



### **2020 Report – Once Again, CCAGA Attains Another Shelling Record!**

Your Association continues to achieve new production records due to the remarkable success of the almond industry. This accomplishment has led to significant increases in acres planted to almonds in our area. This year's record is even more remarkable as we saw not only an increase in member acreage, but a new per-acre yield which completely eclipsed a prior record. Not since 1981 has the Association achieved a record production volume directly following a prior record year.

We finished seasonal shelling operations at our Sanger site on December 20 and January 6 at Kerman. We are still closing the books as we wait for some late inshell results, but at this time it appears that the record will show that we cracked out slightly over 155,000,000 lbs. of meat equivalents. This compares to the prior record of 136,427,281 lbs. achieved in 2019. This is 18,572,719 lbs. increase, or 13.6% over the prior season. The average yield per acre will be just over 2,524 lbs., which is the highest per acre yield ever recorded by your Association! The prior Association record was 2,446 lbs. per acre that was recorded during the 2011 season.

Last year, our growing season was nearly ideal for the production of almonds. Lower levels of moisture during pollination and a relatively mild summer helped the crop achieve the lofty production volume we shelled out this season. We saw significant levels of Naval Orange Worm during processing, but the crop size was such that in most cases we were able to make good separations of this compromised product. Overall, average turnout of all varieties currently is running at 25.81%. 2019 turnout was just slightly higher at 25.9%.

It was a difficult shelling season as smoke from the summer fires caused the hulls of the soft-shell varieties to be exceedingly leathery. When this occurred, it became more difficult to get the kernel to easily separate from the hull. This necessitated that we significantly slow down the plants to make sure we were getting every nut separated out of the hull before going to the crackers. While the hulls were very pliable the kernels were exceedingly dry. Excessive foreign material from the field also made the crop

very difficult to process. All these factors lead to a rather protracted season with much higher labor and electrical costs than anticipated. From a quality standpoint, 2020 will go down as a good quality crop but we were challenged by many factors which made it one of the most difficult.

### **Acreage Surveys Are in the Mail**

We need your help! One of the most important types of feedback we receive from our members is our annual acreage survey. This year's survey was mailed out on December 31, 2020 and we ask you to please provide us with an immediate response.

This information is crucial when trying to forecast our future volumes and it is essential that we receive a timely reply. As we continue to grow, it is imperative that we know your total almond acreage in your Association, as well as the year planted. We will use this information to better prepare for the large volumes we anticipate being delivered in the years ahead.

Should you have any questions about filling out our survey please call the Association's Kerman main office (846-5377) and ask for Bob Donnelly. He will gladly help with any of your inquiries. We thank you in advance for your cooperation.

### **Managing CCAGA Amidst a Global Pandemic**

The Global Pandemic added another layer of heightened complexity for all hullers and shellers in the State. It was one more variable that we certainly would have preferred not to experience alongside the realities of processing amidst a record crop. Other factors we contended with included decreases in plant efficiency due to smoke, bringing a new sheller online and general labor issues exacerbated by the pandemic. However, we persevered and prevailed!

We did have several Covid-19 positive cases that were quickly managed by getting rapid tests for the symptomatic individuals as well as for others working in their area of operation. This was immediately determined using contact tracing. We are pleased to report that because of our staff's preparedness and quick reaction time we recorded NO lost time in our plant operations. It is of even more importance to note that all infected individuals returned to work and are in good health. The key factor here is that we

reacted quickly. Time and time again we hear reports of those who did not seek help immediately but waited until the time when the symptoms would not abate or worsened. This has the potential for the infection to spread and can lead to long-term debilitating results for those who are infected. We worked hard informing our employees on how to protect themselves. We assured them we would pay for rapid testing. This enabled us to isolate infections early before they could become pervasive. Ashley Castro handles our Human Resources, and we extend our extreme gratitude for her advocacy on behalf of our employees in getting staff tested quickly. This was often done in the middle of the night. Thank you, Ashley, in working hard to keep our staff well informed and safe! Your pro-active efforts are highly commendable.

### President's Report



The year 2020 is come and gone. Good riddance! Amidst the onset of COVID-19 it has been a challenging time in our nation's history. There were so many unknowns for so many to endure. While COVID added another level of complexity onto our already complex business model, we persevered. Once again, this played out amidst the constant growth of the almond industry. As the season was dragging on, many times I hoped that we would finish shelling operations soon so we could pare down our staffing levels to avoid further infections. However, big crops just keep getting bigger. The almond industry has been on a path of spectacular growth since its inception. This past season was no exception as we attained a staggering new production record amidst a global pandemic. We did indeed have infections that affected nearly 10% of our work force. This caused a great deal of uncertainty during the last month of operations and caused management to develop strategies to assure that we had adequate levels of staffing to efficiently run our multifaceted operations. Fortunately, we succeeded in keeping our plants fully operational. Our management team and plant crews deserve a great deal of credit for a job well done.

We now know unequivocally we can handle crops of this tremendous size. However, we would like to handle them more effectively. The smoke from the fires in August and September really hampered our efficiency as without exception all almond hulls of our

soft-shell varieties were pliable and leathery. This caused more deck spacing to be used to get the hull to separate from the kernel and thereby caused the shellers to run slower. Not every year will be like this last season, but the effects of smoke was an unknown element I had not seen during the sixteen seasons since I began my tenure. This problem was exacerbated by the hulls being larger and thicker than normal.

Due to the enormous size of the almond crop, we often had great difficulty getting empty bins from handlers for your production. This caused many growers to call and ask, "When are you going to run my almonds?" We tried to manage this situation by spoon-feeding member product early to those packers with whom we have had issues receiving bins in the past. But in the end, it became a real challenge in planning runs in our plants. This caused us to put off larger member runs in favor of product for which we knew we had an adequate quantity bins on site to be able to shell product.

We also ran out of hull line space for our soft-shell almond hulls. We generally try to store this product under cover, so the hulls do not get wet and degrade due to rain. This lack of available space was unexpected as we usually have ample space for our softshell varieties. We saw a record volume of soft-shell varieties received and now anticipate more in our future as Independence, Shasta, Bennet Hickman and Supareil compliment the already lofty volumes of Non-Pareil. Currently, our softshell varieties account for 52% of our overall handle. In contrast, this was only 39% in 2016. This is good news from a sales standpoint as it better assures the quality standards necessary when shipping almond hulls to our dairy customers. However, we will need to have a better strategy for storing hulls in the future when we have record seasons like the one we have just experienced.

This has been a unique shelling season and we have learned a great deal. It is important to note that our Sanger facility, Kerman Plant #2 and Kerman Plant #3 ran very well despite having to run slower due to wet hulls. Kerman Plant #1 came online this year after a massive modernization process. A few initial "gremlins" were discovered and dealt with, yet the plant exceeded our operating expectations.

In conclusion, I am proud of what we accomplished this past shelling season. First and foremost, we kept everyone safe during this pandemic and under these challenging conditions CCAGA was able to handle a production volume that exceeded all of our expectations.