



California Almonds – A Stunning Success Story, But Is It Sustainable?

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Inside this Issue...

Introduction.....	2
Production Overview.....	2
Production Costs and Labor Requirements.....	3
Domino Effect: Increased Land Prices and Acreage Shifts.....	3
Global Destinations of U.S. Almonds....	4
World Almond Supplies – Overview	6
The U.S.’s Advantages and Disadvantages.....	7
Market Outlook for Almonds – a Look to 2020.....	9
Concluding Comments.....	10

Key Points:

- **Thanks to its mild climate, rich soils and well established distribution channels, California growers have established dominance over the global almond marketplace, supplying, on average, 80 percent of the world’s almonds.**
- **Bolstered by strong marketing by industry groups, an increase in almond tree plantings and steadily increasing yields, almond production has been expanding to keep up with swelling domestic and foreign demand.**
- **With strong profits, fueled by stable prices that are far above breakeven levels, the current almond market is extremely stable, and will encourage the planting of more almond trees in coming years.**
- **Due to rising land prices spurred by almond profitability, there has been a domino effect of acreage shifts between crops, with sizeable declines in row crop acreage – especially from cotton acreage – and significant increases in almond acreage.**
- **Seventy percent of total U.S. almond production is exported, and the total volume of U.S. almond exports has grown two-fold during the past decade. Export markets will play a significant role in determining future growth in U.S. almond production.**
- **Australia is now the world’s second-largest almond producing country, after the U.S. Australia has the infrastructure, land availability, climate, marketing channels and developed export markets to become competitive to the United States in almond production. However, as in the U.S., drought and water resources could be a limiting factor in Australian almond production.**
- **Counterbalancing the many strengths of the U.S. almond market are two potential weaknesses – water and water regulation. Other long-term concerns for the U.S. almond market include expiration of almond acreage, and the ability to supply large increases in forecasted world almond demand.**

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