



# NEWSLETTER

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**October 2008**

## Almond Industry Position Report

**September 2008**

	<u>Million Lbs</u>
Carry-in August 1, 2008 .....	231.2
2008 Net Marketable Crop ( <i>Received to date</i> ) .....	537.4
<b>Total Supply</b> .....	<b>768.6</b>
<b>Sold Shipped &amp; Not Shipped</b>	
<b>Domestic</b> .....	<b>292.9</b>
<b>Export</b> .....	<b>399.4</b>
<b>Total Sold</b> .....	<b>692.3</b>
<b>Uncommitted Inventory (Not Sold)</b> .....	<b>76.3</b>

### Position Report

September turned out to be an impressive month for California Almond shipments. With 137.2 million pounds shipped, an 11.2% increase over last years "record" September. Total shipments for the year now stand at 233.8 million pounds, 7.95% ahead of last year's totals for the same two months. The true test will be this month! Last October the industry shipped 160 million pounds. If we can match or slightly beat last year's terrific number, we can then silence our critics. Regardless, we are off to a good start.

### 2008 Harvest

Give us ten days and the 2008 crop harvest will have been completed (or at least into stock-piles) for the most part. Then bring on the rain. This year's crop has produced good quality just like last year. Our average reject level is standing at 1.02% with the biggest percentage being ant damage. For the most part, this years harvest has been a smooth one. The only exception is the presence of green almonds (excess moisture). The crop has run through the huller-shellers like a "hot knife through butter". Most industry sources are reporting that the crop is coming in on target with the Objective state estimate of 1.5 billion pounds. The Nonpareils may end up a little over the estimate with the California Varieties possibly coming up short of the estimate. Kernel size is the big problem. Most of the main varieties are sizing out even smaller than last year. Carmel's, Buttes, and Padres are all very disappointing. The vast majority of these varieties are sizing out at 32 counts and smaller. To make good manufacturing stock we need at least 32 counts or larger. We can expect shortages to surface in the desired sizes later in the year.

### The Market

The market is moving along in a cautious but stable fashion in spite of all the economic news being reported from around the world. We are in the middle of producing the 3<sup>rd</sup> record crop in a row, with new Nonpareil demand out pacing all other varieties. The result is a huge price difference between Nonpareils and all other varieties. As we have produced these record corps, demand has kept up nicely for Nonpareils but supply has out paced demand on the other varieties, pushing down prices. Adding to the problem is the lack of good sizes. This is forcing a larger percentage of the crop to be sold as 5% Standard's. This is a catch-all grade that sells at a competitive price (a bit cheap). The good news is, according to the latest ABC Position Report, the industry has already sold approximately 46% of the estimated supply. Demand continues to be steady for prompt shipments but prices aren't too exciting in most cases. The bright side of the market has been In-shell sales both into India and China.

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