

Update



THE LATEST ALMOND BUSINESS NEWS

May 2016

Contents

2 Market Status

2016 Crop Assignments

3 Long Term Investments

Blue Diamond Delivery Bins

2016 Accelerated and
Deferred Payment

District Director/Liaison
Elections

4 Update Your Acreage

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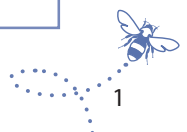
July 2016 District Meetings

Please mark your calendar for the July 2016 District Meetings. To reserve a seat at your local meeting, please fill out and send in the enclosed postage-paid RSVP card or contact the Salida Membership office at 209-545-6225. We hope to see you there.

Monday, Tuesday, Wednesday, Thursday
July 11, 12, 13 & 14, 2016

PLEASE NOTE: As some meeting dates and locations may have changed since last year, please verify the current information for your district's meeting below.

**Attendance at the District Meetings is by invitation only.
Invitations to the July District Meetings were mailed to all Blue
Diamond members with the May issue of Update**



Market Status

Almond Board Industry Position Report: April 2016

Million Pounds Kernel Weight	
Carry-In August 1, 2015	376.6
Receipts - 2015 Crop (Net)	1,853.3
Total Supply	2,229.9
Shipments 8/1/15 - 4/30/16	
Domestic	435.5
Export	885.1
TOTAL	1,320.6
Computed Inventory	909.4
Commitments (Sold, Not Delivered)	
Domestic	188.3
Export	244.3
TOTAL	432.6
Uncommitted Inventory	476.8

The Almond Board of California's Position Report highlighted a brisk movement of 167.5 million pounds shipped in April. This is a record shipment level for the month of April and is 11% above the amount shipped in April 2015. Export shipments increased by 26%, reflecting willingness in international markets to move strong volumes at current prices. Domestic shipments were off by 13% compared to 2015, due to current retail prices reflecting purchases earlier in the marketing campaign at much higher values. Once this high-priced inventory clears and is replaced with more attractive consumer pricing, volumes will accelerate following a similar pattern seen in the export market.

Total crop received for 2015 has settled in at 1.891 billion pounds. This is likely to be the final total for the 2015 crop as most receiving data has been accounted for by the Almond Board.

Sales commitments in April jumped by 177 million pounds, an 18% increase, to 432 million pounds. As a result, to date, uncommitted inventory stands at 476 million pounds, below the 500 million pound threshold, which previous industry predictions had established for the end of the marketing year. Given the new data, current forecasts set the carryout in the range of 440 to 480 million pounds.

It is predicted that export shipments in May will be robust as China, India, and the Middle East are showing good long-term signs of recovery. European market shipments are up 6% compared to this same time last year with good increases due to a short Spanish crop, reportedly down 11%.

2016 January - April Shipments LBS/ 000's	2016	2015	% Change
Western Europe	187,525	153,061	23%
Middle East	76,480	71,083	8%
China	38,227	31,839	20%

NASS Subjective Forecast

The USDA's National Agricultural Statistics Service (NASS) recently released their 2016 Subjective Estimate for the new crop of 2.0 billion pounds. This is based on their estimate of 900,000 bearing acres, and a forecasted average yield of 2,220 pounds per acre. The 2.0 billion pound estimate is shorter than many recent industry predictions and has contributed to better near-term market conditions by instilling confidence regarding potential production.

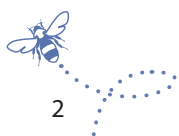
Market Perspective

With continued strong shipments and the release of a lower than expected 2.0 billion pound NASS Subjective Estimate, the industry expects to see better market conditions in the coming weeks. Over the past 12 months, almond prices have peaked, then declined and are beginning to show a moderate rebound as prices settle into more familiar, historical levels. Demand is starting to grow as a result of price moderation and confidence in the market. Export demand has responded quickly to these favorable conditions and growth in North American volumes is expected to follow suit. Overall, the market is reflecting a better balance of supply and demand.

2016 CROP ASSIGNMENTS

Crop assignments have been mailed out to all members with assignments that ended in the 2015 crop year. Please complete these forms with **all pertinent signatures** and return them to us as soon as possible. Please ensure that both the member and assignee signatures are included on the form as each year we receive a large number of assignments lacking a signature.

Contact your Field Supervisor if you require assistance or need additional forms.



NEW LONG-TERM INVESTMENT PROGRAM

Blue Diamond Growers is offering Members a new Long-Term Investment Certificate program (LTIC). The intent of this program is to serve as a competitive investment alternative for our Members, and provide Blue Diamond Growers with a long term source of funds.

Each long-term investment certificate will be issued with a 3 year maturity, corresponding to a maturity date of June 30, 2019. This tranche is limited to a total investment of \$10 million on a first-come-first served basis. Participants can enroll with an initial investment of \$50,000 and then any amount thereafter subject to availability.

The interest rate for this enrollment period is 2.25% paid twice per year on January 1st and July 1st, with no compounding interest.

Interest Rate:

The LTIC interest rate will be set at 2.25% for certificates maturing in 2019. The LTIC rate will be adjusted each January 1 and July 1 to the Bank of America reference rate (the "Prime Rate") less 1.25%. Maximum interest rates on long-term investment certificates will be capped at 4.25%. Interest rates on long-term investment certificates can decrease if the Prime Rate decreases, but not below the initial interest rate on a certificate.

For more information please contact your local Field Supervisor, or Member Services at (209) 545-6225.

This summary does not constitute an offer to sell or a solicitation to purchase long-term investment certificates. We will provide a package of documents for the long-term investment certificate program to those members who are California residents and who express an interest in participating in the program.

BLUE DIAMOND DELIVERY BINS

Prior to the start of the harvest, Blue Diamond inspects, cleans and repairs all of the delivery bins in our inventory to ensure that they are sanitary and ready to receive the crop.

If you have any Blue Diamond delivery bins or observe any Blue Diamond bins that have not been collected, please contact your Field Supervisor or the Salida Membership office at 209-545-6225 so that we may arrange to pick them up.

The Almond People

2016 ACCELERATED AND DEFERRED PAYMENTS

Agreements for the 2016 crop Accelerated and Deferred Payment Programs have been mailed to all who participated in the 2015 crop programs. **Anyone planning on deferring any 2016 crop payments must have a completed Deferred Payment Agreement on record with Blue Diamond prior to crop delivery from the sub-contract you wish to defer.** Any payee may defer an entire payment or elect to receive a set amount and defer the residual to the next calendar or fiscal year. **Deferred payment agreements will not be accepted after a sub-contract's first delivery.**

Those wishing to accelerate their 2016 payments ahead of the regular payment schedule may complete an Accelerated Payment Agreement **at any time.** The 2016 Accelerated Payment rate will be announced in July. Anyone interested in either of these programs may obtain the necessary agreements from their local Field Supervisor or by contacting the Salida or Sacramento Membership offices.

DISTRICT DIRECTOR/LIAISON ELECTIONS

Directors in Districts 2, 8, and 9 will be up for election this year. The deadline for filing petitions for nominations for District Director and Grower Liaison Committee candidates is September 1, 2016.

The Grower Liaison Committee allows you to meet directly with Blue Diamond management and other growers from your district and growing area. The committees meet quarterly to review crop status, market conditions and Blue Diamond operations. There are three elected positions and one appointed position available annually per district committee.

To apply for a Director or Liaison Committee position, please obtain a petition from your Field Supervisor and return it to the Membership office no later than September 1, 2016. Candidates who wish to submit a written statement of no more than 500 words to the membership may do so by September 10th. Certification of Incumbent Directors, Nominees, and Liaison Committee members is also due by September 10th. For more information, call the Salida Membership office at 209-545-6225.





New Trees? Old Trees? Orchard Pulled?

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.

Field Supervisors

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