



# CENTRAL CALIFORNIA ALMOND GROWERS ASSOCIATION

Post Office Box 338 ♦ Kerman, California 93630-0338

CCAGA ♦ GROWING STRONGER EVERYDAY ♦ NEWSLETTER ♦ Fall 2023 ♦ Vol. 18, No. 4



## President's Report

So ends one of the oddest and most trying years of the California Almond industry. In my eighteen years serving as your President and CEO I have never seen a year plagued from beginning to end with so many factors that coalesced into a conclusion of such a low yielding and poor-quality crop.

As you are aware, the year began with abundant and much needed precipitation. When the rainy season concluded we were fortunate to have recorded one of the better years of annual precipitation on record. However, this had the consequence of keeping many growers out of the field to do post season sanitation and the ability to knock mummies that harbor Naval Orangeworm (NOW) off the trees. An abundance of abandoned acreage up and down the state only added to NOW pressure that was not anticipated. The rain also played havoc with pollination at a critical time in both February and March. Additionally, a few freeze events at pollination further curtailed the crops potential.

From the get-go the crop was late and at its conclusion ended up being two to three weeks later than more recent seasons. This caused growers to have a harvest season that closely aligned with the remnants of Hurricane Hillary. This sub-tropical depression moved into southern and then central California and remnants of this untimely event affected kernel and inshell quality as packers reported staining in some cases. The tonnage of hull and shell product that is shipped to dairy customers was affected to a lesser extent in our area with discoloration.

I don't want to rehash the nightmare of the past few months, but it is important for you to know how your plants, equipment, and staff performed in order to present a full assessment of how we prevailed under these conditions. Plant operations were hampered by these factors. A low yielding crop meant exceedingly large hulls were delivered to us wet. This led to a decrease in efficiency of 23%. Ours is a real estate game with a finite quantity of deck space to convey the product through our plants. Large hulls that are wet do not convey product efficiently, which causes the operators to dial back plant operation to accommodate for the lack of deck space. This meant that even with a decreased production volume, our season was much longer than anticipated.

In the end, it took 114 days to process the 2023 crop on what normally would have taken 83 days in comparison with more recent years where we have had normal rates of efficiency. Therefore, it took an additional 31 days to process this year's crop and is once again directly attributable to exceedingly large moist hulls we experienced that plagued our hulling and shelling operations.

We are still waiting on some final pack out reports from handlers. Preliminary data indicates we shelled 107,376,012 lbs. of meat equivalents in 2023 compared with 127,240,654 in 2022. Therefore, we recorded a year-over-year decrease of 15.6% overall. The average yield this season was 1,772 lbs. per acre compared with 2,069 pounds recorded in the 2022 season, which is a 14.35% decrease per acre. The last time the per acre yield was this low was in 2009.

Shelling operations concluded at our Sanger location on Saturday, December 9 and at our Kerman location on Monday December 11. Fortunately, both of our locations mostly missed both rain events.

## President's Report (continued)

Our hull and shell can be argued as probably one of the best conditions and appearances in the state. We were fortunate not to have a substantial amount of discolored almond hull and shell product. Additionally, our hulls are some of the largest and thickest we have seen in a long time. This clearly will help offset some of the added costs we incurred due to operational inefficiency I have previously noted.

All of us will be happy to look toward the future and put the 2023 production and harvest season behind us. On behalf of the Board of Directors and staff, we wish you a joyous holiday season and a Happy New Year.

### Recap of Payments Made on the 2022 Crop

Your Association made two payments to members on the sales of the Association's by-products of hull, shell, and hash, etc., in the course of the past year. Both components comprise what we call the dividend paid to those who delivered production during the 2022 harvest season for hulling and shelling services. By all accounts, it was a respectable year as we received good values for our products, especially almond hulls that at certain points in the sales period traded at record levels. An advance payment of 2 cents was distributed on June 13 and a second payment of 4.44014 cents was disbursed on October 6. Both payments of 6.44014 comprised the dividend on the 2022 crop. This payment was the fourth highest return to our members in the Association's history and was exceeded only by the 2005, 2013 and 2014 fiscal crop years.

Additionally, we made two other forms of payment in March and October in repayment of hulling fees collected on the 2022 crop. These disbursements are commonly known as the Capital Retain and the Operating Retain. Both methods in the collection of retainage were altered last year. The Board of Directors decided to assess fees on a field weight delivered basis instead of a meat equivalent basis, which had been the method used since the Association's inception.

The first payment was a return of a portion of the Capital Retain that was made in March. This portion is called the Supplemental Retain and is the overage collected as a Capital Retain. A prior Board directive stipulated that we are only allowed to retain \$1,500,000 of the \$3,652,292.70 collected as a Capital Retain. Therefore, this overage of 1.6915 cents or \$2,152,292.70 was paid back to members who delivered in 2022. The \$1,500,000 balance not remitted is a retained amount that we will hold on the Association's books for 4 ½ years from harvest when it will then be repaid.

A second form of retainage that is known as the Operating Retain was implemented as a financial safety measure to ensure we had adequate funds available to carry on operations during the hulling season without heavily using borrowed funds. This measure was deemed especially necessary due to the uncertain times we are currently experiencing nationally and locally. The payment of the Operating Retain was distributed on November 20 and totaled 1.9136, or \$2,434,861.80.

In summary, it was a wonderful year for your Association and while the current fiscal period is certainly much more challenging. However, we can revel in member returns that were exceptional for our members in the 2022 fiscal period.



### Chief Operating Officer Report

Once again, we had a very successful Ranch stockpile program last season. Each member who participated in the program received a payment of 2 cents per meat equivalent pound. I am proud to say we had 2,412,126 lbs. of net meat equivalents or 10,408,410 lbs. of field run, stored on our members' farms for latter processing. This was slightly down from the ranch stockpile receipts during the 2022 crop year but is still greatly appreciated. Thank you to the growers who participated in this year's program.

The 2023 crop year will be remembered as a very difficult crop to hull and shell. At the Pre-Season Grower meeting we encouraged the membership to take advantage of the opportunity for east side growers to have their inshell loads processed at the Sanger facility. I would like to thank the growers who took advantage of the new inshell line at our Sanger facility. Unlike the past, when Inshell was only hulled in Kerman, many eastside members did not choose to run their product as inshell due to the delivery distance and cost. This year's members delivered 16,470,320 pounds of field run designated as inshell to Sanger. This represents a 25% increase of the total field weight delivered to Sanger in 2023. This volume was welcomed by management and the Kerman and Sanger facilities ceased operations two days apart.

We continue to move forward on the installation of the new tracking solar array in Sanger which will begin breaking ground in January 2024. This solar array will offset 100% of electrical charges at the Sanger Facility not including demand charges from PG&E. When the new solar array comes online your Association, at both facilities, will be producing 2.7 megawatts to the grid annually.

The early finish to the 2023 season has already proven beneficial to the Association. The plant crews have begun repairs and maintenance on your plants and equipment in anticipation of the 2024 crop year. Your management team has been proactive and procured any long lead time repair items which will be needed in the plants. All of us remain dedicated and engaged to once again prepare your plants for the 2024 season.



### **New Management in Sanger**

We are pleased to announce that there is a change in management at the Association's Sanger location. Long time Kerman employee, Luciano Contreras, who has worked at the Association for the past 13 years and

most recently was our Assistant Kerman Supervisor, has been promoted to the position of Sanger Plant Supervisor. Mr. Contreras brings a great deal of experience with him in assuming this new role. He has worked for many years with our much larger hulling and shelling plants at our Kerman location. He fully understands stockpile operations and is excellent with our in-house ALMADS computer software program. Please stop by and introduce yourself to him. We could not think of a better person that could have been chosen to take over operations at our Sanger location at this time.



### **Member Relations Coordinator Report**

It has been a very busy hulling and shelling season. Most of our growers experienced a later start than normal, along with challenging weather that resulted in high moisture and difficult drying patterns.

Both our facilities have moisture meters for situations like this harvest. A gallon Ziploc sized bag of in-hull almonds is the perfect amount for you to bring in. We usually have your moisture results within the hour. If you are ever questioning your moisture, but are unable to grab a sample and bring it in yourself, please feel free to give me a call. I will be happy to run out to your fields and collect a sample. It is always better to be safe than sorry, and I am here to help should you need it.

Navel Orangeworm has been a major problem for the almond industry this season. If you are questioning your quality, please call me so I can pull your samples. Our quality control, day and night, pull a sample from each load you deliver once it is in the plant. Our Board of Directors recently mandated that we will keep all samples no later than February 15<sup>th</sup>. This allows all our members enough time to receive results from your handler and time to contact me so we can review your samples.

Central California Almond Growers Association

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### Member Relations Report (continued)

Aside from keeping up with our members, I have been updating our social media platforms, LinkedIn, and Instagram, as well as our website. I have developed content about what happens at the huller during season and many videos that explain the hulling and shelling process.

As always, if you need anything at all, I am happy to help and can be reached at: (559) 267-3071 or [celestel@ccaga.com](mailto:celestel@ccaga.com).

### Direct Deposit Required by January 1st

Please remember that effective January 1, 2024 we will no longer mail payments to you using the United States Postal Service. This change is necessitated due to increases in mail theft that has been occurring in our valley and elsewhere. If you have not already done so, please consider signing up for Direct Deposit. You can easily do this by calling our main office and asking for Celeste Lopes. She can be reached at 559-846-5377. Celeste will be glad to provide you with the necessary form to fill out with the banking information we will need to send funds electronically to your bank account. The only other way to receive payments from us in the future will be to physically pick up a check at the reception desk at our administrative office in Kerman each time we make a distribution. If you have not already done so, please make this change as soon as possible. It is for your own protection and ours.

#### OUR CORE VALUE

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