

May 2018 Almond Position Report

May 2018 shipments were 158.30 million pounds. This is **-7.3%** compared to May 2017 shipments of 170.69 million pounds.

2017 Almond Supply

Carry-in from the 2016 crop:	399 million pounds
2017 estimated crop size:	2.258 billion pounds
Less 2.5% loss / exempt:	56 million pounds
Less shipments to date:	1.951 billion pounds
Less commitments:	292 million pounds
Remaining unsold supply:	358 million pounds

Receipts, Shipments & Inventory v. 2016 Season

Receipts:	+5.79%
Total supply v. 2016 season:	+4.31%
Shipments v. 2016 season:	+10.24%
Uncommitted inventory:	+5.44%

Receipts & Shipments

Receipts through the month of May are 2.258 billion pounds. Shipments of 158.30 million pounds are **-7.3%** compared to May 2017 shipments and about 20 million pounds less than the record set in May 2016.

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

Domestic commitments of 133 million pounds are **-1.74%** and Export commitments of 159 million pounds are **-36.16%** compared to May 2017. Total commitments of 292 million pounds are **-24.04%** compared to last year. New sales for the month of May were about 76 million pounds.

Domestic Shipments

Domestic shipments were +13.1% at 66.29 million pounds. This is a new record surpassing the previous record of 58.60 million pounds set in May 2017. New domestic sales for the month of May were about 29 million pounds.

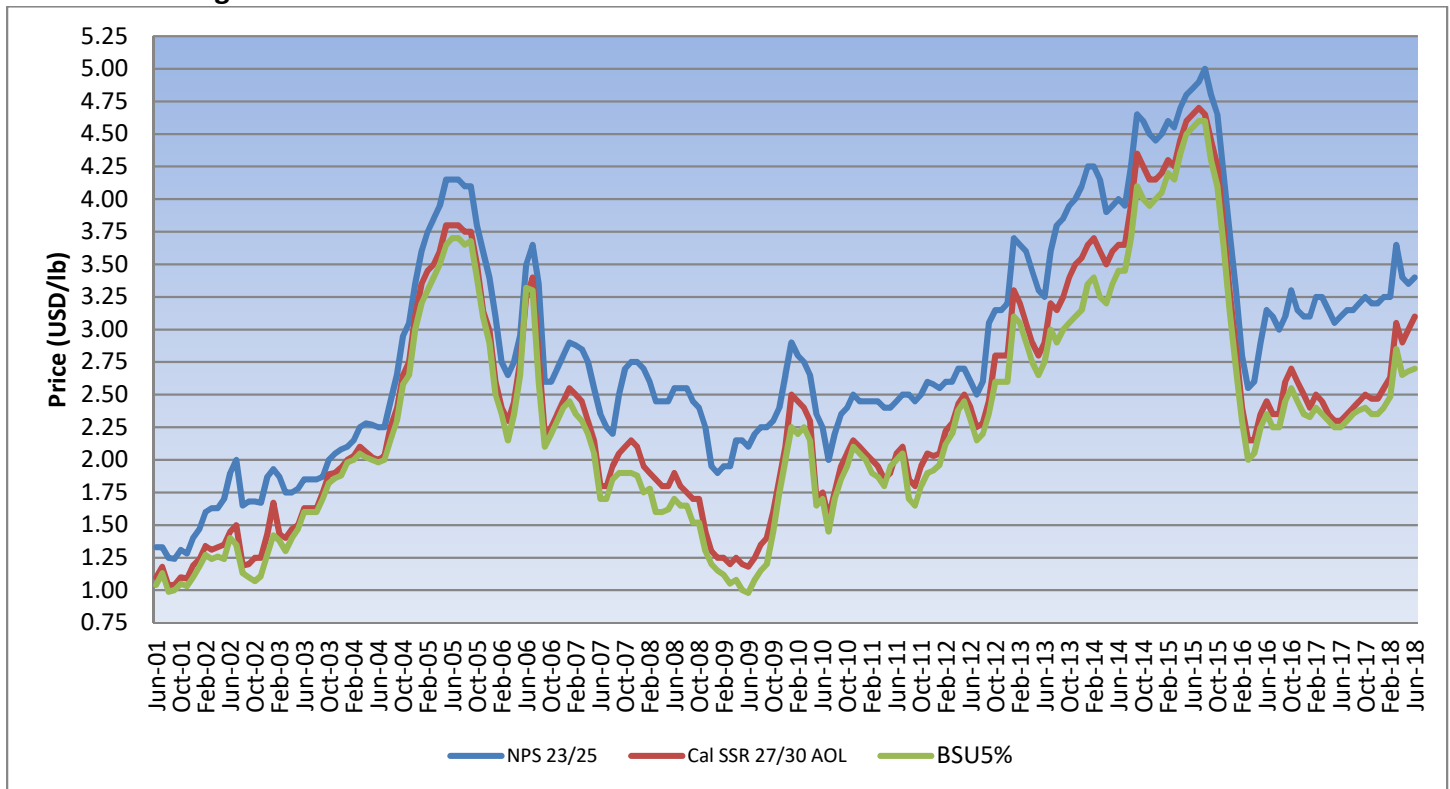
Export Shipments

Export shipments were **-17.9%** at 92.01 million pounds. This is the third largest May on record. May 2018 shipments were 20 million pounds less than May 2017 and about 33 million pounds less than the record set in May 2016. New export sales for the month of May were about 47 million pounds.

Regional Shipments

	<u>August 2017 - May 2018</u>		<u>August 2016 - May 2017</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	25,870,692	34,934	23,160,806	31,735	12%
Germany	114,044,836	0	103,093,131	52,792	11%
Italy	59,926,145	1,990,218	48,038,482	1,358,330	25%
Netherlands	44,809,607	1,156	41,882,396	1,440	7%
Spain	171,302,790	1,068,218	170,334,339	2,198,281	0%
U.K.	30,664,432	31,067	29,329,823	0	5%
<u>MIDDLE EAST</u>					
Israel	8,038,105	149,042	9,190,430	127,954	-12%
Jordan	8,211,475	714,405	7,783,225	523,578	7%
Saudi Arabia	12,424,100	528,852	18,138,244	457,256	-30%
Turkey	27,032,141	21,995,276	26,528,296	21,891,890	1%
UAE	49,832,230	9,053,417	53,325,027	6,344,365	-1%
<u>ASIA</u>					
China/HK	86,902,920	73,617,677	77,367,318	57,510,991	19%
Japan	66,642,600	224,790	59,600,035	203,420	12%
South Korea	44,697,767	0	47,750,671	0	-6%
Taiwan	8,678,778	322,633	10,549,940	297,622	-17%
Thailand	4,163,804	0	3,519,815	0	18%
Vietnam	12,716,451	38,159,126	4,999,378	35,225,986	26%
India	5,729,836	174,225,433	6,176,317	141,394,019	22%

Historical Pricing



Conclusion

For the first time since September 2017, total monthly shipments failed to set a new record. Although domestic shipments were a new record at 66.29 million pounds, export shipments were the lowest we have seen this season at 92.01 million pounds. California is now sitting at 75% shipped and 86% sold (shipments + commitments) of total marketable supply, compared to 71% shipped and 86% sold at this time last year. New crop commitments are reported to be about 81 million pounds, compared to 209 million pounds at this time last season. Based on an estimated 2018 crop size of 2.35 billion pounds, California is about 3.4% sold, compared to 9.2% sold at the end of May 2017.

Taking into account that the dollar has been strengthening against many foreign currencies, with tariff increases in various markets and with new crop estimates ranging anywhere from 2.20 to 2.51 billion pounds, it's not surprising to see very low new crop commitments. Buyers and sellers alike have been hesitant to put new crop business on the books. Both parties have expressed interest in waiting for the Objective estimate on July 5th. At the end of the day, we are unlikely to see any kind of real volume traded until both buyers and sellers come to an agreement on prices.

For now, current crop inventory levels are getting lower by the day. Several key products are virtually sold out in California, many of which are later harvested varieties. Most sized Cals and Carmel Type varieties, in addition to all inshell varieties are some of the most difficult items to find today. Most of the remaining Nonpareil inventory is in sizes 23/25 and larger. NPX 23/25 AOL is currently being offered at about \$3.45/lb FAS. There was strong demand out of Europe last week for BSU5% between \$2.65-2.68/lb FAS. Sized Cals are trading anywhere between \$3.10/lb to \$3.15/lb FAS, while NPIS was traded last week between \$2.47-2.50/lb FAS. For new crop, buying interest continues to track about \$0.10/lb less than selling interest in California.

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

Best Regards,
DERCO FOODS