



NEWSLETTER

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October 2006

Almond Industry Position Report

September 2006

	<u>Million Lbs</u>
Carry-in August 1, 2006	112.2
2006 Net Marketable Crop (<i>Received to date</i>)	<u>394.0</u>
Total Supply.....	506.2
Sold Shipped & Not Shipped	
Domestic.....	171.7
Export	<u>302.8</u>
Total Sold.....	474.5
Uncommitted Inventory (Not Sold).....	31.7

Position Report

As projected, September shipments were solid hitting 110.3 million pounds or about 35% ahead of last year. Total shipments for the year sit at 169.0 million pounds. Looking back on the 2003-2004 marketing year when our industry shipped a record 1,024 million pounds, we started the year off shipping 165 million pounds those first two months. If prices stay at competitive levels our industry stands a good chance of eclipsing the 2003-2004 record shipment year of 1,024 million pounds. Along this line October's shipment are projected to be robust.

2006 Crop Harvest

California type varieties are finally coming in on a consistent pace. Because of the "green nuts" due to the late harvest and then the rain, it has been difficult to get a good head of steam packing on the pollinators. We need a good 10 days to 2 weeks of good weather to complete harvest. Quality on the pollinators has been good or quite rough with no middle ground much like we saw on the Nonpareil. Navel orange worm and pinhole have been the primary culprit for inedibles. Chip and scratched levels are higher than average in deliveries with elevated moisture levels. Wet nuts have become a problem due to the lack of drying capacity in our industry. If weather cooperates, drying nuts down is most effective if picked up and laid down on roads or flat surfaces outside of your orchards. Then take landscaping rakes and move the almonds around for better air circulation. This may sound like a lot of extra work, but it truly is a less expensive and more effective way of drying down wet almonds. Kernel size is average with the exception of the Butte/Padres which are small and ugly. Compared to last year Nonpareil production is about 50% better, with the pollinators possible a bit less than last year. On Friday October 13th, the A.H.PA crop report suggests the crop size will be 1,042 million pounds.

Market

In recent weeks the market place has shown steady activity with prices trending upward. Currently traders are uncertain whether the market will move up or down resulting in no position being taken. This lack of certainty on the trader's part has made for a healthy market place. Sales and shipments have been based solely on consumption and not speculation. The result is truly an honest market place. Let's hope this trend continues. Buyers are beginning to take longer positions which means confidence is returning to the market place. Based on the numbers handed down by the almond board our industry sold position is sitting about 46% which is a solid number knowing we still have 10 months left to sell.

"Buyer & Seller of Quality California Almonds"