



PANOCHÉ CREEK  
PACKING, INC.

# IN A NUTSHELL

Predictions and Trends for the California Almond Market

November 2008

## Market update:

Prices have declined about a dime this past month. Our international buyers are getting killed with the currency exchange relative to what they enjoyed the previous couple of seasons. Everybody is being cautious as we all take the “wait and see” attitude on the world economic crisis.

Recent prices paid:

Nonpareil 23/25	\$2.08
Carmel 25/27	\$1.45
California 27/30	\$1.35
STD unsize	\$1.20

## Storage issues (aka problems):

As the almond industry continues its incredible growth rate, almond handlers enjoy the "theoretical" economies of scale. With that growth there are perpetual investments in processing equipment and storage. This time of year there are always a few handlers that misjudged their anticipated receipts and have literally run out of storage bins. Usually there are enough other handlers with adequate supplies of bins to cover for those who don't have bins. Therefore, the commercial shelling operations that are running 24/7 have gotten by with a minimum of headaches.

I know in past years many huller/shellers enjoyed using Panoche Creek as their weekend dumping ground. We had our trucks running 24/7 while our competitors closed on Saturdays and Sundays. Running on Sundays requires us to pay our staff double-time to load and unload the trucks and pull samples, etc. The point being that our running on Sundays to support the shellers was goodwill and not an economically sound decision for us. Further, our receiving almonds on Sundays compounds the bin issue as shellers that normally give us X volume Monday - Friday would give us 2X on weekends. We would literally receive more per day on the weekends than we did Monday through Friday.

The above is our way of saying that this crop is coming in bigger than we and/or CASS estimated. We now find ourselves in the position of not being able to subsidize our competitors on Sundays. We apologize in advance for any frustration this causes your shelling operation. However, please know that we have adequate bins to take your crop if the shellers deliver the almonds in prorated fashion to all of their respective almond handlers.

“ALMOND MARKETING NONPAREIL”