



IN A NUTSHELL

Predictions and Trends for the California Almond Market

December 2007

Almond Market Remains Firm:

Despite the universal pessimism last spring and summer about our ability to market, pasteurize and ship this huge crop, we are approaching the Christmas holidays and all is well. The crop appears to be nearly as big as NASS estimated (1.33 billion pounds). Receipts through November 30 are 1,231,576,953, which by my way of thinking puts the final crop under the NASS estimate. I qualify the final crop size, as it could be extrapolated to 1.4 billion by manipulating historical shelling data using alternative math. More important than the crop size is the continuing momentum seen in regards to demand. Year-to-date shipments are up 17.5 % from last year's record breaking season. With this, prices made a dramatic rebound in September and October. Today's prices are up 40-50 cents per pound from the lows that were traded last summer.

The huge August & September shipments confirm that a strong majority of the industry forward contracted at the lower levels of last spring and summer. From a trading standpoint this may have people wishing for DO-OVERS. In reality we are all probably better off to have started at the lower levels and moved up. Generally speaking, buyers prefer to see their inventories increase vs. decrease in value in order to have confidence to buy more. Skepticism about the 2008 bud set and ongoing drought concerns seem to be having an impact on the current crop as well. In fact, 2008 crop standard unsized is currently trading at about a 10 cent premium over 2007 crop with little support from California sellers.

January Pool Payment:

YTD January pool payments are as follows:

Nonpareil	\$1.10
Others	\$.80

We will begin mailing out payments on January 4, 2008. We are still receiving almonds from three shellers. The January 4th payments will be for almonds that arrived by December 15, 2007. The next scheduled payment will be made during the last week of February.

Farming News: by Barry Watts

Winter Orchard Chores

It sure feels like December and January should be slow months for almond growers. But with all of the pruning, shredding, mummy shaking/polling, pre-emergent weed control, dormant spraying, and for some, winter irrigation, it is quite the opposite.

Orchard sanitation is always a hot topic this time of year. Sanitation is the practice of knocking off and destroying mummy nuts where the Navel Orange Worm (NOW) finds shelter for the winter. Sanitation should be done some time in December or January, preferably during fog or while the trees are wet from a rain, for best results. Destroying the mummies is the last step. Mummies should be swept/blown to the middle of the row and either disked or mowed sometime before March 15.

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The goal, according to the University of California, is to have less than two mummies per tree (average basis). In some regions two nuts per tree is very achievable while in other regions this may seem near impossible. It is still very important to remove as many mummies as economically possible no matter what region you farm in. NOW multiply at an exponential rate during the growing season, therefore starting with as few as possible will relieve much pressure during harvest. Winter sanitation is the single most effective way to help control NOW.

Navel Orange Worm can do a great deal of damage to almonds by boring into the nutmeat. Research shows that NOW is a cause for *Aspergillus* mold and the aflatoxin contaminant it produces on the kernel. The European Union, which accounts for more than half of California's exported almonds, is putting pressure on the almond industry to increase aflatoxin prevention and control measures.