



—CALIFORNIA CROP—

## 2018 TOMATO CROP SETS RECORD TONS/ACRE

**California tonnage finished at 12,276,305, up from 10,463,553 in 2017**

The 2018 season is now one for the history books. While California tonnage increased from 2017 levels, the real star of the season was a record 52.5 tons per acre, up from 47.1 in 2017, setting a new efficiency record for California. The average may have been even higher, due to some contracted acres not being harvested. Organic tons also increased by over 90,000 tons from 2017 for a total of 523,312 tons in 2018.

Crops faced many challenges this year, ranging from delayed plantings to infestation of the darkling ground beetle, and hot temperatures in the southern regions (Fresno set a record of 30 consecutive days over 100 degrees). Record yields in 2018 can be attributed to a few factors: good, dry temperatures in January and February, rain in March, and farmers' creativity and management of drip irrigation despite high heat situations during the summer.

As always, water played a critical role in this year's crops. This season saw increases in allocations south of the Delta and CVP ag water allocations in June were raised to 50%. The coming years will witness some changes in regulations, particularly California's SGMA (Sustainable Groundwater Management Area). Passed in 2014, this Act calls for plans for achieving sustainability be turned in by January of 2020 for high and medium priority basins. Agencies in areas with low priority basins have until 2022 to submit plans. As a result, farmers may not have the same amount of groundwater to supplement surface supply as has been the practice.

As of November 18th, Northern California reservoirs were between 49% and 91% of historical average and 30% to 59% of capacity. Central California reservoirs were 71% to 135% of historical average and 25% to 73% of capacity. The rainfall in late November look to put California off to a good start. In addition, there is an 80% chance of El Niño to form in the Winter and a 55-60% chance in the Spring.

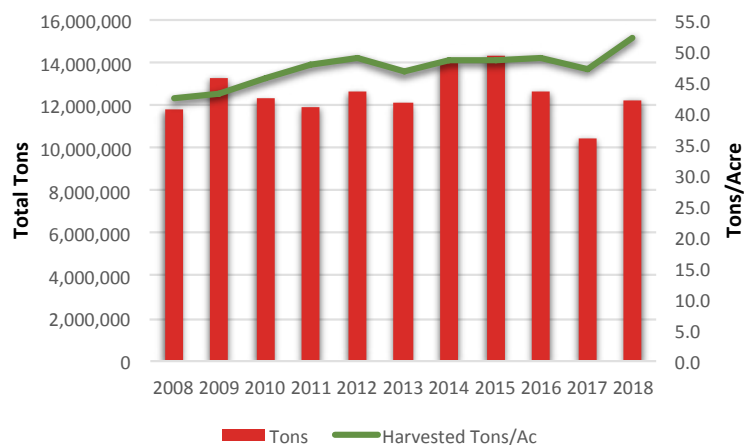
During the period from October 1 of 2016 to November 18 of 2018, 71,551,700 ac. ft. of water flowed through the Delta. 16% was captured by Federal and State pumps to move water south for consumption by both Agricultural and M&I use. 81.4% flowed out to the ocean. 2.3% of the inflow into the Delta was Net In-Delta consumption. Using 2.5 ac. ft. per acre for tomato water consumption, this would equate to being able to grow over 23 million acres of tomatoes with the water that flowed out of the

ocean. SGMA requirements will put more pressure to come up with more efficient use of water.

Secretary of Interior, Ryan Zinke, and Secretary of Commerce, Wilbur Ross, signed a Memorandum of Agreement, ensuring that the Presidential Memorandum on Promoting Reliable Supply and Delivery of Water is implemented as quickly as possible. This Memorandum is important for California agriculture, particularly because the State Water Resources Control Board would like to seize San Joaquin Valley water supplies that, in their own words, would create a "permanent regulatory drought."

As for 2019, current industry talk is that demand for tomatoes for 2019 will resemble 2018. Year over year, we can see that demand stays consistent but due to a host of factors, supply can vary greatly. 🍅

TOTAL TONS VS TONS PER ACRE



—INTERNATIONAL CROP—

# 2018 INTERNATIONAL CROP AT 33.9 MILLION MT

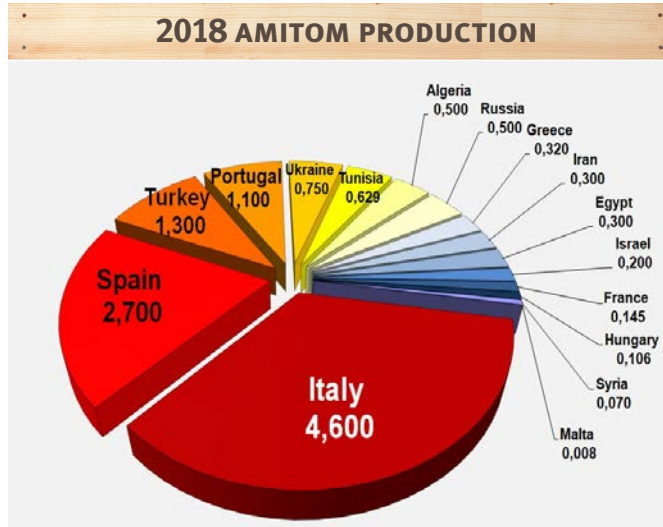
Global Forecast dropped 900,000 metric tonnes (mT) compared to mid-season forecast, global production returns to 2012 levels

AMITOM (Association Méditerranéenne Internationale de la Tomate) represents approximately 40% of global production, accounting for 13.528 million mT in 2018. Processing areas were mostly affected by lower than average yields, weather challenges, and reduced surfaces planted.

Portugal enjoyed good weather, with high temperatures and no rain at the end of the season. While yields suffered slightly, quality of the fruit still retained high brix.

Spain suffered some difficulty with storms at the end of September and, combined with very high temperatures, caused some crop losses. Yields remained high and quality was good for the remainder of the season.

Northern Italy processed 2.4 million mT, with weather remaining pleasant through the end of season. In general, quality and color of the crop were good but brix saw a reduction to 4.5. Southern Italy closed out 2018 with 2.2 million mT. In total, Italy finished 600,000 mT less than their 2017 production of 5.2 million mT and 300,000 less than expected at the beginning of the season. Yields per



increased environmental protection regulations in 2018, causing only a limited number of factories to be able to comply and still process. Processing capacities in those factories were also decreased because of the new regulations.

One large market disruption in China was the withdrawal of Chalkis, the second largest processor, from the marketplace, causing 13 factories to be put up

hectare were also lower than last year.

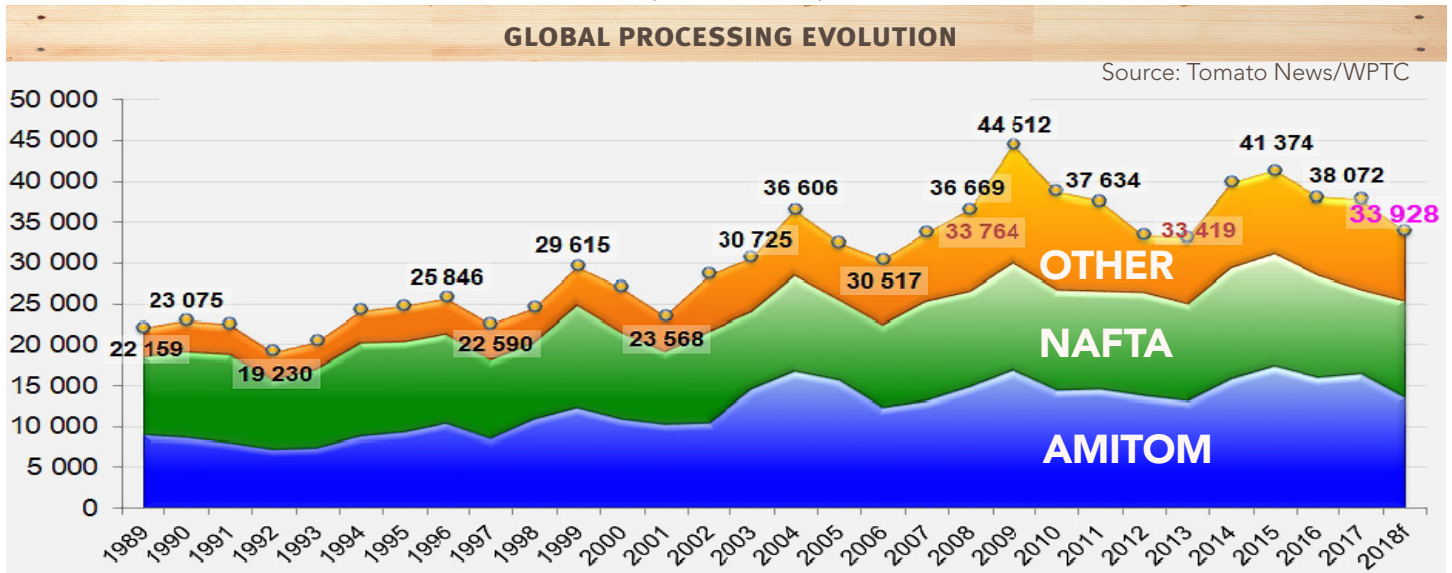
China also experienced some significant disruptions this year. Finishing their season with 3.8 million mT processed, up from 3.7 million mT projected at the start of the season. This is a stark contrast to the 6.2 million mT processed in 2017.

While the weather was positive in Xinjiang, high temperatures experienced in July forced early maturation of tomatoes, leading to waste and lower yields.

China also experienced the pressure of

for sale.

Overall, 2018 witnessed a contraction in total global production. As we can see from the long-term global processing evolution, this industry is highly cyclical with a general upward trend; however, peaks and valleys are a consistent attribute of the global market. 🍅



Source: Tomato News/WPTC

— COLLEAGUE HIGHLIGHT —

## TARA LOPEZ

Tara's Mission at Morning Star is ensuring that colleagues achieve the most positive and productive experiences with Self-Management by actively training and working with colleagues to build human resources that they will be able to utilize to achieve their own personal commercial missions.

### How did you first learn about Morning Star?

I was actually working for a company that Morning Star acquired. When I interviewed for a position at Morning Star, I remember speaking with (CFO) Tim Cruise and Mark De La Mater and thinking they were two of the smartest people I'd ever met! I was fortunate enough to continue working with them.

### Before working at Morning Star, what was the most unusual or interesting job you've ever had?

When I was going to school, there was a senior citizen community across from my apartment and I noticed that many of the people that lived in that community had animals but were unable to walk them. I recruited a few friends and we volunteered to walk the dogs during the evenings and weekends. There were three of us and we ended up doing this for two years. After I wasn't able to be a part of this, I recruited a new group of people to take over. So many people offered to pay us for our services but just knowing that we were making a little difference was all we cared about.

### What are 3 words to describe Morning Star?

Strong, Innovative, Knowledgeable

### What drew you to Morning Star originally?

The people drew me to Morning Star.

I met many people while interviewing for my job and was impressed by how intelligent and hard working everyone was.

### What do you find most challenging at Morning Star?

I don't know if I'd use the word "challenging" but because Morning Star offers you so many opportunities to get involved with so many different areas, sometimes people find it difficult to balance. I always say that I think Morning Star makes you better because there is such an abundance of knowledge and opportunities available to our colleagues. I was telling someone a while back that I still talk to a few people who have moved on from Morning Star and they all say they are better because of their experiences here.

### What is on your wish list for the next 10 years?

I would like to buy some real estate in Northern California.

### Tell me about your family.

I have two children, my son is 19 and my daughter is 18. They are both Geminis so they are outspoken for sure! My daughter currently attends UC Merced and my son works in the hotel industry while attending San Jose State University.

### Tell me about your previous work experience.

When I graduated from high school, I started going to Modesto Junior College and also worked as an EMT for Patterson District Ambulance. I worked as an EMT for a couple of years then started dispatching for AMR Ambulance. From there, I found a job in Riverbank with Sun Garden Gangi as a



seasonal EMT and worked there for two seasons before Morning Star purchased the business.

### People would be surprised if they knew \_\_\_\_\_ about you.

I just recently went Vegan!

### What do you like to do in your spare time?

I don't always have a lot of free time but I really enjoy anything outdoors.

### What is your favorite book(s)?

Favorite books: The Four Agreements, by Don Miguel Ruiz and Liver Rescue by Anthony Williams. I enjoy those types of books, I'm weird like that!

### What's on your bucket list?

I would love to visit Kruger National Park. 🍷





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**SANTA NELLA**

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 209 826-7100

**OUR PRODUCTS**

Hot Break Tomato Paste (28% and 31% NTSS)	Concentrated Crushed (26% and 28% NTSS)	Ground Tomatoes in Puree
Organic Hot Break Paste (31% NTSS)	Diced Tomatoes (3/8", 1/2" and 3/4" cut)	Tomato Puree (1.07)
Cold Break Tomato Paste (31% and 37% NTSS)	Organic Diced Tomatoes (1/2" and 3/4" cut)	Chili Sauce
Organic Cold Break Paste (31% NTSS)	Fire Roasted Diced Tomatoes (1/2" and 3/4" cut)	Ketchup
		Sun Dried Tomatoes
		Green Tomato Products
		Heavy Fire Roasted Crushed Tomatoes

**SALES TEAM**

<b>Rich Castaneda</b>	949-306-8163
<b>Kelly Haywood</b>	530 473-3626
<b>Jennifer Ingram</b>	209 827-7816
<b>Paul Maxon</b>	209 827-5518
<b>Karolina Splinter</b>	209 829-5090
<b>Brandon Taylor</b>	209 827-7831
<b>Becky Wahlberg</b>	209 827-5508
<b>Greg Wuttke</b>	209 827-5513
<b>Robert Young</b>	209 827-7830

**CONTAINERS**

300-gallon Aseptic Bag-in-box  
 55-gallon Aseptic Drum  
 Food Service Pouches and Cans  
 Retail Pouches and Cans

**FOR QUESTIONS**

Email Karrie Rufer at [krufer@morningstarco.com](mailto:krufer@morningstarco.com)

— MORNING STAR NEWS —

# COLOMBIAN CHEFS EXPLORE NEW TOMATO PRODUCTS

Morning Star has always enjoyed experimenting with new and different applications for alternative tomato products. In August, we invited a group of Colombian chefs to work with some unique tomato products, specifically green tomato products. Hopefully we'll see these innovative new food trends in restaurants and food products in the future!

