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ALMOND COMPANY

GROWER NEWSLETTER

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SHOCK OF THE YEAR..... Almond Board released the objective survey

1993 ALMOND CROP ESTIMATE:

470 MILLION LBS.

This is the official "July estimate" made each year by the California Agricultural Statistical Service (CASS). The estimate is a result of sampling several trees in several orchards in the state making nut counts and checking kernel sizes. This estimate is down from the May estimate of 520 million lbs.-- also made by CASS from the annual grower mail survey.

This is the biggest drop from a May estimate in recent memory. The July estimate and actual crop over the last ten crop years have been pretty close-- two years there was no difference; three years the crop was lighter by 5%; five years the crop was up by 9% average. Ten per cent sounds close, but today's drop is 10% from the May estimate and is regarded as quite significant.

The market reaction will push prices up in the short run-- 10 to 20 cents/lb-- who knows? Last year I thought the price would get too high for the market, then correct, and it never did. This year I expect the same thing. If the crop is 470 million and we trim the carry out a few million from 93 to 94, buyers will still have to do without 40 to 50 million lbs. What price will be required to cause that many to drop from the market, I do not know. Some can be made up from buyer inventories, Mediterranean almonds and hazelnut substitution, but all of these factors only account for a part.

We will keep you posted on the market as it reacts to this news. Meanwhile, take care of those almonds-- we will apparently need all we can get from the harvest.

Ned T. Ryan