



CENTRAL CALIFORNIA ALMOND GROWERS ASSOCIATION

Post Office Box 338 ♦ Kerman, California 93630-0338

CCAGA ♦ GROWING STRONGER EVERYDAY ♦ NEWSLETTER ♦ Winter 2023 ♦ Vol. 18, No. 1

Acreage Surveys

We need your help! Every year we send an acreage survey that helps Management prepare for the next hulling and shelling season. The first survey request was mailed on December 30, 2022, and the second request was mailed February 10, 2023. We ask that you please provide us with an immediate response.

This information is crucial for forecasting our future volumes and it is essential that we receive a timely reply. At this critical time in the almond industry, it is imperative that we know the exact almond acreage to be delivered for the 2023 season, when you replant and if your acreage increases in the future.

If you have any questions about filling out our survey, please call the Kerman Office (559) 846-5377 and ask for our Member Relations Coordinator, Celeste Lopes. She will gladly help with any of your inquiries. We thank you in advance for your cooperation.



Member Relations Coordinator

In the last newsletter, I discussed the focus of my position during off-season to include connecting with our members and mapping orchards. Recently, our Management Team discovered the Agrian software to be beneficial for our Association's future. By using the Operator Identification Number, through the county your almond acreage resides in, I can enter your Permit number into the Agrian system and input data about your fields.

This data includes differentiating your fields, identifying irrigation type, year planted, variety, soil quality and more. Once a field is mapped through Agrian, the exact location is generated, (with longitude and latitude) and it will take me directly to each location. Using Agrian's program will help the Association visualize exactly where our Membership's fields are located and will help forecast the future as SGMA continues to be a pressing matter.

With the new year, I would like to encourage our members to update your permit information if it expired in 2022. Updating your permits will help me update your acreage (if changes have been made) in Agrian.

Outside of mapping and Agrian, I continue to use social media to update our members and the public about the Association. Our Association is the largest huller and sheller in the world, and I want the world to know how we became the largest. Social media allows me to communicate how the Association continues to be an industry leader that our Members can be proud of.

If you are active on social media, please give the Association a follow via Instagram: @ccaga1963 and LinkedIn: Central California Almond Growers Association.



Lower Production Volume Leads to Early Conclusion of the Shelling Season

CCAGA ended the shelling season much earlier than the prior two years as the effects of a significant freeze during pollination, water availability and quality issues and an abnormally hot summer took a toll on the 2022 harvest potential. It was a year of diverse factors that worked against our members achieving a yield to help offset production costs.

Sanger closed operations on November 21 and Kerman finished on November 30. The Association cracked out 127,245,654 meat equivalent pounds. This compares to the record production volume of 155,265,958 lbs. achieved in 2020 and 2021's volume of 143,725,417 lbs.. The average yield per acre for 2022 was 2,064 lbs.

Overall, we were 11.5% below the 2021 shelling volume. The nonpareil variety, which constitutes 39% of our overall volume, was off by 8.9% in comparison to the 2021 season. We found that other pollinators were off from their potential as well. The second largest variety delivered to the Association is Monterey, which was off by 7.8% from 2021. Overall average turnout of all varieties set a new 60-year record of **26.13%**.

Our shellers performed very well and we had some great people working for us last season. These employees truly made a difference in maximizing efficiency, while also focusing on achieving the highest levels of quality on our members' behalf. Due to the decrease in production volume and an increase in overall plant efficiency, we did not experience the consequences of a deluge of rain well into January that hampered other shelling operations in our State. We were also fortunate to have worked early with our various handlers to manage the bin shortage that allowed our shelling operations to continue unabated and get your almonds to your processor without delay.



Chief Operating Officer

With the new year, there are several highlights from the 2022 hulling and shelling season to reflect on as an Association.

Once again, we had a very successful Ranch Stockpile program delivered to the Association during October and November. Each member who participated in the program received a payment of 2 cents per meat equivalent pound. I am proud to say we had 4,487,017 lbs. of net meat equivalents or 16,352,190 lbs. of field run, stored on our members farms for later processing. This was slightly down from the record participation during the 2021 crop year but is still greatly appreciated. Thank you to the growers who participated in the program.

Due to the ongoing success of the installation of Program Logic Controls (PLC) in your plants, the Board of Directors has approved another PLC for the Kerman Plant #1 Pre-Cleaner. The Electrical equipment was beginning to show its age during the 2022 season and it was decided an electrical upgrade was needed. Kerman Plant #1 (K-1) Pre-Cleaner will be configured in the same manner as Kerman Plant #3 which was completed during the 2022 off-season. This project is already under way and the installation of the new electrical equipment is already complete in the K-1 control room. This project will be fully operational for the 2023 hulling and shelling season.

The early finish to the 2022 season has already proven beneficial to the Association. Management has been proactive and procured any long lead time repair items which will be needed in the plants. The plant crews have already begun repairs and maintenance on your Huller/Shellers in anticipation of the 2023 crop year. Your Management team and full-time staff remain dedicated and engaged to once again make sure the plants are ready to run in 6 months.



President's Report

There is uncertainty in the farming sector. It is important for us to constantly reflect on a changing environment. Our Association must focus on what the future portends and make adjustments that allow for stability and a hopeful degree of certainty.

We have emerged from the destabilizing effects of a global pandemic that not only caused us to adapt to the illness, but the effects of the “Black Swan” moment that changed everything. Not one family has been left unaffected by the Pandemic and what it has wrought. At CCAGA your Board of Directors, Management Team and full-time staff have worked tirelessly to stay ahead of the curves that were thrown at us. In my estimation we emerged better than before and now we focus on the future. However, we acknowledge an abundance of stressors that lay ahead:

Natural Drought – We have had a fantastic start to the rainy season. Unfortunately, 95% of the 32 trillion gallons of water that fell as winter commenced in California, (98,204,695 acre feet) has gone out to the Pacific Ocean.

Political Drought – Californian passed Prop 1 in 2014 that provided funding for additional storage in our State. Dirt has not been turned on even one of the proposed reservoirs or dams that were sited to help win Californian's acceptance of this measure. We could have used that storage.

SGMA – The legislated groundwater management plan has yielded not one approved GSP in the San Joaquin Valley. This suggests that the Department of Water Resources really is not interested in local control.

Dairy Industry – Dairy products have enjoyed very strong values and solid returns for valley dairymen. However, softness in this segment is becoming apparent as block cheese and dry milk inventories increase. This will put pressure on returns, which is what has happened in the past.

Hull and Shell Pricing - With a smaller almond crop there are less hulls and shells. This continues to equate to strong hull and shell pricing in the future. However, this strength could diminish as other components used in the dairy ration, such as corn or alfalfa, (that have recently traded at very high levels), see their values moderate. This will work to push down hull and shell pricing. One example of this is in Imperial County where alfalfa plantings increased by 15% to 152,995 acres. This is the second time since 2003 that alfalfa acreage has been above 150,000 acres.

Labor – Attracting talented staff to work for us during our seasonal shelling operations has always been difficult, but it has been made even worse post pandemic. The ability to find talented individuals that are willing to work and of the quality and technical abilities to do tasks proficiently will continue to be a challenge in this new normal.

That is a lengthy list of stressors that we must be mindful of when we plan. To this end, the Association will conduct a Strategic Business Modeling session with a facilitator in February. This same individual last aided us with strategic planning in 2007. At that time, he helped both the Directors and Management develop a common vision. We are eager for his engagement as he knows our CCAGA cooperative quite well. We look forward to discussions that will bring out the unvarnished truth about who we are and where we need to chart the Association's path going forward. It is hoped we can have greater clarity in developing a road map that the Board of Directors and Management Team can align on a common path for the future. This is an excellent moment in time to conduct such a retreat. This is because we not only have a multitude of stressors, but we also have new Directors and Management staff who were not around in 2007.

Central California Almond Growers Association

P.O. Box 338

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(Continued from President's Report)

This year marks our 60th Anniversary. As the largest huller and sheller of almonds we must be vigilant in making sure that we continue to deliver the highest standards of service and quality of product. This continuing goal will be reflected in this fiscal year's returns. It appears that history will show that this cycle has been one of our finest. However, we are not sitting on our laurels, but constantly looking to protect the cooperative from the myriad of challenges and perform at the highest standards of service you have come to expect. Please mark your calendar for Tuesday, June 13, 2023, for this year's 60th Annual Dinner meeting. There will indeed be much to celebrate.

OUR CORE VALUE

**ADDING THE GREATEST POTENTIAL
VALUE TO MEMBERS' PRODUCT WITH
THE HIGHEST QUALITY, SERVICE
AND INTEGRITY.**

**Direct Deposit Required by
January 1st, 2024**

Recently, the Board of Directors and Management Team have found an increasing need for Direct Deposit. This need comes from wanting Membership to securely receive their returns. Direct Deposit is the only option to guarantee the safe delivery of future dividend payments. Especially at a time when rural theft has increased 600% since 2021 within Fresno County.

We need your help to make this uncomplicated change. It is for your own protection.

Beginning January 1, 2024, the Association is requiring Direct Deposit for all Membership.

Please call the office at (559) 846-5377 so Management can assist you with this process.