

Update



THE LATEST ALMOND BUSINESS NEWS

January 2016

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Market Status

Almond Board Industry Position Report: December 2015

There has been significant turbulence in the California almond industry and customer base since September.

The December Almond Board Industry Position Report confirmed the fact that the 2015 crop is going to exceed the forecasts of many industry observers, official and unofficial. With an additional 93.8 million pounds reported, total crop receipts at the end of the month now stand at 1.850 billion pounds. This exactly matches the NASS Subjective Forecast and exceeds the Objective Forecast by 50 million pounds. More importantly, it also significantly exceeds unofficial estimates put forth by many players in the industry, some of whom expressed doubt that the crop would even reach 1.7 billion pounds during the summer.

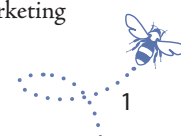
The second significant revelation in the monthly report was the continuing decline in monthly shipments versus the prior year. Total industry shipments during December were reported at 135.4 million pounds, 8.6% less than the same month one year ago. Within the details of the report, domestic shipments declined by 11.0%, with a total of 42.8 million pounds, while export shipments dropped by 7.4%, for a total of 92.6 million pounds.

The trail of declining shipments does not represent a reduction in consumer demand. Rather, it is fully the result of a lack of confidence in the marketplace on the part of buyers of California almonds. Prices have declined as some sellers worked to convert unsold positions, while others, who have had buyers default on contracts purchased earlier in the year at higher prices worked to reposition themselves. This has generated a trail of difficulties throughout the supply chain.

Meanwhile, unfilled needs remain to be satisfied as consumer demand remains strong. We see this in the products we produce. Buyer interest in December should translate into increased shipping activity, which should allow January to bring the first year-over-year increased shipments since April 2014. Last January, shipments were limited to 115 million pounds by the west coast congestion issues.

While the degree of recovery current pricing can generate in the second half of the marketing

Million Pounds Kernel Weight	
Carry-In August 1, 2015	376.6
Receipts - 2015 Crop (Net)	1,813.2
Total Supply	2,189.8
Shipments 8/1/15 - 12/31/15	
Domestic	246.7
Export	460.9
TOTAL	707.6
Computed Inventory	1,482.2
Commitments (Sold, Not Delivered)	
Domestic	195.8
Export	221.9
TOTAL	417.7
Uncommitted Inventory	1,064.5



year remains to be seen, pricing has returned to levels that generate a better value for many customers, levels not seen since the 2013 crop. This is exactly what is needed as the potential for larger crops looms in the years ahead.

With bloom just a few weeks away, we will soon understand if the El Nino will impact the 2016 crop supply. Regardless of the outcome, it is time for the California industry to return to building the global demand for almonds.

HONEY BEE BEST MANAGEMENT PRACTICES

California's almond bloom is the largest single pollination event in the world. And we all know that the bloom and the subsequent crop we all depend on for our livelihood is entirely dependent on the honey bee.

Almond growers have come under increasing scrutiny in recent years as the health of the U.S. honey bee population has been called into question. While the bees are in the orchards for only a few weeks out of the year, the practices that growers employ when the bees are present can have a long-lasting impact on the colonies, both good and bad. Researchers have proven that the general health of the honeybee, both from the nutritional and pathological standpoint, has an important impact on the condition of the hive and the bees' ability to work within the orchard.

As part of an ongoing commitment to honey bee health, the Almond Board of California recently released a comprehensive set of Honey Bee Best Management Practices (BMPs) for California's almond industry. Developed with a wide array of input from sources including the almond community, beekeepers, researchers, California and U.S. regulators, and chemical registrants, the BMPs represent the Board's most extensive educational documents to date to ensure that almond orchards are, and remain, a safe and healthy place for honey bees. The documents lay out simple, practical steps that almond growers can take together with beekeepers and other pollination stakeholders to protect and promote bee health on their land and in the surrounding community.

The BMPs not only provide guidance for the protection of the bees during the bloom, they also outline beneficial practices that can be adopted prior to the arrival of the hives that can go a long way toward providing a more successful pollination.

Growers may download the documents at the Almond Board's website, www.almonds.com/growers/pollination#BeeBMPs.

CHANGES TO YOUR ACREAGE

Some growers have already begun the process of removing older, low-producing orchards. Please remember to contact your Field Supervisor when you make any changes to your plantings. Orchard removals, plantings, purchases and sales should be reported as soon as possible.

Accurate acreage information, both of the variety planted and the ages of the trees, is critical to our planning process as it allows us to more accurately forecast our membership's production potential.

FUNGICIDE EFFICACY GUIDE

The 2016 bloom period will start in just a few weeks and growers will soon begin monitoring their orchards for signs of fungal disease. Growers are aware that successful disease management requires diligent monitoring of the disease pressure within the orchard and careful consideration of the appropriate fungicide materials. An equally important component of managing diseases in the orchard involves managing disease resistance to fungicide materials.

The University of California publishes a Fungicide Efficacy Guide designed to assist growers in selecting the proper disease management materials and optimum treatment timing to most effectively manage problems within the orchard while reducing the potential for disease resistance. The current guide was updated in 2013 and is available on the UC Integrated Pest Management website at www.ipm.ucdavis.edu/PMG/r3902111.html#EFFICACY.

An integral part of the Efficacy Guide is the assignment of Group Numbers used to identify materials with similar modes of action. These Group Numbers are designed to assist growers and their Pest Control Advisors to effectively select fungicide materials with an eye to reducing the potential for the development of disease resistance.

Recent research has shown that growers should delay any fungicide applications until late in the day, when the bees are not flying in order to prevent impacts on the bees and the brood within the hives.

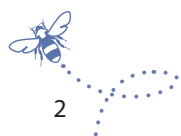
We encourage all growers to consult the Efficacy Guide and observe its guidelines to most effectively manage any disease issue that may arise.

BLUE DIAMOND DELIVERY BINS

Now that the harvest has been completed it is very important that we collect all of our delivery bins for inspection, repair and sanitation.

Please contact your Field Supervisor or the Salida Membership office at 209-545-6225 if you have any bins or observe any bins in your area so that we may arrange to pick them up.

The Almond People



During each bloom, members of our Field Staff are asked about the critical temperatures that may cause damage to the bloom and developing crop. The data listed in the table below shows the percentage of damage that may be expected when unprotected tissue of several almond varieties are exposed for **30 minutes** to a range of temperatures. The data presented here are guidelines only. The actual damage within an orchard may vary with the actual exposed temperatures and your particular cultural practices.

Percentage of damage to almonds exposed for 30 minutes to cited temperature during various growth stages.

Variety and Stage	Temperature										
	30	29	28	27	26	25	24	23	22	21	20
Neplus											
Pink Tip	--	--	--	--	--	1	10	--	20	--	20
Pink Bud	--	--	--	--	0	70	90	90	90	90	--
Full Bloom	--	--	5	70	90	100	--	--	--	--	--
Small Nut	1	5	20	50	100	--	--	--	--	--	--
Sonora											
Green Bud	--	--	--	--	--	1	--	--	5	--	5
Pink Bud	--	--	--	--	--	20	10	30	10	5	10
Full Bloom	--	--	--	--	70	80	70	80	90	--	--
Small Nut	--	1	5	60	100	--	--	--	--	--	--
Peerless											
Green Bud	--	--	--	--	--	5	--	--	5	--	10
Pink Bud	--	--	--	--	1	50	100	--	--	--	--
Full Bloom	--	0	5	90	100	--	--	--	--	--	--
Small Nut	--	0	5	60	100	--	--	--	--	--	--
Nonpareil											
Pink Bud	--	--	--	--	--	20	40	40	30	50	40
Full Bloom	--	--	--	50	70	90	90	90	--	--	--
Small Nut	1	1	40	90	100	--	--	--	--	--	--
Price											
Pink Bud	--	--	--	--	--	30	30	30	40	40	20
Full Bloom	--	0	5	50	70	90	100	100	--	--	--
Small Nut	--	0	30	80	100	--	--	--	--	--	--
Carmel											
Pink Bud	--	--	--	--	--	40	50	40	70	40	70
Full Bloom	--	--	--	60	90	100	100	100	--	--	--
Small Nut	1	10	30	70	100	--	--	--	--	--	--
Butte											
Pink Bud	--	--	--	--	40	80	70	80	90	90	--
Full Bloom	--	0	0	60	90	100	--	--	--	--	--
Small Nut	--	1	5	80	100	--	--	--	--	--	--
Padre											
Pink Bud	--	--	--	--	70	90	90	100	90	--	--
Full Bloom	--	0	1	50	100	100	--	--	--	--	--
Small Nut	--	1	5	30	100	--	--	--	--	--	--

Note: Dashes indicate that data are not available.

Source: J.H. Connell and R.L. Snyder, Published in the University of California, Almond Production Manual, 1995.

Almond Growers...

Have you noticed Blue Diamond's 2014 Crop Returns?



Nonpareil/Sonora/Independence Inshell	\$4.26
Nonpareil/Supareil Meats	\$4.20
Sonora/Independence Meats	\$4.16
Carmel	\$4.01
Monterey	\$3.97
California/Price/Fritz/Wood Colony	\$3.90
Butte/Padre	\$3.86
Mission/Neplus	\$3.81

Since 1910, Blue Diamond Growers has been committed to Quality and Innovation. Our new Almond Innovation Center and our Turlock Manufacturing Plant expand on our tradition of product and market development, leading the way into a new standard of food safety for your production.

Growing the Market... So You Can Grow Your Business
Worldwide Marketing Muscle and Industry Leading Returns

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- Volume Premiums
- DPAD and IC-DISC Deductions

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