

### **January 2018 Almond Position Report**

January 2018 shipments were 193.50 million pounds. This is +16.7% compared to January 2017 shipments of 165.80 million pounds.

#### **2017 Almond Supply**

Carry-in from the 2016 crop:	399 million pounds
2017 estimated crop size:	2.25 billion pounds
Less 2.5% loss / exempt:	56 million pounds
Less shipments to date:	1.23 billion pounds
Less commitments:	602 million pounds
Remaining unsold supply:	761 million pounds

#### **Receipts, Shipments & Inventory v. 2016 Season**

Receipts:	+6.37%
Total supply v. 2016 season:	+4.78%
Shipments v. 2016 season:	+10.34%
Uncommitted inventory:	-12.36%

#### **Receipts & Shipments**

Receipts through the month of January are 2.243 billion pounds. At the end of January, receipts are historically about 98.4% received. Based on this average, the final crop size will be a little less than 2.28 billion pounds. Shipments of 193.50 million pounds are a new record, surpassing January 2017 shipments by about 28 million pounds and bettering the previous record of 165.80 million pounds set in January 2017.

#### **Commitments** (Almonds that are sold, but not yet shipped)

Domestic commitments of 253 million pounds are +18.76% and Export commitments of 349 million pounds are +25.32% compared to January 2017. Total commitments of 602 million pounds are +22.48% compared to last year. New sales for the month of January were about 174 million pounds.

#### **Domestic Shipments**

Domestic shipments were +5.0% at 60.18 million pounds. This is a new record surpassing the previous record of 57.29 million pounds set in January 2017. New domestic sales for the month of January were about 64 million pounds.

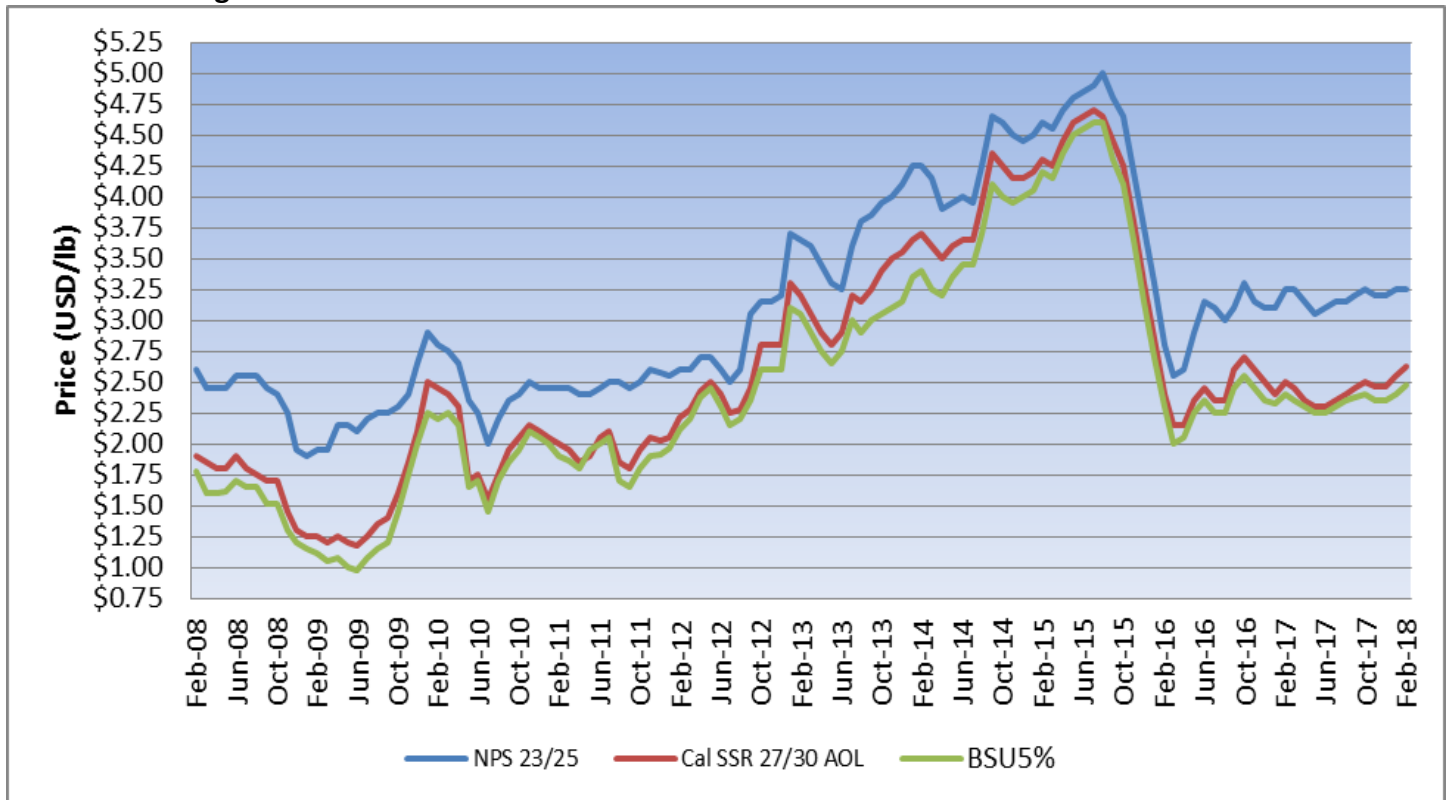
#### **Export Shipments**

Export shipments were +22.9% at 133.32 million pounds. This is a new record surpassing January 2017 shipments by about 25 million pounds and bettering the previous record of 115.66 million pounds set in January 2012. New export sales for the month of January were about 109 million pounds.

### Regional Shipments

	<u>August 2017 - January 2018</u>		<u>August 2016 - January 2017</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<b><u>EUROPE</u></b>					
France	16,333,852	17,010	13,259,175	16,835	23%
Germany	66,771,722	0	59,453,879	93,794	12%
Italy	35,140,102	1,656,364	31,819,227	866,680	13%
Netherlands	28,403,645	0	26,304,501	0	8%
Spain	97,339,546	833,386	92,975,698	1,621,465	4%
U.K.	19,862,704	30,775	16,819,997	0	18%
<b><u>MIDDLE EAST</u></b>					
Israel	5,348,385	149,042	4,454,750	95,923	21%
Jordan	4,634,525	408,321	4,390,275	498,171	3%
Saudi Arabia	7,637,300	372,967	11,175,094	258,656	-30%
Turkey	14,126,319	21,804,062	14,226,110	20,350,995	4%
UAE	31,636,103	7,376,141	29,942,936	4,672,863	13%
<b><u>ASIA</u></b>					
China/HK	63,516,606	57,781,624	57,389,807	50,698,544	12%
Japan	37,804,642	160,197	34,965,980	170,291	8%
South Korea	26,885,145	0	25,188,662	0	7%
Taiwan	6,088,122	322,633	6,933,397	250,713	-11%
Thailand	2,139,425	0	2,019,385	0	6%
Vietnam	7,931,903	28,389,827	3,611,128	33,069,787	-1%
India	4,306,301	141,024,087	3,491,062	106,134,596	33%

### Historical Pricing



## Conclusion

Another month, another record. January marked the fourth month in a row of record shipments and it is already safe to assume that February shipments will be a new record as well. Commitments continue to be strong, up over 22% compared to this time last year. Shipments through the month of January are up 10.34% compared to last season, while receipts are only up 6.37%. When you take into account the higher percentage of inedibles this crop year, this only further increases the sold position in California. As of the January shipment report, California is about 70% sold of total marketable supply (crop size + carry-in) based on a 2.28 billion pound crop size. To put into perspective, California was only 64% sold at this time last season.

Receipts increased by about 35 million pounds since the December shipment report. Looking back at the past 5 years, receipts through the month of January are 98.4% received on average. Based on this average, the 2017 crop will be 2.278 billion pounds, which is about 142 million pounds larger than the 2016 crop. California has currently sold (shipped + committed) 226 million more pounds this season than at this time last year. Conservatively speaking, if California only ships the same amount of almonds for the remainder of this season as last year, the carry-out will be nearly identical at 400 million pounds. This means that every month going forward where shipments exceed last season, the carry-out will decrease and the transition between crop years will be that much tighter.

It has been a busy past month. New sales during the month of January were a record 174 million pounds. All major markets have been actively buying in recent weeks and continue to show strong interest. A few items are already becoming a little more difficult to find in California. Smaller sizes in Cals, Carmel Type varieties and Nonpareils were limited to begin with this season and are now proving even harder to get your hands on. The higher percentage of inedibles isn't helping matters when it comes to higher quality grades as well. Regardless of how positive expectations may be for the upcoming crop, it would appear that current crop pricing will remain firm for the foreseeable future given the current supply and demand dynamic. With that said, it may be good idea to cover some of your current crop needs for the remainder of the season sooner rather than later in order to secure the necessary tonnage.

Bloom has just started in California. Conditions are unseasonably warm, which has been the case for most of the winter in California this year. While warm weather is ideal for bee flight hours and pollination, there is some concern in California that the chill hours and chill units this winter are down and this may hinder the 2018 crop from producing at its full potential. Rainfall and snowpack totals continue to be lackluster. Thankfully, most reservoirs in California are at or above average capacity. Ultimately, it would be in everyone's interest for the upcoming crop to be reasonably larger than this past season to account for the strong global demand for almonds, which looks poised to continue to increase at current price levels.

As always, our teams in China, Dubai, India and California are at your service.

**For those of you attending Gulfood, we invite you to visit us in the WUSATA Pavilion in Sheikh Saeed Hall, Booth S3-D39/D41.**

Best Regards,  
**DERCO FOODS**