

October 2013

## **Market Update:**

Shipments as a whole were up almost 14% for the month of September. This was driven by domestic shipments up over 33% and very respectable export shipments up over 7%, with very little help from the Middle East and India. Year to date shipments were up 10% for the year as we entered October. Prices moved up quickly immediately after the Position Report but have retreated a bit as growers/processors have increased their participation in this very lucrative market.

## **Grower's Corner: by Frank Roque**

### **Harvest Update**

Harvest is complete. Most hullers are running at record pace as field run is at almost perfect moisture and quality. It will not take very long to figure out how big this crop is as most hullers will be done prior to Christmas. I think everyone will enjoy some clarity about this crop size as it has been very difficult to figure out. Mixed yield reports have come from all over the state. Many growers were initially impressed with their Nonpareil yields but then disappointed by most other varieties. We should have a decent idea by the December Position Report published January 9, 2014.

### **Recent Letter to Growers**

We sent out a letter to each grower recently regarding how you would like to receive your delivery reports, huller manifest copies, and USDA field notes. If you would still like to reply, please contact Jeannie in our office at [jean@panochecreek.com](mailto:jean@panochecreek.com) or call her at 559-449-1721.

### **IC-DISC**

We have several growers who have already formed an IC-DISC (interest charge-domestic international sales corporation) in order to take advantage of tax savings on income from their almonds that are exported.

Your farming entity pays tax-deductible commissions to the IC-DISC (either 4% of gross receipts or 50% of net income from qualified exports). Then the IC-DISC entity distributes its commission income back to you the shareholder in the form of a dividend. This income that comes back to you is then taxed at the qualified dividend rate instead of the ordinary income rate. This may result in significant tax savings.

We are able to provide a report to you that will detail exactly which of your almonds were exported. Please contact me if you have any questions ([frank@panochecreek.com](mailto:frank@panochecreek.com) or 559-449-1721). Also, please contact your CPA for specific information about whether forming an IC-DISC is recommended for your operation and for assistance with forming the new entity.

## **Farming News: by Barry Watts**

### **Navel Orange Worm Management**

Most growers are applying their post-harvest fertilizer and irrigation and will soon turn their attention to Navel Orange Worm (NOW) management. NOW management begins with orchard sanitation: destroying tree AND ground mummy nuts prior to bloom. The goal, according to the UC, is to have less than two mummy nuts per tree (average basis). If you farm in a high pressure area such as Fresno and Kern counties, or near pistachios, you may need to lower your threshold to one mummy nut per tree. High counts of tree and ground mummy nuts in the spring equal high NOW damage at harvest.

By removing these mummy nuts, we are taking away the food source for the overwintering larvae as well as the 2<sup>nd</sup> flight larvae. This is the single most effective way to manage NOW.