

THE NUTCAST

Valley Harvest
Nut Co., Inc.



info@valleyharvestnut.com * (209) 538-7766 * 3242 S. Carpenter Road, Modesto, CA 95358

April 2023

Updates:

GOOD NEWS:

Almonds growers are **EXEMPT** from the Produce Safety Rule and, therefore, also exempt from the Produce Safety Rule Water Requirements. As you hear conversations swirl around, remember almonds are exempt. **HALLELUJAH!**

GOOD NEWS:

California farmers tackled the world's concern regarding the use of pesticides that can damage the human system. Pesticide usage reduced 10% in 2021 which is on track with the 81% reduction of groundwater contaminants since 2012. The pesticide reduction has been noticed. **NICE JOB!**

GOOD NEWS:

MID and TID farmers will receive at least 100% water allotment for irrigation this season. **HOORAY!**

Market Report

Export shipments, once again, exceeded the previous year and set another record for the third month in a row. The robust export business is a welcome benefit to the industry but indications could be that the buying shift will be to the Australian duty free shipments as they become available and weaken our shipping numbers. Overall, the industry is above last year even with the excessive large carry in from last year. Product is moving and one would expect so is the price. *The lower prices are creating the larger shipments.*

The total incoming crop for 2022 now stands at 2.54 billion pounds compared to last year at 2.90 billion pounds when viewing the same time period. Now we carefully watch the almond set of the 2023 crop! Due to the excessive rain and cold weather, it appears the set is about a week or so behind normal. The first estimate, subjective, which is based on phone calls to growers, is scheduled to publish on May 12. The later, more accurate objective estimate, which is derived by almond count, will be published July 7. We still hear conflicting reports on "how the crop looks", but overall, it is accepted that it will be less than 2022.

Let's talk about prices which are all over the board. Some handlers are undersold so they are almost giving product away and some handlers are holding prices steady. We have tried to remain steady, but occasionally come across a customer that has one of the ridiculously low prices quoted to them which puts pressure on us. Even at that, our overall selling price has remained the same the last two months, but it's still lower than the beginning September prices.

Another plus for Valley Harvest Nut is that our contracts are minimal compared to the industry. While industry commitments must sell at the lower prices, we can go up (and down) as the market dictates which also helps to balance the average price. In the last few days, we have noticed more stability which is reflective in this progress payment.

We take pride in the upper quality "buyer market" reputation that Valley Harvest Nut seems to have in the industry. However, **our main drive is to do our very best to reward our growers well; you are always our goal.**

Thank you for trusting us.

2023 Terra Nova Trading Crop Estimate, 4/21/23

Terra Nova (TN) is an independent trading company that issues a crop estimate by walking through orchards up and down California. *NASS Subjective report (coming May 12) will be based on phone calls with growers.*

- TN based their report on 1.39 million bearing acres. Today, NASS published 'bearing acre' report at 1.38.
- TN reports inconsistent crop yields per tree row & yields in the middle-of-field are lighter than outside rows.
- TN predicts yield/acre to be the lowest in years: 1,650 lbs./acre. FYI: 2022 crop produced 1,860 lbs./acre.
- TN predicts kernel sizes will improve because amply water supply will increase weight of the almond.
- TN reports light & poor yields throughout California. FYI: 2022 crop negatively affected mostly northern CA.
- TN observed large number of orchards suffering from fungal and bacterial diseases due to weather conditions and constraints from inflated farming costs.
- TN predicts that Nonpareils will take the hardest "hit" while Independence and Shasta tress will produce more consistently than other varieties but still lower than expected yields.
- TN predicts a 2.290 billion pound crop which will be compared with the May 12 NASS Subjective Report.

