

# 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 its 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

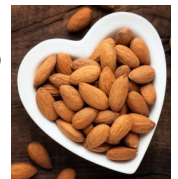
The 2020 harvest season is in full swing. While not all the early varieties are at our facility, most of our growers have almonds on the ground and/or at the huller/shellers. As predicted, crop receipts are up and some are up significantly compared to prior years. We've had three USDA incoming inspections 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](mailto:info@valleyharvestnut.com) OR stop by the office anytime.

