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California Canning Peach Association



February 8, 2019

Rodney McMullen
Chairman & Chief Executive Officer
The Kroger Company
1014 Vine Street
Cincinnati, OH 45202

Dear Mr. McMullen:

On behalf of the nearly 400 grower-members of the California Canning Peach Association who produce 80% of the total U.S. canned and plastic packaged peach supply, I am writing to urge Kroger to reconsider its decision to sell canned and plastic fruit bowls sourced from China instead of selling U.S.-grown peach products.

The Association is the nation's oldest farm bargaining cooperative representing cling peach growers on issues ranging from raw product pricing to trade matters and other legislative concerns.

During our monitoring of the peach industry's current market conditions we regularly check sourcing and pricing in the canned fruit section of various retailers. We have recently discovered plastic fruit bowls from China in some of your stores. Interestingly, Kroger's imported Chinese peaches are apparently not resulting in any price savings being passed along to your customers. Enclosed is a comparison of shelf prices for Kroger's (Chinese sourced) peach cups vs. Walmart's (U.S. sourced) peach cups showing that Kroger's price is higher than Walmart's shelf price. Given this difference in pricing to consumers, how can Kroger make the argument that your customers are better off when you source Chinese peaches instead of purchasing U.S. peaches?

We believe that Kroger's decision to sell imported Chinese peaches has far-reaching ramifications. Not only does it unnecessarily hurt American farmers and their families, it also impacts the unionized employees working in California's processing plants and the local economy in our peach growing areas of California's Central Valley. Just one year ago, Seneca Foods announced the closure of their Modesto processing plant due to continuing losses related to low-priced subsidized canned peach imports from China. Nearly 300 longtime employees, with an average tenure of 27 years at the plant, lost their jobs as a result of this plant closure.

It has been well documented through a U.S. government funded study of the Chinese canned fruit industry that China's government has directed tens of millions of dollars (if not more) in unfair subsidies to develop and expand its canned fruit industry. As a result of these unfair subsidies, Chinese canned peach exports to the U.S. market have grown substantially and continue to injure the domestic canned peach industry.



In reviewing the statements on Kroger's website regarding your sustainability and local sourcing initiatives Kroger proudly proclaims –

For many years, Kroger has worked with farmers and suppliers to bring locally produced goods to our grocery stores. Our customers value our "locally grown" and "locally produced" programs as these products are very fresh and help lessen the impact on our environment through reduced transportation and minimized handling.

In our view, Kroger's decision to sell Chinese peaches is in direct conflict with these statements and we urge Kroger to source U.S. grown peach products instead. Simply put, Kroger's sustainability initiatives should preclude transporting Chinese products over 6,000 additional miles simply to increase Kroger's profit margins on these items. In addition to the local sourcing issue, we are hopeful that factors such as food safety and product traceability will also be weighed carefully by Kroger.

California peach growers are second to none when it comes to growing and harvesting the best quality, safest fruit under the strictest food safety regulations in the world while continuing to reduce environmental impacts and providing their workers with the highest farm wages in the nation. I've had the opportunity to tour China's peach producing areas and have observed firsthand a much different level of environmental and food safety regulations.

In our world today, actions speak much louder than words. We urge Kroger to reconsider your decision to source canned peaches from China. It is our hope that Kroger will chose to support the American farmer, American jobs, and the American family. I would welcome the opportunity to continue this conversation.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Rich Hudgins', with a stylized flourish extending to the right.

Rich Hudgins
President & CEO

Enclosures



LOCAL SOURCING

For many years, Kroger has worked with farmers and suppliers to bring locally produced goods to our grocery stores. Our customers value our “locally grown” and “locally produced” programs as these products are very fresh and help lessen the impact on our environment through reduced transportation and minimized handling.



PER SERVING
60 CALORIES
0g SAT FAT
0% DV

PER SERVING
10g TOTAL CARB
0% DV

PER SERVING
10g SUGARS
0% DV

PER SERVING
10g FIBER
0% DV

PER SERVING
10g PROTEIN
0% DV

PER SERVING
10g SODIUM
0% DV

PER SERVING
10g VITAMIN C
0% DV

PER SERVING
10g VITAMIN A
0% DV

PER SERVING
10g VITAMIN E
0% DV

Nutrition Facts

Serv. Size 1 Bowl (113g)
Servings per Container 4
Calories 60
Fat Cal. 0

Amount/Serving	% DV*	Amount/Serving	% DV*
Total Fat 0g	0%	Total Carb. 14g	5%
Sat. Fat 0g	0%	Fiber 0g	0%
Trans Fat 0g		Sugars 14g	
Cholest. 0mg	0%	Protein 0g	
Sodium 0mg	0%		

*Percent Daily Values (DV) are based on a 2,000 calorie diet. Vitamin A 0% • Vitamin C 60% • Calcium 0% • Iron 0%

INGREDIENTS: PEACHES, WATER, SUGAR, ASCORBIC ACID (VITAMIN C) TO PROTECT COLOR, CITRIC ACID.
DISTRIBUTED BY
THE KROGER CO., CINCINNATI, OHIO 45202
PRODUCT OF CHINA
REFRIGERATE ANY UNUSED PORTION
GLUTEN FREE FOOD
FAT FREE FOOD
SODIUM FREE FOOD
VEGAN



QUALITY C
800-632-6900

NET WT 16 OZ (1 LB)

China Peach Industry Tour, August 2010

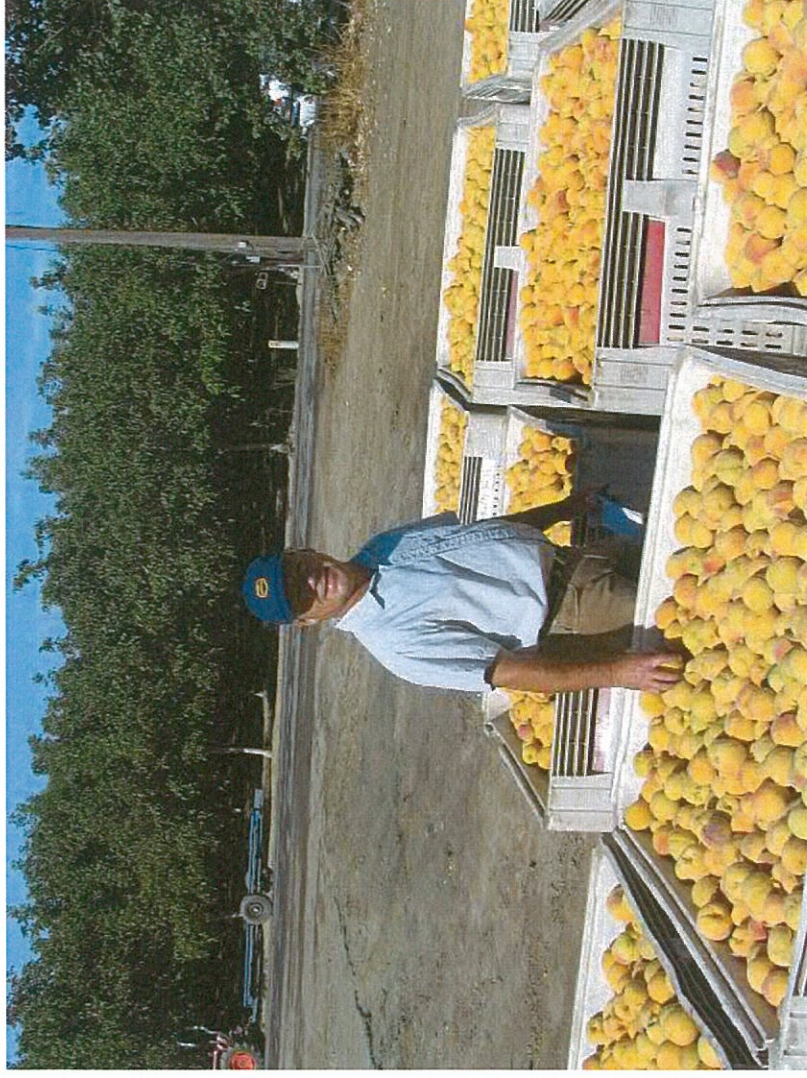


A worker spraying peach orchards with hand-mixed tanks and no protective gear.

**Chinese peaches
awaiting processing,
many orchards are
located 100's of miles
away from canneries.**



**There is no product
traceability once fruit
is delivered.**



The California peach industry consists of many generations-old family farms. Our average farmer grows 50 acres of peaches.

Our peaches are picked at the peak of ripeness and generally packed within 24 hours of picking.



Pricing Comparison Between Kroger and Walmart

Kroger Peach Bowls (Buying from China)



Walmart Peach Bowls (Sourced from CA Growers)





“We are fighting for the American farmer, and we are fighting for the American Dream, and for products made and grown with pride right here in the USA.”

Excerpt from

*President Trump’s remarks delivered at
American Farm Bureau’s 100th Convention
January 14, 2019*