

THE NUTCAST

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September 2020

VOTING

Valley Harvest Nut has received a lot of information from organizations that support almond farmers and the almond industry. **WAPA** (Western Agricultural Processors Association) & **ALMOND ALLIANCE** are on the front line supporting legislation that benefits you and us and refutes legislation that negatively impacts our livelihood.

They have taken a stance on **Prop. 15**, so we encourage you to learn it's impact.

Prop. 21 and **Prop. 22** are two other propositions that may also impact your business.

Voting is a right for citizens of the United States. We encourage you to study the candidates and the propositions that will be on the ballot Tuesday, November 3, 2020.



Market Report

The 2020 harvest season is in full swing. While not all the early varieties are at our facility, most of our growers have almonds on the ground and/or at the huller/shellers. As predicted, crop receipts are up and some are up significantly compared to prior years. We've had three USDA incoming inspections to date and the inedible count has been good – an average of 1.65% at this time. The dry weather and hot spells during summer resulted in small and dry almonds. While your farming goal is 5% moisture, this crop is moisture testing in the 4% range and even a few deliveries below 4%. That makes for brittle almonds and causes more shrivel, breakage, and chip and scratch. Fortunately for you, Valley Harvest does not deduct for chip and scratch in that we are a value added processing facility.

August shipments were brisk – 36% increase from July for the industry and 41% increase for Valley Harvest. Prior years, we stopped production in August for 'annual maintenance'. However, due to Covid-19 slowing orders from April to June, we had time to complete the maintenance one machine at a time during spring. Keeping our plant open during August kept machines producing as businesses were reopening which increased shipments in August! *Covid-19 taught us a better way to function!*

Prices have increased the last couple of weeks by approximately \$0.20/pound. The increased price has been reflected in your first "incoming payment". So, what caused the prices to increase even with an estimated three-billion pound crop? Several factors:

- (1) Lower prices attract buyers which increases domestic and global sales.
- (2) As the new crop revealed smaller sizes (more almonds on a tree = smaller kernels), buyers wanted to "grab" the largest sizes they could at the lower prices – especially the middle sizes 25/27 and 27/30. Therefore, sellers became reluctant to release product at the lower prices, so buyers agreed to the quoted increased prices.
- (3) With buyer interest weakening for higher priced nonpareils last year, buyers learned to use different varieties & grades. The demand for standard, mission type, and/or California almonds increased those prices.
- (4) The market has gone from a buyer's market to a seller's market. Demand always creates price increase so all of these factors have helped to lift the price.

But remember, we still have a three billion pound crop to sell and each month will add a new chapter to the 2020 crop story.



HARVEST PREPARATION

2020 Harvest is here! **CALL US** with any changes regarding:

- ⇒ Sheller/huller choice
- ⇒ Lessee/lessor split
- ⇒ Payments—if you want to defer payment until later

All payments will be issued according to our schedule unless you tell us differently. Please put your request in writing; you may send your message to 3242 S. Carpenter Road, Modesto, 95358 OR email us at info@valleyharvestnut.com OR stop by the office anytime.

