peaches Today...Labor Intensive Crop...Tomorrow?

May 6, 2004

Ron Schuler CEO Ermitus, Canning Peach Bargaining Association

Workers Compensation Rate Trends
Peach Orchards
1993 - 2003

Workers Comp Rates Have Increased 36% in a year

Source: State Fund

California Canner Peach Sales Trends
June 1 – May 31

Millions of Basic Cases

10 Year Average 17.65

CarryOver
Movement
Cling Peaches Today...Labor Intensive Crop...Tomorrow?

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Cling Peach Bearing Acreage Projections

Bearing Acres, 2003 31,407
Less: Pullouts <1,505>
Plus: 2001 Plantings 2,440
Bearing Acres, 2004 32,343
Less: 5% Pullouts <1,617>
Plus: 2002 Plantings 2,741
Bearing Acres, 2005 33,467
Less: 5% Pullouts <1,673>
Plus: 2003 Plantings 1,652
Bearing Acres, 2006 33,446
Less: 5% Pullouts <1,672>
Plus: 2004 Plantings 580
Bearing Acres, 2007 32,354

California Cling Peach Production Trends
Yield Per Bearing Acre
1950 - 2003

Tons / Bearing Acre
50's Avg. 12.51
60's Avg. 13.24
70's Avg. 14.58
80's Avg. 16.93
90's Avg. 17.70

10 Year Average Yield
18.9

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### Tons To Basic Cases

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Bearing Acres</td>
<td>28,500</td>
</tr>
<tr>
<td>Average Yield/Acre</td>
<td>18</td>
</tr>
<tr>
<td>Total Tons</td>
<td>513,000</td>
</tr>
<tr>
<td>Pay Tons (6% Offgrade)</td>
<td>482,220</td>
</tr>
<tr>
<td>70% to Cling Peach Pack</td>
<td>337,554</td>
</tr>
<tr>
<td>Average Cases/Ton</td>
<td>53</td>
</tr>
<tr>
<td>TOTAL BASIC CASES</td>
<td>17,890,000</td>
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</table>

### USDA Summer Purchases

#### Canned Cling Peaches

<table>
<thead>
<tr>
<th>Year</th>
<th>6/10 Cases (Thousands)</th>
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<tbody>
<tr>
<td>1993</td>
<td>1,155</td>
</tr>
<tr>
<td>1994</td>
<td>914</td>
</tr>
<tr>
<td>1995</td>
<td>407</td>
</tr>
<tr>
<td>1996</td>
<td>427</td>
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<tr>
<td>1997</td>
<td>552</td>
</tr>
<tr>
<td>1998</td>
<td>663</td>
</tr>
<tr>
<td>1999</td>
<td>724</td>
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<td>2000</td>
<td>1,132</td>
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<tr>
<td>2001</td>
<td>1,312</td>
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<tr>
<td>2002*</td>
<td>1,944</td>
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<tr>
<td>2003*</td>
<td>1,666</td>
</tr>
<tr>
<td>2004</td>
<td>3,000</td>
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</tbody>
</table>

* Equivalent Cases of 6/10’s - includes cases of 24/300’s converted to 6/10’s
SUMMARY

- Acreage must be reduced.
- 28,500 acres will meet market needs.
- Continue to battle imports and subsidies.
- Support research for Mechanization; Labor Reduction in Thinning and Harvesting.
- Less Acres – Best Soil – High Yield
- Good Luck!!