



## A Report on Recent Grower Meetings



*Chairman Jeff McKinney*

The Association held four meetings in late March for the purpose of educating our members about a recent change in the way the Association assesses its hulling fee. In the past, CCAGA has charged a fee on a meat equivalent basis after shelling. However, next season this method will change to a delivered

basis. This means a member's delivered truck load will be charged a fee based on the inbound weight at the scale that includes the components of kernels, hulls, shell, dirt and sticks. This change required modifications to our Bylaws which were approved by the Board of Directors last December. In early April we will mail out a new copy of the Bylaws to all Association members of record who were unable to attend a meeting.

This is a much-needed change that has been embraced by many competitors in our industry with a goal of reducing the amount of abrasive foreign material that runs through our shellers. This material consistently damages our equipment and leads to costly repairs. Over the last few years, we have seen the amount of foreign material increase exponentially as the almond industry has grown.

We had 62 members that attended one of three in-person meetings and a single ZOOM meeting. If you were unable to join us and would like to know more about this change then please call our office.

## Leased Ground Necessitates New Belt-Loader

We are pleased to report that in the next couple of months we will take delivery of another stockpile belt-loader for our Sanger location. This will compliment two other units at the Sanger site. This new unit is needed next year to augment our stockpile space as the Association has rented 15 acres of ground nearly adjacent to the shelling operations. We believe these additions of both space and equipment will lead to greater efficiency and increase our potential shelling

volume at Sanger. Our aim is to be able to conclude shelling operations at both CCAGA sites simultaneously

## 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, 2022. This year, two seats are up for election.

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. Jason Erickson, the Chairman of the Committee for Election Certification. On May 6, 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 14, 2022.

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.

## CCAGA Repays Portion of 2021 Capital Retain

On March 4, 2022, your Association distributed a repayment of the Capital Retain overage of 1.95634 cents per pound on the hulling fees collected on the 2021 crop. The repayment of the overage (also called the supplemental retain) totaled \$2,811,762.51 in disbursements that were made to the membership. Prior Board action has mandated that we may only hold on to \$1,500,000 as our revolving fund retain from any single crop year. Any amount over this amount must be repaid to the membership in March following each year's shelling season. Last season CCAGA shelled 143,725,417 lbs. of meat equivalents. In comparison, our 2020 record year had a production volume of 155,265,958 lbs. This is a decrease of 11,540,541 pounds, or a decrease of 7.4% from the

prior season. The average yield per acre was 2,313 lbs. contrasted with 2,502 lbs. recorded in 2020.

The Association shall have additional payments that will be made later in the year. One shall be the repayment of the Operating Retain. The other will be a dividend on the sales of our by-products of hull, shell and hash that will be disbursed in the fall.



### President's Report –

In the last few months, we have seen so many challenges regionally, nationally, and globally that are both overwhelming and disturbing in their impact. These forces have been unprecedented and destabilizing to individuals, businesses, and overall

markets. All these stressors that include but are not limited to a statewide drought, economic erosion due to inflation, a supply chain shortage as well as a war in Ukraine that has challenged the world unlike any other conflict since the conclusion of World War II have augmented the devastation of the global Pandemic. In some ways, this unfortunately is what the aftermath of COVID-19 has wrought. It was a destabilizing force that has changed our lives and caused us to be on alert for any pitfalls that lay ahead in running our business of hulling and shelling your almond production.

In keeping with the transparency to which I have committed as your CEO, I feel compelled to assure our membership that despite these distressing factors our Association continues to operate successfully. I do not see any insurmountable vulnerabilities in our future. We have a proven track record of vision, planning and an exceptional staff who consistently work to meet any challenges. As such, we will move forward as strongly as we have at any time in our history.

First, some good news. Fortunately, nearly all global commodity markets have soared to exceptional levels. This is also true for the protein complex and fiber markets utilized in various forms as components of the dairy ration. How do we benefit? At a time when dairies are enjoying high prices for their milk products our hull sales have been impressive as well this season and we will record a very nice average hull price when the last of the 2021 product is shipped out in the late summer. We budgeted for an average 2021 hull price of \$103 per ton. Fortunately, we have been able

to walk sales up from \$100 to \$205.00 per ton today. Hash and shell pricing was very good as well. This means we will return a sizable dividend on the sale of our by-products in the fall. New crop hull pricing for the 2022 season ahead is currently trading around these same levels. Considering the numbers for the season just concluding and the one just ahead of us, there is every indication your Association will continue to enjoy good financial health.

However, as many of our members are aware, there is imbedded inflationary pressure on the repair and maintenance side of our business as costs for parts and equipment has skyrocketed. Fortunately, the values we are receiving for our by-products is far exceeding the cost of production. We have been as proactive as possible in anticipating supply shortages many months prior to potential problems. In October of last year CCAGA staff was tasked to advance-purchase all needed items well ahead of the 2022 repair season. This was a big change in how we had procured parts in the past. Not long ago we would order parts with delivery in mid-Spring preceding the upcoming season. This repair season we were receiving parts for the 2022 season well before the 2021 shelling season had even concluded and it has paid off. We took this action to ensure any needed parts would be on hand and we could avoid the frustrating delays many of us have experienced personally as well as in the business arena. I am pleased to report that we are in very good position to have all the shellers ready to go in July. We have taken similar actions with regards to spare parts ensuring we have enough of them on site to carry us unimpeded to the end. Is this costly? Yes! But to act otherwise could limit our ability to end the upcoming season on a timely basis.

Two additional stressors have been the past freeze and the present drought. It is still a bit too early to accurately assess the damage caused by the freeze. However, early reports suggest that the impact was spotty in our area. While we will be off perhaps 10%-15% in our membership's domain, this still appears to be less than initially expected.

You have chosen wisely to be a member of this cooperative. We continue to think of every angle we can in order to best serve your operation in the shelling season ahead. We still have so much for which to be thankful.

Core Value  
*Adding the greatest potential  
 value  
 to the Member's product with*