

Michigan Processing Apple Growers

NEWSLETTER



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A Farm Bureau Market-Action Program

August 19, 2009

2009 APPLE NEGOTIATIONS

The Michigan Processing Apple Growers Marketing Committee has negotiated the following minimum processing apple prices with several processors for the 2009 crop:

| | | |
|--|-----------|--------------|
| Jonathan | 2 ½" & up | \$10.50/cwt. |
| JonaGold, Ida & Crispin | 2 ½" & up | 9.00/cwt. |
| Hard Varieties (Including Spy & Golden) | 2 ½" & up | 8.00/cwt. |
| Rome | 2 ½" & up | 7.00/cwt. |
| Soft Varieties | 2 ½" & up | 6.50/cwt. |
| Straight Loads of Juice Apples | | 5.00/cwt. |
| Under 2 ½" in Peeler Loads | | 4.00/cwt. |

The following processors are in agreement with the above minimum price schedule:

| | |
|--|--------------------|
| Birds Eye Foods, Fennville (for cash purchases) | 269/561-8211, X235 |
| Coloma Frozen Foods, Coloma | 269/849-0500 |
| Gerber Products Co., Fremont | 231/928-3411 |
| Knouse Foods, Paw Paw (for cash purchases) | 717/677-8181 X3150 |
| Peterson Farms, Inc., Shelby | 231/861-6333, X229 |
| Sill Farms Market, Lawrence | 269/674-3755 |

The following processors are in agreement with the MINIMUM \$5.00/cwt. juice apple price:

| | |
|-----------------------------------|--------------------|
| Aseltine Cider Co., Comstock Park | 616/784-7676 |
| Coloma Frozen Foods, Coloma | 269/849-0500 |
| Gerber Products Co., Fremont | 231/928-3411 |
| Peterson Farms, Inc., Shelby | 231/861-6333, X229 |

Discussions will continue with Michigan processors not listed above.

Burnette Foods, Cherry Growers, Inc., and Smeltzer Orchard Co. have opted out of 2009 negotiations but positive discussions continue.

USDA GAP

Many growers have completed their USDA GAP manuals and have gone through their formal audit or are scheduling their audits. You are to be commended for embracing this program and going the extra mile to ensure food safety on your farm!

To date, 150 audits have been scheduled. Growers who have already been through the audit have been very successful.

Make sure the documents in the manual demonstrate the practices on your farm. If the wording for a policy isn't quite right, cross it out and insert the proper wording for your procedure.

For example, if you do not use Manure/Municipal Biosolids, take the paperwork out of the manual. Insert a page that states "ABC Farm" does not use manure or municipal biosolids. It's as simple as that!

WORLD APPLE PRODUCTION

According to *FoodNews*, the PrognosFruit Conference reported the EU'27's apple crop is estimated to be 7% smaller than last year or 10.75 million tons. However, this figure is 4% higher than the average production for the last three years.

Poland's harvest is estimated to be 2.6 million tons or 19% lower than last year's record crop of 3.2 million tons. Italy's harvest is estimated at an average 2.11 million tons and Germany's harvest is approximately the same as 2008 at 1.04 million tons. Hungary is estimated to be 514,000 tons or down 12% from 2008.



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Approximately 645,000 tons of apple inventory remains in Europe's main producers or 50% more than what was held in storage in June 2008.

China is estimated to produce 25.65 million tons or down 7% from the 2008 harvest of 28.5 million tons. Russia's apple crop is estimated to increase by 7% and Turkey is estimated at 2.45 million tons.

The Chilean apple crop is estimated to be 1.73 million tons or 3.5% above 2008 and Argentina's crop is estimated to be 5% above last year at 1.03 million tons.

Chinese apple juice concentrate (ajc) is trading at \$4.50-4.75 per gallon; Argentina ajc is at \$5.25-5.50 per gallon and European ajc is in the \$8.00 per gallon range.

Further reports will follow to keep you updated on industry issues. Contact the sales desk at 1-800-292-2653 if you have any questions.

A handwritten signature in cursive script that reads "Paul M. Drake".

Manager
Michigan Processing Apple Growers