

# Trends in the North American Peach Industry

Chalmers Carr  
Ridge Spring, South Carolina

# Who we are.... Celebrating 27 Years!!

- Family Owned & Operated
- Founded in 1999, by first generation farmers Chalmers & Lori Anne Carr.



- 1500 acres – peaches
- Today, we have diversified and grown our farming operation to over 7,500 acres of peaches & vegetables and harvesting crops more than 36 weeks of the year.
- Complete vertical integration

**GROWER**



**PROCESSOR**



**PACKER**

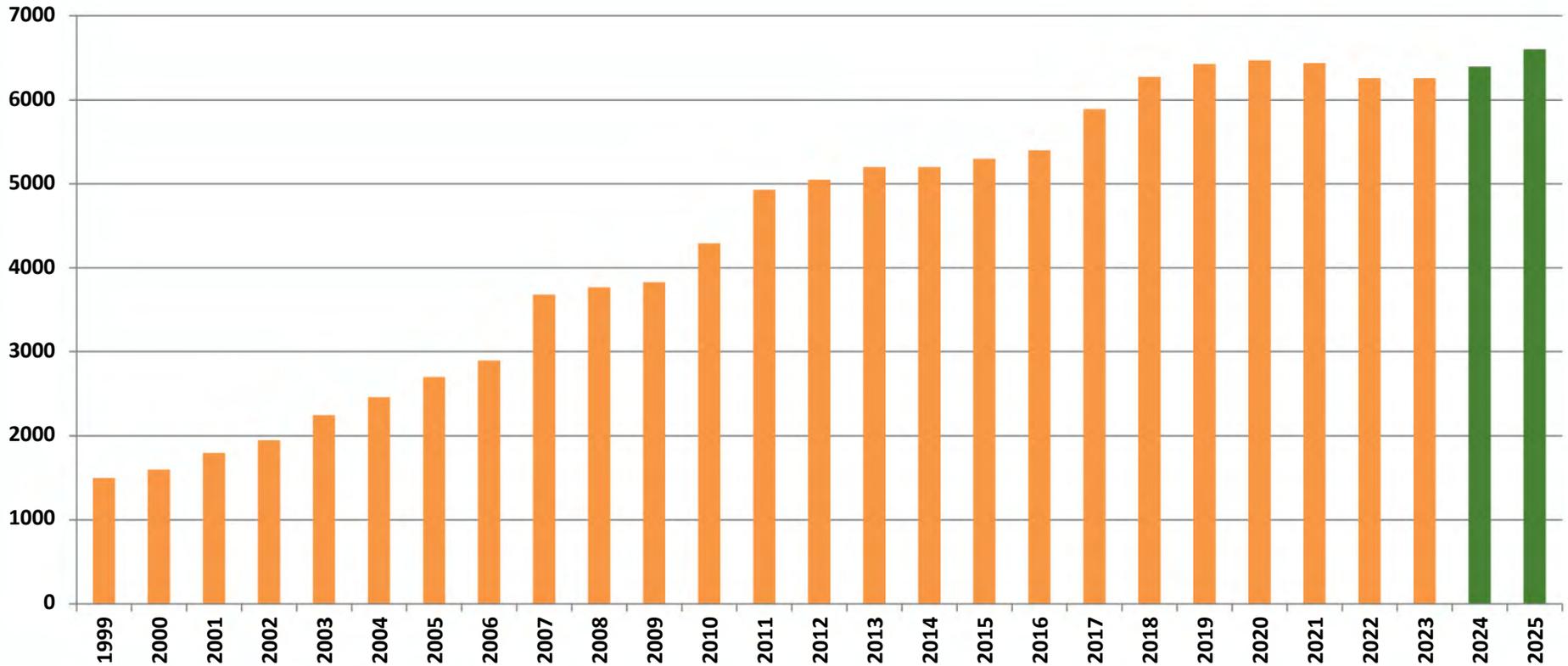


**SALES**



# Peach Acreage Growth of 3X in Past 20 Years

## Avg 15% per year



# Crops & Harvest Seasons



## 36 Weeks of Production

### Broccoli

May 1<sup>st</sup> – June 10<sup>th</sup>  
Oct. 10<sup>th</sup> – Dec. 20<sup>th</sup>



### Peaches

May 10<sup>th</sup> – Sept. 15<sup>th</sup>



### Bell Pepper

June 10<sup>th</sup> – July 30<sup>th</sup>  
Sept. 15<sup>th</sup> – Nov. 15<sup>th</sup>



### Eggplant

June 10<sup>th</sup> – July 30<sup>th</sup>  
Sept. 15<sup>th</sup> – Nov. 15<sup>th</sup>



# Commitment to Sustainability 2015

## Palmetto Processing Solutions

### Sustainability - Cutting Food Waste By 95%

- **Sustainability**

- 2015: Converted 15 million pounds of peaches waste into sellable ingredients

- 2018: Consumer packs

- 2020: Purchasing other's food waste – peaches, strawberries, and blueberries

- **Strategic East Coast Location**

- One day's drive to America's fastest growing markets
  - The ONLY processor of peaches on the East Coast giving us a freight advantage of \$0.10-\$0.14 per lb.
  - South Carolina's location midway between New York City and Miami makes is ideal for distribution networks

- **Developed Products for School Nutritional Feeding Program**

- 4.4oz Frozen – peach, strawberry, and mixed berry cup



# COLD STORAGE & POLY BAG OPPORTUNITIES

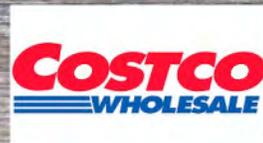


- **Current partner discussion**

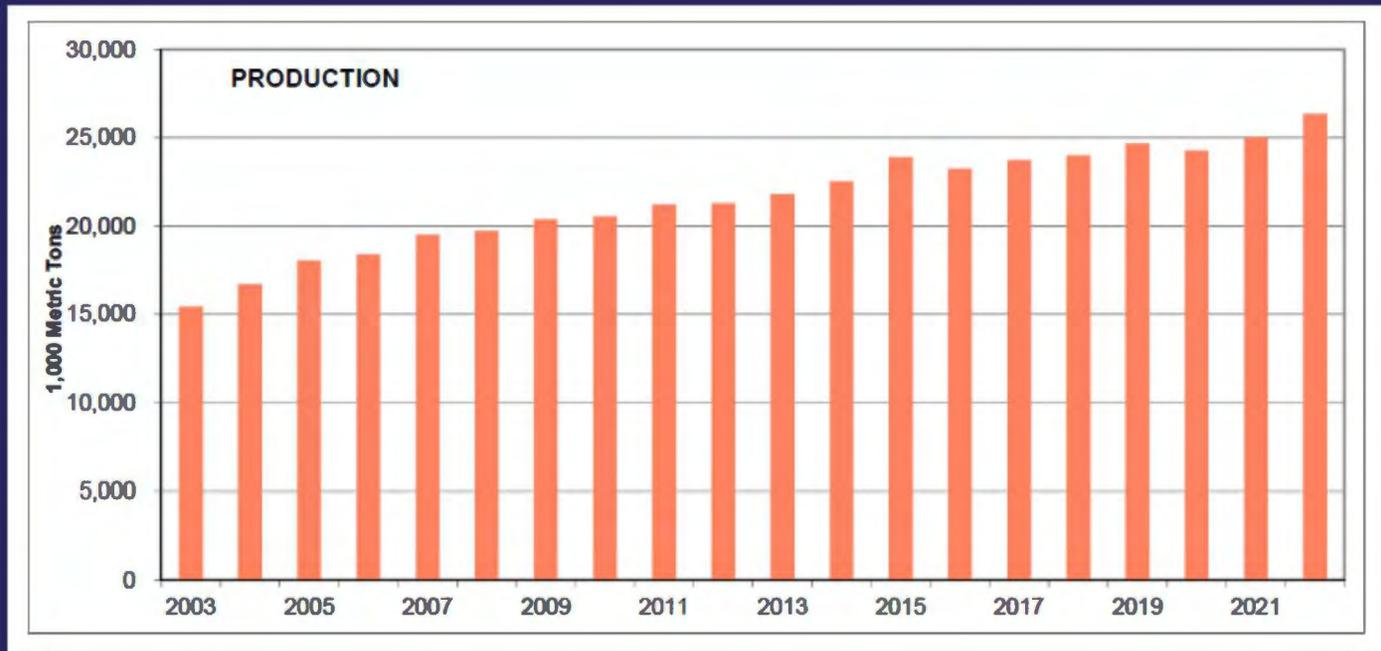
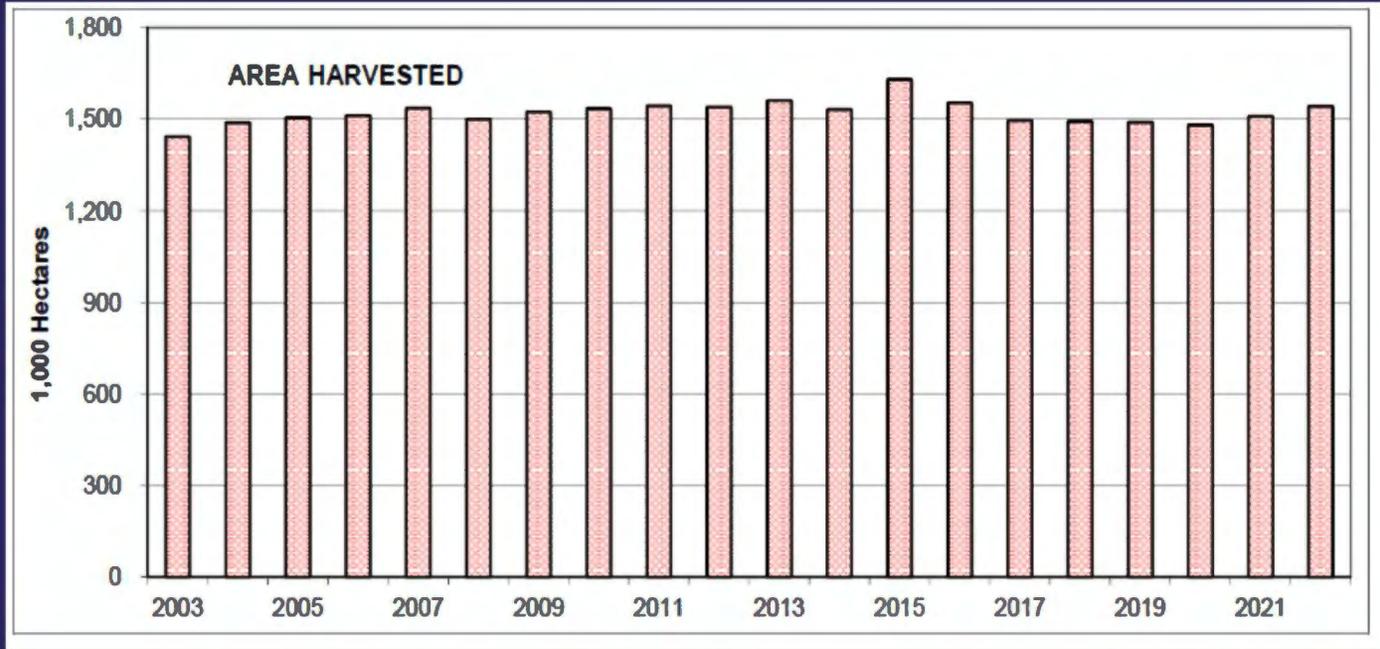
- Naturipe
- Superior Foods
- Flagship Foods
- Seal the Seasons

**Est. lbs/yr**

- 1.1mil + Shoprite, expand to Naturipe new line
- 4.0mil + Start with Aldi, expand to Earthbound & Costco
- TBD PVL packer, multiple brands
- 320K Peach, may expand to all packing



# Summary of World Production of Peaches & Nectarines

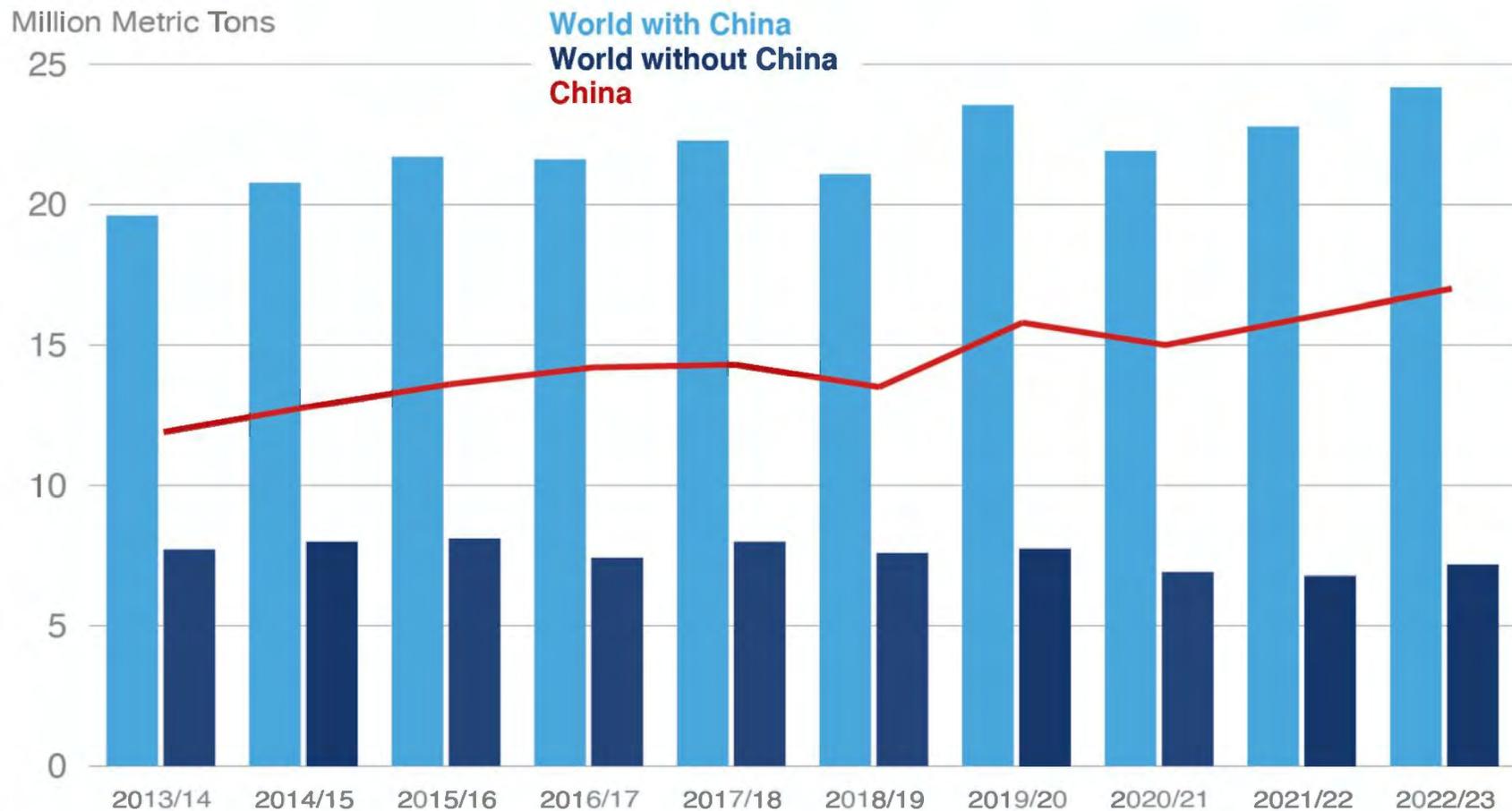


# Major Peach and Nectarine Producing Countries

	2002 1000 Metric Tons	2022 1000 Metric Tons	Percentage Change
1. China	6,145	16,800	173%
2. Italy	1,176	1,151	-2%
3. Spain	1,271	1,200	-6%
4. Turkey	1,170	1,008	-14%
5. Greece	787	895	14%
6. USA	1,341	700	-48%
7. Iran	435	557	28%
8. Chile	304	315	4%
9. Egypt	303	273	-10%
10. Morocco	55	248	351%
	<u>12,987</u>	<u>23,147</u>	<u>78%</u>
Note			
17. Algeria	74	191	158%

# China's Affect on Peach Production Growth

## Global China Propels Growth in Global Peach and Nectarine Production



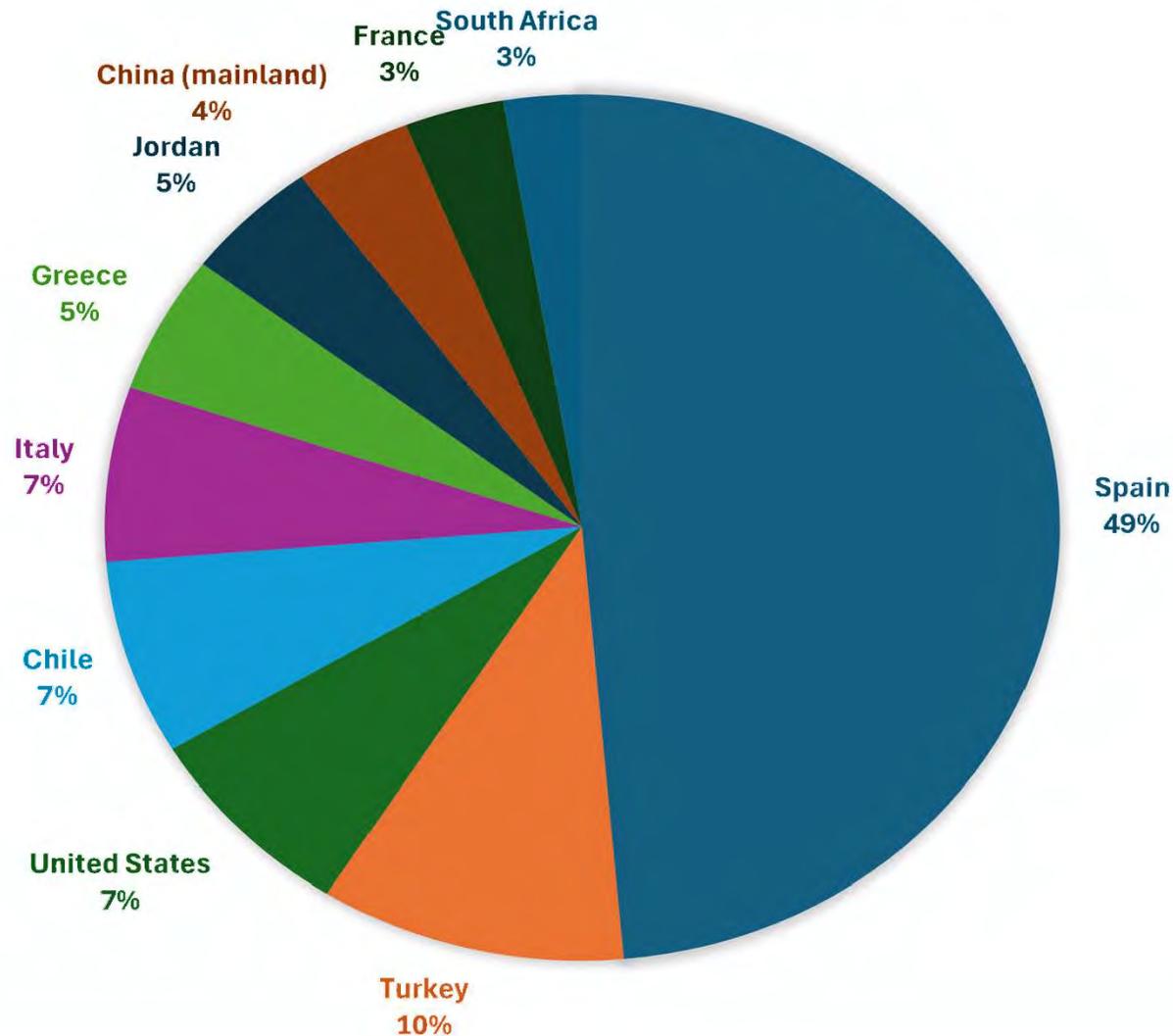
Source: USDA - Foreign Agricultural Service - Production, Supply, and Distribution System



# Global Production

80 different countries produced Peaches & Nectarines, these are our top exporters . . .

TOP 10 PEACH EXPORTING COUNTRIES



# North America's Top Producers



## North America

GREENLAND

CANADA

Canada  
25,300 MT  
#38 in global  
production

United States  
653,718 MT  
#6 in global  
production

UNITED STATES OF AMERICA

Mexico  
238,000 MT  
#11 in global  
production

MEXICO

CARIBBEAN

CENTRAL  
AMERICA

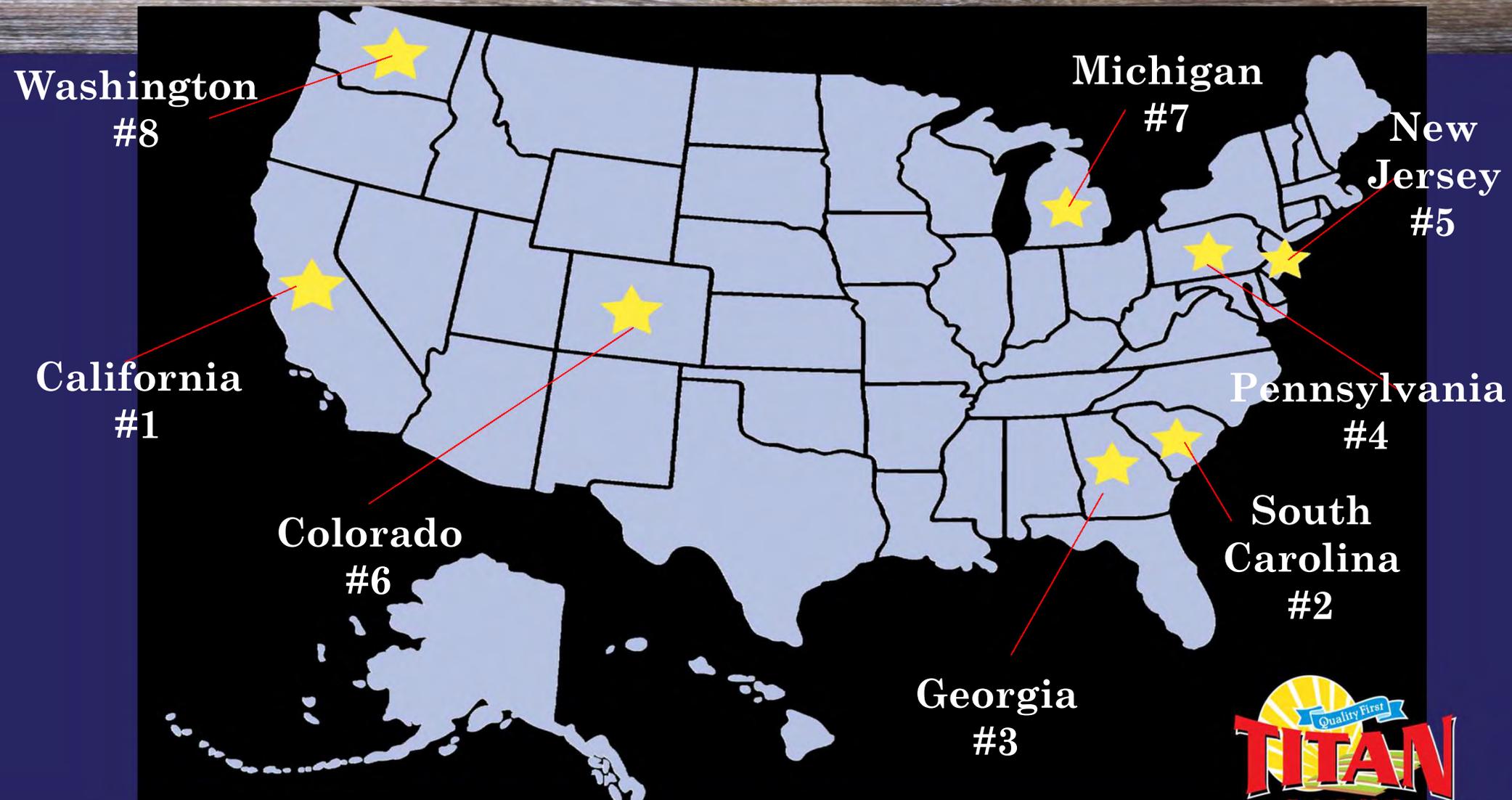
VENEZUELA



# United States Peach Production Area

## 2023

United States  
653,718 MT



# Top 8 Producing States in the United States

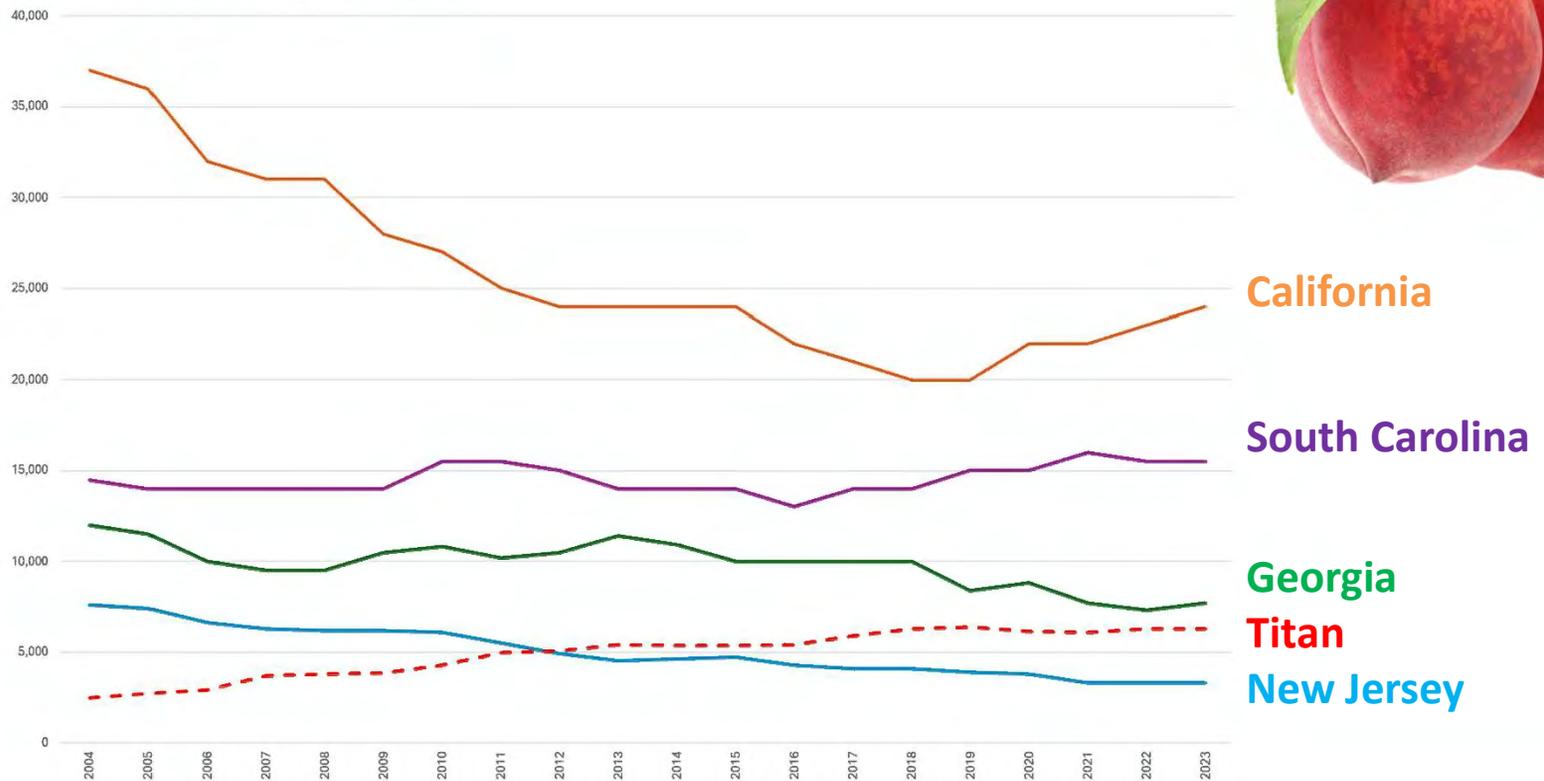
	<u>2004</u>	<u>2023</u>	<u>Percentage Change</u>
1. California	37,000	24,000	-35%
2. South Carolina	14,500	17,500	21%
3. Georgia	12,000	7,700	-36%
4. Pennsylvania	4,500	3,500	-22%
5. New Jersey	7,600	3,300	-57%
6. Colorado	2,000	2,400	20%
7. Michigan	5,200	2,300	-56%
8. Washington	2,800	1,200	-57%
	<u>85,600</u>	<u>61,900</u>	<u>-28%</u>



# Four Largest Fresh Peach Producing States

## Peach Acreage By State

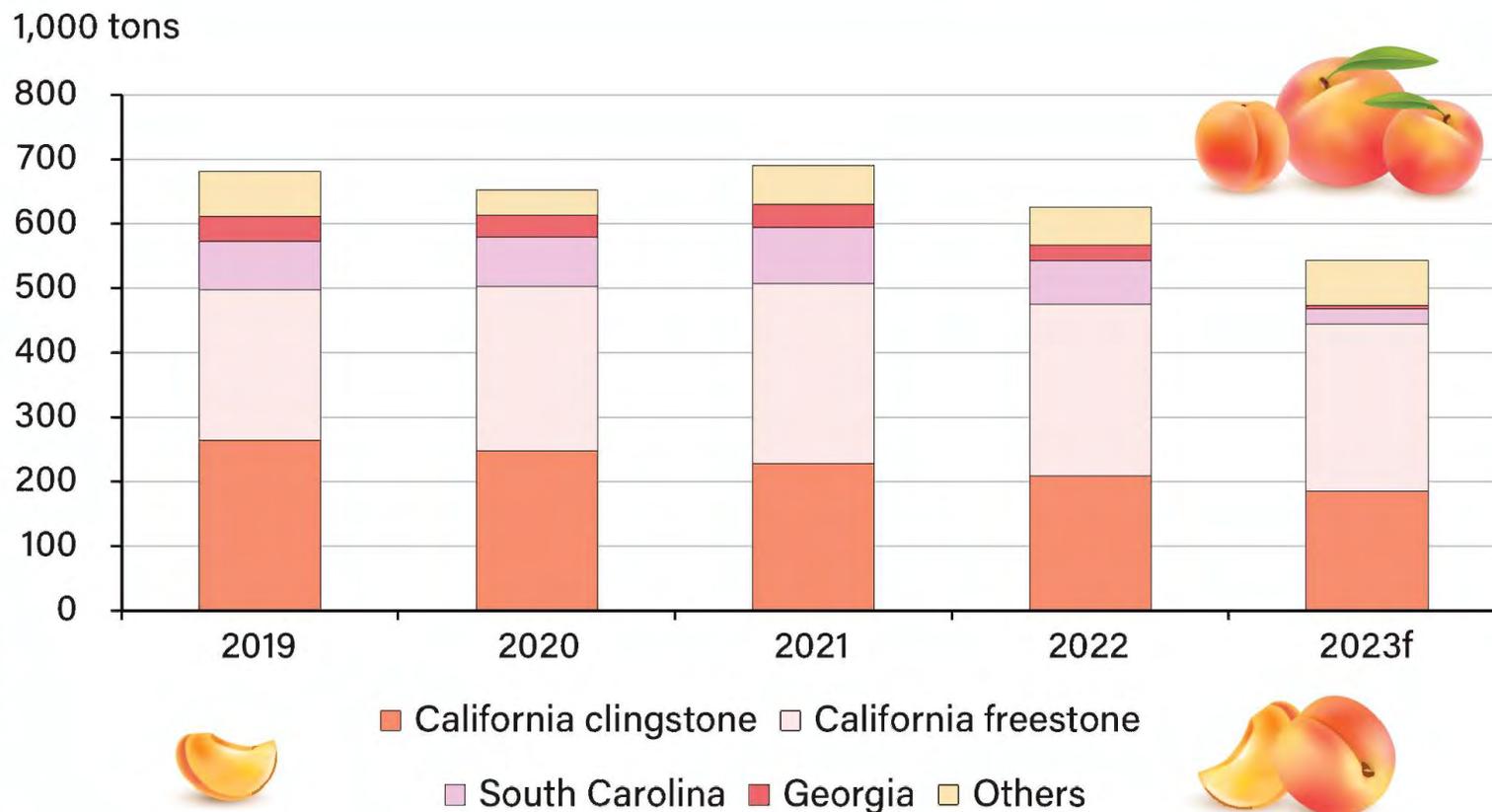
### 4 Largest Peach Producing States



# Five Years of US Peach Production / 2019-2023

## U.S. peach production by State, 2019-23f

USDA Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE



Note: **f** = forecast. Production data includes the 8 States surveyed by USDA's National Agricultural Statistics Service (NASS). Clingstone and freestone data is available only for California.

Source: USDA, Economic Research Service using data from USDA, NASS.

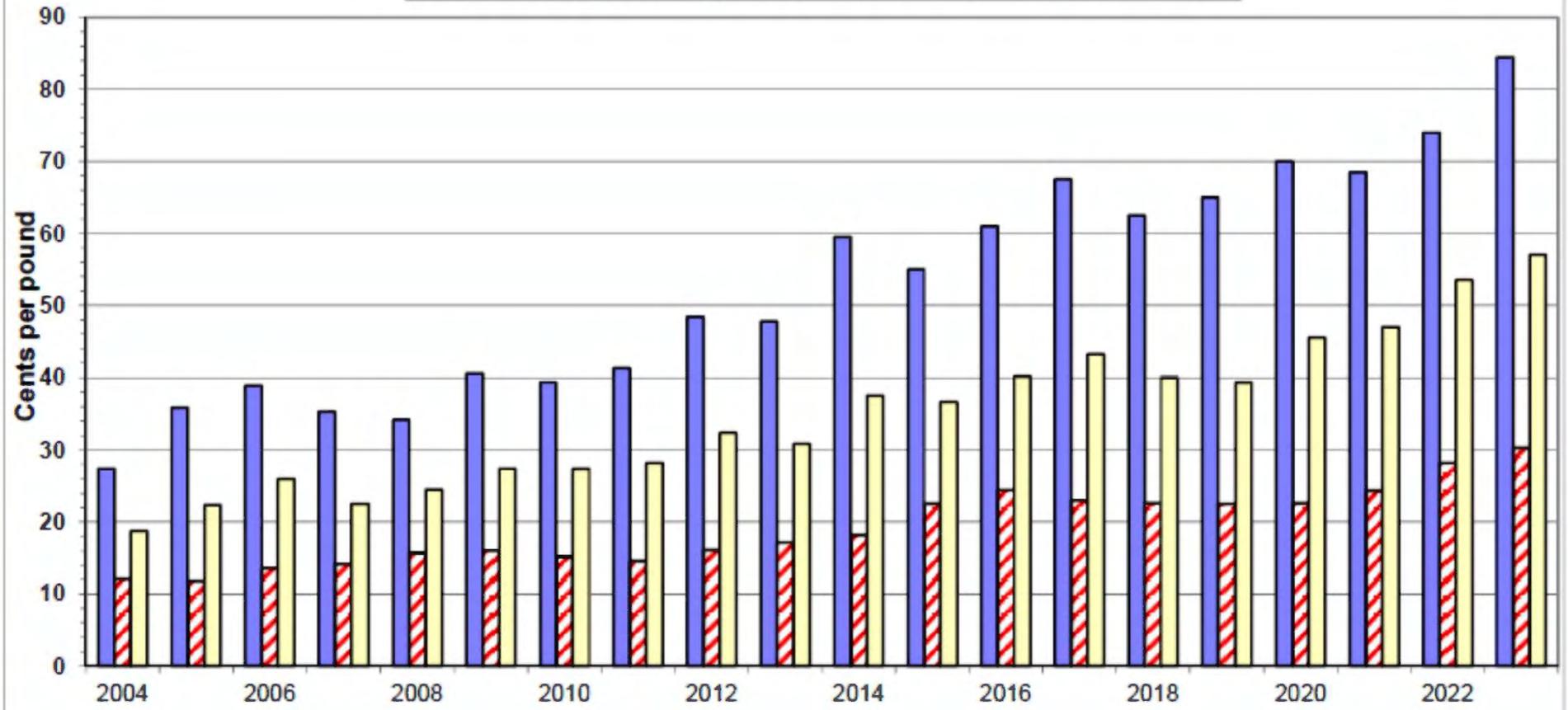


# Season Average Grower Prices



Figure A9d. Season-average grower prices, 2004-2023

■ Fresh Peaches   ■ Processed Peaches   ■ All Peaches

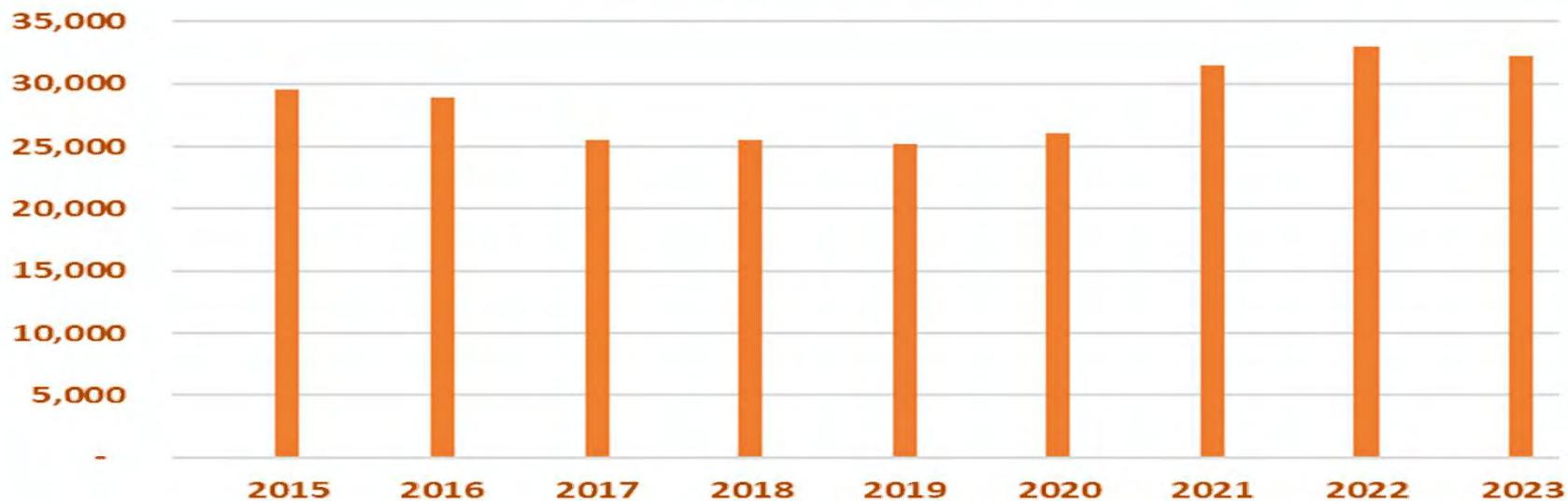


# Main Mexico Peach Production Area - 2023

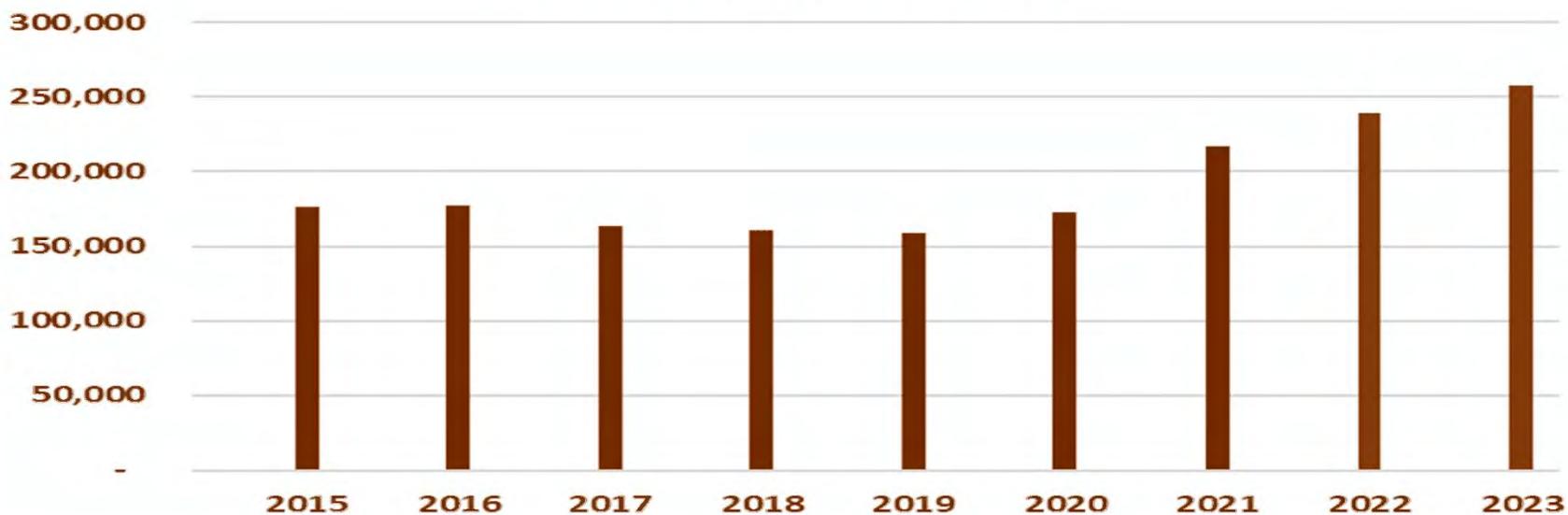


# Summary of Mexican Peach Area & Production

## Mexican Hectares



## Mexican Metric Tons



# 2,444 Hectares of Canadian Peach Production in 2023

20,590  
Metric Tons

British  
Columbia  
18%

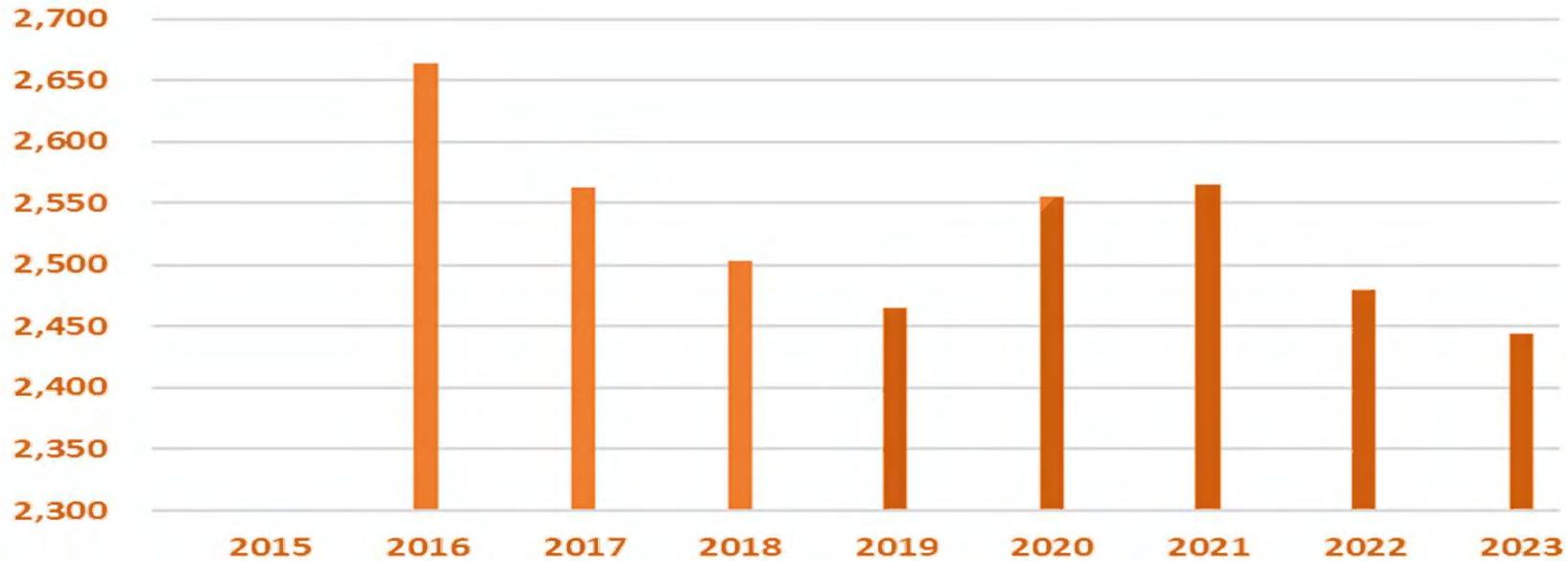


Ontario  
80%

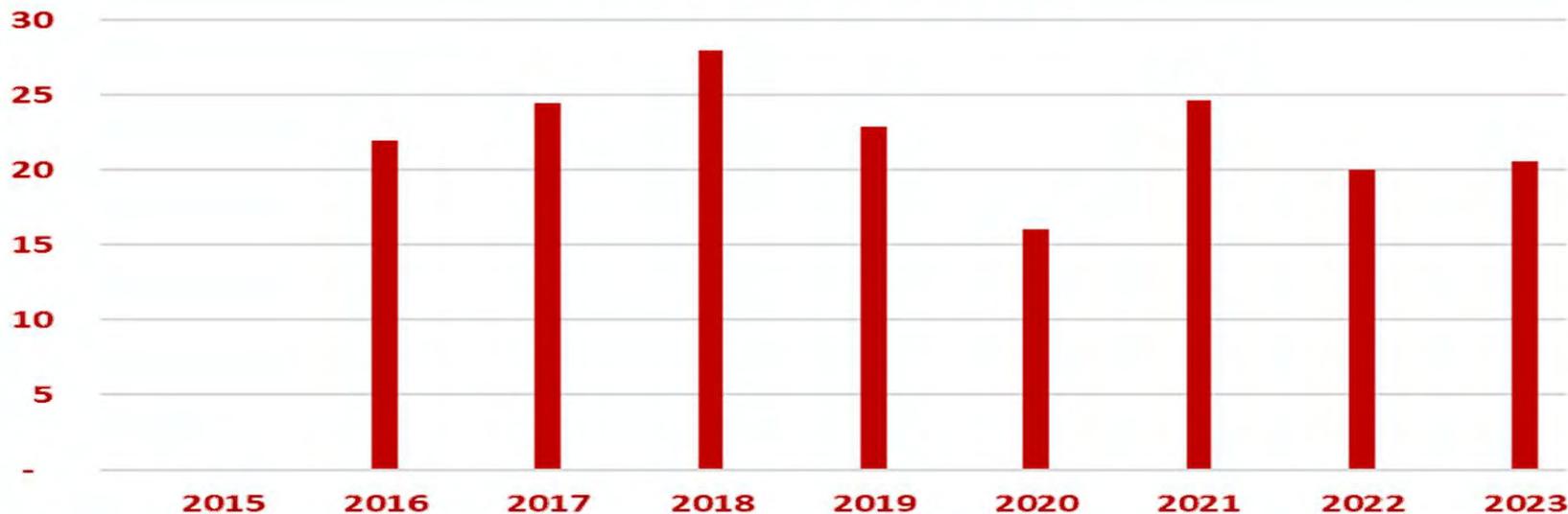


# Summary of Canadian Peach Area & Production

## Canadian Hectares



## Canadian Metric Tons

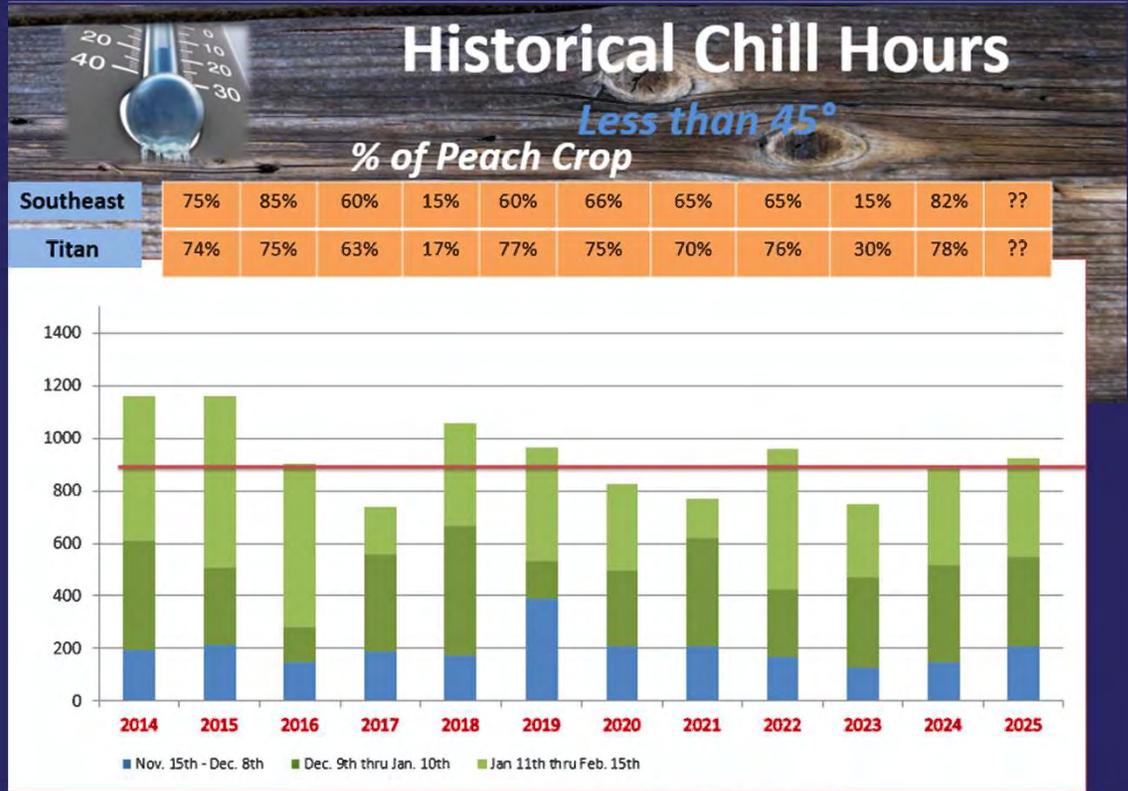


# 6 Major Challenges

1. Weather
2. Retail & Consumer Behavior
3. Profitability
4. Natural Resources
5. Trade & Tariffs
6. Supply Chain



# Chill Hours

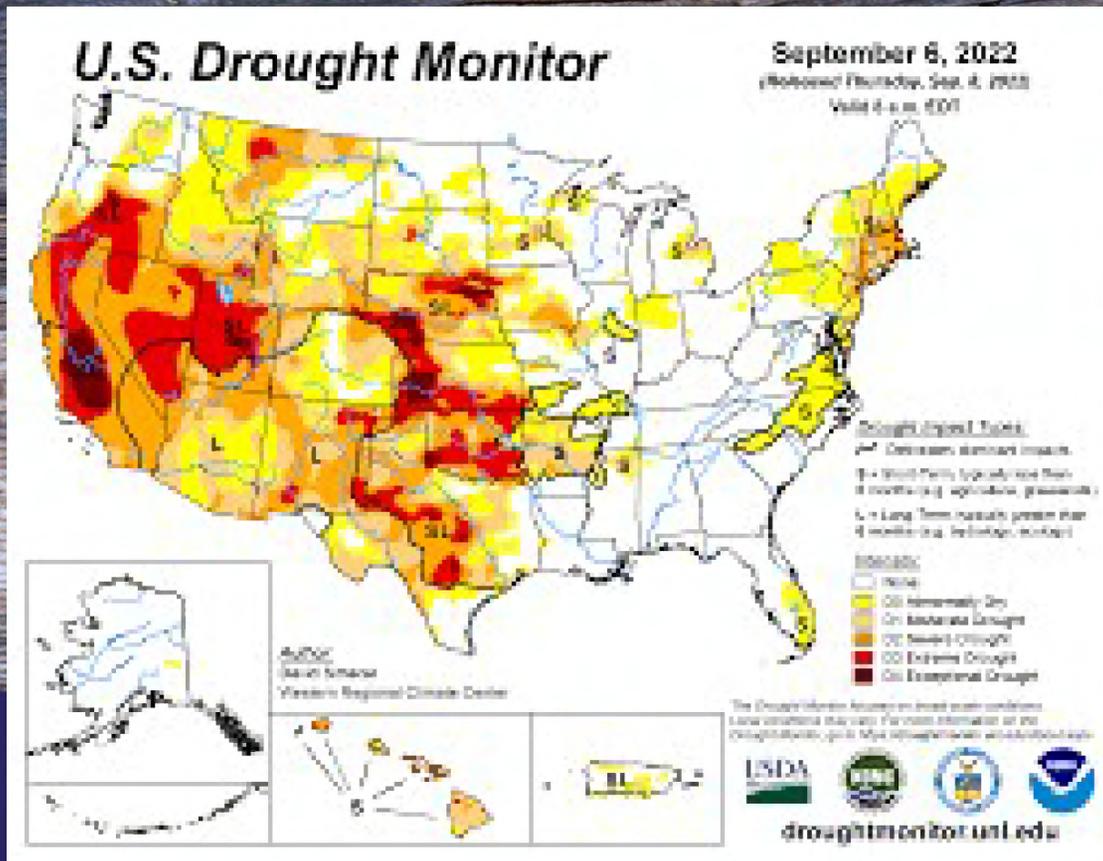


Temps recorded at Titan Farms, Ridge Spring – South Carolina

# Frost/Freeze Damage



# Drought



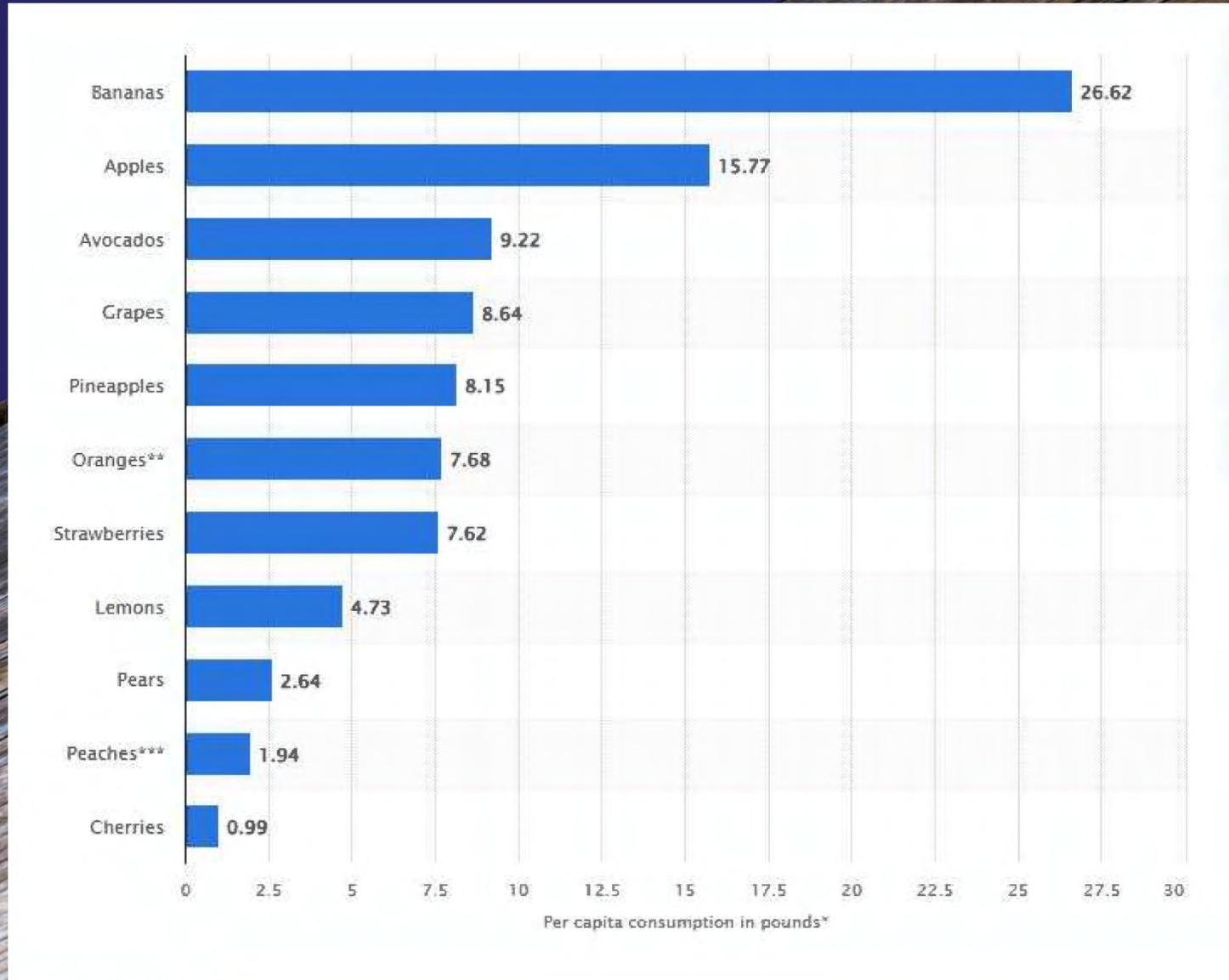
# Hail



And other limited natural resources

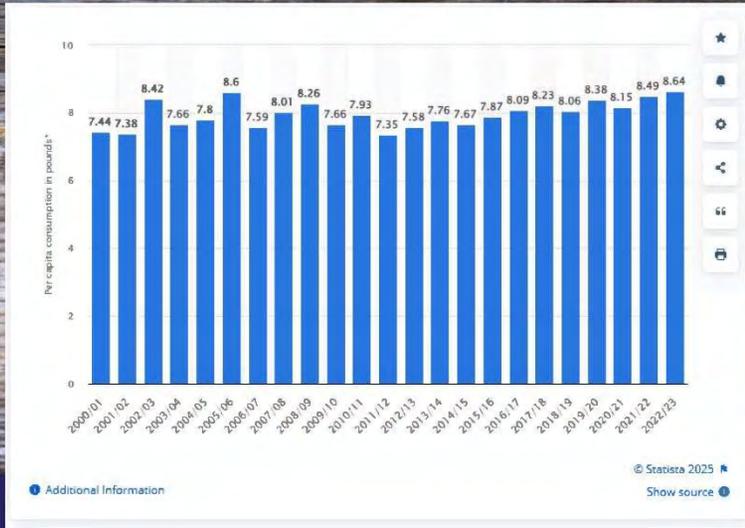
# Consumer Trends

## Consumption of Fresh Fruit Per Capita

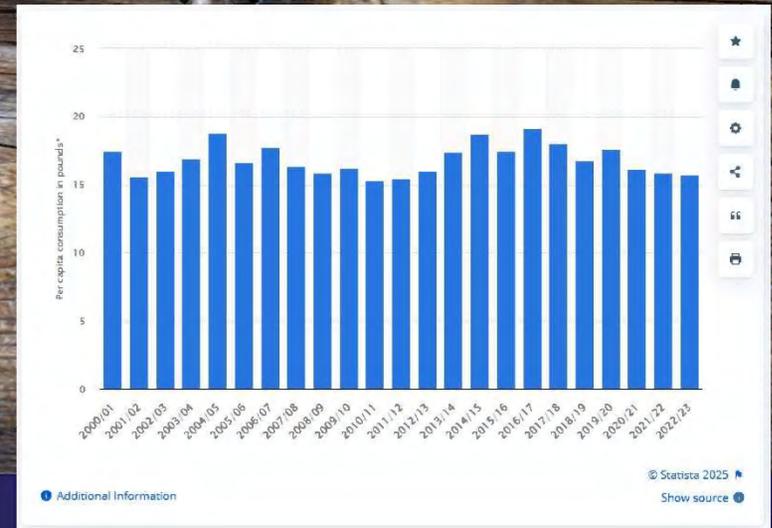


# Consumption of Fresh Fruit Per Capita

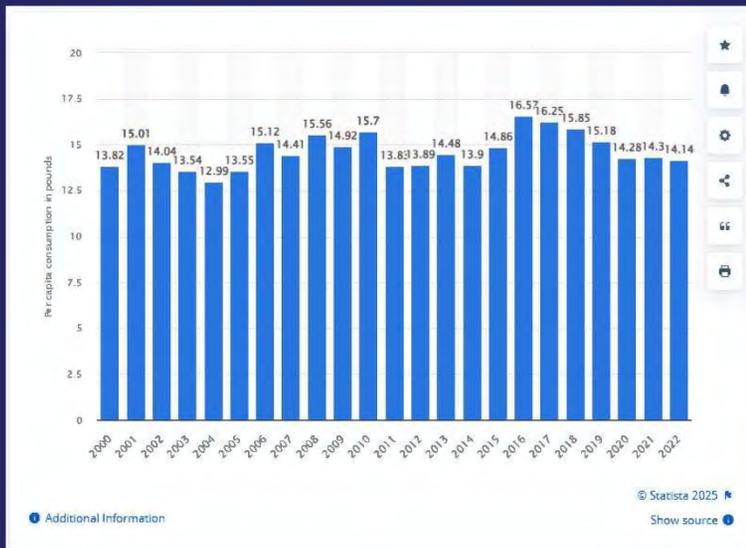
## Grapes



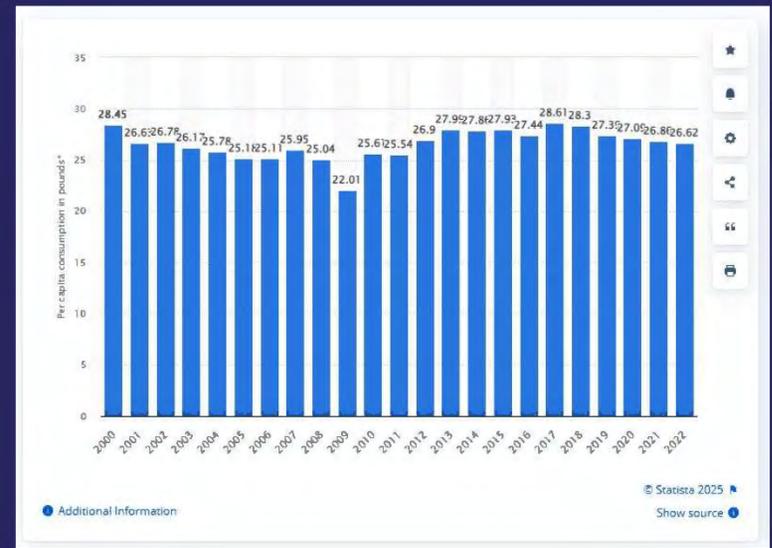
## Apples



## Watermelons

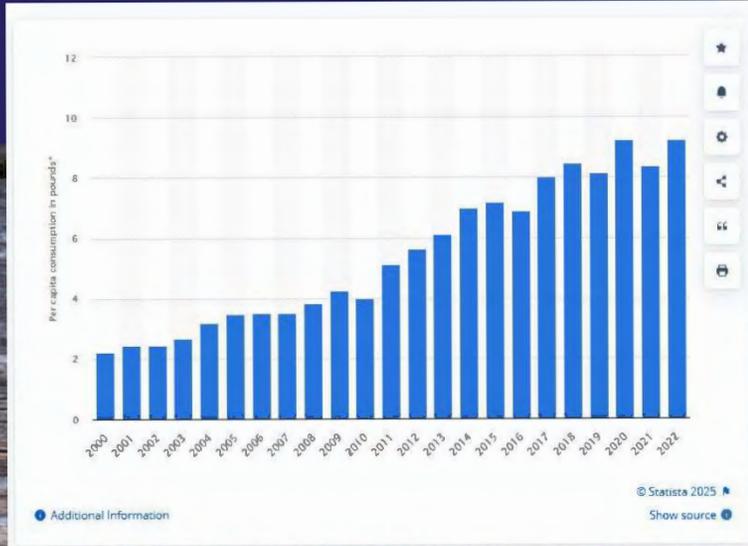


## Bananas

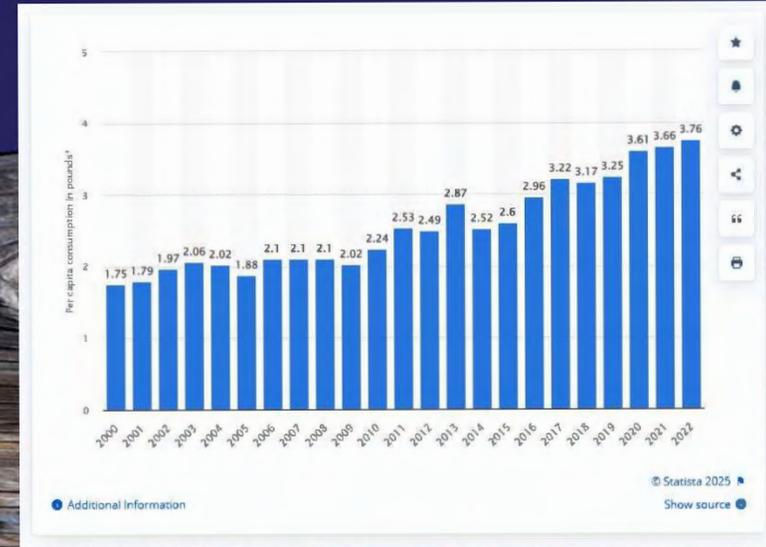


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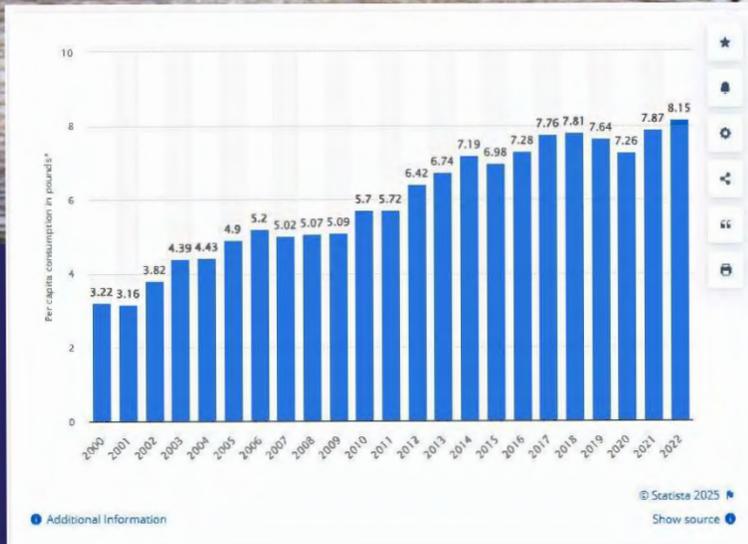
## Avocado



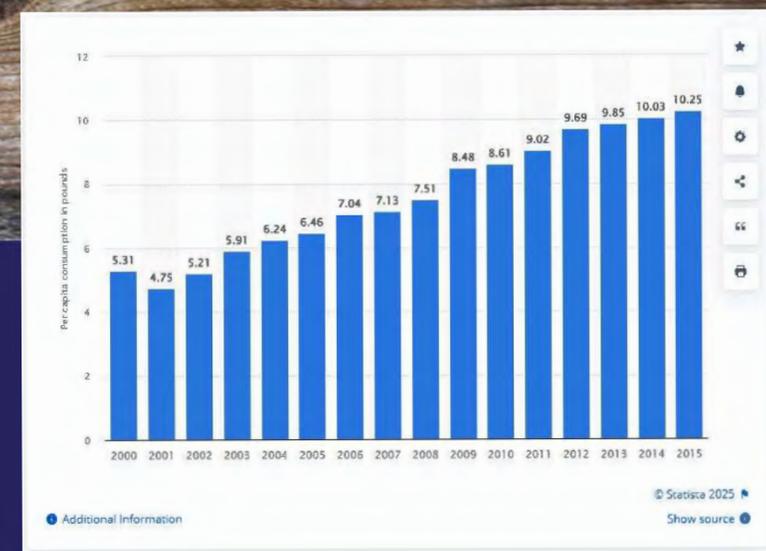
## Mangoes



## Pineapple

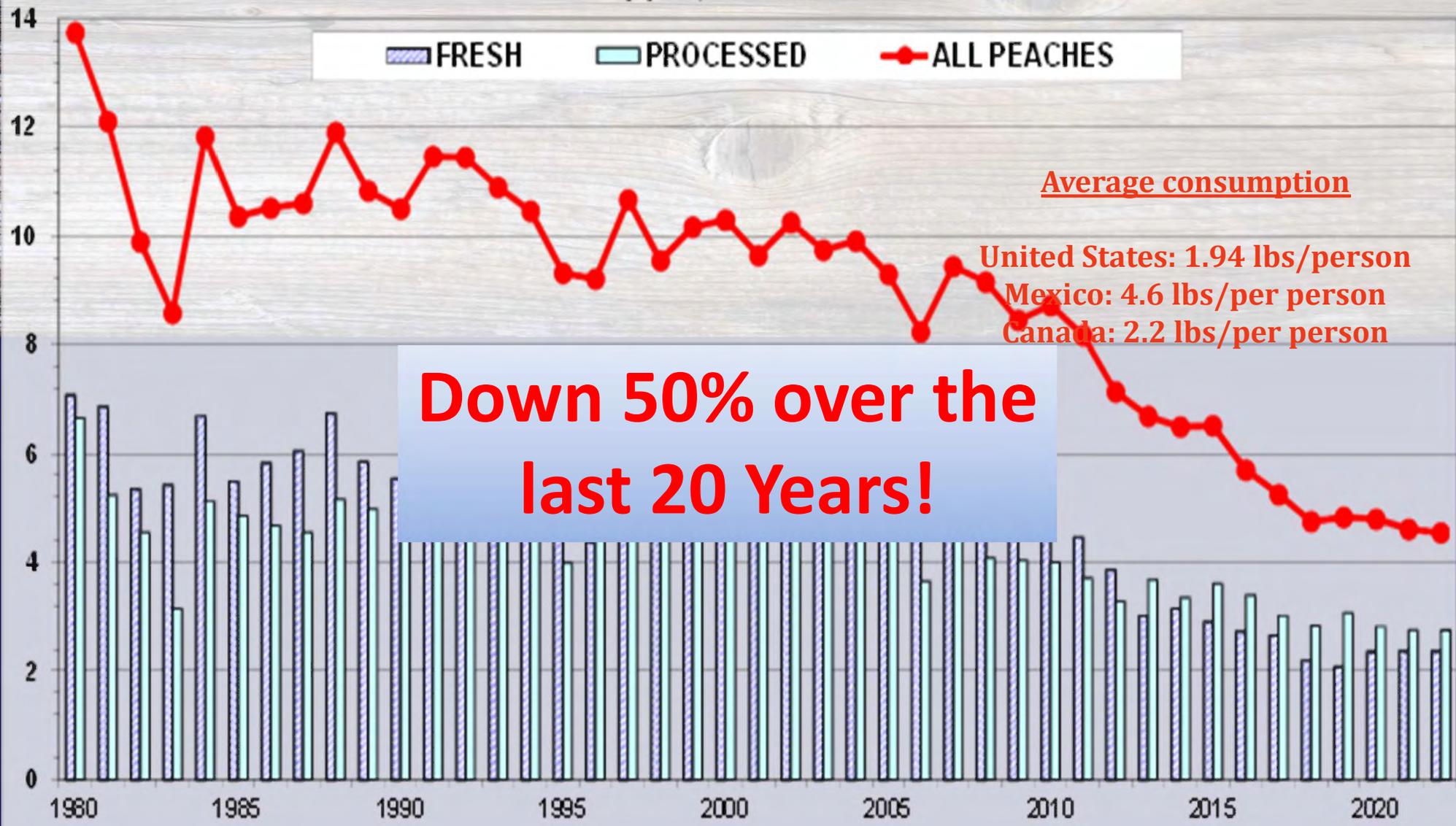


## Berries



# North American Consumption Trend of Peaches

Figure A14. Per capita consumption of peaches and nectarines (in pounds), by year, 1980-2022



**Down 50% over the last 20 Years!**

Average consumption  
United States: 1.94 lbs/person  
Mexico: 4.6 lbs/per person  
Canada: 2.2 lbs/per person



# Change in Retail Strategy



Pile High  
Let 'em Fly!



Smaller Shelf Space  
&  
Higher Prices

# Encouraging Changes in Retailer Strategies



**Volume Fill**



**2 Layer**



**2 & 3 LB Bag**



**4 LB Box**



**1 Layer**



**Basket**



**Tote**



**4ct Box**

# Food and Beverage E-Commerce Retail Share

U.S. food and beverage e-retail share 2017-2027

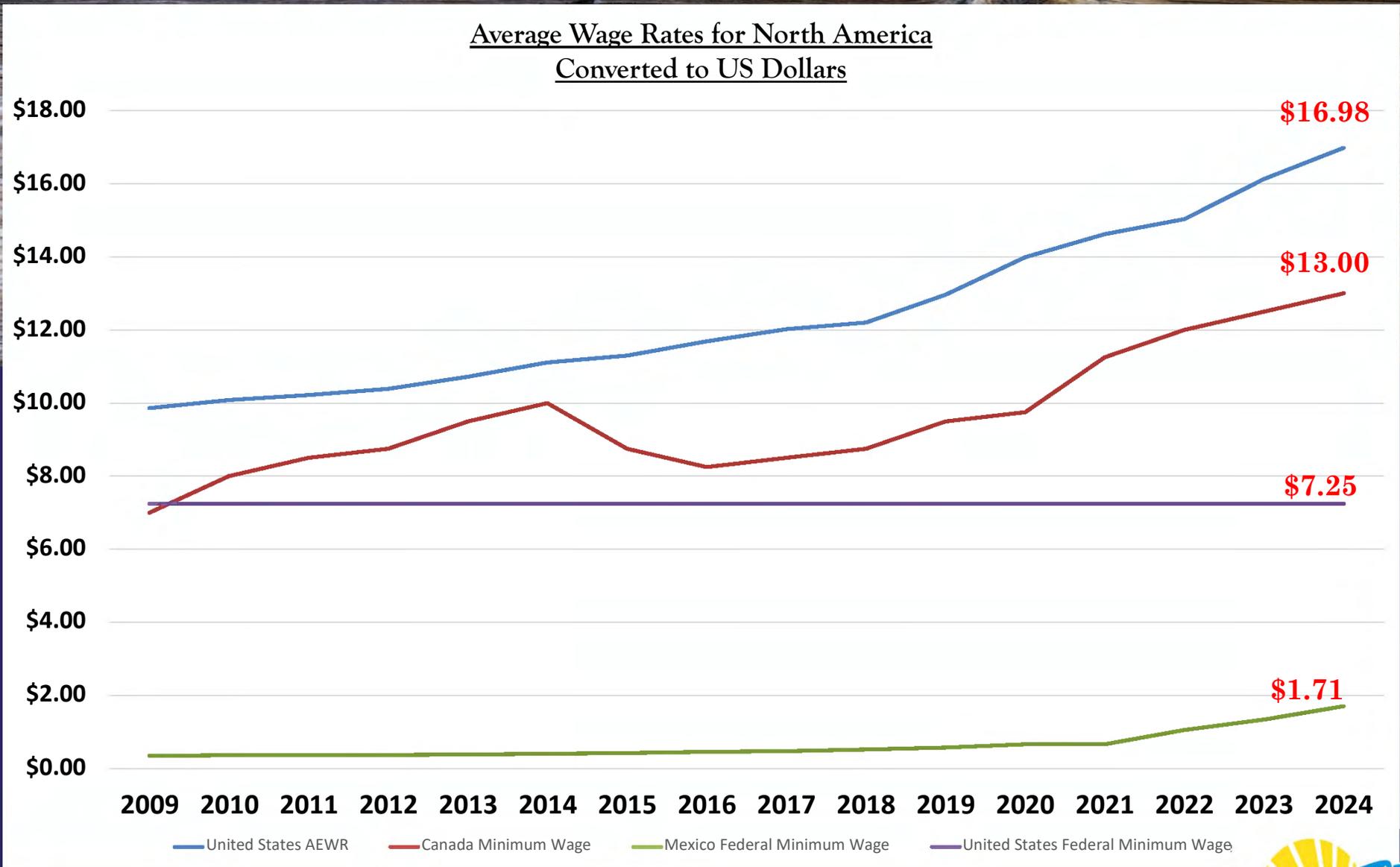


Peaches are an  
impulse buy!



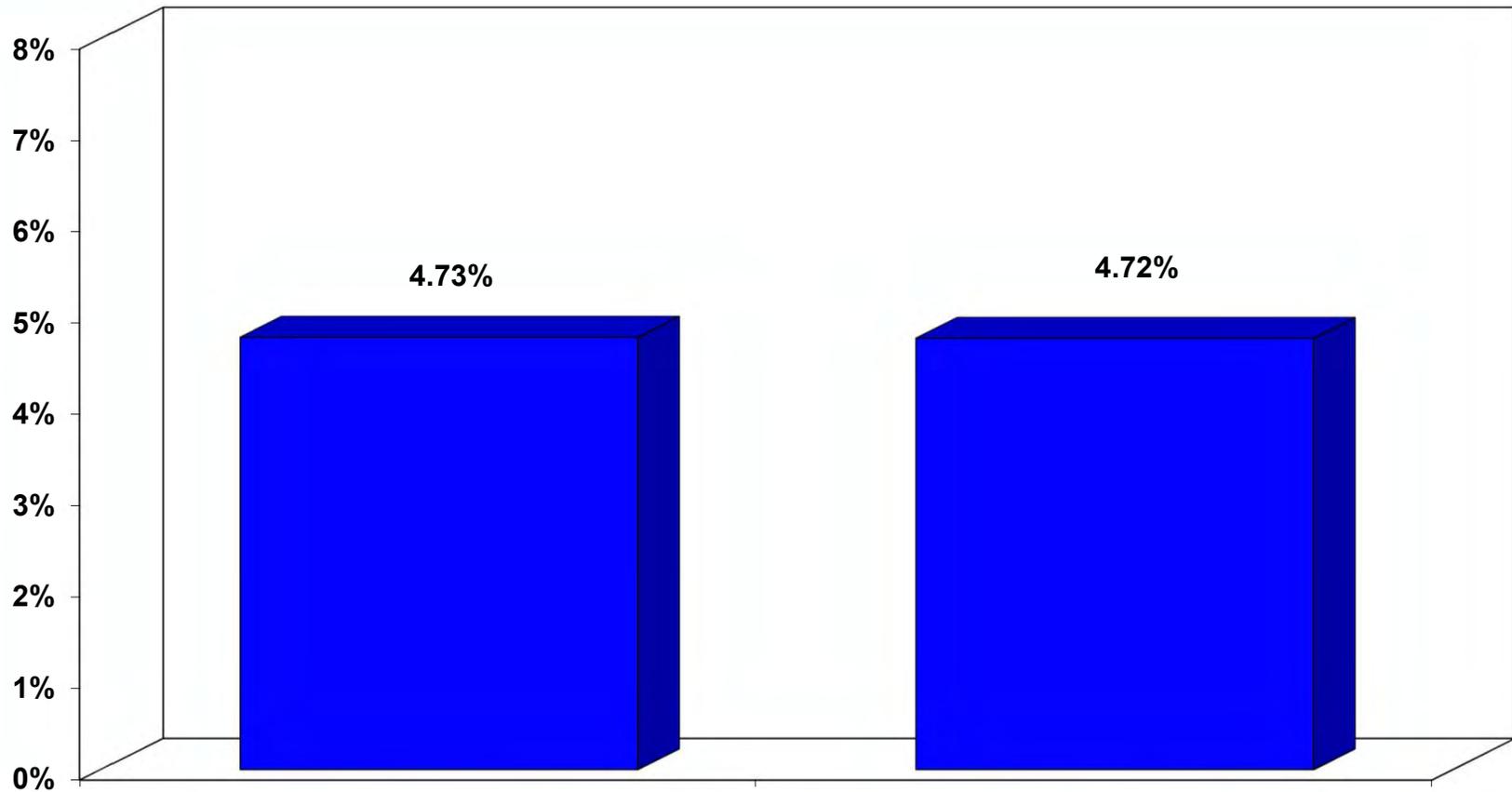
# Rising Input Costs

## Average North American Farm Wages



# Compound Annual Growth Rate for California's Minimum Wage and Peach Prices 2009 – 2024

Compound Annual Growth

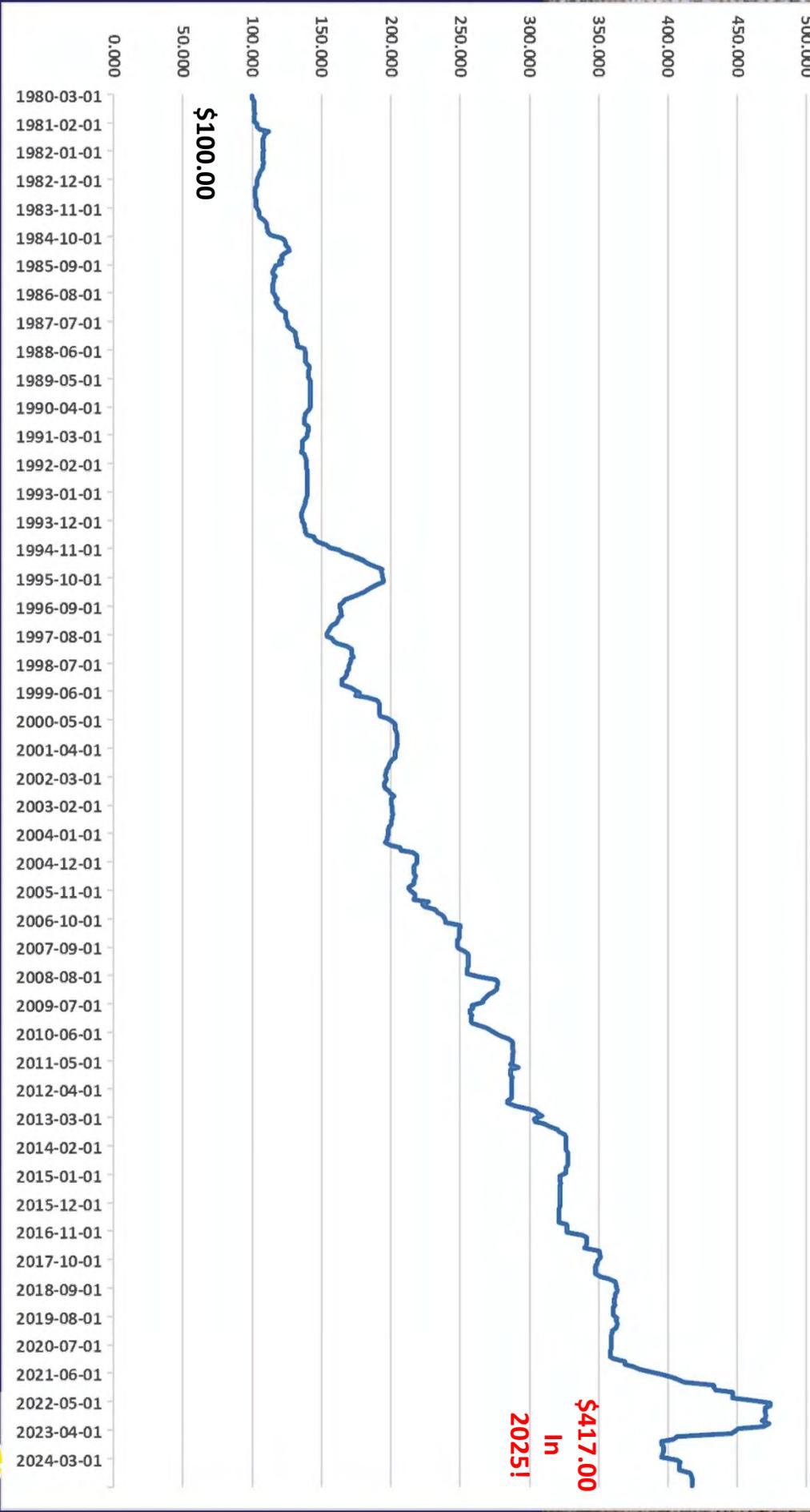


**Minimum Wage**  
2009 - \$8/Hr.  
2024 - \$16/Hr.

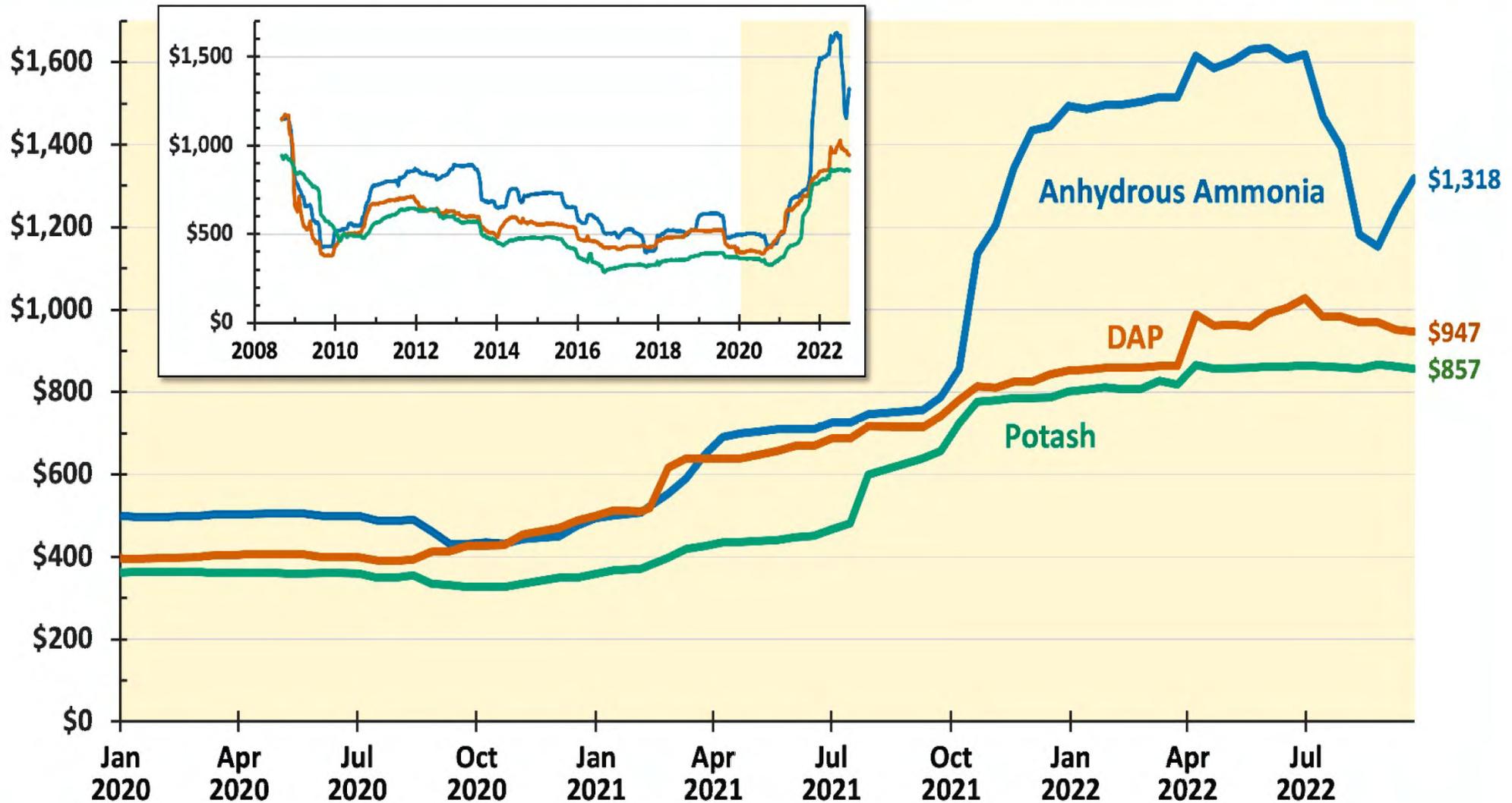
**Peach Price**  
2009 - \$318/Ton  
2024 - \$635/Ton

# Dramatic Increase in Packaging Costs

Corrugated & Solid Fiber Box Manufacturing - Corrugated Shipping Containers  
Pricing Increases Over 40+ Years



# Increases in Fertilizer Prices



# 2024 - North America's Largest Peach Operation



**Bankrupt!**

Y

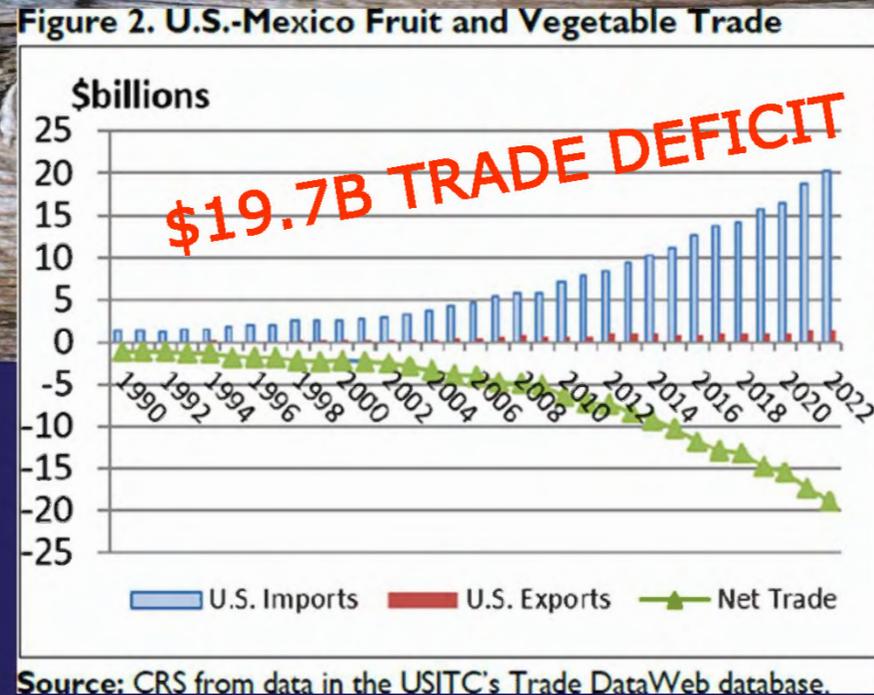
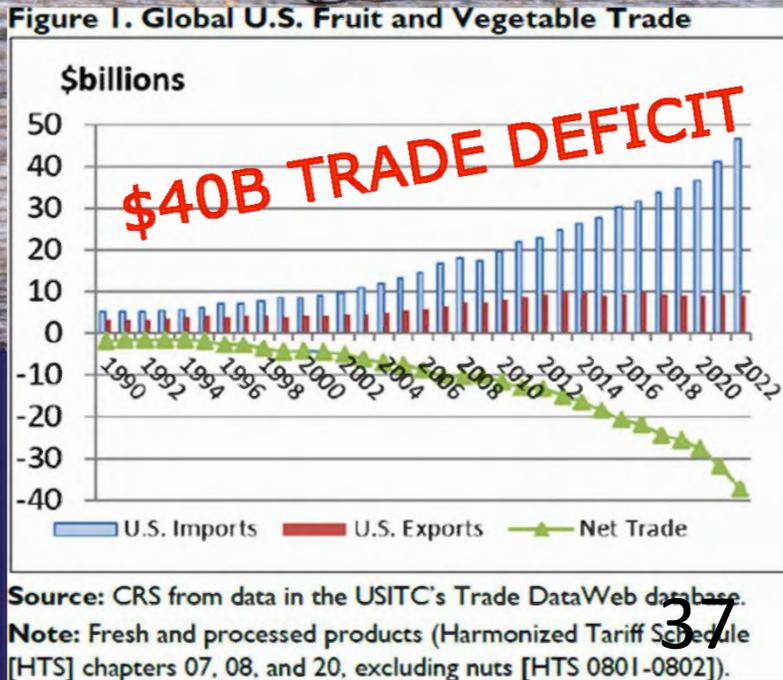
**Peach Giant  
Undergoes  
Liquidation**

- North America's Largest Peach Operation
- Approximately 16,500 acres
- Nearly 6,000 employees



# Not a Level Playing Field – Cheap Competition

## U.S. Import/Export Fresh and Processed Fruits and Vegetables Net Trade



China: 1.4B Min Wage = \$1.27/hr  
 India: 1.4B Avg Wage = \$2.16/hr

US: 331M  
 National Average AEW \$16.98/hr  
 Mexico: 126M Min Wage: \$1.35

HIGH WAGES ARE ADVERSLEY AFFECTING AMERICAN FARMERS' ABILITY TO COMEPETE



# Natural Resource Challenges

The Villages, FL  
2007



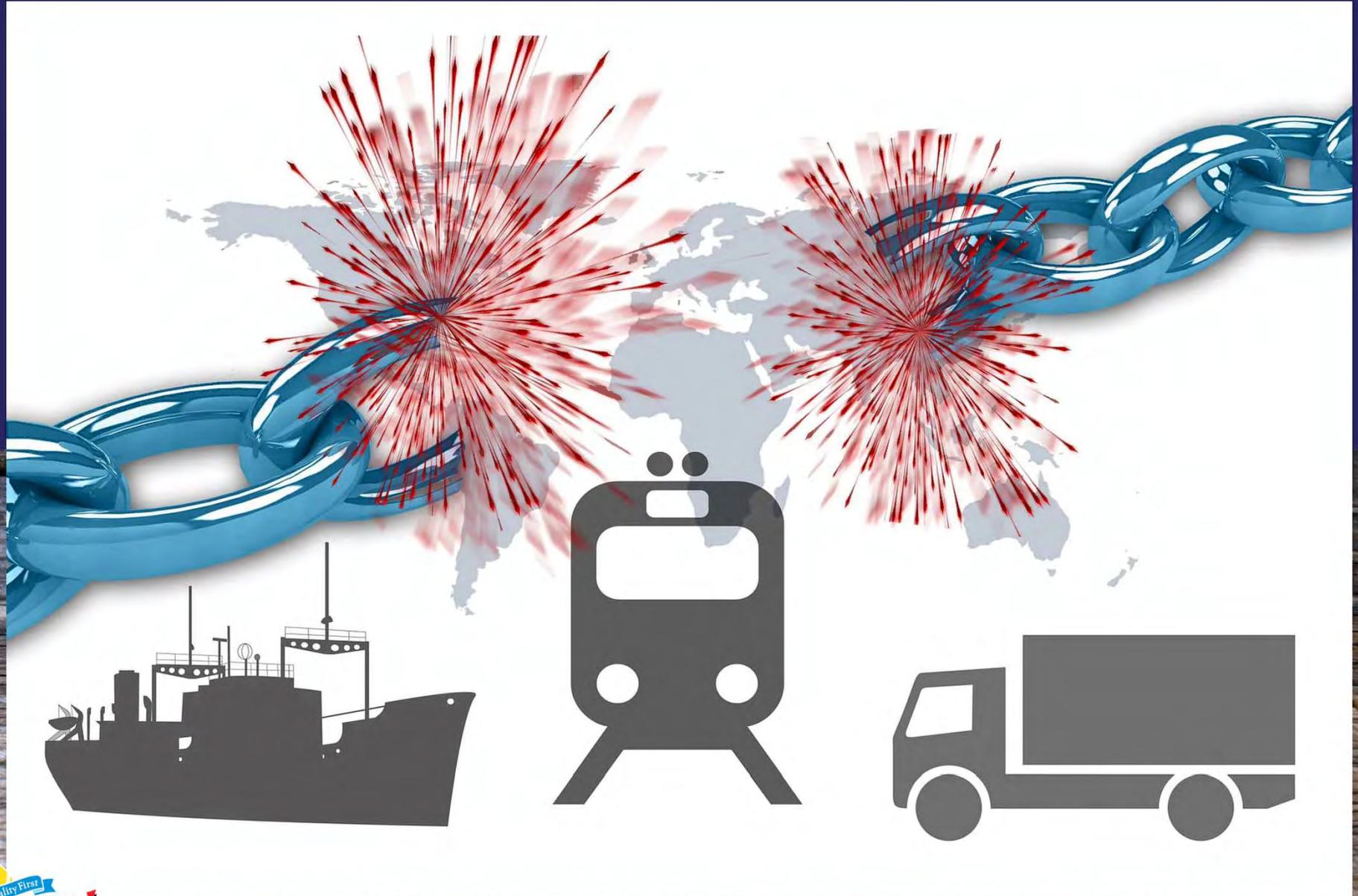
The Villages, FL  
2017



Water Scarcity Predicted to  
Worsen In More than 80%  
of Croplands Globally this  
Century



# Supply Chain Challenges



# Highlights

1. Global Area of Peaches is remaining virtually constant, but with shifts in growing regions.
2. Global production per acre/hectare is increasing, and with technology, this trend should continue.
3. Global demand for peaches is expected to grow over the next decade.
4. Mexico & Canada's hectares are relatively flat, the United States has seen significant reduction in acres; Mexico is getting more productive per hectare.  
**28% over the last 20 years**



# Highlights

5. Global & Mexico's demand for peaches is predicted to increase. The United States and Canada's per capita consumption has fallen significantly. Has it reached bottom? How much of this has been due to changes in retailed strategies?

6. Increasing production costs, weather shifts, and availability of natural resources (land & water) are significant challenges to the North American Peach Industry.



# Highlights

7. Peach gross returns to the farm have increased, but not as fast as input costs the last 5 years, shrinking margins and questioning return on investment (ROI) i.e. – Prima Bankruptcy
8. Cheaper imports have significantly impacted the North American process industry.
9. The number and size of peach farms is decreasing. The commercial production of fresh peaches continues to consolidate with now less than 20 grower packer shippers across the United States.



Thank you!

Questions?

