



IN A NUTSHELL

Predictions and Trends for the California Almond Market

January 2008

Who is Buying All of Your Almonds ??

Just in case you were wondering, these are the fastest developing major markets of the past decade for California almonds:

| <u>Destination</u> | <u>1997 crop Shipments</u> | <u>2006 crop Shipments</u> |
|--------------------|--------------------------------|--------------------------------|
| Eastern Europe | 5,800,848 | 27,758,426 |
| Domestic | 159,646,391 | 363,330,669 |
| Spain | 46,104,015 | 101,310,303 |
| China | 7,927,831 | 26,093,447 |
| Canada | 15,881,049 | 31,876,562 |
| UAE | 10,675,197 | 29,240,176 |

Market Update:

The December shipping numbers, while good, were disappointing relative to the prior four months. In December we merely matched the 94 million pounds that we achieved in December 2006. Crop receipts to date are 1,314,094,269. Given that number, my guess at final receipts for the 2007 crop would be roughly 1,335,000,000.

The disappointing shipping numbers did prompt some selling activity. Recent trades following the ABC report are down about 5 cents per pound. The general mood seems to remain bullish, even though a very substantial portion of the 2007 crop is now both committed and shipped and the 2008 crop prospects keep sellers at bay.

Recent prices paid for 2007 crop:

| | |
|-----------------|--------|
| Nonpareil 25/27 | \$2.15 |
| Carmel 25/27 | \$1.81 |
| California | \$1.58 |

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February Pool Payment:

In the last week of February we will be mailing out the 3rd payment bringing YTD income to these levels:

| | |
|------------|--------|
| Nonpareil | \$1.50 |
| All others | \$1.15 |

In the February newsletter we will be publishing our size premiums & penalties for those who elected to participate. Those amounts will be included with the February payment.

Farming News: by Barry Watts

Ready For The Bees?

Dormant spray applied? Orchards marked for hive drops? Third party lined up to assess colony strength? Beekeeper confirmed? Beekeeper re-confirmed?

It used to be so simple to line up bees and have them delivered. Now, with pollination being some growers' largest budget line item, it can't be taken so lightly. When the hive cost is \$140 - \$160, we growers need to become great stewards of bees and figure out how to maximize each hive.

What can we do to maximize each hive? Placing bees on the outside of the orchard can help in many ways. Bees usually leave their hives to forage during daylight when temperatures are between 55 to 60°F. Spotting hives in early morning sunlight will help heat the hives. Colonies that get treated with orchard sprays have a higher mortality rate – lowering the overall strength of the hive. Usually, there is more room on the outside of the orchard. This allows for hives not to be stacked, allowing for each hive to get more sunlight.

How do we assess colony strength? Some counties provide this service for a fee, some growers check the hives with their beekeepers. And some growers hire independent third parties to assess their colonies. When hive prices started going up, hive strength started going down. Beekeepers used to guarantee an eight frame average. Today it seems many want to offer a six frame average. A strong hive has eight frames of bees.