

June 2018 Almond Position Report

June 2018 shipments were 156.76 million pounds. This is **-11.5%** compared to June 2017 shipments of 177.05 million pounds.

2017 Almond Supply

| | |
|------------------------------|----------------------|
| Carry-in from the 2016 crop: | 399 million pounds |
| 2017 crop size: | 2.259 billion pounds |
| Less 2.5% loss / exempt: | 56 million pounds |
| Less shipments to date: | 2.108 billion pounds |
| Less commitments: | 239 million pounds |
| Remaining unsold supply: | 255 million pounds |

Receipts, Shipments & Inventory v. 2016 Season

| | |
|------------------------------|--------|
| Receipts: | +5.81% |
| Total supply v. 2016 season: | +4.32% |
| Shipments v. 2016 season: | +8.26% |
| Uncommitted inventory: | +0.83% |

Receipts & Shipments

Receipts through the month of June are 2.259 billion pounds. Shipments of 156.76 million pounds are **-11.5%** or down about 20 million pounds compared to June 2017, which is the current record.

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

Domestic commitments of 117 million pounds are **-9.00%** and Export commitments of 122 million pounds are **-26.18%** compared to June 2017. Total commitments of 239 million pounds are **-18.66%** compared to last year. New sales for the month of June were about 105 million pounds.

Domestic Shipments

Domestic shipments were **-4.6%** at 62.28 million pounds. This is about 3 million pounds less than the previous record set in June 2017. New domestic sales for the month of June were about 47 million pounds.

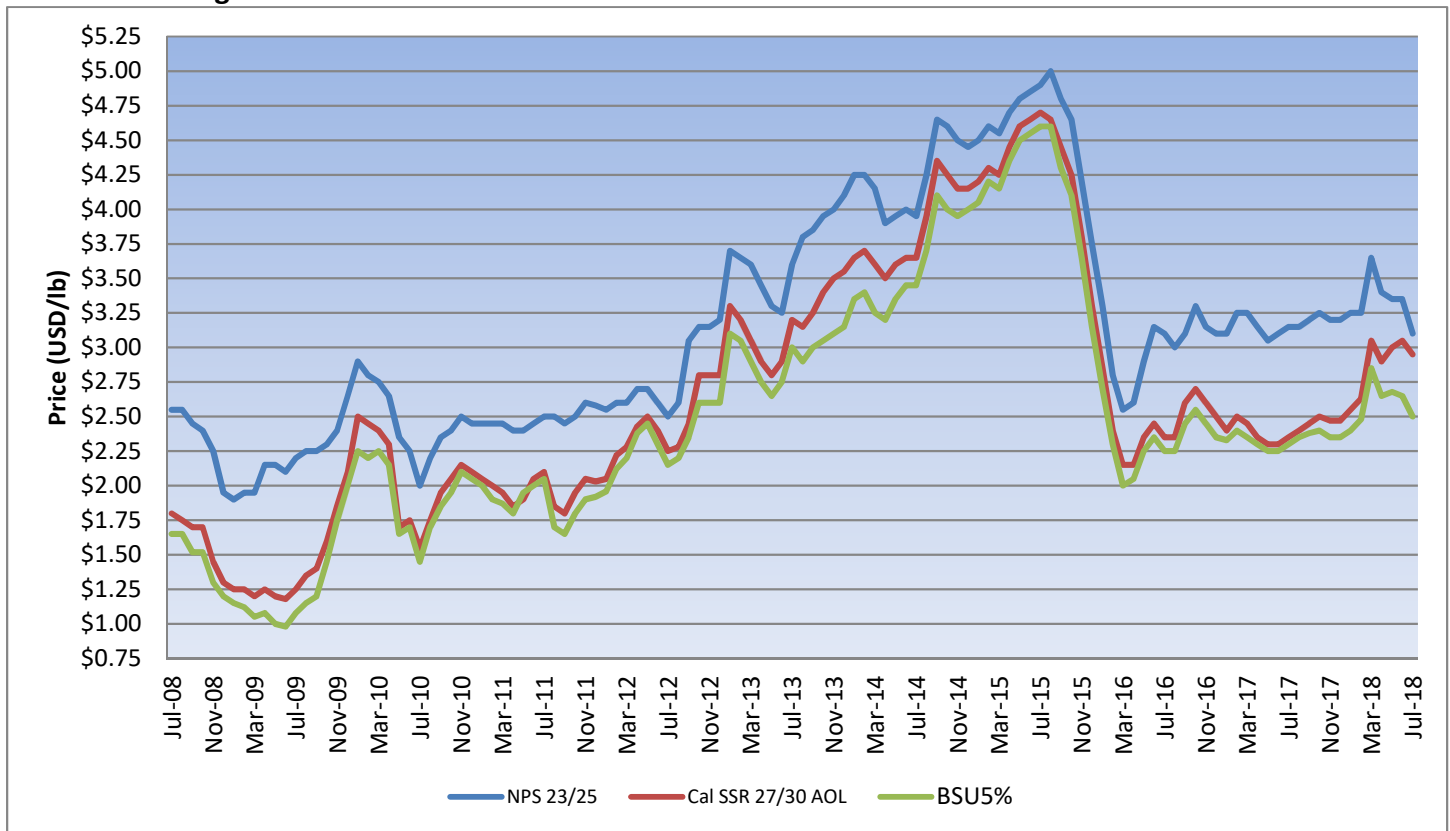
Export Shipments

Export shipments were **-15.4%** at 94.49 million pounds. This is about 17 million pounds less than last June and about 26 million pounds less than the record set in June 2016. New export sales for the month of June were about 58 million pounds.

Regional Shipments

| | August 2017 - June 2018 | | August 2016 - June 2017 | | % Change |
|--------------------|-------------------------|-------------|-------------------------|-------------|----------|
| | Shelled | Inshell | Shelled | Inshell | |
| EUROPE | | | | | |
| France | 27,370,389 | 34,934 | 25,845,193 | 31,735 | 6% |
| Germany | 124,819,618 | 0 | 116,382,001 | 52,792 | 7% |
| Italy | 63,495,852 | 1,990,218 | 51,854,942 | 1,388,915 | 23% |
| Netherlands | 48,062,807 | 1,156 | 46,282,906 | 1,440 | 4% |
| Spain | 188,107,446 | 1,161,604 | 191,585,162 | 2,286,261 | -2% |
| U.K. | 32,767,765 | 31,067 | 31,705,428 | 0 | 3% |
| MIDDLE EAST | | | | | |
| Israel | 8,447,105 | 149,042 | 10,017,180 | 127,954 | -15% |
| Jordan | 8,515,475 | 730,380 | 8,963,225 | 587,935 | -3% |
| Saudi Arabia | 13,435,700 | 554,651 | 19,296,244 | 477,256 | -29% |
| Turkey | 28,883,941 | 22,011,899 | 30,062,046 | 21,893,606 | -2% |
| UAE | 52,602,380 | 9,301,786 | 55,646,951 | 6,925,859 | -1% |
| ASIA | | | | | |
| China/HK | 89,986,281 | 75,045,191 | 83,963,735 | 59,505,360 | 15% |
| Japan | 73,851,486 | 224,790 | 64,761,210 | 203,420 | 14% |
| South Korea | 48,159,183 | 0 | 51,398,452 | 0 | -6% |
| Taiwan | 9,134,778 | 322,633 | 11,039,306 | 297,622 | -17% |
| Thailand | 4,669,152 | 0 | 3,741,815 | 0 | 25% |
| Vietnam | 14,317,254 | 38,695,569 | 5,605,527 | 35,904,983 | 28% |
| India | 6,068,161 | 184,093,629 | 7,820,477 | 151,053,376 | 20% |

Historical Pricing





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Conclusion

As expected, June shipments were less than the record set last year. With very strong shipments this season, remaining inventory levels are low and availability of many items are extremely limited. California will argue that there is simply not enough inventory remaining of in demand products for shipments to exceed last season during these final months of the crop year. For current crop, we are seeing large premiums compared to new crop prices on items in short supply such as sized Cals, Butte/Padre and Carmel Type Supreme. While items that are a little more readily available, such as NPX/S, have continued to weaken in price.

Last week, the Objective Estimate was released at the higher end of expectations at 2.45 billion pounds. NASS is forecasting a larger pollinator crop, while the Nonpareil crop is expected to be slightly down compared to last season. Since the release of the estimate, we have seen new crop prices decrease by about \$0.05-0.10/lb, depending on item and seller. As a result, we have seen an increase in new crop buying activity. However, given the lack of clarity and continuity in pricing, trading continues to be limited in volume.

Tariffs are weighing heavily on buyers' purchasing strategies for the upcoming season. This is especially true for Chinese buyers who have been hit the hardest by recent tariffs. As prices are nearing opening levels from a year ago, one would expect buying interest to continue to increase from all major markets. At this time, buyers are ultimately waiting for evidence that prices will not continue to decrease further in California. Once buyers are confident this is the case, we will likely see considerable demand return to California.

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

Best Regards,
DERCO FOODS