



Pre-Season Grower Meeting is kind-a cancelled!

Just before harvest each year, the Association has conducted a Pre-Season Grower meeting at Pardini's Banquet Hall in Fresno. The purpose of the gathering is for Management to provide our members with forecasts on what we see for the season ahead and to advise on new improvements that will help with overall processing efficiency. This year we have cancelled our meeting at Pardini's, using an abundance of caution in dealing with the COVID-19 Pandemic. Instead, we have planned to provide an outdoor program on fumigation practices to be used when stockpiling at your ranch. This will be the only meeting in advance of what appears to be another enormous hulling and shelling season. An invite is in the mail for this event, which will also include a brief update on what we anticipate will be a record shelling season. The meeting is scheduled for Wednesday, July 22, 2020 at 10:30 am at the Association's Kerman facility located at 8325 South Madera Avenue in Kerman. Help us to prepare for the meeting by calling 559-846-5377 confirming your intention to attend.

2020 Ranch Stockpiling Program

A big "Thank You!" is extended to those who heard our request and committed to participate in our Ranch Stockpiling program this summer. As you know, a record crop will be delivered this summer, and any amount of almond production that is stored at our members' farms will clearly help us with congestion at the scales and stockpile yards at Kerman and Sanger.

Thankfully, we have had 20 member entities sign-up for this year's program, which pays 2-cents per edible meat pound for product that is stored at a grower's farm. This production will be shipped to the Association for shelling in late October through November and the quantity to be stored is anticipated to be approximately 28,596,982 lbs. of field run product. This is close to 5% of our anticipated field run volume and will certainly take some of the pressure off our projected deliveries.

We will be hosting a training session on the proper fumigation methods for ranch stockpiling with Jennifer Fulbright. She is with the Fresno County Ag-Commissioners Office and we are delighted to have her on site to tell us about the rules of the game for ranch stockpiling. This meeting is meant as a service to help those who will be utilizing this program and affords the opportunity for any questions to be answered on this topic. As the industry continues to grow, and with very

little excess capacity at our sites more farmers will need to Ranch Stockpile their crops in the future. This meeting will be a great opportunity to learn more about this subject for those participating this year and for those who will participate in the years to come.

Report on the Association's 57th Annual Meeting

This year's annual meeting was held on Tuesday, June 9, 2020 via "Zoom." The meeting was a bit different from our normal affair with no entertainment, no meals served and no wine on the tables. However, the meeting did finish in a record 34 minutes.

Chairman James McFarlane reported on the results of a recent election for three Directors seats whose terms were expiring. Seat 1 - Matt Abercrombie, Seat 2 – Matt Eford and Seat 3 – James Anderson were all re-elected to their respective seats on the Board for another three-year term. They ran unopposed as no other nominations for challengers were received.

Janell Attebery with Moss Adams, LP provided a report on the 2019 Fiscal Audit. The audit, conducted in May and approved by the Board of Directors on June 3, 2020, provided a positive report on the financial standing of the Association for the period ending April 30, 2020.

Chairman James McFarlane gave a report on the prior and current years activities. He also thanked the Board and staff for their efforts last season during which the Association shelled out a record 136,427,281 lbs. of meat equivalents compared to 105,816,119 in 2018. It was noted that while Mr. McFarlane shall continue on the Board, he will be stepping down as Chairman after five years of service in this capacity. He will be turning the Chairmanship and gavel over to Director Jeff McKinney at the July 22, 2020 Board meeting.

President Kelley then reported on the season ahead and stated that the Association has budgeted for a crop size of 140,594,514 lbs. for the upcoming harvest season. He also reported that the recently concluded audit indicates we may pay out a dividend on the sales of the Association's by-products at a rate of 1.59 cents per meat equivalent pound based on patronage. This payment will be distributed when we ship out the last of our almond hulls on inventory and determine the final dividend to be paid on the 2019 "Pool" period in early October 2020. He went on to report that members who delivered crop in 2015 received a check in repayment of the 2015 Crop Revolving Fund (Capital Fund).

Changes to Your Membership? Let us know soon!

Each year we often have growers who request changes to their memberships. Sometimes these requests are made during the shelling season which is frequently too late to get them in place. This can cause a delay in payments to our members from their handlers, and for hulling fees from those handlers to be delayed to the Association. It can also cost us a great deal of time in trying to correct paperwork to reflect needed changes.

Are there changes you have made to your farm which we should know about? If so, please make sure not only to let your handler know, but to let us know as well. We will work as fast as we can to make sure the revision is in place before the first load of your production is delivered. Please be aware that the time to make these changes is not when the shelling season is already under way; it should be done before the harvest season commences! To do otherwise only causes delays.

Improvements to Your Association

The 2020 crop promises to produce another hulling and shelling record of immense proportions. Your Association is budgeting for a crop size of 140,594,514 meat equivalent pounds. Over the last few years, we have planned well and we are prepared as much as possible to confront what will be the largest crop ever shelled by any single almond operation in the world. To help you absorb the new reality of ever larger volumes delivered to CCAGA please note two important improvements, which will enhance performance in the season ahead.

- The modernization of Kerman Plant #1 is now completed. The improved plant is designed to give us a 38% increase in plant efficiency. The new plant will include an additional inshell line to compliment the K-3 hulling line and will also include a hash clean-up line so we may capture higher values for this important by-product that equates to roughly 10% of revenue.
- Two additional stockpile belt-loaders have been purchased using an incentive program through the San Joaquin Valley Air Pollution Control District that offsets 35% of the cost of these units. Both have been delivered to our Kerman location. These purchases allowed us to eliminate two less efficient units from our fleet, one of which dated back to 1994. This brings our inventory of Stockpile Belt-loaders at Kerman to ten and Sanger with two.



In these uncertain times, amidst the global pandemic of COVID-19 and a mammoth tidal wave of almonds that will produce a record almond crop, we must ask ourselves if our organization is ready to meet these challenges. Have we done the best we can in being pro-active and not reactive? This is a “black swan” moment of immense proportions that has descended upon all of us. How do we stand amidst an epic quantity of almonds needing to be processed in the season ahead?

As your President & CEO, I can tell you emphatically that your Board of Directors and Management team have been diligent and dedicated, not just this past year, but in the last several years to get us to the point we are today. We are indeed well positioned and ready to meet this challenge.

As I write this report, my greatest concern is the potential for an employee to show up for work sick and infect co-workers. I wish to assure you that we are working diligently with our allied organizations in crafting procedures and protocols that could stem the impact of an infection. For example, we have four pre-cleaners and four shellers and this shelling season each shall operate independently as a “silo”. We will limit the intermingling of employees on the property. If an infection occurs, we will have a sanitation crew that will promptly sanitize the facility to required standards. We will then get that “silo” back into operation as soon as possible. In the meantime, the other Pre-cleaners and Shellers shall be fully operational.

A significant infection of COVID – 19 will be daunting and many hullers/shellers and processors have already been impacted. Clearly, our membership benefits by not having just one huller/sheller, but four. This gives us significant flexibility to continue processing should we have an infection on our grounds.

We anticipate finishing the shelling season before December 15, 2020. If we meet this goal you can be proud of the efforts of the CCAGA staff. It is my hope that when the plants go silent in mid-December, we will have met your expectations of timeliness and quality. I wish you a safe and healthy shelling season.

President’s Report

CORE VALUE

Adding the greatest potential value to the Members' product with the highest quality service and integrity.