Update



THE LATEST ALMOND BUSINESS NEWS

October 2016

Contents

- 2 Blue Diamond Delivery Bins
 Emailing Grower Statements
 Be a Brand Champion
- 3 106th Annual Meeting
- 4 Changes to Your Acreage

Blue Diamond Growers 1802 C Street Sacramento, Ca 95811 916-442-0771 www.bluediamond.com

This is a publication of Blue Diamond Growers and is intended for co-op members use. Advertising in this publication does not necessarily reflect the beliefs, opinions or attitudes of Blue Diamond Growers and does not imply any product or service endorsement. All rights reserved.

For advertising insert information call (916) 446-8326

Market Status

Almond Board Industry Position Report: September 2016

The Almond Board of California reported significant market activity in their September Position Report. The California almond industry shipped a record 201.6 million pounds in September, building momentum on the strong shipment performance seen in August. After two months, shipments year-todate are ahead of last year by 102.4 million pounds, representing a 38 percent increase over 2015. Just as significant as recent shipments, commitments for future sales grew even faster, with a record 359 million pounds of new business booked in September. Current commitments are at 639.6 million pounds, 199.3 million pounds and 45 percent more than at the end of last September.

Million Pounds Kernel Weight	
Carry-In August 1, 2016	412.0
Receipts - 2016 Crop (Net)	970.8
Total Supply	1,382.8
Shipments 8/1/16 - 9/30/16	
Domestic	117.0
Export	254.6
TOTAL	371.6
Computed Inventory	1,011.2
Commitments (Sold, Not Delivered)	
Domestic	252.9
Export	386.8
TOTAL	639.7
Uncommitted Inventory	371.5

As of September 30, new crop receipts have totaled approximately 991 million pounds. This is 7 percent ahead of last year and lends merit to reaching the 2.05 billion pound USDA NASS Objective Estimate. With most hullers still running at full steam, stockpiles have become the focus for the month of October. By the middle of October, it has been reported that over 90 percent of almonds have been harvested and pulled out of the field in stockpiles or delivered to the huller. The October rain event that soaked the north part of the state was too late to have a significant impact on harvest activities.

The domestic market has been picking up momentum, up 12 percent year-to-date with two consecutive months of growth after 10 months of lower shipments. September saw record shipments of 58.2 million pounds, representing a 15 percent increase from last year.

Export markets showed significant gains on multiple fronts. Record shipments of 143 million pounds overall was reported, besting 2014's 127 million pounds, confirming export buyers are interested in almonds. Shipments to India are up 82 percent compared to last year with over 2,000 containers being shipped in August and September. India will absorb these containers in the next 8 weeks with the upcoming Diwali Festival, and to fill up buyer's inventories. Shipments to China are up 85 percent compared to last year, with Chinese New Year and the E-Commerce 11/11 event still ahead. China is expected to continue to purchase for the next 5-6 weeks. In the Middle East,

shipments rebounded to 115 percent greater than last year, driven by growth in Turkish imports. Shipments to the European Union are up 22 percent as inventories are being filled for the holiday season at lower prices than the last few years. Another factor influencing the world almond market is that Spain is anticipating a smaller crop than originally expected, causing buyers to increase purchases from California.

Market Perspective

Year-to-date, the 2016 crop is currently shipped and committed at a rate 30 percent higher than the prior two years. Total supply will be around 2.5 billion pounds, sufficient to allow no more than 10-12 percent growth at year-end. Prices will rise to slow the pace of growth over the balance of the year. The early increase in shipments and commitments is driven by a higher share of Nonpareil in-shell and kernel activity.

For the period of October through December, growth in year-overyear shipments is expected to continue based on the large early commitments. Higher new market prices for the 2016 crop will be tested, meaning a new higher market price will be found in the next three months as early growth levels may need to slow down to remain in balance with incoming supplies.

BLUE DIAMOND DELIVERY BINS

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

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 can arrange to pick them up.

EMAILING OF GROWER STATEMENTS

Blue Diamond Growers' payees receiving funds from grower payments may elect to receive their statements via email rather than conventional printed statements sent via the U.S. Postal Service.

In addition to saving the cost of paper and postage, this program will also allow participants to receive their information quickly, especially when coupled with the automatic deposit of payments. As an option, a grower may elect to receive both email statements and regular statements via U.S. mail. Please contact your Field Supervisor for more information.



THE CONSUMER WINS WITH BRAND CHAMPIONS

Are you a Blue Diamond Brand Champion? Have you ever wondered why a particular store doesn't carry Blue Diamond Almond Breeze or your favorite flavor of Blue Diamond snack almond? The answer lies in the management of the modern retail and grocery business. Regional differences in buying culture, or the business model of certain retailers, often dictate what is put on the shelves. While some major chains are very good supporters of the Blue Diamond brand, others seek strategies that include their own "house brand" or store brand generic.

Take big box retailers and club stores as an example. This sector has been an emerging retailer stocking not only the most popular items like Smokehouse Snack Almonds, but also Almond Breeze and Blue Diamond Almond Flour. Even with successful sales, decisions to bring in product other than Blue Diamond can have an impact on the cooperative's sales. One of the greatest challenges is maintaining shelf-space in these stores and this is where our growers and consumers can help.

By becoming a Blue Diamond Brand Champion, you can exercise your power as a consumer by requesting Blue Diamond products at your local retail store. The more consumers ask for certain products, the harder it is for the retailer to ignore the overwhelming demand. So next time you are out shopping and you notice a lack of Blue Diamond represented on the store shelves, don't be afraid to seek out a manager and place a request. It really does make a difference!

To learn more about being a Brand Champion, visit the Membership Booth at the 2016 Annual Meeting.

Save Yourself...

From waiting for the mail to arrive...

A trip to town...

From standing in line at the bank...

Know your payment will be in the bank no matter where you are.

Receive statements and vouchers the same as you do now.

Prevent Stolen Checks!

Sign up now for Automatic Deposit of your payments.

Contact your Field Supervisor or Grower Accounting at (916) 446-8385



KNOWLEDGE DEDICATION LEADERSHIP

106th Annual Meeting Modesto Centre Plaza Wednesday, November 16, 2016

7:00 a.m. to 9:00 a.m. Huller/Sheller Breakfast - Napa Room (by invitation only)

6:30 a.m. to 11:30 a.m. Registration - Double Tree Hotel Lobby

8:00 a.m. to 12:00 Exhibits – Grand Ballroom and Foyer

Taste new Blue Diamond products

Visit with Blue Diamond staff and friends

Buy your See's Candy gifts for the holidays and much more!

Food Demonstrations- Hallway outside of Arbor Theatre

8:00 a.m. to 2:30 p.m. NEW! On-site Growers Store- Shop during the meeting, located in the San Jose Room

9:00 a.m. to 10:00 a.m. Election 2016 Outcome: Impact on Agriculture Seminar – Arbor Theatre

9:00 a.m. to 10:00 a.m. Cultural Seminar – Pistache/Gingko Room, Downstairs

"Understanding Maximum Residue Levels (MRLs) and What They Mean to Growers"

10:30 a.m. to 11:30 a.m. Cultural Seminar – Pistache/Gingko Room, Downstairs

"Latest Navel Orangeworm Management Strategies and Current Research"

12:00 p.m. to 2:30 p.m. Membership Luncheon and Business Meeting - Harvest Hall

Recapping the 2015 crop and a look ahead to 2016-2017

Chairman of the Board Dan Cummings and President and CEO Mark Jansen

For Your Convenience:

- · Parking: Validated parking is available in the parking garage across from the DoubleTree Hotel, located on 9th Street.
- + 2 Hours DPR Continuing Education Credit Pending for the Cultural Seminars

GROWERS' WEEK DISCOUNT

From Monday, November 14th through Saturday, November 19th, Blue Diamond members can enjoy an additional 5% savings at all Blue Diamond Growers' Nut and Gift Shops! This increase is in addition to the already substantial discount offered by the store and covers all in-stock items excluding 500-count foil pack cartons. In Addition to the On-site store at the meeting, Blue Diamond Nut & Gift Shops are located in Sacramento, Salida, and Chico.

Be sure to have your grower number with you when you stop by the store. Your contract or grower number may be found on any grower payment statement.



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.

Dennis Meinberg Upper Sacramento Valley 530-864-0619 Salida Membership Office 209-545-6225 Justin Elam Merced County 209-303-7306

Ryan Christy Lower Sacramento Valley 530-518-9109 Ernie Reichmuth Madera County 559-474-2996

Jereme Fromm
West San Joaquin & Northern
Stanislaus
209-596-9520

Mike Griffin Southern Madera & Northern Fresno 559-779-6400

Brian Noeller Southeastern Stanislaus, Merced North of Westside Blvd/Bellvue Road 209-417-2010 Mike Grindstaff Southern Fresno & Kings 559-470-9731

KC Stone
Eastern San Joaquin, Southcentral Stanislaus
and Merced, north of the Merced River
209-596-5375

Matt Willson Tulare & Kern 559-554-4118

