



California Department of Food and Agriculture

ANNUAL REPORT ON PRICE POSTING FOR PROCESSING STRAWBERRIES 2023 MARKETING SEASON

Pursuant to Chapter 6 of Part 3, Division 21
of the California Food and Agriculture Code



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INTRODUCTION

California is the nation's leading producer of strawberries and produced approximately 89% of the United States total in 2023. The only other state that produced a significant amount of strawberries in 2023 was Florida which accounted for approximately 11% of the nation's production. The total annual farm value of California strawberry production in 2023 was \$2.85 billion. In 2023, strawberries were the sixth most valuable agricultural commodity produced in California behind only dairy, grapes, cattle, almonds, and lettuce. Strawberries accounted for approximately 5.0% of California's total agricultural production value in 2023.

The Marketing Law for Processing Strawberries (Law), which is Chapter 6 of Part 3, Division 21, commencing with Section 63101 of the California Food and Agricultural Code (FAC), requires the California Department of Food and Agriculture (Department), with help from the Processing Strawberry Advisory Board (Board), to actively supervise the price posting and filing provisions (price posting) of the Law. The Law also requires that the Department conduct an annual review of the operation of the price posting provisions and submit an annual report to the California State Legislature, based on its annual review. This document constitutes the Department's review of the operation of the price posting provisions during the 2023 season.

OVERVIEW OF THE PRICE POSTING REGULATIONS AND EXEMPTIONS

The Department, with the assistance of the Board has administered price posting regulations for over sixty years to prevent unfair trade practices by both strawberry processors and growers. The objective of price posting is to provide both growers and processors of strawberries with accurate ongoing market price information during each harvest season. With this increased information, economic theory would indicate that the market should operate more efficiently.

The price posting regulations for processing strawberries were originally enacted by the Department in 1961 pursuant to the Marketing Order for Processing Strawberries (Marketing Order) under the general enabling authority of the California Marketing Act (Chapter 1 of Part 2, Division 21 of the FAC). However, two decades later, it was determined that there should be a more definitive statutory basis for this activity and so legislation was enacted in 1985 to create the Marketing Law for Processing Strawberries (Chapter 6, Part 3 of Division 21 of the FAC) to clearly authorize a processing strawberry marketing order, under the oversight of the Department, to administer a mandatory price posting program. The price posting regulations have been operating with little need of change since the 1985 enactment of this

Law. The current price posting provisions are presented in the attached Appendix "C", which contains relevant extracts from the FAC, the Marketing Order and the Board's Administrative Rules and Regulations. Also, the attached Appendix "D" contains the specific instructions that processors must follow to properly post prices under the price posting regulation.

In general, the regulations require that each time a processor establishes or changes purchase prices or purchase terms for processing strawberries during the season, the processor must post a schedule of the purchase prices and terms at each receiving station operated by the processor. Also, the processor must electronically submit a schedule of the prices and terms to the Board's electronic price posting system. The Board shall promptly notify by e-mail all other processors of the new prices and terms. Also, the Board shall daily post the changes on a summary maintained on the Board's website. This website is accessible to all producers and to the general public.

It is important to note that the electronic aspects of this price posting system, i.e., electronic submission of prices, and maintaining a daily price summary on a Board price posting website, was implemented for the first time in 2016. Previously, all processes were performed either by mail or by FAX. The Board implemented this electronic process to streamline price reporting and to make the price posting information more readily

available to the entire industry and to the public.

Processors are required to acquire processing strawberries in accordance with their respective posted prices. Violations of the price posting regulations subject the processor to penalty provisions contained in the FAC.

The Marketing Law for Processing Strawberries provides certain exemptions to the required price posting so that only those types of purchases most susceptible to unfair trade practices are regulated. The exemptions specified in the Law are intended to limit the scope of the price posting provisions so that they are not overly intrusive. **The four current exemptions are as follows:**

| Four Price Posting Exemptions | |
|--------------------------------------|---|
| Integrated Producer-Processor | An “Integrated producer-processor” means any producer who processes strawberries of his or her own production either as an individual, a business entity, or as a separate business entity operating as parent and subsidiary, or otherwise, which are under the same ownership and control, and who retains title to the processed strawberries, including, but not limited to, all rights to hypothecate the processed strawberries. * <i>*This exemption does not apply to the acquisition of strawberries for processing from any person who is not involved in a proprietary manner in the integrated producer-processor operation and who is not compensated for strawberries delivered through a proportionate share of the profits of the business entity.</i> |
| Nonprofit Cooperative | A processor registered in the state as a bona fide nonprofit cooperative when it acquires strawberries from members of the cooperative. This exemption does not apply to the acquisition of strawberries from a person who is not a member of the cooperative. |
| Fixed Price Contracts | A contract with a fixed purchase price for the purchase of processing strawberries by a processor from a producer which is entered into and filed with the Board on or before the effective date of any seasonal marketing regulation for price filing and posting adopted pursuant to this chapter. |
| Posted Price Contracts | A contract that makes a reference to a processor’s posted price for the purchase of processing strawberries by the processor from a producer which does not contain an additional purchase price as defined by regulation. |

It is important to note that any contract that is exempt from price posting must be filed with the Board. Such information is maintained in confidence. However, the Board may disclose, upon request by any interested person, whether a producer's strawberries are covered by an exempt contract or other arrangement.

Additionally, the regulations establish a specific price posting period. Pursuant to the Marketing Law for Processing Strawberries, price posting regulations cannot be put into effect prior to April 1 of each harvest season. The non-posting period runs from the end of the previous harvest season, which is normally mid-November, to the established price posting date of April 1 or later. Early April has typically been chosen by the Board as the beginning time for price posting. The non-posting period allows processors to assess their inventories to determine what their needs for raw product will be prior to the beginning of the posting period. In addition, this period allows processors to enter into contracts with growers, if they wish to.

The Marketing Law for Processing Strawberries requires the Department to actively supervise the price posting regulations. In addition to preparing its annual required report on price posting, the Department provides supervision by participating in meetings of the Board, monitoring the posting of prices and by enforcing the price posting provisions. If processors do not comply with the regulations, the Department can take

enforcement action with assistance from the California Department of Justice, if needed. Additionally, as recently recommended by the Board, the Department began conducting grower payment verification audits in 2022 and on an ongoing routine basis in order to verify that payments made to growers by processors in the prior year coincide with each processor's respective posted prices in the prior year.

The last significant alleged price posting violation occurred during the 2013 season, which resulted in the Department filing an enforcement action against the alleged violating processor. The alleged violating processor subsequently filed a lawsuit against the Department seeking to terminate the Marketing Order. The parties reached a settlement agreement in November of 2014 that resulted in both lawsuits being dropped. There have been no official alleged price posting violations since 2013. Prior to 2013, the two most recent major violations of the price posting provisions occurred in 2001 and 2004. In both instances, the noncompliant processor eventually came into compliance.

It is important to note that the Board's price posting provisions work in conjunction with the Board's grade regulations. The grade regulations provide a mechanism for regulating uniform inspection, grading and utilization of processing strawberries. All California processors are required to comply with the grade regulations adopted under the authority of the Marketing Order which

establishes authorized grades of processing strawberries. Therefore, when a processor posts a price, it must specify for which processing strawberry grade the price is applicable.

In general, the Marketing Order's defined grades and the corresponding seasonal regulations went essentially unchanged from the inception of the Marketing Order in 1960 through the 2013 season. The grade standards over this long time period consisted of three grades entitled Grade No. 1, Grade No. 2, and Grade No. 3. The fact that the industry did not pursue modification of the grades

and the corresponding seasonal regulations over such an extended period indicates that growers and processors considered them to be effective in fulfilling their intended purpose.

The grade standards within the Marketing Order were amended in 2014 to eliminate Grade No. 3 due to its non-usage and to create a new grade entitled Grade No. 1WC ("with calyx" or "caps"). **Following is a summary of the three current processing strawberry grades as they currently exist in the marketing order.**

NOTE: These standards are not intended to be used as a means of limiting the volume of strawberries available for processing. Rather, the intent of the grade standards is to maintain a consistent high-quality incoming supply of strawberries, which in turn results in high quality processed strawberry products which are preferred by wholesalers, institutional buyers, retailers, and consumers. Additionally, having mandatory third-party inspections of all strawberries destined for processing provides an unbiased evaluation of the berries and therefore, a reliable basis for processor payments to growers.

PROCESSING STRAWBERRY GRADES

GRADE NO. 1

This is the highest grade of strawberry and therefore processors pay producers the highest prices for this grade of strawberry. Berries meeting this grade are typically utilized in USDA Grade A or B whole or sliced frozen strawberry products or USDA Grade A or B strawberry preserves. Because these berries are authorized for usage in premium frozen strawberry products, they are often referred to as “freezer” berries. To achieve this grade, berries are inspected for a list of potential defects including excess green color, dryness, pest damage, sunburn damage, water-soaked damage, presence of cat faces (a type of exterior blemish), underdevelopment, softness, dirt, decay, and mold. Strawberries considered for this grade must arrive at the grading station with the caps removed. The removal of the caps typically occurs in the field when the berries are harvested.

GRADE NO. 1WC (“WITH CALYX”)

This is the newest grade that was introduced for the first time in 2014. The Board's purpose for developing the new Grade No. 1WC was to have a grade with quality standards similar to the current Grade No. 1 but which allows processors to receive high quality uncapped strawberries from growers with the intent of de-capping them at the plant instead of in the field and then utilizing them in USDA Grade A or B processed strawberry products. This new grade makes up a second subset of the “freezer” berries because, like Grade No. 1 berries, they also can be used in premium frozen strawberry products. Processors tend to pay less for Grade No. 1WC berries than for Grade No. 1 berries because processors must remove the calyx from the berries at the plant. This grade consists of the following main provisions:

- Similar standards to the current Grade No.1, but it allows for calyxes not intentionally removed.
- In evaluating color, the white area covered by the calyx is to be disregarded.
- There is a downgrade provision to help maintain the quality of the finished product.
- Lots exceeding 20% defects shall be regraded and the two results averaged.
- This new grade of strawberries is authorized for use in USDA Grade A and Grade B products just like the current Grade No.1.

GRADE NO. 2

This is a lower grade of strawberry than Grade No. 1 or Grade No. 1WC and consequently processors pay producers less for this grade of strawberry. Berries assigned this grade are prohibited from being utilized in USDA Grade A or B processed strawberry products. Instead, these berries are utilized in juice products and consequently this grade is often referred to as the “juice” berry grade. These berries may contain some defects but may not be water-soaked, moldy, rotten or have more than 50% green color. Berries inspected for this grade typically do not have their stems and caps intentionally removed.

IMPETUS FOR PRICE POSTING – UNIQUE NATURE OF THE STRAWBERRY INDUSTRY

Historical public hearing documents contain testimony stating that prior to the 1961 implementation of the price posting provisions, there was a significant deficiency of reliable strawberry pricing information in the processing strawberry industry, which was detrimental to processors and producers in conducting sound business. During years of short supply, growers could manipulate one processor against another by making false claims about price offers from competing processors and could obtain higher prices for their fruit than market conditions warranted. A processor could also be forced to accept and pack low quality fruit for fear of losing growers to another processor. During years of ample supply, processors not only could offer low prices and accept only the best fruit but could demand non-price compensation from the grower to purchase that grower's fruit. This instability resulted in both growers and processors being unable to make sound marketing decisions.

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Multiple factors, several of which are unique to the strawberry industry, served as the impetus for industry representatives to seek the establishment of the Marketing Order for Processing Strawberries in 1960 for the purpose of administering a mandatory price posting program. To a great extent, these same factors exist today and continue to substantiate the need for maintaining the price posting program. Some of these factors are described below.

No Producer Bargaining Association

Unlike producers of other major processing crops grown in California such as tomatoes, pears, raisins, prunes, and cling peaches,

strawberry producers do not have a bargaining association that bargains with processors for price and delivery terms before the harvest of the commodity begins each year. Strawberry growers did not have such an association back in 1960 and still do not. The absence of a bargaining association

contributes significantly to industry price uncertainty.

Lack of Fixed Price Contracts

In contrast with other major processing crops, the majority of processing strawberries

are purchased on the open market at the time of harvest rather than under fixed price contracts established prior to harvest. This has been verified by data gathered via the Department's annual survey of strawberry processors. According to these surveys, open market purchases accounted for the following respective percentages of berries acquired for processing in each of the last five years: 2023 – 92%, 2022 – 94%, 2021 – 96%, 2020 – 94%, 2019 – 92%. Under a fixed price contract, the processor and grower agree that all deliveries during the upcoming harvest season will be made under one price specified in the contract. Lack of fixed price contracts can lead to volatility in price and supply over the course of the harvest season.

Dual Usage of Strawberries

The fact that strawberries can be delivered either for fresh sales or for processing creates supply uncertainty for processors. For some other major processing commodities such as tomatoes and peaches, there are varieties of the respective crop grown specifically for processing purposes with specific cultural practices and therefore, there is a generally known quantity of that crop available for processing. For example, processing tomatoes and cling peaches are grown specifically for processing purposes. In contrast, the strawberry industry is rather unique in that most strawberries are grown so that they can eventually be marketed for either fresh or processing purposes depending upon prevailing market conditions. Strawberries for

both uses are of the same varieties and grown in the same fields with the same cultural practices. Growers often don't decide the sector (fresh or processing) into which they will market their crop until harvest time. Therefore, there is potential for fluctuations in availability, which contributes to variations in price for the raw product and for the finished product.

Strawberries are Fragile and Highly Perishable

It is critical when strawberries are ripe that they be harvested quickly and not remain on the vine in order to avoid becoming overripe. In addition, after harvest they must be marketed quickly because of their highly perishable nature. These factors contribute greatly to the need for producers to have timely and reliable price information by which they can make expeditious and sound harvesting and marketing decisions.

Strawberries are Expensive to Produce

Strawberries are one of the costliest agricultural commodities to produce because they are typically produced on high value coastal crop land. Additionally, strawberry production requires a list of costly inputs including extensive land preparation, a complicated irrigation system, multiple chemical applications, and a high amount of farm labor. Because of the high cost of strawberry production, it is especially critical that strawberry farmers have access to market information that will aid them in determining the best avenues for maximizing

their sales returns and thus cover their high production costs.

Processors Need for a Steady and Predictable Volume of Fruit

Processors need to run steady and predictable volumes of fruit through their plants to cover their high fixed operating costs and remain viable business entities. Also, predictable pack volumes help them to offer reasonable prices and supply to their customers and to the ultimate consumers of processed products like jams, jellies, and frozen strawberries. According to processors, price posting assists them in obtaining the sufficient volume of fruit they need for their respective operations.

Lack of Pricing Information Contributes to Harmful Rumors

In the absence of reliable pricing information, growers, processors or processed strawberry product buyers can spread pricing or supply rumors, which can destabilize the market for processing fruit. Such rumors can be used to push prices or deliveries in several directions, none of which lead to the efficient operation of the marketplace.

Long Season and Vast Growing Area

Unlike many crops, strawberries have a long season (essentially year-round) and are grown in multiple areas across the state. This long season and the large number of growing districts increases the probability of pricing and supply fluctuations taking place

in the absence of price posting, as there are a number of transitions in varieties and districts within the state across the growing season.

GENERAL OVERVIEW OF CALIFORNIA STRAWBERRY INDUSTRY TODAY

Status of the California Strawberry Industry

The vast majority of U.S. strawberries are produced in California (nearly ten times more than in Florida which is the second highest strawberry-producing state), generating approximately \$3 billion in annual sales. Strawberries are consistently one of California's top-10 valued commodities.

Production Areas and Seasonality

Strawberry production in California occurs primarily along 500 miles of coastline from San Diego up to the Monterey Bay area and harvest occurs somewhere in the state essentially year-round. This extensive coastal area has a unique environment conducive for growing strawberries with its rich sandy soils and ocean exposure that provide moderate temperatures year-round.

There are approximately 300 strawberry growers in five distinct areas of California: Watsonville/Salinas, Santa Maria, Oxnard, Orange County/San Diego, and the Central Valley. Strawberry production generally shifts between north and south with the changing seasons. Fall and winter production starts in October in Ventura County and extends

south into Orange and San Diego Counties in late December or early January. Production in the south generally extends into April or May. Staggered planting schedules in the Santa Maria area extends the season, with the harvest beginning in March and continuing into the late fall. California's northern strawberry growing region is south of San Francisco and includes Santa Cruz and Monterey Counties and some acreage in Santa Clara and San Benito Counties. Shipments from northern areas begin in April, peak in May or June, and continue through November. Total volume peaks in April through August when production from multiple districts overlap. The table below shows the projected 2024 acreage for the growing areas.



| 2024 California Strawberry Acreage Projections | | |
|--|----------------------------|-------------------------|
| District | Acreage (% of State Total) | Season |
| Watsonville / Salinas | 13,125 (32.1%) | April – Nov. |
| Santa Maria | 16,736 (41.0%) | March – Dec. |
| Oxnard | 10,855 (26.6%) | Jan. -June, Sept.- Dec. |
| Orange County/ San Diego | 149 (0.4%) | January – May |
| San Joaquin | 0 (0.0%) | February – June |
| Total Acreage | 40,865 | |

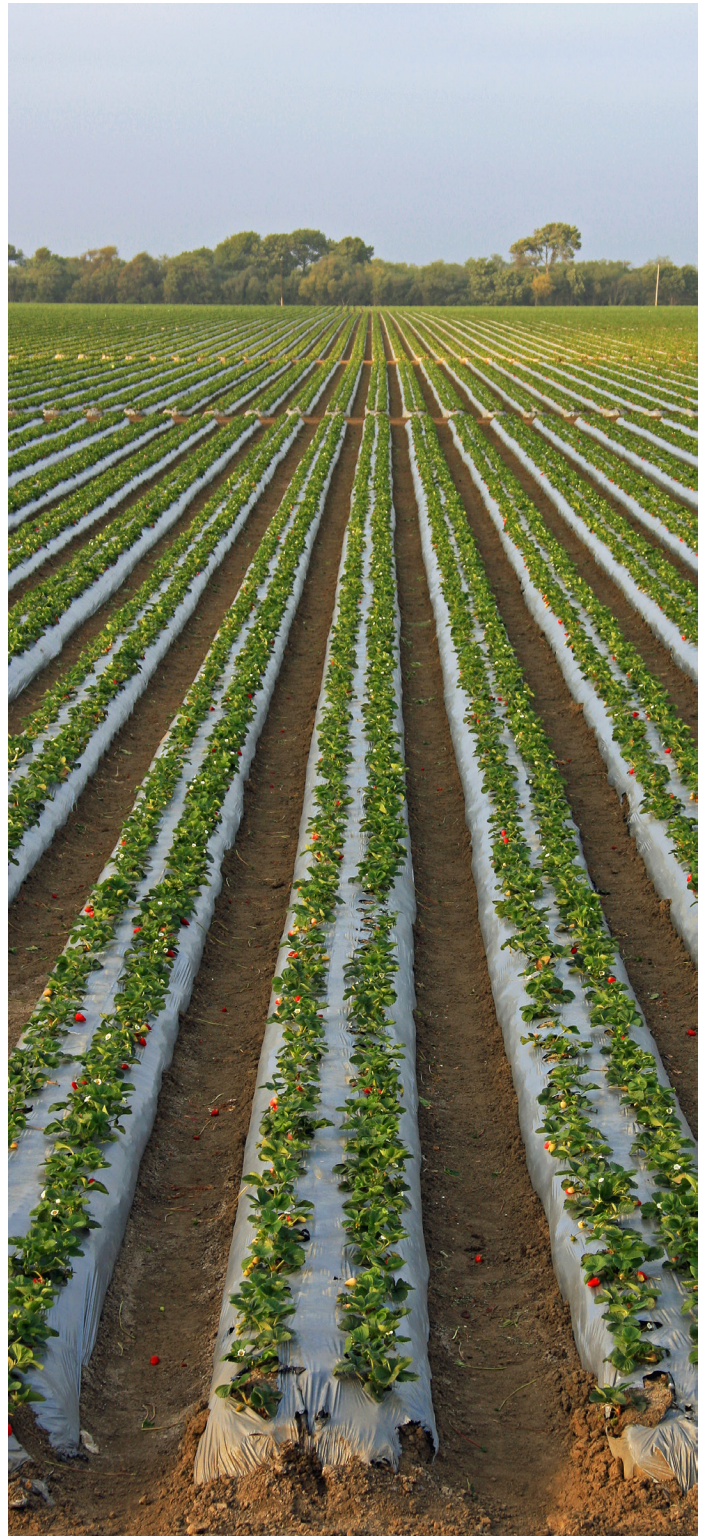
Source: California Strawberry Commission

Growing, Harvesting and Usage

Strawberries are grown as an annual crop in California. The plants are first grown in a nursery and then transplanted annually into growers' fields in raised beds. The beds are covered with plastic mulch to keep the berries away from the soil and help conserve water. Drip irrigation reduces disease problems by keeping moisture away from the fruit while using water more efficiently. Plants are replaced each year following the harvesting period and lay dormant in production fields through the winter in the northern districts. Nursery plants destined for strawberry production fields are planted in October or November for winter planting or in late July through September for summer planting. California's 12-month growing season contributes to higher strawberry yields relative to other growing areas, which have much shorter growing periods.

All California strawberries are hand-picked to ensure the quality of the harvested berries. Strawberry plants produce new fruit throughout their production cycle. During the season's peak, plants are harvested every three days. Of all the California strawberries produced each year, approximately 80% are harvested for the fresh market, while approximately 20% are harvested for processing usage. Fresh strawberries are rushed to coolers where large fans pull out the field heat. The fresh berries are subsequently shipped within 24 hours on refrigerated trucks or air freighted to their final destinations. Strawberries selected for processing are

gently washed, sorted, and frozen quickly to ensure that flavor and appearance is retained. Berries are typically sliced, pureed, or kept whole for freezing. The lower quality berries are processed into juice.



STATISTICAL OVERVIEW AND TRENDS FOR THE CALIFORNIA STRAWBERRY INDUSTRY

The data for this statistical overview was supplied primarily by the Processing Strawberry Advisory Board and the California Strawberry Commission. It is presented in two attached documents making up Appendix “A” of this report. This overview references several graphs that are presented below. The graphs display economic trends for the strawberry industry.

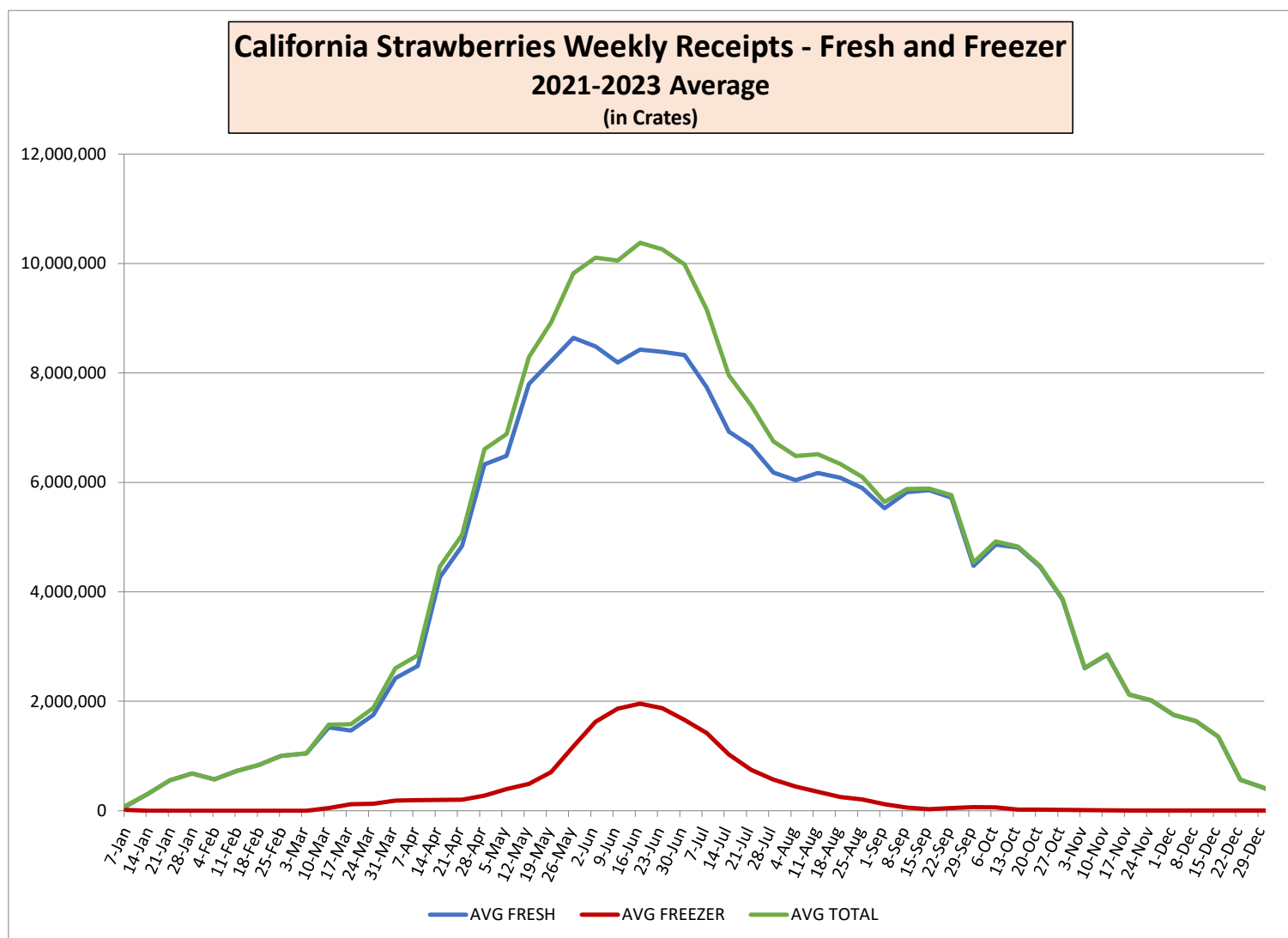


California Strawberries Weekly Shipments by Usage (Three-Year Average)

Chart #1 below shows the general production pattern of strawberries over the course of a year. It is based on average weekly receipts of strawberries over the past three years. During the first two months, there is little strawberry production with nearly all of it going to the fresh sector. Production tends to start increasing in late February or early March and some berries start to move into processing by mid-March. Total production

tends to peak during the period of April through June when all the growing districts are in production. During this time, the weekly volume of strawberries approach 10 million crates with approximately 8 million crates of fresh strawberries and 2 million crates of processing strawberries. However, since 50% of the California crop is harvested after June 1, there are still plenty of strawberries available in the late summer and fall.

Chart #1



Freezer includes Baja.

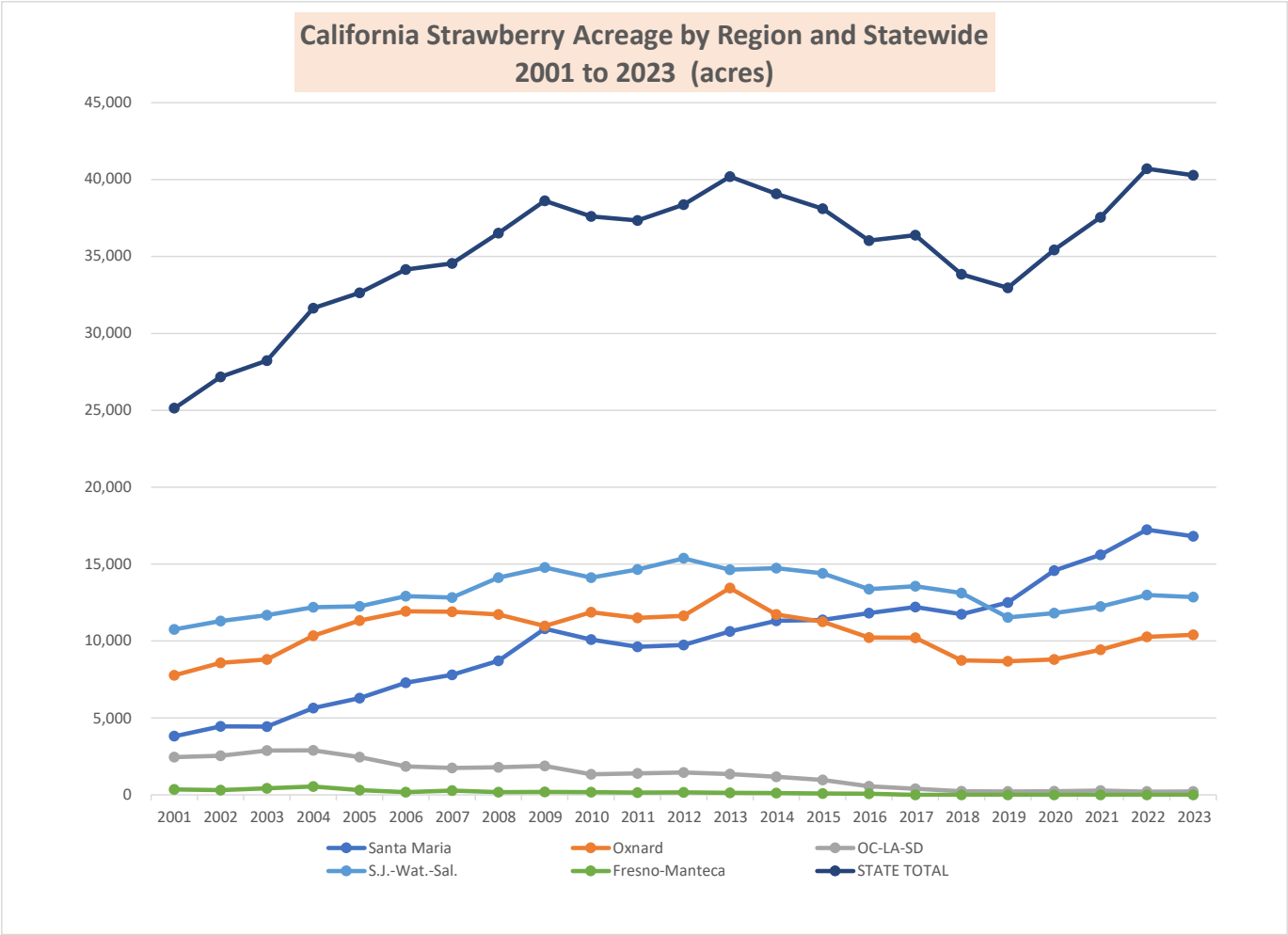
Source: Processing Strawberry Annual Report - Page 14

California Strawberry Acreage (Region and Statewide)

Chart #2 below shows a general pattern of moderate growth in California strawberry acreage from 2001 through 2023. A record high for California strawberry acreage was achieved in 2022 at 40,715 acres. There was growth in total acreage from 2000 through 2013, when it peaked at 40,193 acres. However, after 2013, acreage demonstrated a gradual decline down to 32,957 acres in 2019, which was the lowest level since 2005. Acreage has subsequently increased by an average of 4.5% over the

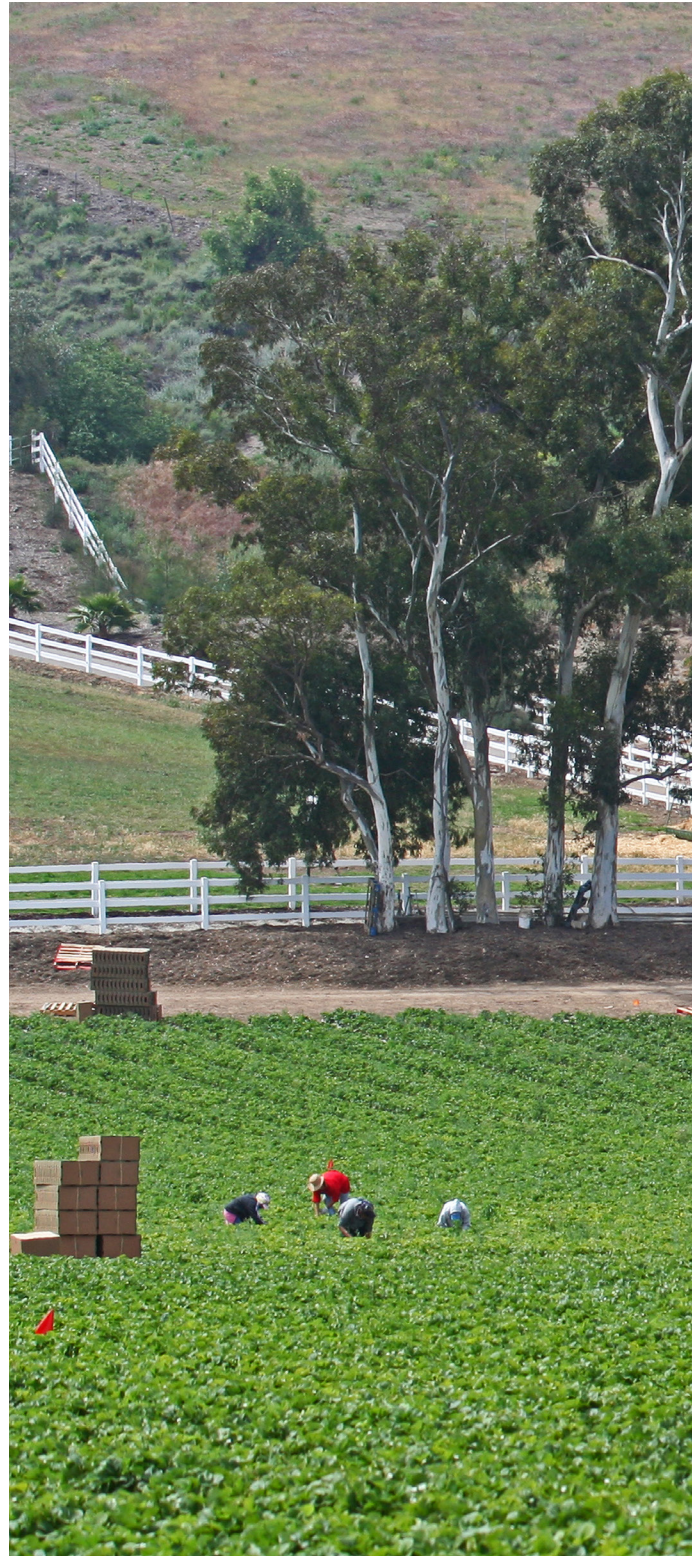
past three years. Looking ahead to 2024, the California Strawberry Commission, via its annual acreage survey, has projected that acreage will be 40,865 which consists of two components: 31,221 fall-planted acres for harvest in winter, spring, and summer and 9,644 acres for harvest in the fall. The 40,865 acres projection for 2024 represents a 1.4% increase from 2023.

Chart #2



Source: Processing Strawberry Annual Report - Page 5

The 40,285 total acres of 2023 was divided among five production areas with respective percentage shares as follows: Santa Maria area: 41.7%, San Jose/Watsonville/Salinas area: 31.9%, Oxnard area: 25.8%, Orange County/Los Angeles County/San Diego County area: 0.5%, and Fresno/Manteca area: 0.0%. Chart #2 shows that acreage in Southern California has decreased while acreage in the growing areas of the San Jose/Watsonville/Salinas, Oxnard and Santa Maria have all trended upward. However, subsequent to 2013, acreage in all production areas except Santa Maria has generally trended downward while Santa Maria acreage has continued to trend strongly upward. This resulted in Santa Maria acreage surpassing Oxnard acreage in 2015 and subsequently surpassing the acreage of San Jose/Watsonville/Salinas in 2019, thus making it the highest production area. Acreage in Southern California has been gradually decreasing for many years and is almost gone because of urban encroachment and acreage in the Fresno/Manteca area has always been very small or nonexistent due to its relatively poor growing environment for strawberries.



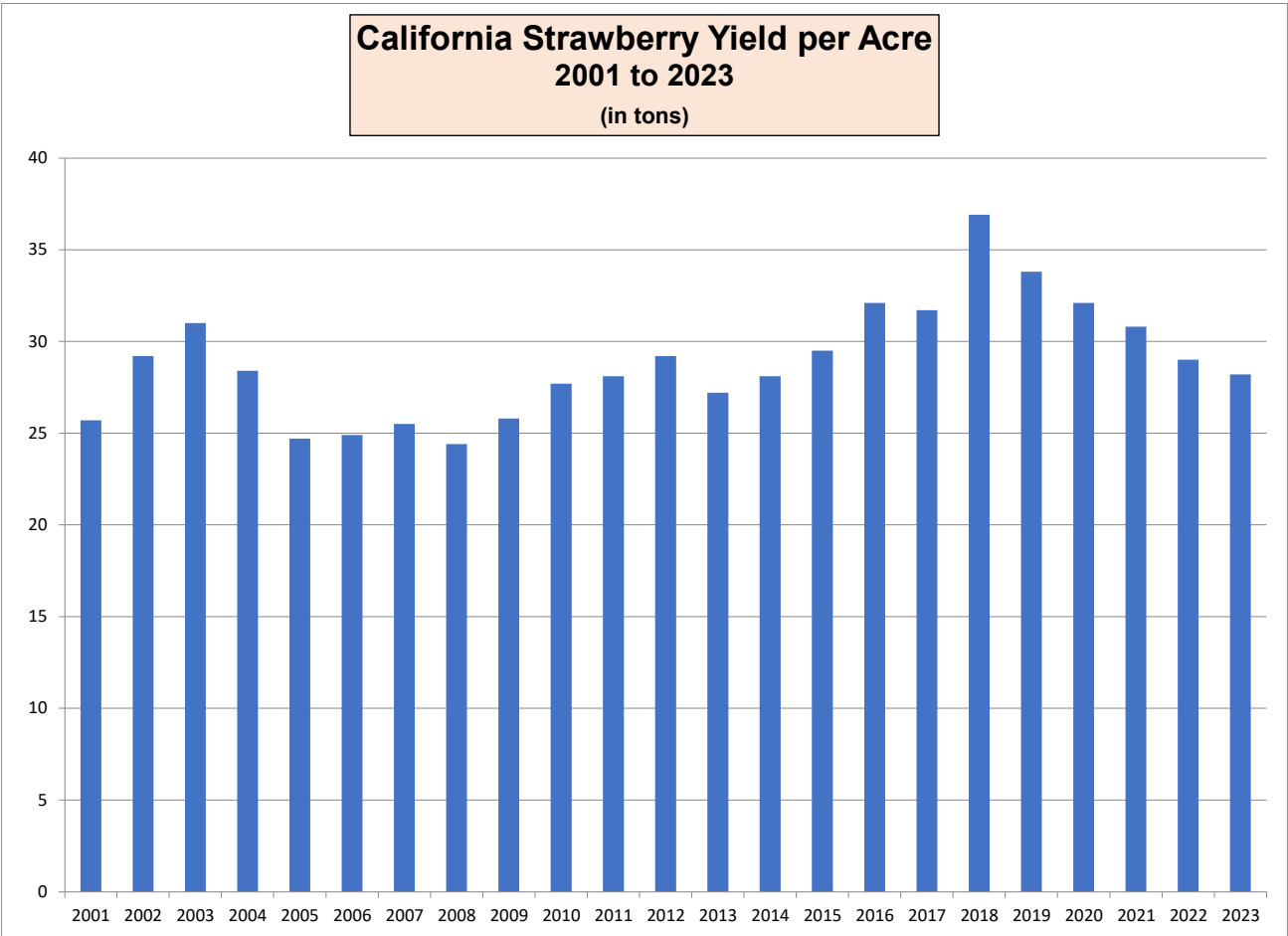
Strawberry Yield per Acre

Chart #3 below shows strawberry yield (tons/acre) for the past 23 years. Prior to 2016, there was only one year when the yield exceeded 30 tons/acre. However, beginning in 2016 and continuing through 2021, annual yields all exceeded the 30 tons/acre level. These exceptionally high yields over this six-year period were due in large part to farmers placing much emphasis on efforts to maximize production levels on their farms. Higher producing varieties and favorable weather have contributed to the higher yield levels. In 2023, the yield was 28.2 tons/acre, which is 2.8% lower than the 2022 yield of 29.0

tons/acre and 23.6% less than the record high yield in 2018 of 36.9 tons/acre.

In projecting future yields, one can adopt the practice of using the average yield over the last two years unless there are known or projected detrimental factors such as inclement weather or disease. In the absence of such detrimental factors at this time, this estimating practice produces a 2024 yield projection of 28.6 tons/acre, which would be 1.4% less than last year's yield and 22.5% less than the record high yield in 2018.

Chart #3



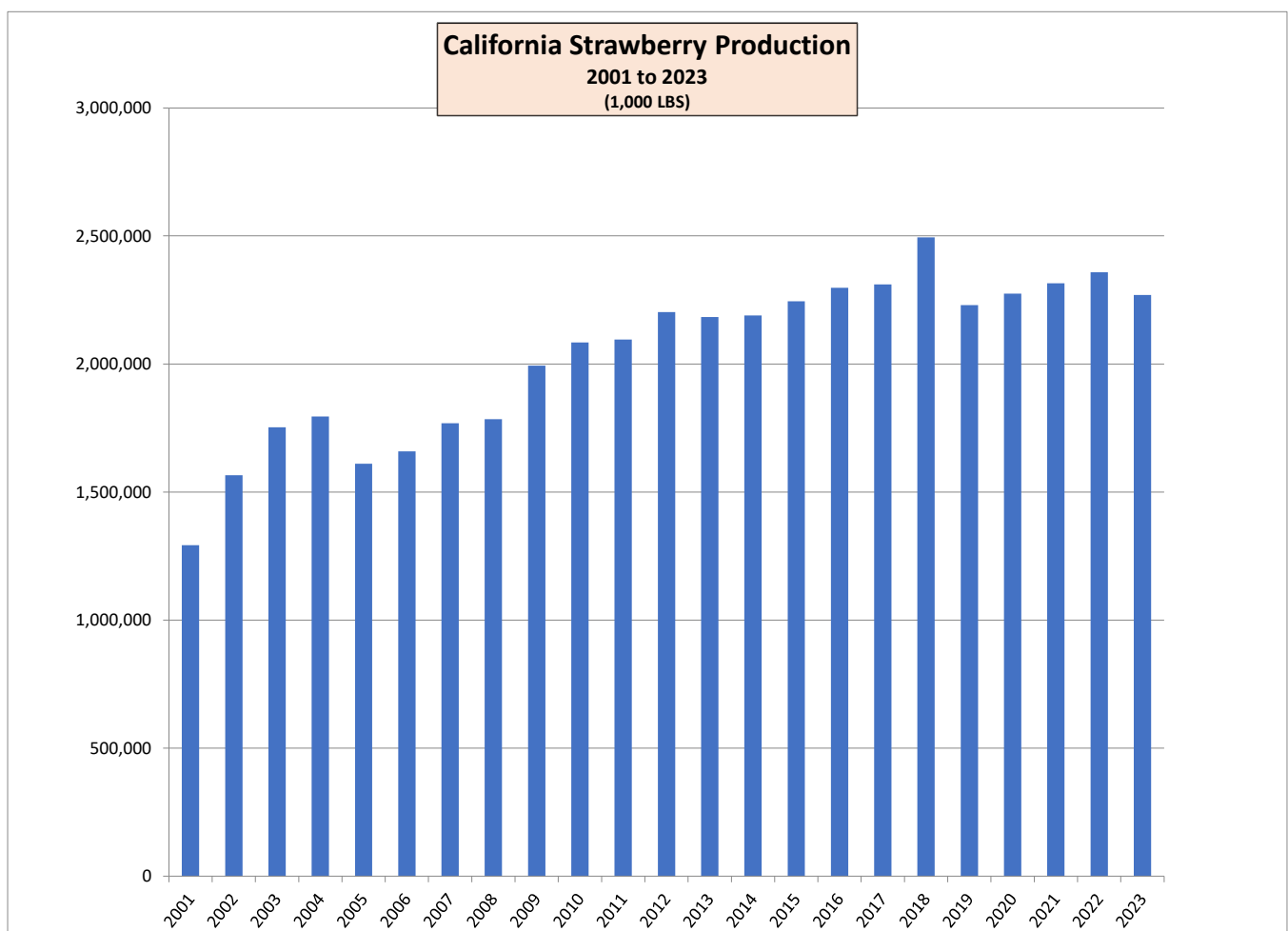
Source: Data from the California Strawberry Commission and the Processing Strawberry Advisory Board

Strawberry Production

As result of the aforementioned upward trends in strawberry acreage and yields, California strawberry production has been demonstrating a gradual upward trend over an extended period. **Chart #4** below shows this steady ongoing expansion of production since 2001. Annual strawberry production in recent years has been an impressive two-thirds more than what it was in 2001. The last nine years have been the nine highest producing years on record, with 2018 being a record high of 2.495 billion pounds. For 2023, production was 9.0% less than the record

high of 2018. Multiplying the projected 2024 acreage (40,865) by the projected 2024 yield (28.6 tons/acre) generates a conservative 2024 production projection of 2.337 billion pounds, which would be 3.0% more than 2023, but 6.3% less than the 2018 record production total.

Chart #4



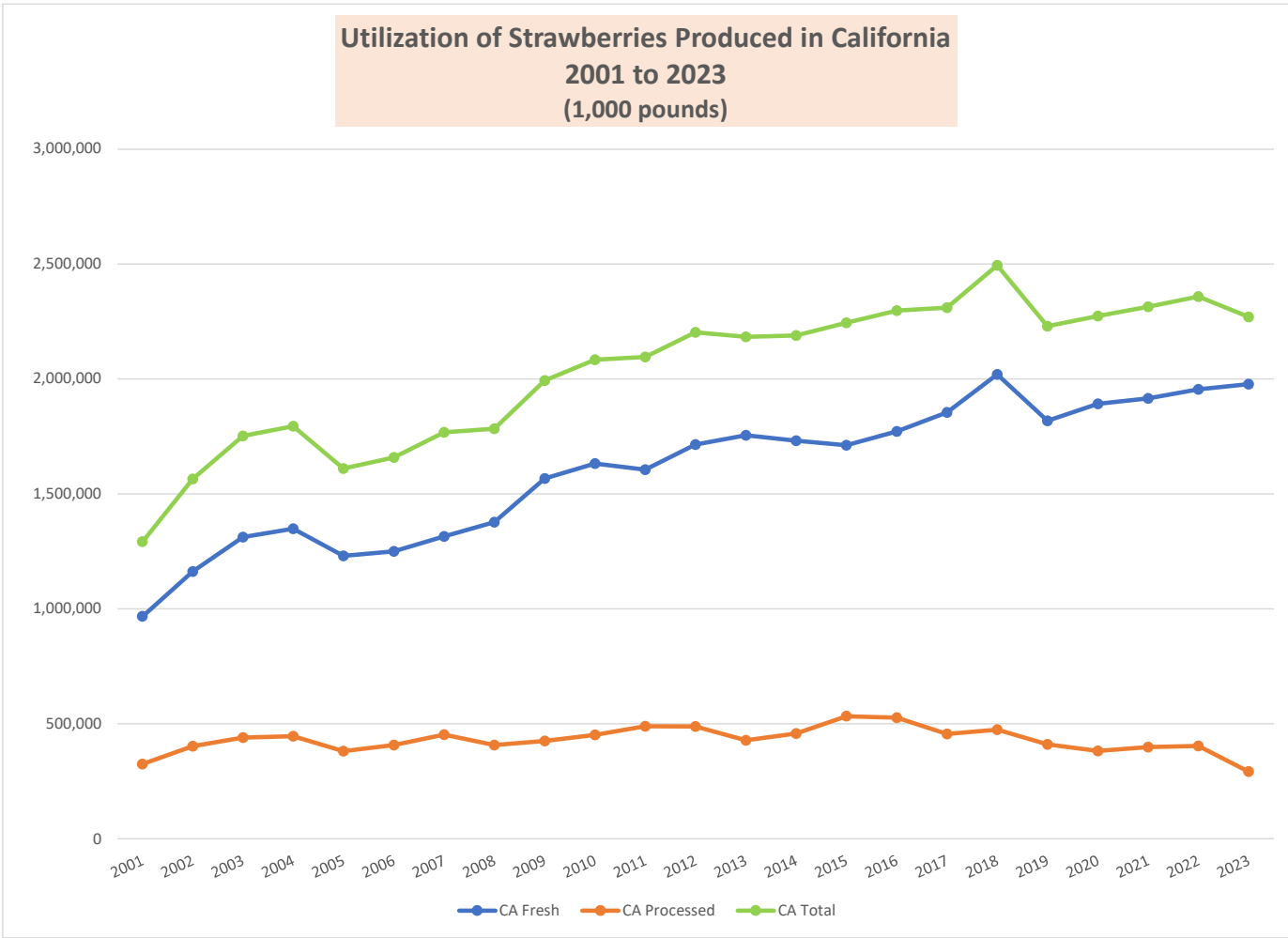
Source of Data: California Strawberry Commission

Utilization of Strawberries Produced in California

Chart #5 below displays how California-produced strawberries have been utilized since 2001. Two decades ago, approximately 70% of California's strawberry production went to the fresh market and approximately 30% was processed. As total strawberry production has gradually increased since then, most of that increase has been marketed fresh with a smaller portion of that increase being processed. This has resulted in the fresh sector now routinely utilizing approximately 80% of California's strawberry production and

the processing sector now routinely utilizing approximately 20% of California's strawberry production each year. However, as a result of flooding, California strawberry production was at 2.269 billion pounds in 2023, of which 1.978 billion pounds (87.1%) was marketed fresh and 0.292 billion pounds (12.9%) was processed. The 2023 season recorded the highest percentage of the crop marketed fresh and the lowest percentage of the crop marketed for processing.

Chart #5



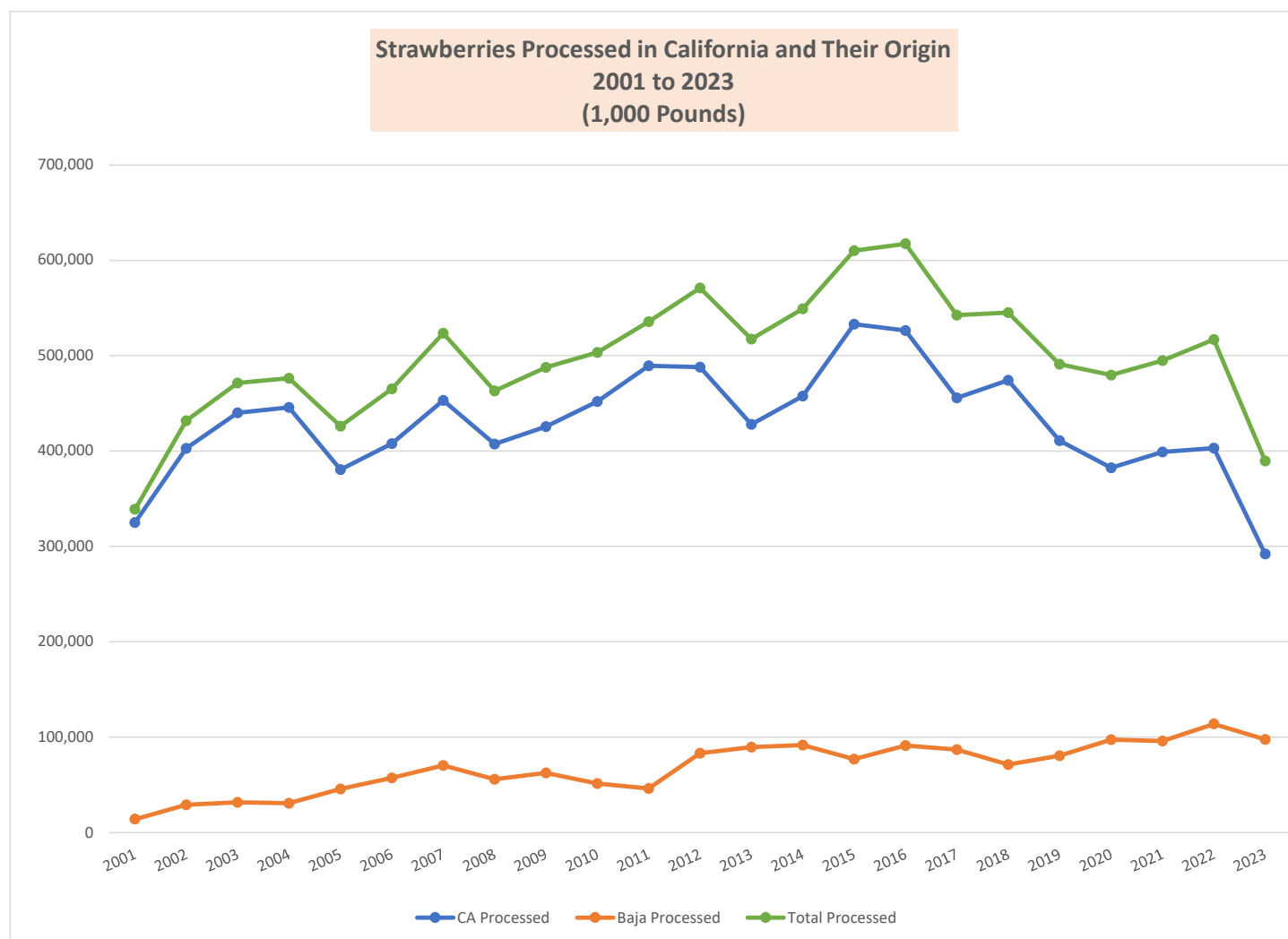
Source: Data from the California Strawberry Commission and the Processing Strawberry Advisory Board

Strawberries Processed in California and Their Origin

Chart #6 below displays the volume of strawberries processed in California on an annual basis and the origin of such processing strawberries. The graph shows that over an extended period through 2016 there was a general upward trend in the total volume of strawberries processed in California. The 2015 and 2016 seasons had the two highest total strawberry processing volumes on record with each year exceeding 600 million pounds. Since 2016, the processed volume

has generally trended downward. The 2021 and 2022 seasons, saw small increases in processed utilization. Yet this was not the case in 2023, where only 389.5 million pounds of strawberries were processed, which was 24.7% lower than the volume processed in 2022, and 36.9% lower than the record high volume of 617.5 million pounds processed in 2016. During the last three years, there has been very strong demand in the fresh sector, thus limiting availability of strawberries for processing.

Chart #6



Source: Data from the Processing Strawberry Advisory Board

California strawberry processors currently source their strawberries from California and Baja, Mexico. But this was not always the case. Up until the late 1990's, California strawberry processors sourced all their strawberries from California. But the volume of processing strawberries sourced from Mexico has been on gradual upward trend for many years and now accounts for over one-fifth of the strawberries processed in California each year. For 2023, California processors processed 389.5 million pounds of strawberries with 292.0 million pounds being sourced from California (75.0%) and 97.5 million pounds being sourced from Mexico (25.0%). The 2023 volume obtained from California was the lowest California-sourced processing strawberry volume over the last 23 years, and the volume obtained from Mexico was the second highest Mexico-sourced processing strawberry volume during the period. For the most recent three years, California processors processed an average of 467.1 million pounds of strawberries per year with an average of 364.7 million pounds coming from California (77.9%) and an average of 102.4 million pounds coming from Mexico (21.1%).

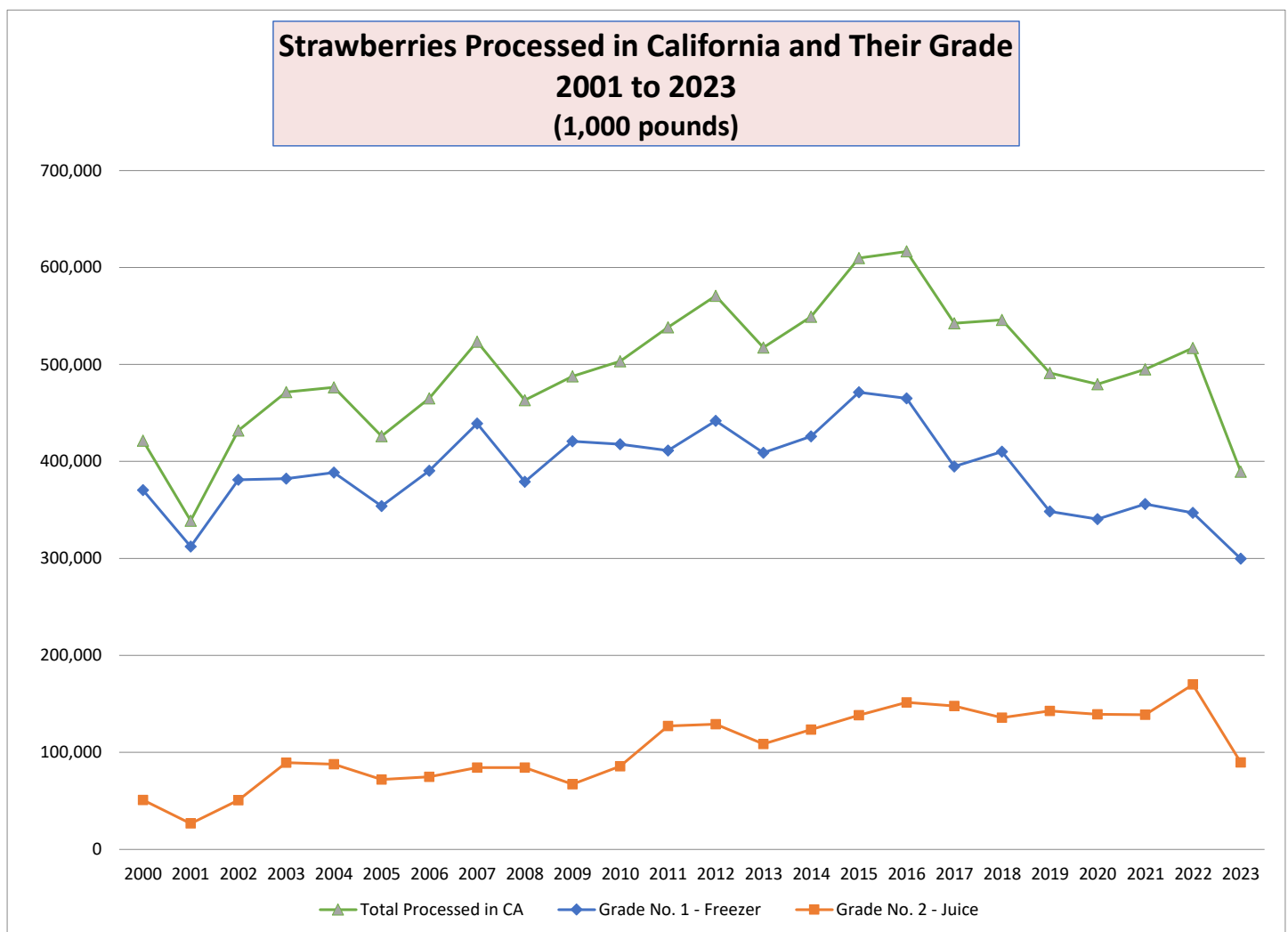
Strawberries Processed in California and Their Grade

Chart #7 below displays the volume of strawberries processed in California on an annual basis and the grades of those strawberries. As mentioned earlier in this report, there are currently three grades of processing strawberries: Grade No. 1 and Grade

No. 1WC (both for whole frozen berries) and Grade No. 2 for juice. For purposes of this summary Grade No. 1 and Grade No. 1WC are considered together because since Grade No. 1 WC was first authorized in 2015, it has on average accounted for only 1.7 % of the processing strawberries each year. In 2022 and 2023, Grade No. 1 WC only accounted for record low of 0.5% of the strawberries processed in California. The percentage of berries processed as Grade No. 1WC will most likely not increase significantly until an effective automated calyx removal machine is fully developed. The graph below shows that over an extended period of time, there was a trend of increasing total processed volume along with corresponding trends of increasing Grade No. 1 volume and Grade No. 2 volume. However, in recent years, total processed volume and Grade No. 1 volume have both trended downward, and until the 2023 season Grade No. 2 volume had remained relatively flat.

For 2023, California processors processed 389,474,000 pounds of strawberries with 299,735,000 pounds being Grade No.1 freezer berries (77.0%) and 89,739,000 pounds being Grade No. 2 juice berries (23.0%). For the most recent three years, California processors processed an average of 467,086,000 pounds of strawberries per year with an average of 334,220,000 pounds of Grade No. 1 freezer berries (71.6%) and 132,866,100 pounds of Grade No. 2 juice berries (28.4%).

Chart #7



Source: PSAB Price Posting Volume Summary

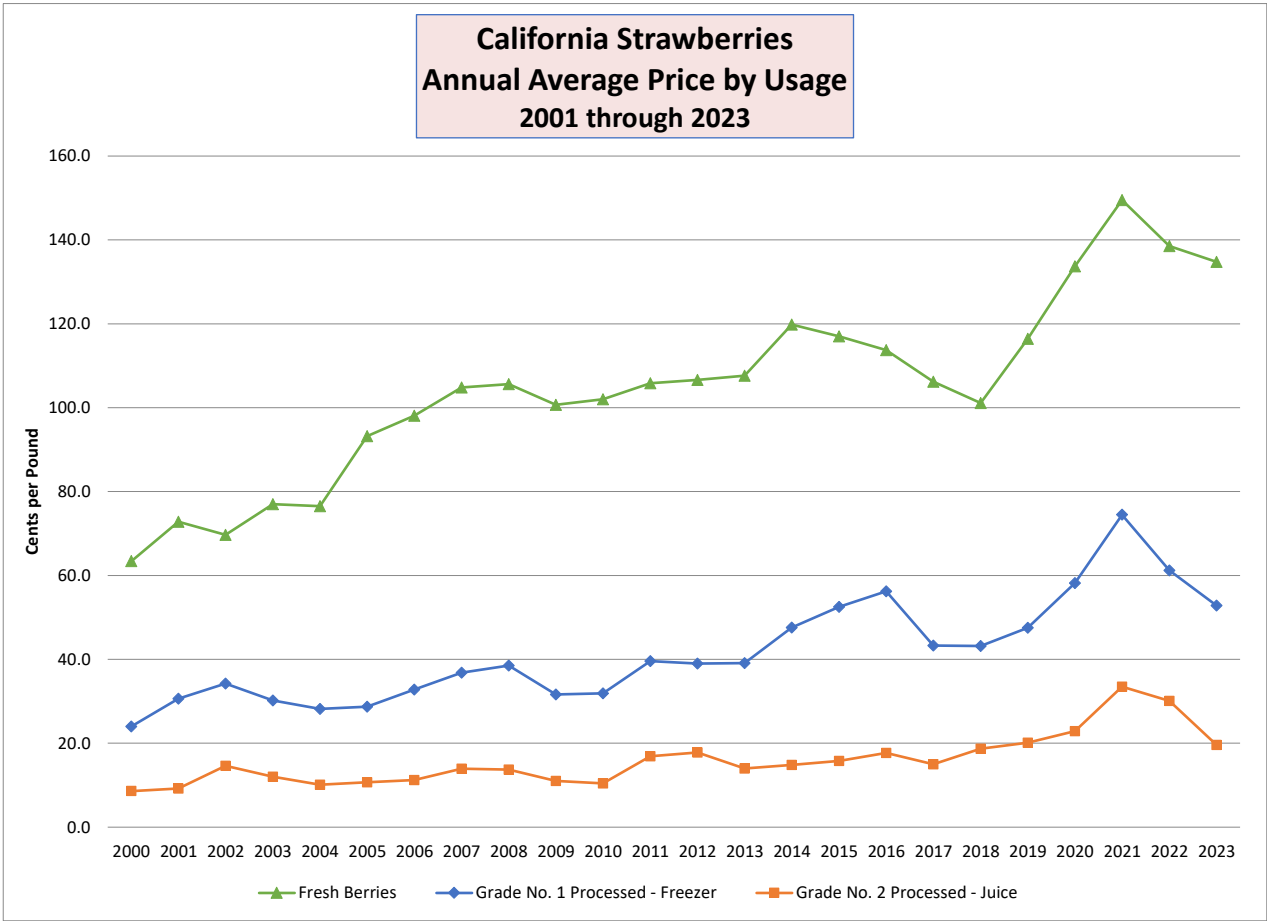
Average Annual Prices for Strawberries by Usage

Chart #8 below shows the average prices that California strawberry growers received for their strawberries since 2001 depending upon utilization. This chart shows that overtime there has been a general overall correlation between the prices received for fresh berries, for Grade No. 1 freezer strawberries and for Grade No. 2 juice strawberries respectively. In other words, overall upward and downward movements of fresh and processed grade prices over time have generally tracked with each other. In 2023, the average prices for all three utilization types were down, representing the second consecutive year

that prices dropped in all categories.

In 2023, the average price for fresh strawberries was a \$1.348/pound. This was 2.7% lower than the average price set in 2022 of \$1.385/pound for fresh strawberries. In 2023, the average price for Grade No. 1 freezer strawberries was \$0.528/pound, 13.7% less than 2022 and 29.1% lower than the highest price of \$0.745/pound in 2021. In 2023, the average price for Grade No. 2 juice strawberries was \$0.196/pound, which was down 34.9% from last year's average price and 41.5% less than the 2021 high of \$0.335/ pound.

Chart #8



Source: PSAB Price Posting Volume Summary

Over the past three years, the price of fresh strawberries has averaged \$1.409/pound, the price of Grade No. 1 freezer strawberries has averaged \$0.628/pound and the price of Grade No. 2 juice strawberries has averaged \$0.277/pound. Over the past three years, the average price of fresh strawberries was 2.2 times that of the average price of Grade No. 1 freezer strawberries and 5.1 times that of the average price of Grade No. 2 juice strawberries. Also, over the past three years the average price of Grade No. 1 processing berries was 2.3 times that of the average price of Grade No. 2 processing strawberries. The significant difference between the average fresh strawberry price and the average Grade No. 1 freezer strawberry price demonstrates why there is a clear incentive for growers to try to market as much of their strawberry production into the fresh market as possible. Within the processing sector, the significant difference between the average Grade No. 1 freezer strawberry price and the average Grade No. 2 juice strawberry price demonstrates why there is a clear incentive for growers to try to market their processing berries as Grade No. 1 freezer berries instead of as Grade No. 2 juice berries.

The overall message from the incorporated graphs is that the California strawberry industry has expanded in size and economic value over an extended period. Much of this expansion has occurred within the more rapidly expanding fresh sector, while a smaller portion of the expansion has occurred in the processing sector.

PROCESSOR SURVEY REGARDING PRICE POSTING

As part of its oversight of the price posting provisions, the Department recently surveyed California strawberry processors to gauge industry perceptions regarding the effectiveness of the price posting provisions and the need for its continuance. The survey consisted of eight positive statements about price posting to which the processors were asked to indicate strong agreement, moderate agreement, neutrality, moderate disagreement, or strong disagreement. There were 14 processors operating in California during 2023, however one processor closed its California plant and therefore did not participate in the survey. All remaining 13 processors of California strawberries in 2023 participated in the survey. The following table lists the survey statements that the processors were asked to consider. The table summarizes the responses by agreement, neutrality, and disagreement. A more detailed summary of the survey is presented in Appendix “B”.



| Survey Statements That Processors Were Asked to Express an Opinion About | Processors Expressing Some Form of Agreement | Processors Expressing Neutrality | Processors Expressing Some Form of Disagreement |
|--|---|---|--|
| 1. Price posting promotes the statutory goal of preventing fraud, misinformation, deception, and unfair trade practices in the processing strawberry industry. | 11 (84.6%) | 2 (15.4%) | 0 (0.0%) |
| 2. Price posting provides an accurate and reliable source of raw product price information that is valuable to processors, producers, and buyers for their decision making. | 11 (84.6%) | 1 (7.7%) | 1 (7.7%) |
| 3. Price posting allows market forces to more smoothly reach an “equilibrium price” (the price that attracts the volume of fruit equal to the quantity demanded). | 9 (69.2%) | 4 (30.8%) | 0 (0.0%) |
| 4. Price posting enables processors to more effectively compete for available strawberries. | 10 (76.9%) | 2 (15.4%) | 1 (7.7%) |
| 5. Price posting promotes stability across the entire strawberry industry by enabling there to be better informed natural competition between the fresh sector and the processing sector. | 7 (53.8%) | 4 (30.8%) | 2 (15.4%) |
| 6. The current price posting provisions, including existing exemptions, are working fine and are not in need of change. | 9 (69.2%) | 4 (30.8%) | 0 (0.0%) |
| 7. The strawberry industry would be worse off without price posting. | 10 (76.9%) | 3 (23.1%) | 0 (0.0%) |
| 8. Price posting should be continued for another year. | 12 (92.3%) | 1 (7.7%) | 0 (0.0%) |

The survey responses indicate that there is broad industry recognition that price posting achieves its stated statutory purposes and provides valuable economic benefits to the industry. All eight survey statements received some expression of agreement from at least seven (more than half) of the 13 processors.

The following survey statement received the highest level of support as it received an expression of agreement from 12 of the 13 processors (92.3%).

Price posting should be continued for another year.

The following two survey statements received the next highest level of support with each receiving an expression of agreement from 11 of the 13 processors (84.6%).

Price posting promotes the statutory goal of preventing fraud, misinformation, deception, and unfair trade practices in the processing strawberry industry.

Price posting provides an accurate and reliable source of raw product price information that is valuable to processors, producers, and buyers for their decision making.

The following two survey statements also received significant support with each receiving an expression of agreement from 10 of the 13 processors (76.9%).

Price posting enables processors to more effectively compete for available strawberries.

The strawberry industry would be worse off without price posting.

The following survey statement had the lowest level of support, relative to the other statements, receiving an expression of agreement from seven of the 13 processors (53.8%):

Price posting promotes stability across the entire strawberry industry by enabling there to be better informed natural competition between the fresh sector and the processing sector.

The following survey statements also received less support, relative to the other statements, each receiving an expression of agreement from nine of the 13 processors (69.2%):

Price posting allows market forces to more smoothly reach an "equilibrium price" (the price that attracts the volume of fruit equal to the quantity demanded).

The current price posting provisions, including existing exemptions, are working fine and are not in need of change.

It is important to note that the statement above (The current price posting provisions, including existing exemptions, are working fine and are not in need of change) has consistently received a lower expression of agreement on past processor surveys. Past survey comments regarding this statement indicate that there is an opinion among some processors that the processing strawberry sales transactions that are

statutorily exempted from price posting (such as fixed price contracts and sales between cooperative members and their cooperative) tend to cloud the perception of real average prices, thus potentially limiting the overall effectiveness of price posting. The processors are well aware that modifying and/or eliminating some of the current price posting exemptions would require legislative action since the exemptions exist specifically within the FAC. However, there does not yet seem to be sufficient processor concern about

these exemptions to stimulate a concerted effort to get them legislatively changed. And even with such lingering concerns about the existing statutory exemptions, most of the processors still believe that price posting provides significant economic value to the industry and should be continued.

The 13 processors can be divided into four general categories based on their relative survey responses. The four types of survey respondents are shown below:

| Overall Classification of Survey Respondents for 2023 | Number of Processors | Description |
|---|----------------------|---|
| Strong Supporters of Price Posting | 5 | These processors expressed some level of agreement on at least five of the survey statements with strong agreement on the continuation of price posting. |
| Moderate Supporters of Price Posting | 6 | These processors expressed some level of agreement on at least three of the survey statements with moderate agreement on the continuation of price posting. |
| Neutral About Price Posting | 2 | These processors expressed neutrality on at least five of the survey statements with neutrality on the continuation of price posting. |
| Strongly Opposed to Price Posting | 0 | No processor expressed some level of disagreement on more than two of the survey statements and no processor expressed disagreement on the continuation of price posting. |

In 2021, the Board reviewed and discussed the processor survey results for recent years and concluded that there seemed to have been a moderate decline in processor confidence in the price posting activity, possibly caused by ongoing suspicions that processors may not always be paying producers in accordance with their respective posted prices. Such suspicions tend to be more prevalent in years of high processor competition for obtaining limited available fruit as has generally been the case in recent years. So, in order to help restore more processor confidence in the price posting system, the Board unanimously recommended the implementation of an ongoing grower payment verification process. As recommended by the Board, the Department audited all processors in 2022 to verify producer payments compared to their respective posted prices during the 2021 season. The Department audited all processors again in 2023 and intends to continue conducting such verification audits annually in order to provide processors with greater assurance that posted price are in fact accurate. The 2023 survey indicates an increase in the confidence of the price posting and is most likely the result of these verification audits.



EVIDENCE THAT SUPPORTS THE CONTINUATION OF PRICE POSTING

The Marketing Law for Processing Strawberries requires the Department to annually consider whether price posting should continue for another year. The following evidence gathered for this report supports the continuation of price posting.



1. The Department's survey of strawberry processors regarding price posting indicates that a supermajority of strawberry processors values the price posting provisions and believe it should be continued. **Eighty-five percent of the strawberry processors participating in the price posting survey (11 of 13) indicated that price posting promotes the statutory goal of preventing fraud, misinformation, deception, and unfair trade practices in the processing strawberry industry and 92% (12 of 13) also indicated that price posting should continue.** Only one processor expressed a neutral position toward continuation of price posting.
2. In recent years, the Department conducted both a public hearing (2019 and again in 2024) and an industry vote (2016), which substantiated broad industry support for continuing the Marketing Order. Regarding the 2019 and 2024 hearings, all the industry testimony submitted was supportive of the Marketing Order's continuation. In the 2016 industry vote, **92% of the processors who cast ballots and 93% of the producers who cast ballots voted in favor of the Marketing Order's continuation.** Such results indicate that both the processing and the producing sectors of the strawberry industry greatly value the activities of the Marketing Order (including price posting).
3. The volume of processing strawberries purchased on the open market during

the season under posted prices is very significant. In fact, strawberry processors purchase strawberries from producers under posted prices to a much greater extent than under fixed price contracts. According to data gathered from processors via the Department's price posting survey, it is estimated that open market purchases accounted for the following respective percentages of berries acquired for processing in each of the last five years: 2023 – 92%, 2022 – 94%, 2021 – 96%, 2020 – 94%, 2019 – 92%. **These high cumulative percentages show that most strawberry processors rely very heavily on acquiring berries through posted prices.** In fact, during 2023, a great majority processors acquired some portion of their strawberries from producers under posted prices. Eleven processors reported that over 90% of their respective strawberries were acquired under posted prices with eight of the 13 indicating that all their respective strawberries were acquired under posted prices. Although processors have the discretion to contract with growers before the season for the purchase of strawberries, they remain reluctant to do so because raw product prices can change dramatically over the course of the growing season. Thus, price posting, which is designed to prevent fraud and unfair competition for the open market tonnage, continues to serve as a valuable industry tool when such a

large percentage of fruit continues to be purchased in the open market.

4. Unlike other major processing crops grown in California, strawberry producers market their strawberries to processors without a bargaining association that bargains with processors for price and delivery terms.

The absence of a bargaining association contributes significantly to industry price uncertainty. Price posting is designed to reduce such uncertainty so that producers and processors can make more informed business decisions.

5. Strawberries are a dual usage crop. For the most part, there continues to be no difference between the production of strawberries marketed in fresh form and the production of strawberries used for processing. To a large extent, growers still wait to decide the sector (fresh or processing) they will market their crop to until the time of harvest. Therefore, there is the continued potential for fluctuations in availability that contributes to variations in price for the raw product and for the finished product. With fluctuations in delivery to processors, it is difficult to establish field prices. **According to the 2023 price posting survey, 53.8% of the participating processors (7 of 13) indicated that price posting promotes stability across the entire strawberry industry by enabling there to be better informed natural competition between the fresh sector and the processing**

sector. Additionally, the posted pricing information when accessed by producers aids them in efficiently determining how to market their crop to maximize their returns. In short, pricing information made available through price posting allows the strawberry market to operate more efficiently.

6. Strawberries are fragile and highly perishable. These factors continue to contribute greatly to the need for producers to have timely and reliable price information by which they can make more sound harvesting and marketing decisions. **Because of the highly perishable nature of strawberries, producers must weigh many factors in a short period of time as to whether to continue picking for speculative fresh market returns, or transition to picking for processing, which has a known price per pound under price posting.**
7. Strawberries are one of the costliest agricultural commodities to produce. The most recent fresh strawberry cost of production study (2024) by the University of California Cooperative Extension service estimated that the total costs per acre for Central Coast strawberry production was \$105,809, which consisted of cultural costs of \$22,264 per acre, harvest costs of \$79,288 per acre and interest on operating capital costs of \$4,257 per acre. (Harvest costs for berries destined for processing would be lower.)

This high cost of production highlights the importance of strawberry growers being able to maximize their sales returns to cover their high production costs. **Price posting helps growers in this regard by providing accurate price information upon which to make informed harvesting and marketing decisions.**

8. Processors continue to need a steady and predictable volume of fruit to operate their plants profitably. According to the 2023 processor survey, **76.9% of the processors believe that price posting allows them to more effectively compete for the available strawberries** they need for the efficient operation of their respective plants.
9. Unlike many crops, strawberries have a long harvest season (essentially year-around) and are grown in multiple areas across the state. **The various harvest transitions from district to district over the course of the year continue to contribute to pricing and supply fluctuations.** According to processors, price posting assists them in dealing with such conditions.
10. As stated in Section 63101 of the FAC, it is the policy of the State to eliminate unfair trade practices in the purchasing of strawberries for processing to, among other things, **protect the general welfare of the people of this state.**

Because of the increasing size and economic importance of the strawberry industry, it is very reasonable to conclude that governmental tools such as price posting used to maintain a healthy strawberry industry do in fact contribute to the welfare of the state. The expanding strawberry industry has grown to be among the top 10 highest value commodities in California with an annual farmgate value around \$3 billion. It is also one of the highest value crops per acre. This valuable crop is produced on approximately 40,000 acres, which is less than 1% of all California farmland. Strawberry growers, shippers, and processors as well as their allied industries support their local economies and provide employment for many citizens. According to a 2014 economic impact report released by the California Strawberry Commission, strawberry farming is responsible for generating an estimated 70,000 jobs throughout the state and an estimated \$1.4 billion additional indirect annual contribution to the California economy. Because of the significant economic importance and reach of the California strawberry industry, it is appropriate for the good of the California citizenry to promote the overall health and viability of the California strawberry industry through the prevention of unfair trade practices as intended by the price posting provisions.

CONCLUSION

The price posting regulations were implemented to allow both growers and processors of strawberries access to accurate raw product price information in order that both parties could make sound decisions on the selling and purchasing of processing strawberries. Based on the comments received from the industry, as well as the review of current economic conditions existing in the strawberry industry, it is hereby determined that the price posting regulations benefitted the strawberry industry in 2023.

Information gathered for this report underscores the value of the price posting regulations in providing reliable market information to growers and processors given the unique and uncertain marketing conditions inherent in the strawberry industry. Evidence supports the continuation of the price posting provisions as authorized by the Marketing Law for Processing Strawberries in the FAC.

Based upon knowledge gained from supervision of the price posting regulations, from review of industry conditions, and from surveying processors, the Department makes the following determinations:

1. That there is sufficient evidence to support the position that unfair trade practices would reoccur should the price posting regulations adopted for processing strawberries pursuant to Section 63123 of the FAC (Chapter 6 of Part 3, Division 21) be suspended; and
2. That the price posting regulations are reasonable and proper and a practical means of carrying out the unfair trade practices provisions authorized in the Marketing Order for Processing Strawberries and will tend to effectuate the declared purposes of the California Marketing Act (Chapter 1 of Part 2, Division 21 of the FAC) with respect to processing strawberries; and
3. That the price posting regulations are narrowly and appropriately defined to affect those types of purchases by processors that are most subject to fraudulent or discriminatory practices; and
4. That the price posting regulations are necessary and should be continued through the 2024 marketing season in order to assure that processors and growers alike are able to make competitive pricing decisions based upon sound and reliable market information.

Appendices

2023 Annual Report on Price Posting for Processing Strawberries

Appendix “A” - California Strawberry Statistics A-2

Appendix “B” - Price Posting Survey Summary A-4

Appendix “C” - Price Posting Provisions: Extracts from Official Documents A-8

Appendix “D” - Price Posting Instructions A-16

Appendix “A” – California Strawberry Statistics

CALIFORNIA STRAWBERRY PRODUCTION 2001 THROUGH 2023

| Year | Acres | CA Total Production* | CA Yield Per Acre | (Tons) | CA Total Plus | MARKETED | | | FARM VALUE * * * | | | |
|------|--------|-------------------------|----------------------|-----------|------------------|-------------|------------------------------|------------------|------------------|---------------|--------------------------|-----------|
| | | | | | | CA to Fresh | CA to Process** (Pounds)* | Baja for Process | CA to Fresh | CA to Process | Fresh (1,000 Dollars) | Freezer |
| 2001 | 25,142 | 1,292,410 | 25.7 | 1,306,320 | 967,360 | 325,050 | 13,910 | 74.8% | 25.2% | 704,070 | 96,747 | 800,817 |
| 2002 | 26,829 | 1,565,648 | 29.2 | 1,594,586 | 1,162,799 | 402,849 | 28,938 | 74.3% | 25.7% | 809,915 | 137,740 | 947,655 |
| 2003 | 28,230 | 1,752,406 | 31.0 | 1,783,877 | 1,312,422 | 439,984 | 31,471 | 74.9% | 25.1% | 1,011,135 | 126,124 | 1,137,259 |
| 2004 | 31,639 | 1,794,431 | 28.4 | 1,824,946 | 1,348,555 | 445,876 | 30,515 | 75.2% | 24.8% | 1,031,938 | 118,711 | 1,150,649 |
| 2005 | 32,636 | 1,610,788 | 24.7 | 1,656,324 | 1,230,219 | 380,569 | 45,536 | 76.4% | 23.6% | 1,146,837 | 109,243 | 1,256,080 |
| 2006 | 33,269 | 1,658,276 | 24.9 | 1,715,570 | 1,250,431 | 407,845 | 57,294 | 75.4% | 24.6% | 1,226,812 | 136,411 | 1,363,223 |
| 2007 | 34,640 | 1,768,364 | 25.5 | 1,838,663 | 1,315,205 | 453,159 | 70,299 | 74.4% | 25.6% | 1,378,042 | 173,314 | 1,551,356 |
| 2008 | 36,520 | 1,784,226 | 24.4 | 1,839,907 | 1,376,788 | 407,438 | 55,681 | 77.2% | 22.8% | 1,453,276 | 157,386 | 1,610,662 |
| 2009 | 38,633 | 1,993,150 | 25.8 | 2,055,495 | 1,567,646 | 425,504 | 62,345 | 78.7% | 21.3% | 1,578,097 | 140,185 | 1,718,282 |
| 2010 | 37,610 | 2,083,989 | 27.7 | 2,135,337 | 1,631,942 | 452,047 | 51,348 | 78.3% | 21.7% | 1,664,581 | 141,505 | 1,806,086 |
| 2011 | 37,336 | 2,095,523 | 28.1 | 2,141,625 | 1,606,015 | 489,508 | 46,102 | 76.6% | 23.4% | 1,698,807 | 184,147 | 1,882,954 |
| 2012 | 37,732 | 2,202,835 | 29.2 | 2,285,869 | 1,714,849 | 487,986 | 83,034 | 77.8% | 22.2% | 1,827,267 | 195,150 | 2,022,417 |
| 2013 | 40,815 | 2,183,127 | 26.7 | 2,272,622 | 1,755,104 | 428,023 | 89,495 | 80.4% | 19.6% | 1,887,712 | 175,118 | 2,062,830 |
| 2014 | 38,937 | 2,189,077 | 28.1 | 2,280,565 | 1,731,374 | 457,703 | 91,488 | 79.1% | 20.9% | 2,073,802 | 211,847 | 2,285,649 |
| 2015 | 38,100 | 2,244,669 | 29.5 | 2,321,620 | 1,711,517 | 533,152 | 76,951 | 76.2% | 23.8% | 2,002,475 | 272,923 | 2,275,398 |
| 2016 | 36,039 | 2,315,800 | 32.1 | 2,406,956 | 1,789,456 | 526,344 | 91,156 | 77.3% | 22.7% | 2,013,555 | 295,749 | 2,309,304 |
| 2017 | 36,387 | 2,310,156 | 31.7 | 2,396,927 | 1,854,364 | 455,792 | 86,771 | 80.3% | 19.7% | 1,969,746 | 204,749 | 2,174,495 |
| 2018 | 33,840 | 2,494,593 | 36.9 | 2,565,680 | 2,020,424 | 474,169 | 71,087 | 81.0% | 19.0% | 2,042,872 | 214,960 | 2,257,832 |
| 2019 | 32,957 | 2,229,319 | 33.8 | 2,309,650 | 1,818,536 | 410,783 | 80,331 | 81.6% | 18.4% | 2,103,454 | 206,460 | 2,309,914 |
| 2020 | 35,425 | 2,274,310 | 32.1 | 2,371,699 | 1,891,997 | 382,313 | 97,389 | 83.2% | 16.8% | 2,529,169 | 241,360 | 2,770,529 |
| 2021 | 37,553 | 2,314,540 | 30.8 | 2,410,409 | 1,915,561 | 398,979 | 95,869 | 82.8% | 17.2% | 2,841,417 | 324,765 | 3,166,182 |
| 2022 | 40,715 | 2,358,422 | 29.0 | 2,472,225 | 1,955,255 | 403,167 | 113,803 | 82.9% | 17.1% | 2,696,080 | 277,980 | 2,974,060 |
| 2023 | 40,284 | 2,269,676 | 28.2 | 2,367,133 | 1,977,660 | 292,016 | 97,457 | 87.1% | 12.9% | 2,666,422 | 184,416 | 2,850,838 |

* 000 Omitted

** Includes Juice Berries

** Fresh Value based on F.O.B. prices quoted by USDA Fruit & Vegetable Market News. In 2014, CSC revised Fresh farm value calculations from 2013 to 1998.

Processed Value—F.O.B. Processing Plant

1) Fresh pounds were calculated by multiplying CSC-reported trays by the following conversion factors: 1998-2004 (11.5pounds/tray) , 2005 - 2020 (9.0 pounds/tray)

EFFECTIVE DATES - PRICE POSTING - INSPECTION - AVERAGE FIELD PRICES

| YEAR | DATE PRICE POSTING | GRADE NO1 INSPECTION | JUICE INSP. STARTING DATE | PERCENT No.1's by PP Date | GRADE NO.1 LBS. *** | AVG PRICE CENTS/LB | JUICE NO. 2 LBS *** | AVG PRICE CENTS/LB | % JUICE by PP Date | TOTAL LBS. | % JUICE OF TOTAL LBS. |
|------|--------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------|-----------------------------|
| 1964 | APR. 27 | APR. 27 | | | 82,936 | 14.2 | 4,540 | 5.0 | | 87,476 | 5.2% |
| 1965 | APR. 26 | APR. 26 | | | 65,620 | 16.9 | 3,613 | 5.5 | | 69,233 | 5.2% |
| 1966 | MAY 01 | MAY 01 | | | 56,632 | 16.5 | 2,972 | 7.0 | | 59,604 | 5.0% |
| 1967 | JUN. 02 | APR. 17 | | | 55,441 | 14.7 | 5,325 | 6.0 | | 60,766 | 8.8% |
| 1968 | MAY 01 | APR. 24 | | | 73,498 | 15.6 | 3,394 | 4.0 | | 76,892 | 4.4% |
| 1969 | MAY 19 | APR. 10 | | | 61,603 | 16.3 | 4,900 | 6.0 | | 66,503 | 7.4% |
| 1970 | APR. 24 | APR. 13 | | | 67,511 | 16.3 | 6,019 | 5.9 | | 73,530 | 8.2% |
| 1971 | MAY 20 | APR. 19 | | | 63,463 | 14.0 | 3,685 | 5.0 | | 67,148 | 5.5% |
| 1972 | MAY 08 | APR. 24 | | | 52,088 | 16.8 | 6,174 | 6.0 | | 58,262 | 10.6% |
| 1973 | MAY 01 | MAY 01 | | | 80,957 | 20.2 | 12,316 | 10.0 | | 93,273 | 13.2% |
| 1974 | MAY 15 | MAY 13 | | | 95,522 | 20.0 | 9,546 | 7.0 | | 105,068 | 9.1% |
| 1975 | MAY 22 | MAY 27 | | | 105,254 | 19.2 | 3,882 | 7.0 | | 109,136 | 3.6% |
| 1976 | MAY 03 | MAY 27 | | | 126,451 | 24.2 | 13,666 | 12.3 | | 140,117 | 9.8% |
| 1977 | APR. 25 | MAY 18 | | | 157,756 | 22.0 | 20,632 | 10.0 | | 178,388 | 11.6% |
| 1978 | MAY 15 | MAY 15 | | | 115,120 | 17.4 | 14,734 | 7.1 | | 129,854 | 11.3% |
| 1979 | MAY 03 | MAY 15 | | | 130,206 | 27.7 | 14,847 | 13.1 | | 145,053 | 10.2% |
| 1980 | MAY 08 | MAY 15 | | | 136,388 | 26.8 | 24,237 | 9.4 | | 160,625 | 15.1% |
| 1981 | MAY 05 | MAY 15 | | | 120,711 | 28.8 | 21,753 | 10.0 | | 142,464 | 15.3% |
| 1982 | MAY 05 | MAY 17 | | | 185,723 | 34.0 | 36,535 | 15.6 | | 222,258 | 16.4% |
| 1983 | MAY 23 | MAY 16 | | | 172,505 | 34.1 | 41,129 | 7.2 | | 213,634 | 19.3% |
| 1984 | MAY 01 | APR. 30 | | | 145,525 | 20.2 | 17,156 | 5.7 | | 162,681 | 10.5% |
| 1985 | MAY 13 | APR. 30 | FEB. 13 | | 164,187 | 20.4 | 28,210 | 8.1 | | 192,397 | 14.7% |
| 1986 | MAY 07 | APR. 28 | MAR. 01 | | 167,347 | 24.7 | 39,975 | 8.4 | | 207,322 | 19.3% |
| 1987 | APR. 20 | APR. 20 | MAR. 01 | | 222,492 | 28.7 | 39,176 | 11.4 | | 261,668 | 15.0% |
| 1988 | MAY 23 | MAY 11 | MAR. 01 | | 175,140 | 23.7 | 28,592 | 5.1 | | 203,732 | 14.0% |
| 1989 | MAY 08 | APR. 28 | MAR. 06 | | 176,140 | 24.2 | 32,573 | 10.3 | | 208,713 | 15.6% |
| 1990 | MAY 07 | APR. 02 | MAR. 05 | | 253,958 | 30.2 | 62,487 | 14.2 | | 316,445 | 19.7% |
| 1991 | MAY 06 | MAR. 04 | MAR. 04 | | 292,218 | 27.0 | 41,002 | 6.9 | | 333,220 | 12.3% |
| 1992 | MAY 11 | MAR. 02 | MAR. 02 | | 221,530 | 24.9 | 45,745 | 9.1 | | 267,275 | 17.1% |
| 1993 | APR. 26 | MAR. 01 | MAR. 01 | 6.3% | 316,197 | 27.8 | 50,306 | 9.2 | 42.3% | 366,503 | 13.7% |
| 1994 | APR. 25 | MAR. 07 | MAR. 07 | 5.6% | 343,648 | 29.2 | 82,513 | 12.3 | 23.3% | 426,161 | 19.4% |
| 1995 | APR. 24 | MAR. 06 | MAR. 06 | 2.0% | 320,673 | 26.5 | 71,595 | 8.5 | 34.5% | 392,268 | 18.3% |
| 1996 | MAY 06 | MAR. 04 | MAR. 04 | 18.2% | 305,651 | 20.4 | 57,218 | 8.4 | 77.0% | 362,869 | 15.8% |
| 1997 | APR. 24 | MAR. 03 | MAR. 03 | 4.1% | 310,412 | 28.2 | 49,369 | 10.8 | 49.8% | 359,781 | 13.7% |
| 1998 | APR. 27 | MAR. 02 | MAR. 02 | 0.1% | 355,209 | 34.7 | 103,435 | 13.2 | 40.1% | 458,644 | 22.6% |
| 1999 | APR. 26 | MAR. 01 | MAR. 01 | 0.3% | 409,973 | 34.0 | 95,929 | 19.0 | 40.1% | 505,902 | 19.0% |
| 2000 | MAY 16 | FEB. 28 | FEB. 28 | 11.6% | 370,485 | 24.0 | 50,924 | 8.6 | 95.3% | 421,409 | 12.1% |
| 2001 | MAY 21 | MAR. 05 | MAR. 05 | 21.5% | 312,202 | 30.6 | 26,758 | 9.2 | 78.2% | 338,960 | 7.9% |
| 2002 | MAY 6 | MAR. 04 | MAR. 04 | 16.6% | 381,120 | 34.2 | 50,666 | 14.6 | 50.4% | 431,786 | 11.7% |
| 2003 | MAY 5 | MAR. 03 | MAR. 03 | 5.4% | 382,138 | 30.2 | 89,316 | 12.0 | 67.4% | 471,454 | 18.9% |
| 2004 | MAY 10 | MAR. 01 | MAR. 01 | 26.1% | 388,620 | 28.2 | 87,771 | 10.1 | 70.4% | 476,391 | 18.4% |
| 2005 | APR. 11 | MAR. 07 | MAR. 07 | 2.2% | 353,994 | 28.7 | 72,111 | 10.7 | 30.7% | 426,105 | 16.9% |
| 2006 | APR. 03 | MAR. 06 | MAR. 06 | 1.2% | 390,268 | 32.8 | 74,872 | 11.2 | 15.0% | 465,140 | 16.1% |
| 2007 | APR. 02 | MAR. 05 | MAR. 05 | 2.3% | 439,160 | 36.8 | 84,297 | 13.9 | 5.0% | 523,457 | 16.1% |
| 2008 | APR. 14 | MAR. 03 | MAR. 03 | 4.5% | 378,899 | 38.5 | 84,220 | 13.7 | 16.4% | 463,119 | 18.2% |
| 2009 | APR. 7 | MAR. 02 | MAR. 02 | 1.2% | 420,714 | 31.6 | 67,135 | 11.0 | 11.4% | 487,849 | 13.8% |
| 2010 | APR. 1 | MAR. 01 | MAR. 01 | 3.6% | 417,615 | 31.9 | 85,780 | 10.4 | 23.3% | 503,395 | 17.0% |
| 2011 | APR. 4 | MAR. 07 | MAR. 07 | 0.5% | 411,125 | 39.6 | 127,252 | 16.9 | 8.4% | 538,377 | 23.6% |
| 2012 | APR. 2 | MAR. 05 | MAR. 05 | 0.1% | 441,850 | 39.0 | 128,950 | 17.8 | 10.0% | 570,800 | 22.6% |
| 2013 | APR. 1 | MAR. 04 | MAR. 04 | 0.2% | 408,929 | 39.1 | 108,589 | 14.0 | 6.4% | 517,518 | 21.0% |
| 2014 | APR. 7 | MAR. 03 | MAR. 03 | 8.1% | 425,730 | 47.6 | 123,461 | 14.8 | 18.8% | 549,191 | 22.5% |
| 2015 | APR. 1 | MAR. 02 | MAR. 02 | 8.5% | 471,383 | 52.5 | 138,239 | 15.8 | 13.7% | 609,622 | 22.7% |
| 2016 | APR. 1 | MAR. 02 | MAR. 01 | 5.1% | 465,131 | 56.2 | 151,437 | 17.7 | 11.7% | 616,568 | 24.6% |
| 2017 | MAY 8 | MAR. 03 | MAR. 01 | 17.8% | 394,754 | 43.3 | 147,808 | 15.0 | 39.0% | 542,562 | 27.2% |
| 2018 | APR. 09 | MAR. 05 | MAR. 05 | 1.0% | 409,987 | 43.2 | 135,856 | 18.7 | 8.7% | 545,843 | 24.9% |
| 2019 | APR. 15 | MAR. 07 | MAR. 04 | 2.8% | 348,497 | 47.5 | 142,618 | 20.1 | 10.8% | 491,115 | 29.0% |
| 2020 | APR. 6 | MAR. 02 | MAR. 02 | 5.3% | 340,420 | 58.2 | 139,277 | 22.9 | 6.6% | 479,697 | 29.0% |
| 2021 | APR. 5 | MAR. 01 | MAR. 01 | 3.6% | 356,024 | 74.5 | 138,824 | 33.5 | 7.7% | 494,848 | 28.1% |
| 2022 | May 15 | MAR. 01 | MAR. 01 | 6.5% | 346,901 | 61.2 | 170,060 | 30.1 | 11.6% | 516,961 | 32.9% |
| 2023 | May.15 | MAR. 01 | MAR. 01 | 11.8% | 299,735 | 52.8 | 89,739 | 19.6 | 25.2% | 389,474 | 23.0% |

* Starting in 2014 Grade 1 and 1WC pounds are combined and Average Field Price is for conventional only and excludes 1WC.

Appendix “B” – Price Posting Survey Summary

Summary

Processing Strawberry Price Posting Survey – 2023 Crop Year

Survey Conducted November-December 2023

100% processor participation (13 of 13)

100% of industry volume represented

- Price posting promotes the statutory goal of preventing fraud, misinformation, deception, and unfair trade practices in the processing strawberry industry.

| | | | | | | | | | | | | | |
|---------------------|-------|--|-------|--|-------|--|--|-------|--|--|--|--|--|
| Agree Strongly | | | | | | | | 53.8% | | | | | |
| Agree Moderately | | | | | 30.8% | | | | | | | | |
| Neutral | | | 15.4% | | | | | | | | | | |
| Disagree Moderately | 0.00% | | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly

Agree Moderately

Neutral

Disagree Moderately

Disagree Strongly

- Price posting provides an accurate and reliable source of raw product price information that is valuable to processors, producers and buyers for their decision making.

| | | | | | | | | | | | | | |
|---------------------|-------|------|--|--|-------|--|--|-------|--|--|--|--|--|
| Agree Strongly | | | | | | | | 53.8% | | | | | |
| Agree Moderately | | | | | 30.8% | | | | | | | | |
| Neutral | | 7.7% | | | | | | | | | | | |
| Disagree Moderately | | 7.7% | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly

Agree Moderately

Neutral

Disagree Moderately

The information is used by the buyers to put the processor at a disadvantage. I think that the posting should be only open to the growers, processors, or producers.

Disagree Strongly

3. Price posting allows market forces to more smoothly reach an “equilibrium price” (the price that attracts the volume of fruit equal to the quantity demanded.)

| | | | | | | | | | | | | | |
|---------------------|-------|--|--|-------|-------|--|-------|--|--|--|--|--|--|
| Agree Strongly | | | | | | | 46.2% | | | | | | |
| Agree Moderately | | | | 23.1% | | | | | | | | | |
| Neutral | | | | | 30.8% | | | | | | | | |
| Disagree Moderately | 0.00% | | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly

Agree Moderately

Neutral

Disagree Moderately

Disagree Strongly

4. Price posting enables processors to more effectively compete for available strawberries.

| | | | | | | | | | | | | | |
|---------------------|-------|------|-------|--|--|-------|--|--|--|--|--|--|--|
| Agree Strongly | | | | | | 38.5% | | | | | | | |
| Agree Moderately | | | | | | 38.5% | | | | | | | |
| Neutral | | | 15.4% | | | | | | | | | | |
| Disagree Moderately | | 7.7% | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly: Price posting helps establish a transparent marketplace where processors and growers can settle out the value of a crop.

Agree Moderately

Neutral

Disagree Moderately

Disagree Strongly

5. Price posting promotes stability across the entire strawberry industry by enabling there to be better informed natural competition between the fresh sector and the processing sector.

| | | | | | | | | | | | | | |
|----------------------------|-------|--|-------|--|-------|--|--|--|--|--|--|--|--|
| Agree Strongly | | | | | 38.5% | | | | | | | | |
| Agree Moderately | | | 15.4% | | | | | | | | | | |
| Neutral | | | | | 30.8% | | | | | | | | |
| Disagree Moderately | | | 15.4% | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |
| Comments: | | | | | | | | | | | | | |
| <u>Agree Strongly</u> | | | | | | | | | | | | | |
| <u>Agree Moderately</u> | | | | | | | | | | | | | |
| <u>Neutral</u> | | | | | | | | | | | | | |
| <u>Disagree Moderately</u> | | | | | | | | | | | | | |
| <u>Disagree Moderately</u> | | | | | | | | | | | | | |
| <u>Disagree Strongly</u> | | | | | | | | | | | | | |

6. The current price posting provisions, including existing exemptions, are working fine and are not in need of change.

| | | | | | | | | | | | | | |
|----------------------------|-------|--|--|-------|-------|--|-------|--|--|--|--|--|--|
| Agree Strongly | | | | 23.1% | | | | | | | | | |
| Agree Moderately | | | | | | | 46.2% | | | | | | |
| Neutral | | | | | 30.8% | | | | | | | | |
| Disagree Moderately | 0.00% | | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |
| Comments: | | | | | | | | | | | | | |
| <u>Agree Strongly</u> | | | | | | | | | | | | | |
| <u>Agree Moderately</u> | | | | | | | | | | | | | |
| <u>Neutral</u> | | | | | | | | | | | | | |
| <u>Disagree Moderately</u> | | | | | | | | | | | | | |
| <u>Disagree Strongly</u> | | | | | | | | | | | | | |

7. The strawberry industry would be worse off without price posting.

| | | | | | | | | | | | | | |
|---------------------|-------|--|--|-------|--|-------|--|--|--|--|--|--|--|
| Agree Strongly | | | | | | 38.5% | | | | | | | |
| Agree Moderately | | | | | | 38.5% | | | | | | | |
| Neutral | | | | 23.1% | | | | | | | | | |
| Disagree Moderately | 0.00% | | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly

Agree Moderately

Neutral

Disagree Moderately

Disagree Strongly

8. Price posting should be continued for another year.

| | | | | | | | | | | | | | |
|---------------------|-------|------|--|--|--|-------|-------|--|--|--|--|--|--|
| Agree Strongly | | | | | | | 53.8% | | | | | | |
| Agree Moderately | | | | | | 38.5% | | | | | | | |
| Neutral | | 7.7% | | | | | | | | | | | |
| Disagree Moderately | 0.00% | | | | | | | | | | | | |
| Disagree Strongly | 0.00% | | | | | | | | | | | | |

Comments:

Agree Strongly

Agree Moderately

Neutral

Disagree Moderately

Disagree Strongly

Additional Comments

Comments:

- Would be great if company postings could be consolidated to one e-mail per company. E-mails pile up when some companies post for all locations.
- Would be nice to see the posting info for companies that post after 11:00 AM. Have to search in posting history to see the new posting info.
- This is good in an up market but it is very detrimental in a down market when buyers see this information they then try to break the camels back!! It is good for strong high quality processor otherwise the can buyers can use this info to undermine the total market.

Appendix “C” – Price Posting Provisions: Extracts from Official Documents

Extracts From the California Food and Agricultural Code Regarding Price Posting and Filing for Processing Strawberries

Division 21 - Marketing Part 3 - Marketing Laws Regarding Particular Products Chapter 6 – Marketing of Processing Strawberries

Article 1 General Provisions

63101. State Policy It is the declared policy of the state to eliminate fraud, misinformation, deception, and other unfair trade practices that have existed in the processing strawberry industry and are detrimental to producers, processors, and consumers of processing strawberries due to the unavailability of accurate and reliable market price information. In order to prevent fraud, misinformation, deception, and other unfair trade practices, it is hereby declared as the policy of the state that the purchase of processing strawberries be subject to this chapter. The necessity for the enactment of this chapter, including the exemptions contained within it, is declared to be for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.

63102. Processing Strawberries "Processing strawberries" means strawberries produced, in whole or in part, for the purpose of being ultimately processed into a use other than fresh consumption.

63103. Purchase Price "Purchase price" means all price and price terms for processing strawberries, including any and all forms of compensation from processors to producers.

63104. Integrated producer-processor "Integrated producer-processor" means any producer who processes strawberries of his or her own production either as an individual, a business entity, or as a separate business entity operating as parent and subsidiary, or otherwise, which are under the same ownership and control, and who retains title to the processed strawberries, including, but not limited to, all rights to hypothecate the processed strawberries.

63105. Scope of chapter This chapter covers any marketing order issued pursuant to Chapter 1 (commencing with Section 58601) of Part 2 which exclusively affects processing strawberries.

Article 2 Marketing Orders

63121. Schedule of purchase prices; filing with advisory board Any marketing order affecting processing strawberries shall require that each time during a marketing season that a processor establishes or changes purchase prices for processing strawberries, the processor shall, on or before the effective date of the purchase prices, post a schedule of the purchase prices at each receiving station for which each schedule applies, and file each schedule with the marketing order advisory board established under the marketing order. The advisory board shall, within five days of the effective date of each purchase price schedule, mail or deliver a copy of the schedule to every other processor. Except as otherwise provided in this chapter, a processor shall acquire processing strawberries at the filed purchase price.

63122. Regulations The director shall adopt a seasonal marketing regulation pursuant to Section 59171 for price filing and posting. The regulation shall not become effective prior to April 1 of any year.

63123. Regulations; purchase prices The director, with the assistance of the advisory board, shall establish administrative rules and regulations that provide for, but are not limited to, the specific manner of filing, posting, and revising purchase prices and any additional action necessary to assure adequate public disclosure of purchase prices.

63123.5. Nonexempt contracts; filing and posting Any contract which is not exempt pursuant to Section 63124, including, but not limited to, any contract which makes a reference to a posted price for the purchase of strawberries by a processor from a producer and which also provides an additional purchase price, as defined by the director by regulation pursuant to Section 63123, shall be filed with the advisory board and posted in the manner prescribed by the director.

63124. Exemptions

(a) The following are exempt from this chapter:

(1) An integrated producer-processor. This exemption does not apply to the acquisition of strawberries for processing from any person who is not involved in a proprietary manner in the integrated producer-processor operation and who is not compensated for strawberries delivered through a proportionate share of the profits of the business entity.

(2) A processor registered in the state as a bona fide nonprofit cooperative when it acquires strawberries from members of the cooperative. This exemption does not apply to the acquisition of strawberries for processing from any person who is not a member of the cooperative.

(3) A contract with a fixed purchase price for the purchase of processing strawberries by a processor from a producer which is entered into and filed with the advisory board on or before the effective date of any seasonal marketing regulation for price filing and posting adopted pursuant to this chapter.

(4) Any contract for the purchase of strawberries for processing by a processor from a producer entered into prior to January 1, 1985, and filed prior to the effective date of any seasonal marketing regulation for price filing and posting adopted pursuant to this chapter.

(5) A contract that makes a reference to a processor's posted price for the purchase of processing strawberries by the processor from a producer which does not contain an additional purchase price, as defined by the director by regulation pursuant to Section 63123.

(b) Notwithstanding any other provision of this chapter, any contract which is exempt from this chapter pursuant to subdivision (a) shall be filed with the advisory board in the manner prescribed by the director pursuant to Section 63123.

(c) Information obtained by the advisory board pursuant to this chapter shall be maintained in confidence. However, the advisory board may disclose, upon request, whether a particular producer's processing strawberries are covered by an exempt contract or other arrangement.

63125. Annual review; contents The director shall actively supervise the requirements of this chapter and conduct an annual review of its provisions. The review may include an analysis of written reports from processors which the director is authorized to require, an investigation of industry conditions, an audit of processor records required to be maintained pursuant to this chapter, and any other actions relating to this chapter that are deemed necessary by the director.

63126. Report; recommendations On or before the last day of each year in which a marketing order exclusively affecting processing strawberries is in effect, the director shall prepare and file with the Legislature a written report of the operations of this chapter and shall make recommendations regarding its various provisions. Each report and recommendation shall be based on determinations made by the director as a result of the annual review specified in Section 63125.

63127. Suspension of requirements The director shall suspend the requirements of this chapter if he or she determines as a result of the annual review and states in the annual report required in Section 63126 that price filing and posting is not required to prevent unfair trade practices. The suspension shall apply to the year following the determination unless legislation requiring the adoption of a seasonal marketing regulation for price posting is enacted prior to April 1 of that year.

63128. Application of chapter This chapter does not apply to the acquisition of strawberries for processing by a processor from another processor.

63129. Amendment of existing marketing orders The director shall amend any existing marketing order exclusively affecting processing strawberries in a manner necessary to conform to this chapter without the necessity of complying with any provisions of Chapter 1 (commencing with Section 58601) of Part 2 including those sections relating to the amendment of a marketing order.

Extracts From the Marketing Order for Processing Strawberries Regarding Price Posting and Filing for Processing Strawberries

ARTICLE V UNFAIR TRADE PRACTICES: PRICE POSTING AND FILING

Section A. UNFAIR TRADE PRACTICES. It is the declared policy of the State to eliminate fraud, misrepresentation, deception, and other unfair trade practices that have existed in the processing industry and are detrimental to producers, processors, and to consumers of processing strawberries due to the unavailability of accurate and reliable market price information; that in order to prevent fraud, misinformation, deception, and other unfair trade practices, it is declared as the policy of the state that the purchase of processing strawberries be subject to Chapter 6; and that the necessity for the enactment of the Chapter, including the exemptions contained within it, is declared to be for the purpose of protecting the health, peace, safety, and the general welfare of the people of this State.

Section B. PRICE POSTING AND FILING. Each time during a price posting and filing marketing season that a processor establishes or changes purchase prices for processing strawberries, the processor shall, on or before the effective date of the purchase prices, post a schedule of the purchase prices and copies of all non-exempt agreements at each receiving station for which each schedule or agreement with the Advisory Board. The Advisory Board shall, within five (5) days of the effective date of each purchase price schedule or within ten (10) days of the receipt of each non-exempt agreement, mail or deliver a copy of the schedule and the price and price terms of each non-exempt agreement to every other processor. In the case of financing agreements, only the portion of the financing agreement which refers to the acquisition of strawberries and/or the price or price terms paid for the strawberries shall be posted and delivered to other processors. Except as otherwise provided in Chapter 6 and Article V of this Marketing Order, a processor shall acquire processing strawberries at the filed purchase price.

Section C. SEASONAL MARKETING REGULATION. The Department shall adopt a seasonal marketing regulation pursuant to Section 59171 of the Act, as amended, for price filing and posting. The regulation shall not become effective prior to April 1 of any year.

Section D. ADMINISTRATIVE RULES AND REGULATIONS. The Department, with the assistance of the Advisory Board, shall establish Administrative Rules and Regulations that provide for, but are not limited to, the specific manner of filing, posting, and revising purchase prices and any additional action necessary to assure adequate public disclosure of purchase prices.

Section E. EXEMPTIONS FROM PRICE POSTING AND FILING. The following are exempt from the price posting and filing requirements of this Marketing Order:

1. The acquisition of strawberries for processing by a processor from another processor.
2. An integrated producer-processor. This exemption does not apply to the acquisition of strawberries for processing from any person who is not involved in a proprietary manner in the integrated producer-processor operation and who is not compensated for strawberries delivered through a proportionate share of the profits of the business entity.
3. A processor registered in the state as a bona fide non-profit cooperative when it acquires strawberries from members of the cooperative. This exemption does not apply to the acquisition of strawberries for processing from any person who is not a member of the cooperative.

4. A contract with a fixed purchase price for the purchase of processing strawberries by a processor from a producer which is entered into and filed prior to the effective date of any seasonal marketing regulation for price filing and posting adopted pursuant to Chapter 6.

5. Any contract for the purchase of strawberries for processing by a processor from a producer entered into prior to January 1, 1985, and filed prior to the effective date of any seasonal marketing regulation for price filing and posting adopted pursuant to Chapter 6.

Information obtained by the Advisory Board pursuant to Chapter 6 shall be maintained in confidence; however, the Advisory Board may disclose, upon request, whether a particular producer's processing strawberries are covered by an exempt contract or other arrangement.

Section F. ANNUAL REVIEW & REPORT. The Department shall actively supervise the requirements of Chapter 6 and shall conduct an annual review of its provisions. The review may include an analysis of written reports from processors which the Department may require, an investigation of industry conditions, an audit or processor records required to be maintained pursuant to Chapter 6 and any actions relating to Chapter 6 that are deemed necessary by the Department. The Department shall, on or before the last day of each year in which this Marketing Order is in effect, prepare and file with the Legislature a written report of the operations of Chapter 6 and shall make recommendations regarding its various provisions. Each report and recommendation shall be based on determinations made by the Department as a result of the annual review specified in Article V.

Section G. SUSPENSION OF PRICE POSTING AND FILING. The Department shall suspend the requirements of price posting and filing contained in Chapter 6 if it determines as a result of the annual review and states in the annual report specified in Section F, that price filing and posting is not required to prevent unfair trade practices. The suspension shall apply to the year following the determination unless legislation requiring the adoption of a seasonal marketing regulation for price posting is enacted prior to April 1 of that year.

Extracts From the PSAB Administrative Rules and Regulations Regarding Price Posting and Filing for Processing Strawberries

II. Filing and Posting of Prices and Price Terms

- A. Each processor shall file with the Processing Strawberry Advisory Board of California (Board) a schedule of, or schedules of, prices and price terms pursuant to which said processor shall offer to purchase, purchase, or otherwise acquire strawberries for processing. Each processor shall file with the Board a copy of, or copies of all agreements, including financing agreements, that provide for the acquisition of strawberries for processing. A separate schedule shall be filed and posted for each receiving station operated by such processor and shall be filed and posted on a form or forms provided by the Board's website - www.psab.us (Website) for that purpose. Each processor shall, prior to offering to purchase, purchasing, or otherwise acquiring strawberries for processing do the following:
1. Complete a schedule of prices and price terms in accordance with the instructions thereon and shall certify that the statements made thereon are true, and
 2. Electronically submit one copy of each such schedule to the Website. Schedules must be received by the Board no later than the effective date of said initial prices, and
 3. Mail and fax, or deliver, one copy of each agreement, including financing agreements, to the Board. In the event the agreement is mailed, it shall be postmarked no later than the day upon which said agreement is made effective provided that, if the agreement is made effective prior to the effective date of any seasonal marketing regulation for price posting, the agreement shall be post marked or delivered prior to the effective date of such seasonal marketing regulation.
 4. Post one copy of the schedule at each receiving station, for which such schedule applies, in a conspicuous location accessible to producers who may deliver strawberries to such station, and
 5. Post one copy of each non-exempt agreement, including financing agreements, at each receiving station for which the agreement applies, in a conspicuous location accessible to producers who may deliver strawberries to such station. When posting agreements, including financing agreements, only that portion of the agreement which refers to the acquisition of strawberries and the price or price terms paid for the strawberries shall be posted.
- B. Schedules of prices and price terms which become valid on the first effective date of the price posting and filing regulation must be received by the Board by the effective posting date. Price postings received after the initial posting date shall become effective on the day received provided the posting is delivered by 11:00 a.m. Should a processor file a new or revised schedule of prices and price terms by 11:00 a.m., processors may match the newly filed prices or price terms, effective the same day, by electronically submitting a revised schedule of prices and price terms to the Website by 3:00 p.m. All notifications shall be made on Mondays through Fridays only. Notifications submitted to the Website after 11:00 a.m. on Fridays, unless filed in response to price changes filed by another processor which are effective that day, will take effect the following Monday.

- C. Upon receipt of an initial schedule of prices and price terms from a processor, the Board shall promptly email to all processors a notification of record and a copy of each such schedule received. Schedules of prices received on the effective date of price posting will be summarized and emailed to all processors of record within one working day. A copy of each original schedule received on the effective date of price posting will be available on the Website.
- D. A contract for the purchase of processing strawberries by a processor from a producer with a fixed price per pound for the season as a whole need not be posted, provided:
 - 1. A copy of said contract is delivered to the Board office prior to the effective date of the current price posting regulations.
 - 2. That the effective date of said contract is not later than the effective date of the current price posting regulations.
 - 3. That in addition to a fixed price per pound, price terms including any and all considerations, as defined in Article III, between said processor and said growers for the purchase of said strawberries be set forth in the contract.
 - 4. Upon request from a strawberry processor as to whether or not a particular grower's strawberries are covered by a contract, the Manager of the Board shall reveal to the processor making the request only whether or not said grower's strawberries are covered by a contract.
 - 5. That when a contract is terminated during the season, such fact be made known to the Board office and the Board office notify all processors of said termination.

III. Prices and Price Terms

- A. As defined herein, changes in prices or price terms means and includes any modifications, amendments, alterations, or revisions of schedules of prices or price terms, and agreements.
- B. As defined herein, Prices or Price Terms means and includes:
 - 1. Any money, or any other consideration of value except a gift or gratuity not in excess of one-hundred dollars (\$100) in value and not paid to the grower as a consideration for strawberries.
 - 2. Any commission in excess of five cents (\$0.05) per crate paid for the acquisition of strawberries.
 - 3. Any hauling allowance paid to a grower.
 - 4. Any rate of interest provided for in a financing agreement that is below the national prime interest rate on the date the agreement is entered.
 - 5. Any and all other terms and conditions of purchases including, but not limited to, prices, discounts, allowances, rebates, handling charges, tare allowances, delivery charges, debt forgiveness, and like factors affecting acquisition costs.

- C.
 1. The price posted on price posting schedules and agreements for the purchase of processing strawberries by the processor shall include all payments to the grower of the strawberries converted to a price per pound basis including the payment of any bonus, except that a bonus for quality provided for in paragraph 2 of this Section shall be posted on the bonus line of the price posting schedule.
 2. When any fee is paid to an outside firm which receives, or receives and pre-cools, strawberries for the account of the processor, the processor shall list the name of the firm, type of service rendered, and fee paid for the service in cents per crate or cents per pound.
 3. The price per pound on the price posting schedule or agreement applies only to the net weight of the processing strawberries after dockage. Payment for dockage is prohibited.

IV. No Recommendation by Board as to Prices or Price Terms

The information regarding prices and price terms provided by the Board to the processors as herein provided is in no way recommended by the Board as suggested prices and price terms at which processors should offer to purchase, purchase, or otherwise acquire strawberries for processing.

V. Filing and Posting of Changes in Prices or Price Terms.

A processor may change its prices and price terms at any time by filing a new schedule of prices and price terms and agreements in accordance with the notification requirements hereinafter set forth.

Notification of such change in the processor's prices and price terms shall be submitted upon a form or forms provided by the Board through the Website for such purpose and must be submitted to the Website prior to 11:00 a.m. of the day the processor elects to change its schedule of prices and price terms and agreements. Should a processor submit a new or revised schedule of prices and price terms by 11:00 a.m., processors may match the newly submitted prices or price terms, effective the same day, by submitting a revised schedule of prices and price terms to the Website by 3:00 p.m. Said changes shall be made on Mondays through Fridays only. Notices of changes received by the Board office after 11:00 a.m. on Fridays, unless filed in response to price changes filed by another processor which are effective that day, will take effect on the following Mondays.

- A. No change in prices or price terms may be made by any processor offering to purchase, purchasing, or otherwise acquiring strawberries for processing until it has submitted to the Website the proposed change or changes, and
- B. The Board, upon receipt of proposed change in the schedule of prices and price terms or non-exempt agreements by any processor, shall promptly notify by email all other processors of record with the Board of the proposed changes and shall post the proposed changes on a summary maintained on the Website. The Board shall notify all processors of the date said notice of change of the schedule of prices and price terms or non-exempt agreement was received by the Board and the date upon which said change is to become effective.

VI. Effective Time

- A. Initial schedules of prices and price terms and agreements which become valid on the first effective date of the price posting and filing regulations shall be made effective in accordance with the regulations specified in Article II, Section B.

- B. All changes of price posting and/or initial price posting made after the first effective date of the price posting and filing regulations shall be made effective in accordance with the regulation specified in Section V, unless the processor filing such schedule of prices and price terms or agreements designates a later date.

VII. Applicability of Price Posting and Filing Regulations

Price posting and filing regulations shall apply to all processors of strawberries within the state of California unless specifically exempted by Section E of Article V of the Marketing Order.

VIII. Annual Review

In any marketing season during which price posting and filing regulations are in effect, the Director shall conduct an annual review of said regulations which may include an analysis of written reports from processors which the Director is authorized to require, an investigation of industry conditions, an audit of processor records required to be maintained pursuant to Chapter 6, Part 3 of Division 21 of the Food and Agricultural Code, and any other actions relating to said Chapter that are deemed necessary by the Director.

Appendix “D” - Price Posting Instructions

PROCESSING STRAWBERRY ADVISORY BOARD OF CALIFORNIA

741 EAST LAKE AVENUE : Mail to: P.O.BOX 929 WATSONVILLE, CALIFORNIA 95077-0929

(831) 724-5454 (831) 724-5198 FAX (831) 724-0295

Under the Authority of the Secretary of Food & Agriculture, State of California

INSTRUCTIONS

SCHEDULE OF PRICES & PRICE TERMS

1. After a Price Posting date has been established by the Board Members, all submissions for Schedule of Prices and Revisions will be electronically submitted at www.psab.us (website).
2. A completed **Schedule of Price & Price Terms** must be submitted to the website by 5:00 P.M. on the effective date of price posting **for every plant or receiving station** receiving strawberries on that date.
3. If you open a new receiving station or plant to receive strawberries after the effective price posting date, the completed Schedule must be entered electronically on the Board's website by **11:00 A.M.** on the date you first receive any strawberries at such a plant or station.
4. Specials: is generally used for any bonus, hauling allowance, etc., payed to any and all growers who must be listed by name and added by box in the cent amount and also how many growers. The Commodity drop down menu will allow you to align your special with the above listed Grade by a., b., c., d., e. or f. If you do not have enough space to list all Grade prices or specials, you may select the blue box that indicates 6 lines or 9 lines to add the additional data entry points. Other Terms: may be used for listing any agreements for receiving, handling and cooling, or for freight hauling arrangements paid by processors.
5. If you have any questions regarding this Schedule, call the Board office.
6. After all initial Schedules are received, the Board's website will have an updated price posting summary that reflects all entered information and will display changes made during the week in ***italic bold green***. All the changes made in the same day will display in ***italic bold red*** and all other idle information will display in black. You will be able to print out a complete set of each processors submissions.

Rev. 3/2021

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Under the Authority of the Secretary of Food & Agriculture, State of California

INSTRUCTIONS

REVISED SCHEDULE OF PRICES AND PRICE TERMS

1. The Revisions will be made to the initial Schedule of Prices whenever you change your price, price terms, or agreements. Log in to the website, select View Posting, and click on the location that you wish to revise. Once all revisions have been made, click the Blue Add button at the bottom of the page. **Post a copy at your plant or receiving station.** View Posting History will allow you to view every submission entered for every processor at every location.
2. Beginning with the 1993 Marketing Season, the Administrative Rules and Regulations for the Processing Strawberry Marketing Order were changed as to the notification deadline for a price change, and to provide a time period for processors to match newly filed prices or price terms to be effective that day.
3. You may change your price, price terms, or agreements at any time. For your change to be effective on the day you elect, the **REVISED SCHEDULE OF PRICE AND PRICE TERMS** must be entered on the Board's website by **11:00 A.M.** of that day.
4. Should a processor file a new or revised schedule of price or price terms by **11:00 A.M.**, processors **MAY MATCH** the newly filed prices or price terms, effective the same day, by filing a revised schedule of price and price terms with the Board's website by **3:00 P.M.**
5. Changes shall be made only on Mondays through Friday. Notices of changes received by the Board office after 11:00 A.M. on Fridays, unless filed in response to price changes filed by another processor which are effective that day, will take effect on the following Monday.

SCHEDULE OF PRICES:

Go to the following link: www.psab.us (website)
Click on the blue **Login button** located in the top middle of the page.
Enter Username and Password (Case sensitive).

[Create Post/](#) Will display a blank Schedule of Prices.

Processor: Will be automatically listed from your username login.

Effective: Will list today's date unless after 11:01 P.M. then it will be listed as the next business date unless a Match Revision is submitted.

Location: A plant or receiving station that you have designated to receive strawberries.

Certified Crate Tare: Crate tray weight or range.

Price per lbs.: This figure should be entered with decimals and does not need any special characters. Note that each line item has a letter assigned to appropriately align the specials listed below.

Variety: Can designate different pricing for All, Baja, Organic or any single variety. If you do not have enough space to list all variety pricing, you may select the blue box that indicates

| |
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| 6 Lines |
|---------|

 to add additional data entry points.

F.O.B: Receiving point.

Commodity: This drop down helps align specials to correct Grade base price.

Amount - Amount: These boxes are in cents (no decimals) and will allow you to capture premium and second bonus for example hauling, consolidation or quality.

Growers: This box allows you to indicate how many growers receive the above mentioned specials.

List: This is to capture all details of specials being listed.

| |
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| 6 lines |
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| |
|---------|
| 3 lines |
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| |
|---------|
| 9 lines |
|---------|

 : Allows you to bring in more line items for specials.

Other Terms: All cooling terms are listed in this section.

Name: The price posting writer will list their name.

Title: Position with the company.

Add: After all selections are made, click the **Add** button and confirm yes in the next window to accept.

REVISIONS:

Click on [View Postings/](#) to see your company name and click on it. You will see all locations that you have submitted previously. Select edit for the location to revise. After all changes are made select the Add button and confirm yes in the next window to accept. If you choose not to make a revision, then simply select cancel.

VIEW POSTING HISTORY:

Click on [View Posting History/](#) select a year and all processor company names will display. Select any processor and all location submissions will display for that processor year.

VIEW POSTINGS:

Click on [View Postings/](#) and your company name will display. Select your company name and all of your location and all submissions will display. Click on print and the option to print the schedule of prices on PSAB's letterhead is available. Note that you may have to decrease print size in order to print a larger submission on one page.

FIXED PRICE:

All Fixed Price contracts submitted to the Board office prior to the end of the first day of Price Posting will be submitted by management.

VIEW CRATES IDENTIFICATION:

This allows all Price Posting authority users to identify every processor's crate by viewing pictures submitted by proprietors.

PRICE POSTING SUMMARY:

Click on [Price Posting Summary/](#) and the current Price Posting Summary will display. Click on the date field and this will allow you to access previous Price Posting Summary by any selected date in the calendar field. In the event that there is a change to the summary, the location information will display in ***italic bold red***. By clicking on the red information, this will give you a side by side comparison of the most current entry to all previous season entries for that processor location. Changes made during the week will display in ***italic bold green***. All other idle information will display in black. Organic Baja will display as **orgB** on the summary. Select any of the blue processor location links to show entire posted information.

COMPARISON FEATURE:

During the current year of Price Posting, while the Price Posting Summary is in display, move your pointer over the processors posted price and click the link to open a separate view of all posted prices for the selected processor location for the current year.

VIEW CRATES BY DISTRICT:

Click on [VIEW CRATES BY DISTRICT/](#) and a date field will display and allow you to select any Saturday of your choice to see the previous 7 days to complete the week. The Grade will also need to be selected. Once your choices have been designated, then click on the [Refresh](#) box and a list of all the crates that have been received in that week, by your company, going back 7 days, will display by the receiving district.

VIEW CRATES BY ORIGIN:

Click on [VIEW CRATES BY ORIGIN/](#) and a date field will display and allow you to select any Saturday of your choice to see the previous 7 days to complete the week. The Grade will also need to be selected. Once your choices have been designated, then click on the [Refresh](#) box and a list of all the crates that have been received in that week, by your company, going back 7 days, will display by the district origin.