



### **Rural Theft is a Major Issue – Please Read**

These are very unusual times in our nation's history. As you are aware, it is difficult to source parts, rural theft is rampant, and there is substantial unrest on the streets of some of our major cities. Amidst all this, basic systems like the United States Postal Service (which is mandatory to the efficient running of our nation) is not functioning very well. Delivery is slow, mail is missing, letters and packages are delivered ripped or torn when they finally arrive at our mailboxes. This is unacceptable! For the safety of all future grower payments which we send to you annually we make the following urgent request –

### **Please sign up for Direct Deposit!**

We send payments out three times a year to 407 member recipients. Of this amount only 79 have signed up for Direct Deposit. It is of the utmost importance that you make this change to ensure the safe delivery of our payments to you. If you are still receiving mail at a rural address, then we need you to know that it is only a matter of time before your mail will be stolen. Rural theft is increasing exponentially. Direct Deposit is the only way to confirm the safe delivery of future dividend checks. This simple, proactive step needs to be embraced by all our members.

We need your help to make this uncomplicated change. It is for your protection. We have advocated for this option for many years, but the time to adapt and change is NOW. If you have not already done so, we vehemently ask that you fill out the enclosed Direct Deposit application form and sign up for this safer and faster service immediately.

### **One New Stockpile Belt-Loader on the Way**

We are pleased to report that in the next couple of months we will take delivery of another new stockpile belt-loader for our Kerman plant. Once again, we are purchasing another Gruber as they have proven to be the workhorse of the industry. They are substantially more efficient than other models on the market, possessing rapid unloading capabilities. They decrease the truck turnaround time in the stockpile yard. This will bring our total units at Kerman to 11, and there are 2 units at our Sanger site.

### **Nomination Period Opens on April 1**

The nomination period for the election of members to sit on the Association's Board of Directors opens April 1 and closes April 30, 2021. Two seats are up for election in 2021.

If you are interested in running for a seat on the Board of Directors, please let us know. We will be happy to provide you with an application, which when filled out must be returned to Mr. Jim Nichols, the Chairman of the Committee for Election Certification. He will gather nominations along with two other committee members. On May 3, the election ballots will be mailed to all regular members of record and the election will run for thirty days. In early June, the ballots will be counted, and the committee will make a report to the Board of Directors. After our Board meeting, a report announcing the results will be made to the entire membership at our Annual Meeting scheduled for Tuesday, June 8, 2021.

Should you have questions about this year's election please call the Kerman office and ask to talk with Michael Kelley, the Association's President & CEO. The phone number is 559-846-5377. He will be happy to walk you through the entire process.

### **Association Repays a Portion of the 2020 Capital Retain**

On March 5, 2021, your Association distributed a repayment of the overage of 2.0339 cents per pound on the hulling fees collected during the 2020 season. The repayment of the overage (also called the supplemental retain) totaled \$3,157,978.74 in disbursements to the membership.

It was a difficult shelling season as smoke from summer fires caused the hulls of the soft-shell varieties to be exceedingly leathery. When this occurred, it became more difficult to get the nut to easily separate from the hull. It was necessary that we slow the plants down significantly to ensure we got 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 culminated in a rather protracted season with higher than anticipated labor and electrical costs. From a quality standpoint

2020 will go down as a good quality crop, but we were challenged by unprecedented factors which made it one of the most difficult hulling and shelling seasons we had seen in a very long time. Our production volume once again marked another record as the Association's shellers hulled or shelled out **155,265,958** meat equivalent pounds. A new record! In comparison, our 2019 record year had a production volume of 136,427,281 lbs. Therefore, despite the challenges, our increase was a staggering 18,838,677 lbs., or 13.8% over the prior season!

### President's Report – Time to Give Thanks



Once again, we turn the page on another chapter in your Association's remarkable 58-year history. We have now completed two back-to-back record shelling seasons that foreshadow our future growth. The production volumes hulled and shelled on your behalf have been simply staggering. It was certainly hard to believe that we could have two successive record-breaking years in a row. But we did, and we did it well. On top of this, last year's incredible results were obtained amidst the cloud of a global pandemic. It has been a challenge staying ahead of this continuous growth, but I could not be more proud of what we achieved.

We also give thanks to some amazing people who worked for us last season – both in the regular fulltime and seasonal staff. Many of our shellermen, plant operators, stockpile workers, loader drivers, sanitation and office staff worked under uncertain conditions. Permit me to tell one of our best stories from last year.

Late in the season, we had a fire in one of our baghouses at Kerman Plant #2 when we were processing a dirty load. A stone must have made it into the baghouse after being in the pre-cleaner and caused a fire. In a shelling operation, this is the equivalent to a knife in the heart. The loss of a baghouse means you cannot operate until the unit is repaired. That can take weeks or months depending on the availability of parts. Immediately, one of our attentive staff smelled the smoke and turned off the system. The fire intensified, but our dedicated crews were on it with our fire suppression equipment. When the fire was finally extinguished it was apparent that we had a great many baghouse socks that were muddy and soaked with water, but the containment structure was intact and so was the motor. However, without

the socks the plant could not run. Our innovative crew worked fast to address the issue as they improvised a way to clean the bags using a wheel loader as a washing machine. The socks were placed in the loader's large bucket, which was filled with water. The wheel loader rocked side to side providing agitation. They also devised an innovative racking system with spare parts to air dry 1,160 socks. Our friends at the Hulling Company and Kernpareil had a similar baghouse and they lent us extra bags the following day, ones which complimented those we had already cleaned. Therefore, we ultimately had the necessary quantity of bags to start shelling almonds again. In summary, it was a real testament to the spirit and dedication of our staff. To do what they did in the bitter cold of late December amidst a global pandemic was awesome! They never flinched or cowered from the challenge. Only a mere 22 hours of downtime was recorded.

While challenged by our scale of operation, we are exceedingly thankful for what we have done to meet your expectations. Our staff is a big factor in our success. They are an important reason there is an advantage to being a member of CCAGA. This is manifested in the incredible returns we pay out to our members. We consistently beat the competition by a wide margin. As mentioned in past newsletters, most shellers charge a fee for service that runs from six cents to twelve cents per meat equivalent pound depending on a member's size. However, CCAGA pays a dividend which last year amounted to just short of two cents per meat equivalent pound. In fact, over the last ten years CCAGA has paid out \$40,480,512 in the form of patronage to our members. These amounts are sent directly to our members to be used in their operations and spread out in the community and not into a single owner's pocket.

Personally, I can reflect on the last year when we shelled a record crop under the cloud of Covid 19 with great pride in our tenacity and fortitude. It is in times like these that you see the real value of what we have here at CCAGA – amazing regular and seasonal staff who consistently meet our growers' expectations.

We wish you and your family safety and great health in the days ahead!

#### CORE VALUE

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