



CENTRAL CALIFORNIA ALMOND GROWERS ASSOCIATION

Post Office Box 338 ♦ Kerman, California 93630-0338

CCAGA ♦ GROWING STRONGER EVERYDAY ♦ NEWSLETTER ♦ Summer 2023 ♦ Vol. 18, No. 3

Pre-Season Meeting Scheduled for July 20th

Your attendance is requested! For many years, the Association has conducted a Pre-Season Grower meeting at Pardini's Banquet Hall just before harvest. This meeting is beneficial for our members as Management provides forecasts for the season ahead and to advise on new improvements that will help with our overall processing efficiency. An invite is in the mail for this event, so please save the date. The meeting is scheduled for Thursday, July 20, 2023, at 11:30 am at Pardini's Banquet Hall in Fresno. Our 60th Anniversary Yeti's will be handed out at the conclusion of the event. Help us to prepare for the meeting by calling (559) 846-5377 confirming your attendance.

Report on the Association's 60th Annual Dinner Meeting

This year's annual meeting was held on Tuesday, June 13, 2023 at Pardini's Banquet Hall in Fresno. It was a nice evening for members to pick up a check, have a nice meal with fellow members, listen to reports on the State of the Co-operative and listen to the comedic talents of Jerry Carroll from South Carolina.

The results of a recent election for three Director seats were reported by Chairman McKinney as conveyed in writing by Andrew Clark, Chairman of the Election Certification Committee. He announced that Matt Abercrombie, Seat #1, Matthew Efird, Seat #2, and James Anderson, Seat #3, ran unopposed as no other nominations for challengers were received. Therefore, all three were unanimously re-elected to another three-year term.

Brandon Ferrell with Eadie & Payne, LLP provided a report on the 2022 Fiscal Audit that was just completed and approved by the Board of Directors. He stated the audit indicates a patronage dividend of 6.60 cents per meat equivalent pound will be distributed in the early fall.

Chairman McKinney gave a report on the activities of the prior fiscal period. He also thanked the Board and staff for their efforts last season. The Association shelled out the fourth largest production volume on record of 127,240,654 lbs. of meat equivalents compared to 143,725,417 in 2021. President Kelley then reported on the season ahead and what it portends for the upcoming harvest season. He also informed the members who delivered almond production for hulling or shelling in 2018 have received a check in repayment of the 2018 Crop Revolving Fund (Capital Fund). Additionally, a 2-cent advance payment was also made on the sale of the Association's 2022 by-products. A larger payment will be returned in the fall.

Changes to Your Membership? Please 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.

If there are changes you have made to your farm, please notify your handler and inform us as well. We will work quickly to try and get the revision in place before the first load of your product is delivered. Please note that the time to make these changes is BEFORE the harvest season begins!

Website Grower Portal

The Association offers an online grower portal for our members. The online grower portal allows our growers to access Grower Deliveries, Stockpile Details, Turn Out Summary, Turn Out Details and Grower Statements.

If you want to set up an account to access the Grower Portal, please contact Celeste so she can assist you with this process: 559-267-3071 or celestel@ccaga.com.



Member Relations

Coordinator Report

It has been a year since I started working at the Association and I have enjoyed every minute of it. Although I have only been in this position for a short time there is still so much to learn about the almond industry. As I spend more time with our growers, I feel I learn something new and valuable from their own experiences.

Aside from meeting with our members, I have been updating our LinkedIn and Instagram platforms, as well as our website. The latest spotlights about Mr. Bob Hines of Sanger and Mr. Monte Grinstead of Kerman can be found on our website located under the Member Spotlight page: ccaga.com/member-spotlight/.

Season is just a few months away and there are some updates taking place this year. The Board of Directors (BOD) and our senior management team approved of a new procedure for a one-time switch of product type throughout harvest.

Last year we received many calls from our growers requesting their product type be switched. With multiple people having access to a membership, sometimes we receive multiple calls requesting changes. This can create miscommunication and potential problems within our computer system.

Therefore, our staff has created a **Grower Request Form** that must be filled out when a member wants to change anything about the status of their product throughout the season.

This form is required to be signed by the member and only the member. The BOD and senior management have also mandated that if you request your product type switched more than once, there will be a **\$500 fee** for each request you make. There is no fee for the first request.

If you are undecided about running your product as meats or inshell, **I would recommend** marking your delivery tags as inshell. This recommendation is based on my experience from last season. I have created a guide for our employees in the plants to reference each handler's inshell reject percentage level. When inshell has surpassed the threshold for the handler, the employees will notify me. From there I contact the grower (depending on the time of day) and ask how they would like to proceed. When I am unable to contact the grower, Bob, our Chief Operating Officer and I, advise the employees to continue sampling and testing. From here we make the best recommendation for the grower based on direction provided by the handler for their product.

It doesn't matter if we are in or off season, working at a cooperative requires that we do our best in taking care of our members. At CCAGA, we prioritize our growers and want to help you succeed.



Chief Operating Officer Report

Once again, we have had a very busy and successful off-season at CCAGA. We have made some major improvements at both Kerman and Sanger locations.

As mentioned by Chairman McKinney at the Annual meeting, your Management team has been in the process of installing an inshell line in Sanger. The inshell line will complement the sheller and will be capable of running high quality inshell for our membership. This addition to the Sanger Sheller will give the membership the needed flexibility to choose which location they would like to send their field run product. I would advise any growers capable of shipping their field run to Sanger to do so for the new line. The goal of CCAGA is to bring the shutdown dates for each location into alignment by achieving more field run to be delivered to Sanger.

We have been working with our software and IT company to provide an innovation to the Sanger stockpile yard by using GPS to track your stockpile locations. With advances in technology, we can get the Sanger stockpile yard mapped within inches. This innovation will track all stockpiles in Sanger using longitude and latitude coordinates. We are always looking for ways to take advantage of advances in technology and the stockpile yard is the perfect place to do this.

As I mentioned in the previous newsletter the Board of Directors approved the phase 3 solar installation at the Sanger Facility. I am happy to report the new interconnection has been approved by PG&E and we were able to get this done before Net Energy Metering (NEM) 2.0 had rolled over to NEM 3.0. This will drastically offset our power costs at Sanger. We expect to have this phase installed before the 2024 crop year.

We have also begun utilizing our Air Curtain Burner at the Kerman Location after approval from the San Joaquin Valley Air Pollution Control District. The Burner will save the Association roughly \$40,000 per year in annual cost for stick grinding and removal from our Kerman Facility.

I am looking forward to another great Harvest and your operations team has planned for all the variables we can expect with the potential from larger nut sizes this year. The plants at both facilities are in tip top shape and are near completion for the season. We also sealed the asphalt at the Sanger facility and poured more concrete in Kerman which you will notice when you visit the Facilities. You have a very dedicated operations team, and we will continue to ensure we provide the best hulling and shelling service for our members.

OUR CORE VALUE

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



President's Report

A chapter is closing on what will go down as one of the finest fiscal periods that your Association has ever had. It was so gratifying to have such a year happen on our 60th anniversary and on a year that we will be disbursing such a large Patronage Dividend that at present appears will be 6.6 cents per meat equivalent pound. This large payment was caused by the record high levels we achieved on the sales of our hull and shell. Two cents of this Dividend were distributed on June 13, 2023. The balance will be remitted at the conclusion of the first week of October 2023.

Now, we look to the next sales period with a high level of uncertainty and trepidation. As we close the books on the 2022 fiscal year it is important to know that the dairy business is once again in a precarious situation. How will this affect hull prices? Well, we do not believe that our hull values will return to the pre-pandemic levels that we saw. This is due to competing proteins used in the ration, such as corn and alfalfa which are still trading at respectable levels that we feel will help support the current hull market. However, those levels will be lower than what we enjoyed over the past fiscal period.

We have budgeted for a crop size of 112,066,924 meat equivalent pounds to be delivered in the late summer. This number is based on our lowest yield recorded over the course of the last seven years of 1,868 pounds per acre. While very low, it seems conservative and in line with the various factors that this year's crop has endured. As you can imagine, there is great uncertainty when estimating this year's crop potential. A subjective estimate that came out on May 12 indicated a state crop size of 2.5 billion pounds. CCAGA is 4.9% of the State volume so this would suggest that we could have a crop delivered to us of just over 122,500,000 pounds.

Central California Almond Growers Association

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(President's Report cont.)

While this sounds plausible it does seem a little bit of a stretch as the yield per acre would be 1,992 pounds per acre. This seems a little high as it would be 76 pounds per acre below the 2002 crop yield of 2,068 lbs. per acre. At any rate, both estimates give us some comfort for a good hulling volume. It seems prudent to use the lower number of 112,066,294 meat equivalent pounds for budgeting, which is a per acre yield of 1,868 pounds per acre.

The Board of Directors and Management have taken a conservative position regarding the 2022 budget. While conditions look very good for our future there is still uncertainty. Once again, we have decided it would be prudent to implement an Operating Retain. Last week the Board of Directors approved a 1.5 cent Hulling Fee on a delivered basis. This is consistent with a change we made last year in assessing the hulling fee from a meat equivalent basis to a delivered basis. This change was made in hopes of reducing the increasing amounts of foreign material delivered to us each season.

Next season, $\frac{3}{4}$ of one cent shall be allocated to a Capital Retain as was the case last year. However, the Operating Retain which was a $\frac{1}{2}$ cent in 2022 will increase to $\frac{3}{4}$ of one cent next season as the uncertainty with the dairy industry necessitates an added cushion to protect against any downside potential. The Operating Retain is necessary as a backstop in case of unforeseen circumstances we cannot anticipate at this time.

Lastly, I wish to report that we have an amazing culture here at CCAGA and are ready again to deliver on your behalf. The culture is a testament to our Board of Directors, our members and our fantastic staff that not only have shined in the past, but really delivered this last season on behalf of our members. I have every confidence that they will perform just as well in the season ahead. I could not be prouder of every one of them. We will be ready. We wish you a safe and prosperous almond harvest season!