



## NEWSLETTER

—SPRING 2019—

### —CALIFORNIA CROP—

## 2019 CROP EXPECTATIONS AT 12.1 MILLION TONS

### Intentions are on par with past years, growers expect increase in average yields

The 2019 processing tomato crop will prove to be another interesting challenge for farmers as the harvesting and processing season approaches. While California received ample rainfall, which provided the state with a generous snow pack, plantings were delayed due to the seemingly beneficial water supply.

Southern and Central California planting areas were less affected by rainfall, with few plantings being delayed; however, Northern California plantings were delayed by as much as two weeks. We will likely see small amounts of, if any, processing tomatoes harvested in July in the northern region of the state.

High winds and periods of elevated temperatures have also forced farmers to adjust their tactics - causing transplanting to occur at night or fields to be replanted. Given the adjustments made by farmers, we are now seeing healthy plant growth in both the southern and northern regions.

As always, water will play a vital role this season. The state percentage of snow water equivalent is at 138%, with Northern California reservoirs between 108-120% and Central California between 92-133%. While we see encouraging figures in the reservoirs, it is disheartening to learn that allocation is at 65% and 70% for the Central Valley and State Water Project respectively. Between April 1 and May 5, approximately 5.9 million acre feet of water flowed to the ocean, with only 195,200 acre feet pumped to the south for state and federal pumps. Because

of the state's inability to capture water, growers must now pump groundwater to meet their needs.

California intends to process 12.1 million tons in 2019, harvesting from 235,000 acres and resulting in an average yield of 51.49 tons/acre. While last year was exceptional with an average yield of 52.5 tons/acre, 51.49 tons/acre will be an ambitious goal for farmers this year. Looking back, the three-year average in 2018 was 49.54 tons/acre and, while California has demonstrated a steady increase in yields over time, it will remain to be seen if this year's crop will rise to the expected yield.

So far in this planting season, growers have had little problem with soil insects and sugar beet leafhoppers (the vector for the curly top virus) remain in very low counts.

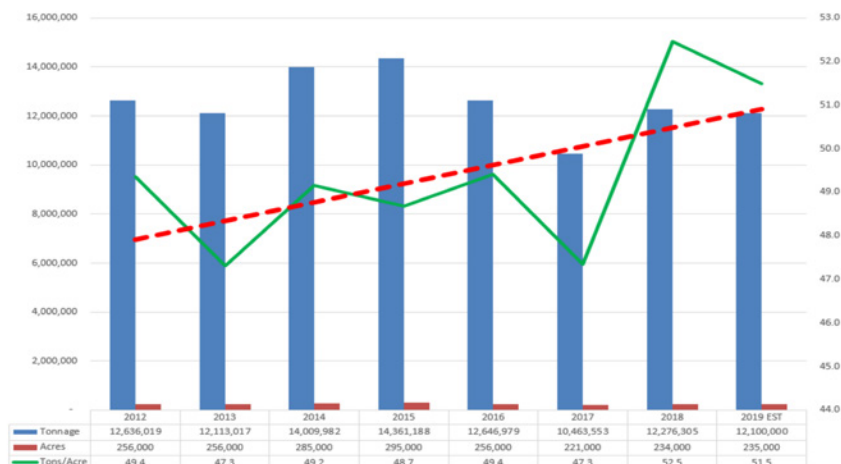
Another area of concern for California growers is the topic of labor. Growers

are facing cost increases in labor due to minimum wage increases and new overtime laws diverging from agricultural labor laws of the past. Services that supply growers, such as greenhouses and transplanting services, tend to use a lot of labor, and, as a result of higher labor costs, have been forced to increase prices. In addition, seed prices have also risen above 2018 rates.

In a market where product pricing is a highly determinant factor in purchasing, growers are facing the task of maintaining profitability and competitiveness in the global marketplace. The answer seems to rely on variety improvements and grower practices where yields can help increase the efficiency of grower efforts.

In conclusion, we will likely see a fairly normal 2019 tomato crop, with growers proving their resilience once more. 🍅

### TOTAL TONS VS TONS PER ACRE



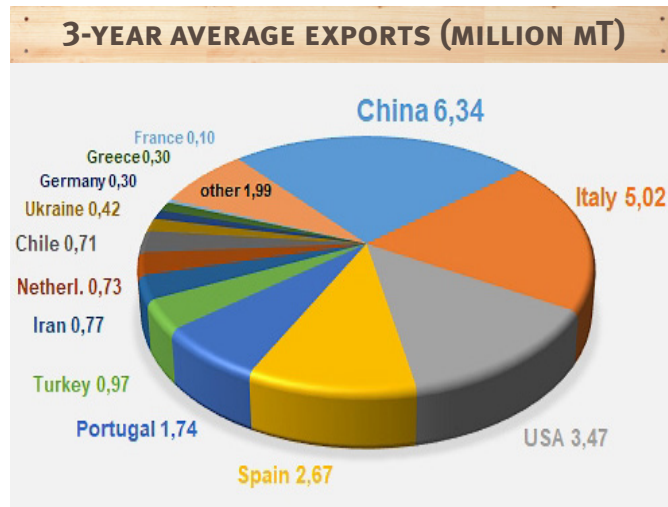
## —INTERNATIONAL CROP—

**2019 INTERNATIONAL CROP ESTIMATES 37.5 MMT****Global forecast up from 2018 levels of 34.8 million mT**

AMITOM (Association Méditerranéenne Internationale de la Tomate) countries expect to process 26.3% of global processed tomato products. After experiencing a decrease in total production in 2018 (down to 34.8 million mT from 37.7 in 2017), the global forecast is expected to return to 2017 levels.

With AMITOM countries in their planting season, global intentions are becoming more solidified. One of the largest growing areas, Italy, suffered drought conditions with rainfall decreasing by 40% and is facing difficult price negotiations. Total planting areas have remained the same in Northern Italy while price negotiations continue, expecting 4.9 million mT this year.

Spain is expected to maintain the same prices as last year while their production forecasts increase to 3 million mT. Weather is very dry and warm but they are not expected to experience difficulties in water availability. Spanish growers just recently met at ACOPAEX (Agrupación de Cooperativas Agrarias de Extremadura) to turn their focus on increasing crop yields to 100 tonnes per hectare.



the 2019 crop, it is interesting to examine the global economics of the processing tomato industry. The volume of raw tomatoes absorbed last year by worldwide exports are approximately 25.5 million mT, up from 25.3 in 2017 and in line with the 3-year average of 25.5. Exports in the paste category accounted for nearly 76% of raw materials.

Turkey experienced an increase in surfaces planted by 20% and maintains their production level of 1.9 million mT.

Other WPTC (World Processing Tomato Council) members expect to have reasonably the same level of production as 2018.

In China, weather conditions are normal and the forecast stays at 4.5 million mT.

Brazil experienced similar conditions to California and had a delayed planting with healthy plant development. The estimated forecast is 1.2 million mT on a 13% reduced surface area.

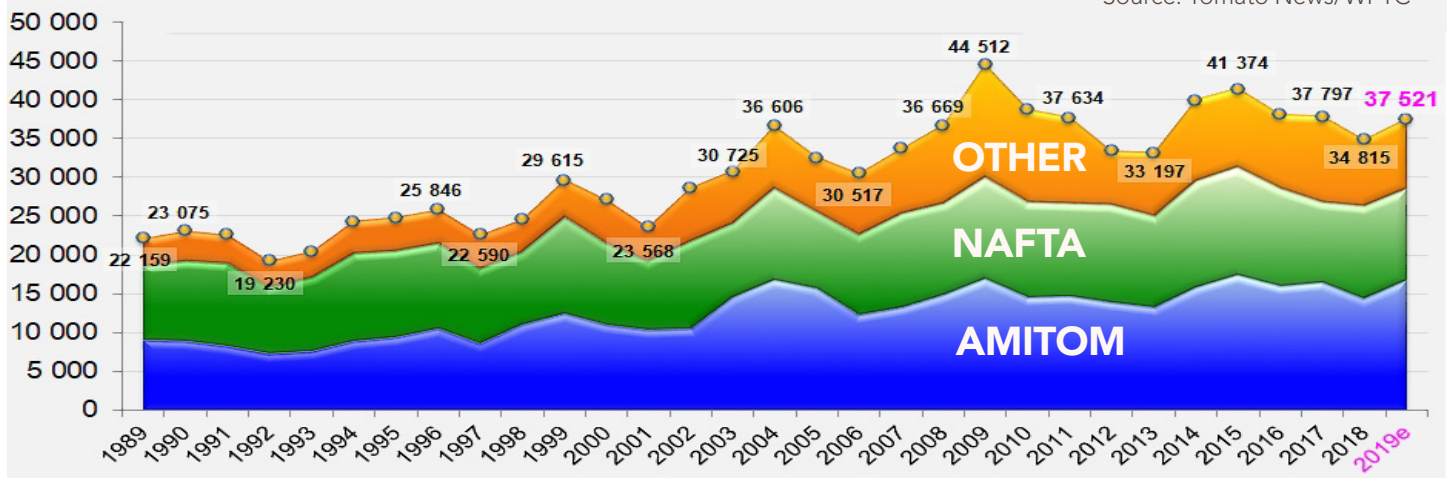
With estimates leveling out for

Paste also accounts for the majority of absorption of raw material volume increases. Canned products, on the other hand, have suffered from slowed growth, only increasing by around 2.6% each year.

As demonstrated in the figure above, China still exports the largest volume at 6.34 million mT while Italy is close behind at 5.02 million mT and the US at 3.47 million mT. 🍅

**GLOBAL PROCESSING EVOLUTION**

Source: Tomato News/WPTC



## —COLLEAGUE HIGHLIGHT—

**ERIC FISHER**

Eric's Mission at Morning Star is to provide world-class technical support to Morning Star and affiliates in the development of new or imported products and processes, including validating and executing all aspects from concept to commercialization in an admirable and ethical manner.

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

I have been in the tomato industry for the last eleven years and have worked with Morning Star on several different products in the past. I have always been very impressed with the integrity and professionalism of all Morning Star Colleagues.

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

I actually worked as a baker and caterer out of high school - it's where I learned to love experimenting with foods and flavors to create wonderful products.

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

Get it done!

**What drew you to Morning Star originally?**

All the potential opportunities that existed at Morning Star to develop and bring new innovative products to the market.

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

Our Colleague system [Mission-Focused Management] generates a lot of comments and feedback so it is fun to work with a team to drive to a consensus and develop a plan to move forward. Delivering new products to our customers and the market is all

about the team so the more ideas and input, the better the end result.

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

This year, my youngest child is graduating from high school and my oldest is making me a grandpa, so seeing my kids become adults and watching their lives as adults unfold is really exciting. I am also excited to have a little more free time in the future to explore some new hobbies.

**Tell me about your family.**

My wife, Heather, and I just celebrated 27 years of marriage. We have one daughter and three sons. My family is my proudest accomplishment in life.

**Tell me about your previous work experience.**

I have always loved working and developing my skills. I started as a newspaper carrier and distributor for *The Washington Post* as a 10 year old. I found that I loved working with food as a baker and caterer. I have worked in construction and security to pay for my degrees in Food Science and Chemistry.

I have over 25 years of experience in the food industry. I started in the dairy industry, and moved to the vegetable processing, canning, and value-added products arena. I have worked in all parts of the food industry - in QA food labs, production floors, consumer sensory testing labs, agricultural development, Quality Assurance, and R&D management at factories and at the corporate level. My favorite area, however, has always been working on product innovation and new products.

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

I never liked tomatoes growing up and would never eat them. I later just found out that I am a tomato snob and I only like vine-ripened California tomatoes. Best tomatoes anywhere!

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

I love spending time with my family, so any activity that we can do together is great.

**What's your favorite book(s)?**

*The Lord of the Rings*, by J.R.R. Tolkien was absolutely brilliant.

**What's on your bucket list?**

I would love to travel with my future grandkids and take them to Disneyland! 🍅





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#### OUR PRODUCTS

Hot Break Tomato Paste  
(28% and 31% NTSS)  
Organic Hot Break Paste  
(31% NTSS)  
Cold Break Tomato Paste  
(31% and 37% NTSS)  
Organic Cold Break Paste  
(31% NTSS)

Concentrated Crushed  
(26% and 28% NTSS)  
Diced Tomatoes  
(3/8", 1/2" and 3/4" cut)  
Organic Diced Tomatoes  
(1/2" and 3/4" cut)  
Fire Roasted Diced  
Tomatoes  
(1/2" and 3/4" cut)

Ground Tomatoes in  
Puree  
Tomato Puree (1.07)  
Chili Sauce  
Ketchup  
Sun Dried Tomatoes  
Green Tomato Products  
Heavy Fire Roasted  
Crushed Tomatoes

#### SALES TEAM

**Kelly Haywood** 530 473-3626  
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**Angela Krueger** 209 827-5506  
**Paul Maxon** 209 827-5518  
**Karolina Splinter** 209 829-5090  
**Brandon Taylor** 209 827-7831  
**Becky Wahlberg** 209 827-5508  
**Greg Wuttke** 209 827-5513  
**Robert Young** 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

#### —MORNING STAR NEWS—

## WILLIAMS FACILITY CELEBRATES ITS 25TH ANNIVERSARY

Colleagues gathered to celebrate our Morning Star - Williams' 25th anniversary! As the largest tomato processing factory in the world (with a processing capacity of 1,353 tons of tomatoes per hour), it took an amazing team and unwavering dedication to excellence to get this factory built!

