



Predictions and Trends for the California Almond Market

October 2007

## **August & September Shipments Were Exceptional:**

With only two months under our belts, we seem well on our way to effortlessly moving this record almond crop. Effortlessly today, at least. During the past 30-45 days, it has been difficult to get grower support for new sales. Thus year-to-date shipments have all been made from pre-harvest sales done at lower price levels. In my opinion, new sales will be made at higher levels that will move up very quickly.

## **Price Differentials at Unprecedented Levels:**

Small kernel sizes have motivated some to discount prices on sales of kernels smaller than size 32/34. Sellers fear that the whole crop may end up shipping as Standard Unsized to Europe. Today, small kernels fetch \$1.00 per pound less than size 18/20 Nonpareils. During the 2002 crop marketing campaign, when the phenomena last occurred, there was a \$.70 differential. Last year at this time the spread was only \$.50. My crystal ball tells me that the differential will quickly heal as kernel size improves. In general terms, prices have moved up \$.20 - \$.30 in the past 60 days.

## **Inconsistent Yields:**

The almond crop has really provided some surprises with respect to yields. Kern County seems to be yielding less than last year. The one exception in the south is 4 year old trees. We have quite a few farmers making more than 2,500 pounds per acre on 4 year olds. One 4 year old field made 3,000 pounds on Wood Colony. WOW!!! Very few growers in Madera and Fresno Counties are showing increases over last year. However, north of Madera, growers are freaking out about how big their crops are. Most growers in Stanislaus County are making yields never experienced in that region.

Industry year-to-date receipts are 593,693,971. This number doesn't really provide any insight as to the total crop size. Increased shelling capacity each year makes it nearly impossible to know the actual outcome until 60 days from now when the ABC publishes receipts through November.