



# NEWSLETTER

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**February 2006**

## Almond Industry Position Report

**January 2006**

	<u>Million Lbs</u>
Carry-in August 1, 2005 .....	137.7
2005 Net Marketable Crop ( <i>Received to date</i> ) .....	<u>862.8</u>
Total Supply.....	1,000.5
Sold Shipped & Not Shipped	
Domestic.....	237.6
Export .....	<u>425.0</u>
Total Sold.....	<u>662.6</u>
Uncommitted Inventory (Not Sold).....	(337.9)

### Position Report

Almond shipments for January totaled 63.3 million pounds, down 14.3 million pounds compared to last January. Year to date shipments now stand at 480.0 million pounds down 113.3 million pounds or 19%. Total crop receipts hit 898.8 million pounds surprising most by eclipsing the 880 million pound estimate. Most industry sources felt January shipments would be equal to last year but they weren't making this report a bit disappointing.

### The Market

The old phrase "What goes up must come down!" sums up today's almond market. After several years of increasing market demand and improved grower returns, logic and market fundamentals were tossed out the window. Emotion took over! All involved from the grower, processor and end user asked: "**What happened and more importantly why?**" Some blame a couple of aggressive handlers, others blame Call Pool growers, or traders short selling. Big Blue, while taking direct credit for rising market conditions, blames others in the Industry when the market deteriorates. Irregardless, this almond marketing season is a prime example of how first greed, second hope, and finally fear cause prices to rise and peak, flatten, and fall to today's level. Today the market is trading at \$1.80-1.85 cheaper than at the beginning of harvest. Grower prices are as follows: Nonpareils \$2.10-2.30 and California types \$1.50-1.75. Marketing conditions will hinge greatly on the 2006 bloom and crop development. One thing is certain the last 12 months have been a rough and wild ride.

### 2006 Crop Bloom

Most growers have reported a strong bud set in all varieties. Bees are plentiful, in some cases an oversupply with beekeepers willing to discount extra hives. (Maybe hives will be discounted in 2007!) Bloom looked like it would come early, however it's virtually on a normal course. Kern County and Sacramento Valley are reporting earliest bloom with Merced, Madera, & Fresno counties the latest. Bloom is progressing slowly with Carmels lagging behind Nonpareils more than usual. Thursday morning's temperatures were reported in the range of 24-28 degree in many growing areas. Experts feel some damage took place. It's too early to comment on to what extent. Cold and variable weather continues to be in the forecast. The next two weeks will be critical for pollination. A comprehensive bloom report will be in next month's newsletter.

***"Buyer & Seller of Quality California Almonds"***