

# NEWSLETTER

WHAT'S NEW IN THE WORLD OF MORNING STAR



- WINTER 2019 -

## CALIFORNIA CROP

### 2019 TOMATO CROP FALLS SHORT OF INTENTIONS

**California tonnage finished at 11,182,979 tons, down from 12,276,305 in 2018**

The first three weeks of the season showed promise with volumes similar to 2018; however, there were only four weeks in total in which deliveries reached the 1 million ton mark, even with the season extending to November 5.

Plantings were delayed due to weather in the growing regions with the northern areas suffering more than the southern. Heavy storms in May caused some damage to early tomatoes, particularly in the Huron area. Some of these fields were farmed out and managed to salvage some tons, while other farmers could not see any hope and turned them into their insurance carriers for loss payments.

Early yields in the south trailed 2018 by as much as 10%. Mid-season yields saw a slight increase, but not to the levels experienced in 2018. Despite having a milder summer, yields in the north never did reach grower and processor expectations. Late season storms passed through the Woodland area around September 28 and served as a reminder that anything can happen while the crop is out in the field waiting to be harvested.

Final harvested acres are being forecasted at 231,000 with a potential yield of 48.4 tons per acre, 3.7 tons per acre less than the 2018. Some in the industry are speculating that there were fewer harvested acres and that the tons per acre number should be higher.

May weather conditions and late blight in the south caused the

organic tons to finish 111,946 tons below 2018, for a total of 404,061 tons.

While early weather conditions took a toll on some crops, they did not come without their benefits. The water situation in California has improved. Reservoirs in Northern and Central California remain at healthy levels and better than historical averages.

Although the state received a lot of moisture, only 75% of allotment was given to the State Water Project and Central Valley Project growers. The shortage of surface water will become an even greater issue as the deadline for submission of SGMA (Sustainable Groundwater Management Act) plans grows closer to the January deadline.

During the period from October 1, 2018 to November 11, 2019, over 28.5 million acre feet of water have flowed out to the ocean. To put this in perspective, the annual water requirement for the California tomato

crop is approximately 700,000 acre feet. Enough water has flowed out to the ocean that could have satisfied the irrigation requirements of California processing tomatoes for forty years. 2019 will go down in the books as a good tomato year, but disappointing for California growers who have seen a steady increase in yields over the past years.

In addition to ongoing wage, labor and water issues, 2020 will bring new and continuing challenges to California tomato growers. The industry is deeply concerned about a law that requires seed to be inspected for viroids prior to leaving China, particularly since shipments containing early season varieties have not yet arrived in California or even been shipped from China. California tomato growers and processors remain resilient to keep up with the ever-challenging California business atmosphere.



### INDUSTRY NEWS UPDATE

#### Industrial tomato operations cease for California processor

We are learning that the California tomato processing landscape may be changing for the 2020 season with a couple of facilities ceasing their industrial tomato operations. Morning Star has both the conventional and organic production capacity available to assist anyone affected by these changes to have a seamless transition. As 2020 tomato variety and tonnage planning are already well underway, our sales colleagues welcome a discussion at your convenience.

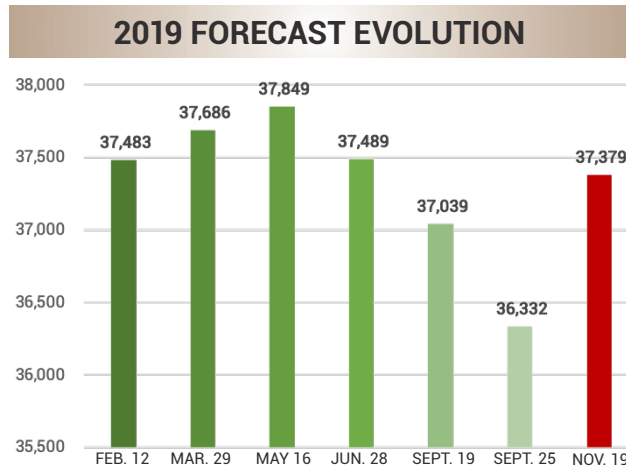
## 2019 GLOBAL CROP PRODUCTION AT 37.3 MMT

Global forecast still an increase from 2018 levels of 34.8 million mT

The 2019 international crop represents a 7% increase from the 2018 crop. While final figures accurately reflect intentions set at the beginning of the year, weather and disease during the season caused forecasts to waver and fall. However, despite the setbacks, producers were nearly able to meet the original intention of 37.5 million mT.

Italian forecasts had originally been reduced to 4.7 million mT. Northern Italy was significantly impacted by late rains. Weather conditions caused the total volume forecast to be less than 2.4 million mT. Southern and Central Italy were boosted by record quantities delivered late in the season, with 1.97 million mT having been processed. Italy completed its season processing 4.8 million mT.

The Andalusia region in Spain has reached the end of its harvesting season, seeing one processing facility closed in August while others closed around the first week of September. Some rains hit the Extremadura region, but yields and volumes were good and factories completed production in early October. Inclement weather caused concerns about production in the Navarra region at the end of Au-



gust but resulted in little damage to fields. Final production of 3.2 million mT is higher than Spain's original forecast.

Factories in Portugal were running at full capacity until the end of September. Late September saw one significant rain which slowed harvesting, and the region endured cold evening weather at the end of the season but processed 1.41 million mT. Notably, field yield was promising at 97 mt/ha with average brix of 5.2.

Hungary experienced some setbacks this season due to late planting troubles. Rain also caused production to stop at times. The final volume produced is 100,000 down from their

120,000 forecast.

Exceptionally hot weather in Greece hurt crops in the south, causing lower yields. Rains at the end of harvesting caused several stops in production; however, quality stayed good and Greece met their 400,000 mT forecast.

Turkey's forecast remained steady throughout the season, with the

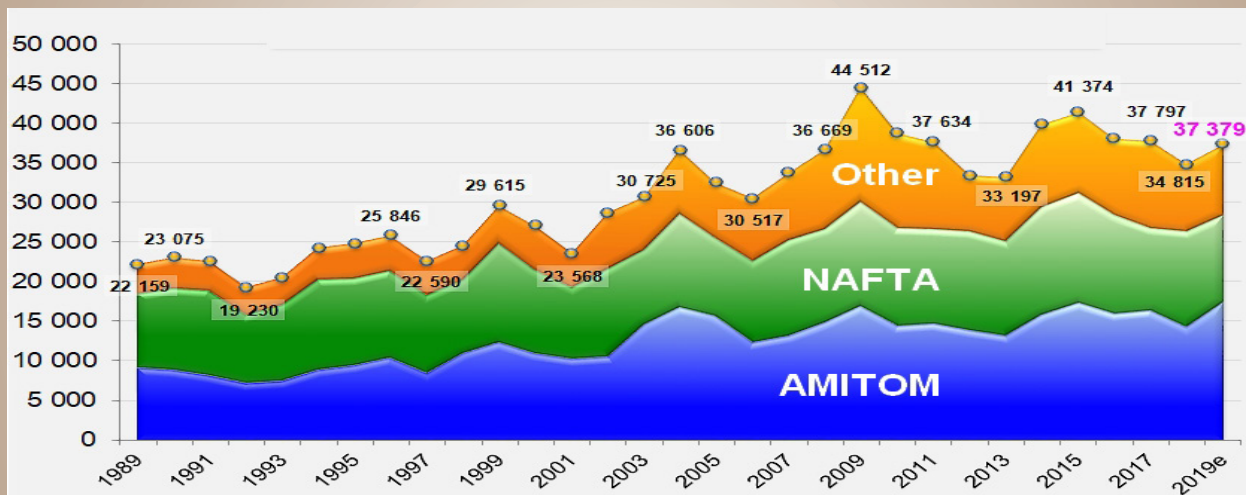
final crop coming in at 2.2 million mT.

China's production season came to a close at the end of September. Final production numbers finished on par with their forecast and are reported at 4.3 million mT.

France experienced some cooler weather this season, causing maturation of plants to be slower than normal. As of the end of September, France had processed 120,000 mT with good quality, and their final production volume was 154,240. Organic production was nearly 12% of their total crop.

Source: Tomato News/WPTC

### GLOBAL PROCESSING FORECAST



# WILLIAMS - THE STORY BEHIND THE FACTORY

In 1995, our Morning Star factory in Williams, CA was up and running. What many people don't know about are the battles undertaken behind the scenes in order to successfully get the largest processing factory in the world on its feet in time for the season. This particular factory was constructed in record time, with groundbreaking in February 1995 and processing starting on August 1, 1995. The original processing capacity was 350 tons/hour, designed to reach 500 tons/hour. Williams now holds the title of the highest capacity processing facility in the world at over 1300 tons/hour.

Now, in 2019, we still have several colleagues who were on the ground in 1995 as operations got started. Among those were Brian Hagle, Mark Beitler, Marc Haywood, Christie Ponciano, Sara Mendez, Beau Waddell, Troy Cano, Johnny Johnson (JJ), and John Coghlan.

Brian Hagle started working with Morning Star at Williams being a Control Room runner. Now, in 2019, he is a great asset for our Evaporation Business Unit. Recalling the building of Williams in '95, Brian said, "I remember extensive construction, informal team building, grueling long hours, determined colleagues, and daily - sometimes hourly - challenges. Chris Rufer [owner and founder] slept in the truck driver trailers in the shop and his wife brought him clothes and provided food for everyone in the Control Room. It was great working with colleagues through those challenges."

Mark Beitler came to Morning Star from Denver, CO. "Years of doing experimental research in graduate school taught me how to look at technical issues from different angles. Striving to do the impossible is the ultimate goal at Morning Star." When asked about his experience during the opening season at Williams, he said, "I remember the plant shutting down repeatedly and asking a fellow colleague if that was normal

(as I hadn't worked in a tomato plant before), and he laughed and said, 'No.'"

Marc Haywood started in Tomato Preparation (unloading tomatoes to send to the finishers) and is now involved with tomato grower business development. He began working as a seasonal colleague but applied for a full-time job at the Williams facility and arrived in time for construction. Marc recalls that, "Challenging would be an understatement" when asked to characterize construction.

Christie Ponciano became involved with Morning Star as an AP/AR colleague and continues her work in Administration and AR. Christie noted, "Everyone was mostly strangers to each other in the beginning, yet everyone got along so well. They all learned together. My biggest challenge was trying to learn everyone's name!"

Sara Mendez began as a tomato sorter in '95 and now works in distribution. She recalls, "I remember meeting Chris [Rufer] on the flume and not knowing he was the owner." This year, she will welcome her first grandchild.

Beau Waddell originally started in Shipping and Receiving activities in '95 but now is heavily involved in our extensive distribution operations. He fondly recalls, "The Williams team was like a family. I worked with a great group of guys like Gordon Gardner and David Clay. It was a huge push to get the plant up and running."

Troy Cano worked as an aseptic mechanic in '95 but now deals with aseptic packaging as a whole. He originally had his own truck repair business but was on a ski trip with some Morning Star veterans and was approached about moving to Williams for the build. He explains, "I remember the disasters that took place that opening season. We had a fire well blow up, and several



Pictured Left to Right, Top to Bottom: Brian Hagle, John Coghlan, Mark Beitler, Beau Waddell, Johnny Johnson, Sara Mendez, Troy Cano, Marc Haywood, and Christie Ponciano.

other big setbacks. Despite all the craziness, we made it! And now look where we are."

Johnny Johnson (JJ) worked in Shipping and Receiving at the start but now focuses on steam generation and electric motors. Coming to Morning Star after responding to an advertisement in a newspaper, JJ remembers, "That first season was organized chaos, for sure."

John Coghlan worked in construction supervision and startup support and continues those efforts as a construction coordination colleague. Having already worked in the tomato industry prior, he had invaluable experience for the difficulties of, as he explains, "time constraints on construction, challenges of the new factory startup, and de-bottlenecking processes during production."

We are so lucky to have such a great group of dedicated and talented colleagues who make Williams such a special place.



# MORNING STAR RELOCATES MODEL T

## COLLEAGUES WORK TOGETHER TO MOVE A CLASSIC

Before the 2019 season began, Morning Star Colleagues undertook a project to resettle a 1922 Ford Model T from the Sacramento Valley Museum, where it had been on loan, to our Northern California equipment facility. Big thanks to Trevor Breckenridge, Joe Dillard, Christian Orozco, and Brian Hagle for their efforts to bring this classic home!



### Products

Conventional, Organic, Fire Roasted, Green, Specialty, Pomace, Sun-Dried...and much more!

-WITH CONCENTRATED-  
TOMATO



Ask your sales colleague about our extensive line of innovative value-added products.

### Sales Colleagues

Kelly Haywood	+1 530.473.3626	Brandon Taylor	+1 209.827.7831
Jennifer Ingram	+1 209.827.7816	Becky Wahlberg	+1 209.827.5508
Angela Krueger	+1 209.827.5506	Greg Wuttke	+1 209.827.5513
Paul Maxon	+1 209.827.5518	Robert Young	+1 209.827.7830
Karolina Splinter	+1 209.829.5090		

### Packaging / Containers

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55-Gal Aseptic Drum  
Food Service Pouches and Cans  
Retail Pouches and Cans



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12045 S. Ingomar Grade Rd.  
Los Banos, CA 93635  
p: 209.826.7100

**The Morning Star Packing Co.  
Los Banos**

13448 Volta Rd.  
Los Banos, CA 93635  
p: 209.826.8000

**The Morning Star Packing Co.  
Williams**

2211 Old Hwy 99  
Williams, CA 95987  
p: 530.473.3600

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