



# CENTRAL CALIFORNIA ALMOND GROWERS ASSOCIATION

Post Office Box 338 ♦ Kerman, California 93630-0338

CCAGA ♦ GROWING STRONGER EVERYDAY ♦ NEWSLETTER ♦ Spring/Summer 2024 ♦ Vol. 19, No. 2/3

## Pre-Season Meeting Scheduled for July 25th

Each year the Association hosts a pre-season grower meeting to discuss the upcoming hulling and shelling season. This meeting is beneficial for our members as Management provides forecasts for the season ahead and to advise members on new improvements that will help with our overall processing efficiency. Invitations have been sent in the mail so please save the date. The meeting is scheduled for 11:30 on Thursday, July 25, at Pardini's Catering & Banquets in Fresno. Help us to prepare for the meeting by calling (559) 846-5377 confirming your attendance.

## New Policy Regarding Excessive Processing Time

Recently, our Board of Directors (BOD) and Management have continued a discussion regarding the quantity of foreign material that slows down our processing lines. To help improve overall efficiency, a new policy has been implemented for 2024 and all future seasons. If a run takes longer than one hour to run at the pre-cleaner, you will be charged 3.75 cents per meat lb. This change is critical for the efficiency of the season and maintenance of our plants. Running lower quality product creates more run time for the season. This change is deemed necessary for the 2024 season to decrease foreign material that leads to long run times and excessive wear and tear to your equipment.

## President's Report

We are presently amidst a very difficult time in agriculture. This is certainly true regarding the values we are receiving for our by-products of almond hull and shell. The 2023 fiscal period that just ended recorded declining almond hull pricing that has further decreased in the 2024 fiscal period that

lies ahead. I predict we will continue to see lower prices for our by-products in the months ahead. This prediction is a result of large inventories of last year's crop to be moved into the marketplace, at the same time that we will have a larger

almond crop that will produce an abundant amount of new crop hull and shell.

As you know, the primary purchaser of our hull and shell includes California, Arizona and Texas dairies. These two by-products comprised 82% of our revenues last year. Dairies typically utilize between 6 to 12 pounds of almond hulls per cow per day in their daily feed ration. This is roughly 10% of the entire daily ration. During the 2022 crop year, hull values descended from a record high of \$295 per ton to \$145 at the end of the sales period. Speaking respectively of the 2023 crop year, we are presently 85% sold on our hull position at a current average price of \$94.56 per ton. In looking to the next fiscal period, we are presently 40% sold on our hull position at an overall average price of \$73.19 per ton for the 2024 almond crop yet to be delivered. Unfortunately, the current value for Prime Hulls is sitting right around \$60.00 per ton. We clearly look to the next sales period with a high level of uncertainty.

The dairy business has seen recent improvement. How will this affect hull prices? Unfortunately, we believe that hull prices will remain at near record low levels in the months ahead. With deliveries commencing in early August, we have budgeted for a crop size of 132,549,954 meat equivalent pounds for the next season, which conservatively should produce approximately 109,329 tons of hulls. At a current value of \$70 per ton, this will yield a revenue of \$7,653,000. Herein lies the dilemma. This amount of revenue equals our total labor expense for the next fiscal year. Fortunately, our Bylaws provide specific direction on how we can manage this situation to assure the financial stability of the cooperative.

The BOD and Management have taken a conservative position regarding the 2024 budget. At our June meeting the BOD approved a 2.75 cent Hulling Fee, (\$55.00 per ton), that will be assessed on a delivered basis. This is consistent with a change we made in 2022 in assessing the hulling fee from a meat equivalent basis to a delivered basis. Such a change was made in hopes of reducing the increasing amounts of foreign material delivered to us each season.



## President's Report (continued)

Next season,  $\frac{3}{4}$  of 1 cent shall be allocated to a Capital Retain as was the case last year. However, the Operating Retain which was also  $\frac{3}{4}$  of 1 cent last year will be increasing to 2 cents.

This substantial increase is due to the uncertainty over the current and future value of our hull and shell product, and necessitates an added cushion to protect against any potential loss or further decreases in by-product values. The Operating Retain is deemed necessary as a backstop in case of unforeseen circumstances we cannot anticipate at this time.

Our Bylaws provide adequate protection to withstand the financial circumstances that presently exist. We know that this is a difficult time, and we are mindful of what our members are enduring. All I can say is that we are in this period that agriculture is experiencing together. Our primary focus is to make sure your cooperative is financially protected and ready each season to hull or shell your almond production efficiently and with the highest standards of quality that you expect.

Aside from the total retains, the BOD also sets a 1 cent charge per lb for members that choose to produce inshell.

Once again, I wish to express my extreme gratitude to those who work in our shellers and are presently doing our repairs and maintenance. Our facilities are nearly ready to go, and I assure you that they will be in tip top shape to process your almond crop in August. We hope for improvement in the price of our by-products in the months ahead. However, only time will tell.

### Member Relations Coordinator

I had many conversations and meetings with our membership about the quality of their almonds last season. I am only a phone call away to pull your samples after your product has run through the plant, or to grab your almonds from the orchard floors for moisture testing.

Last year, we introduced the Grower Change Request Form that is required to be completed when a member wants to change anything about their product throughout the season. This form will continue to be utilized each season and 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 (inshell or meats) switched more than once, there will be a \$500 fee for each request you make. There is no fee for the first request. I also want to remind you that if you are undecided about running your product as meats or inshell, I would recommend marking your delivery tags as inshell. Each handler has a reject threshold percentage for inshell, and if your product surpasses that criteria, I will call you. If I am unable to get a hold of you, we will make the best decision for your product based on direction provided by your handler.

Our yearly processor assignments and grower information sheets were mailed to the membership earlier this month. I cannot express how important it is for us to receive this paperwork back in a timely manner. Even if there are no changes to your membership, please return this paperwork. The processor assignment is even more critical to return as we cannot accept a load of your product when season starts until we know if you or your handler will be paying our fees.

Navel Orange Worm was a big issue for everyone last season. Once your product leaves your orchard and is loaded in trailers, it becomes the huller and sheller's responsibility when the truck enters our gates. However, we need your help in ensuring your product gets covered and fumigated asap when it arrives in our stockpile yard. It is very critical that you mark the last load delivery box on your delivery tickets.

I am aware that sometimes you are unsure which trailers will come in first, which leads to the issue of why the last load box is frequently not checked off. If you know your last few loads have been filled in trailers from a field that is wrapping up, please consider giving me a call. From there, I can call your truck driver and get an update about the status of your loads arriving to our facilities. The communication between the truck driver and I will allow me to notify the stockpile yard of the last load once the ticket arrives on our scales.

One last update for the 2024 season includes our delivery books. We have printed new books for this year with barcodes on each ticket to increase efficiency and eliminate mistyping the delivery number at the scales. We are encouraging everyone to use our new books instead of last year's. I am more than happy to drop off books to you at your convenience.

I wish all our membership a smooth and successful season. Please contact me should you have any questions or concerns, (559) 267-3071 or celestel@ccaga.com.



## Chief Operating Officer

The quality of each run of our members almond production processed through our plants is of the utmost importance to your management team. In 2023, we tested a QCIFY machine in Kerman to determine the accuracy of the algorithm

when grading the quality of almond samples versus your USDA results from your packer. After multiple tests, we realized the QCIFY result was within our specifications and has software which could improve efficiency in our plants. We will be incorporating 3 QCIFY machines in our plants this year. This will allow us to capture real time quality results for our members product that we can compare to their handlers quality. This addition also assist's management if a quality issue arises.

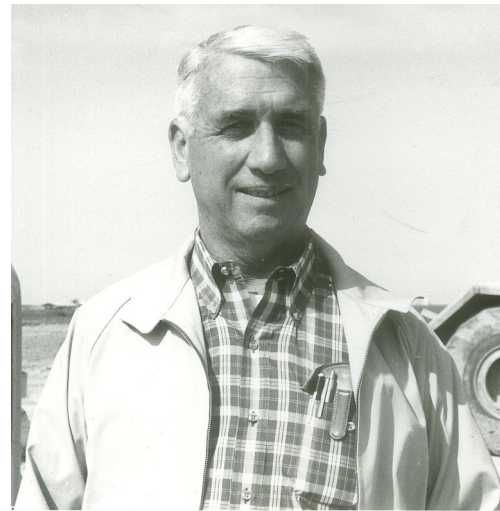
We are currently in the build-out phase of the CCAGA stage 3 solar installation at our Sanger Facility. As I previously mentioned, our interconnection was approved by PG&E before Net Energy Metering (NEM) 2.0 had rolled over to NEM 3.0. This project will drastically decrease our power costs at Sanger. All major work will be completed before the 2024 crop season deliveries, and we expect to submit our Permit to Operate on August 31. Currently, when driving by the Sanger facility you will see the footprint of the solar field in the south west corner of the stockpile yard.

The installation of the inshell line in Sanger was a success for the Association. The line performed as expected and many growers were able to take advantage of the short haul to Sanger instead of Kerman. I would encourage more growers to do the same if you believe you will receive a freight advantage from your trucking company. We have once again rented an additional 15 acres of stockpile space in Sanger to accommodate the membership and would love to fill up both stockpile yards. The addition of the secondary stockpile yard adds an additional 75% of stockpile space.

I am looking forward to another great harvest. Your operations team has planned for a large crop and is focused on increasing efficiencies in your plants while maintaining quality. The plants at both facilities are in tip top shape and are near completion for the season.

I would like to congratulate Drake Salwasser and Luciano Contreras on their promotions at CCAGA. Drake will now be your Operations and Commodity Sales Manager and Luciano will manage the Sanger Facility as your Sanger Plant Supervisor. Please congratulate them if you see them at either facility. You have a very dedicated operations team and we will continue to ensure we provide the best hulling and shelling service to our members.

## Association Loses a Great Friend and Leader



It is with great sadness that we inform you that our founding Manager of CCAGA Robert "Bob" Hines passed away on April 21, 2024, at the age of 94. It is so important to remember him for his vision and its manifestation in the amazing cooperative CCAGA has become. He was foundational and far-sighted in building the hulling and shelling cooperative from which we all benefit today. This benefit extends primarily to our members who are our owners, but it also extends to the hundreds of employees who have worked for the Association over the past 61 years, which in turn has helped our Valley communities. It is important to recognize that the many innovations that Bob Hines envisioned were developed and implemented with many of our allied industry friends. Their work collectively revolutionized the almond business in the 1980's. We owe a great debt of gratitude to Bob. We are in great appreciation of what Bob and the founding Board of Directors did in setting up our Bylaws, creating a formula for success that endures and provides great comfort to us amidst these difficult economic times. Thank you, Bob!



Central California Almond Growers Association  
P.O. Box 338  
Kerman, CA 93630

## Report on The Association's 61<sup>st</sup> Annual Dinner Meeting

This year's annual meeting was held on Tuesday, June 11 at Pardini's Catering & Banquets in Fresno. It was a nice evening to have a great meal with fellow members, listen to reports on the State of the Cooperative and hear from our guest speaker, Roger Isom, with updates about current issues California agriculture is facing.

The results of a recent election for two Board of Director (BOD) seats were reported by Mark Heuer, Chairman of the Election Certification Committee. He announced that Tom Chandler, Seat #4, and Jeff McKinney, seat #5, ran unopposed as no other nominations for challengers were received. Therefore, both Mr. Chandler and Mr. McKinney were unanimously re-elected to another three-year term.

Mr. Brandon Ferrell with Eadie & Payne, LLP provided a report on the 2023 Fiscal Year Audit that was completed in May and approved by the Board of Directors at their June meeting. He gave accolades to senior management about prioritizing the logistics of operating a huller and sheller cooperative during a financially difficult year.

Chairman McKinney gave a report on the activities of the prior fiscal period. He also thanked the BOD and staff for their efforts last season. The Association shelled out 107,314,863 lbs. of meat equivalents compared to 127,084,062 lbs. in 2022. President Kelley provided a report about the challenges faced throughout the 2023 season from the grower and huller and sheller perspective. He also reported on the season ahead and explained the increase in the Association's hulling fees for the 2024 crop year due to uncertainties the industry faced last year and are currently still experiencing.



### OUR CORE VALUE

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