

July 2017 Almond Position Report and 2016 Season End Summary¹

“Democracy becomes a government of bullies tempered by editors.”

Ralph Waldo Emerson (1803 - 1882)

July 2017 shipments are 153.97 million pounds. This is up 11% from the July 2016 shipments of 138.58 million pounds.

2016 Almond Season Recap

Carry-in from the 2015 crop:	412 million pounds
2016 crop receipts:	2.135 billion pounds
Less 2% loss / exempt:	42.7 million pounds
Total Supply:	2.505 billion pounds
Less Shipments for 2016 season:	2.1 billion pounds (16% increase v. 2015 season)
Carry-out into the 2017 season:	404 million pounds (4.19% decrease v. 2015 season)
Uncommitted inventory:	202 million pounds (2.46% increase v. 2015 season)

2017 Estimated Almond Supply

Carry-in from the 2016 crop:	404 million pounds
2017 crop forecasted supply:	2.25 billion pounds
Less 2% loss / exempt:	45 million pounds
Total Supply:	2.609 billion pounds (4.15% increase in total supply v. last season)

July shipments summary

“An author is a fool who, not content with boring those he lives with, insists on boring future generations.”

Charles de Montesquieu (1689 - 1755)

Most any way you slice it, the July shipment summary is bullish: new domestic (+14%), export (+17%) and net (+16%) shipment records; a carry-out of 404 million pounds (the minimum needed for even a semblance of liquidity); and an estimated 2017 season total supply that is only 4% higher than last season. Every region of the world with the exception of North Africa (-18%) is up by double digits. The new crop is 23.3% sold. In order to reach the historical average of 30% sold by the end of August, the industry must sell 175 million pounds.

¹ This is a very long report. It has more to do with personal catharsis than incisive almond market analysis. We wanted to come right out and say this from the onset so that those of you who are looking for the latter can just hit ‘delete’ now and save yourselves the wasted time. Go check out one of the great streaming series like The Man in the High Castle, The Crown, House of Cards, Nobel, Marseille, Medici, Turn, Fauda, Poldark.....For all the rest who have little better to do, and are hoping for maybe a random chuckle or two, kindly read on. The opinions expressed in this report are ours. We do not purport to speak for others. As we have noted countless times before, if you have a problem with what we are writing, please feel free to publish your own report. Everyone else seems to be writing one now, and some are even not going through the trouble of coming up with original formats. So if the Buyer thinks you’re a fool...the Seller is sure you are one. Lastly, the intent is to hopefully put a smile on your face by targeting everyone including the author equally. If you find it to be failing in this regard, please refer to the third sentence of this footnote.

There is now an abundance of talented people within the industry who are putting out very capable market analyses. In this report, we have decided to take a macro look at the world and see how our almond industry fits in certain parts of it. These are whimsical, admittedly unthorough musings. Call it a “Jerry McGuire” moment, but with a much less handsome, albeit more grounded and less gullible, lead actor.

Well, one season is in the books. Another one is just starting. The almond industry continues to amaze buyers and sellers alike not only with its resilience, but with its growth, responsible environmental stewardship, new product introductions and processing innovation. Yet it seems that now, more than at any time we can remember, there is growing concern about the future. Concern not about the future of the almond industry, which is thriving and poised to have a great decade of bigger crops matched by even greater demand, but about the future of global stability and the markets on which we rely for our collective sales.

Donald Trump’s election has highlighted a rift that began under George H.W. Bush, intensified through George W. Bush’s and Barack Obama’s presidencies, and is reaching a crescendo under Donald Trump. The rift we are talking about is not in the Larsen C ice shelf. It’s in the US population, played out most vividly in its political parties on the national stage. Democrats and Republicans have devolved from being rival parties who used to have the nation’s best interests at heart and a modicum of respect for each other to being the political equivalents of juvenile combatants in a Jean Claude Van Damme cage match. You know, full [Muay Boran](#).

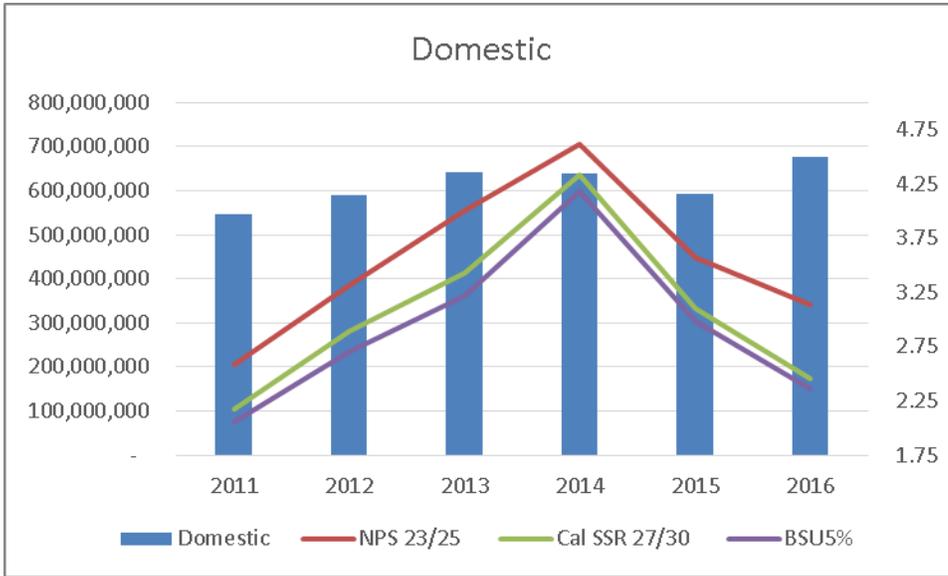
Gone are the days of constructive discussion, practical compromise and putting the interests of the country first. The US has become a hyper-gerrymandered, polarized nation, with a divided population living two very different realities, ‘led’ (in the loosest sense of the word) by career politicians interested only in prolonging their time in Washington, either as elected officials or as highly-paid lobbyists. Consequently, we are falling prey to all the same failings that have brought down the dominant world powers since the dawn of time. And while the Trump administration and our excuse for a Congress continue to flounder, failing to pass any meaningful legislation, Xi Jinping and the Chinese are salivating at our inexplicable inefficacy and stifling stagnation. They are starting to smell our lunch...and may be eating it sooner than many would believe.

China, acutely aware of its long and rich history and its relative fall into obscurity over the past few hundred years (nothing but a blip on their millennialist-view radar), now contemplates how to once again regain its perceived rightful place as the most important nation in the world.² Resentful of US preeminence in the Pacific, a resurgent China is starting to palpably assert itself in Asia and around the world. During this same time, our politicians in the US are drowning in tabloid minutiae, abdicating their substantive responsibilities at home and abroad in the process. It bears reminding that global powers rarely go away in a supernova explosion. Rather, they get consumed by hubris, engage in fiscal and military overstretch, become reliant on energy resources that are no longer readily available and most importantly, they fail to cherish and safeguard the fragility of their political institutions. They fray at the edges until they realize, after it’s too late, that the very fabric of what made them great has unraveled beyond recognition.

² Two terrific books dealing with this subject: [Everything Under the Heavens](#) by Howard W. French (2017) and [Destined For War](#) by Graham Allison (2017).

US MARKET

“Democracy is a device that ensures we shall be governed no better than we deserve.” George Bernard Shaw (1856 - 1950)



We are living through some exciting times in the US. Nevertheless, we don't see this impacting our almond world and are bullish about domestic nut consumption. In the US, we eat nuts when we are happy and we eat nuts when we are sad. As long as they are reasonably priced, then they are sure to please, satisfy and comfort us with equal efficacy.

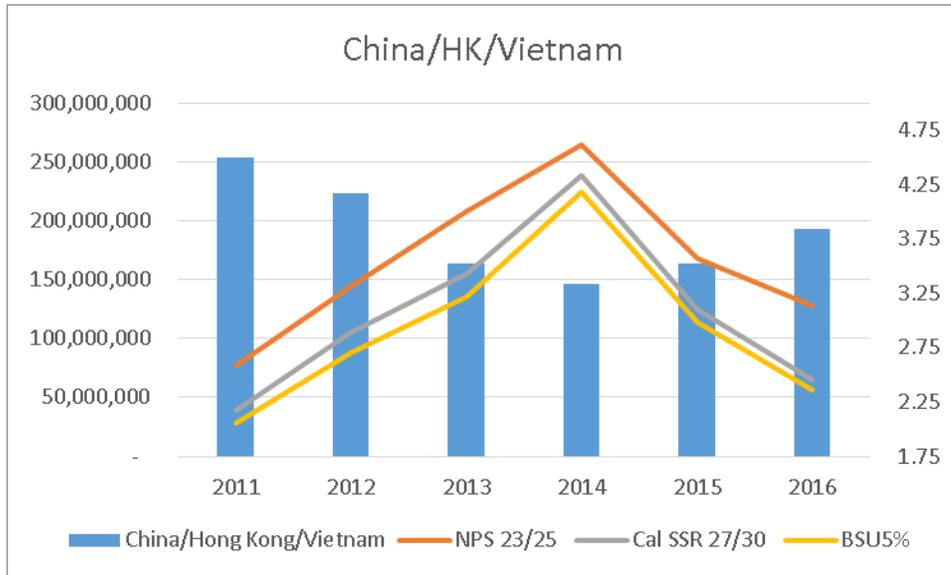
The US market remains by far the largest market in the world, having taken 676 million pounds during the 2016 season. Through July 2017, annualized domestic consumption was approximately 5.3% greater than the prior record set during the 2013/2014 crop year. High priced contracts from 2014 and 2015 took some time to get digested (pulled, processed, packaged, distributed and sold) by the domestic market because much of that business was concluded for extended shipping periods. Competitive prices in 2016 have increased the use of almonds in existing products and have stimulated new product development.

Looking forward, the US market is partially covered through the end of the calendar year, with minimal coverage into 2018. There is still a lot of buying to be done. With reasonably stable pricing, we expect the domestic market to set another record during this 2017 season. The US is the backbone of the almond industry. The scale of this market, combined with the support of a multi-polar export framework, has helped to reduce the frequency and severity of the downward price swings that were so common just a decade ago, when the almond industry was disproportionately reliant on shipments to Western Europe.

ASIA

“The world is full of people whose notion of a satisfactory future is, in fact, a return to the idealized past.”

Robertson Davies, "A Voice from the Attic", 1960

China

There is an unmistakable shift in how tree nuts are consumed in China. Wholesale markets are giving way to E-commerce. More and more Chinese consumers are buying food (including tree nuts) online. Powerful online snack sellers are changing the landscape and taking massive market share away from the more traditional sales channels. These E-commerce companies are causing a tectonic shift which may eventually revolutionize several key components of the Chinese tree nut industry.

First, the quality demanded by these new online companies is changing what China is buying. Gone are the days of quality indifference. Today, Chinese buyers are starting to demand tight sizing parameters and are setting strict limits on serious damage (for both shelled and inshell almonds), chip/scratch (scoreable and non-scoreable), split/broken and doubles. They are also being more selective in the varieties that they accept. Soon, Chinese importers will also start asking for the same quality control documentation that has become standard in all other developed markets. QC considerations will quickly become of paramount importance in China as well.

Second, there has been a gradual, regional processing sub-specialization that can no longer be ignored. The long-time and all-inclusive hub of nut imports, Guangdong Province, is now handling mostly just shelled product. The concentration of inshell processing has moved to Zhejiang Province, where most of the processors supplying E-commerce companies are located.

Third, it's important to note that these E-commerce companies have the ultimate aim of launching IPOs and going public. This higher profile brings with it heightened scrutiny and impacts how product is imported into China. E-commerce demands transparency in paperwork which can only happen in earnest when product is officially imported. This shift to transparency may take more time than anticipated, because the anti-corruption obsessed E-commerce companies are still in the process of fully grasping the impact that official importing will have on their pricing and profit margins.

Fourth (and as a direct result of the third point), the powerful importers of the '80s, '90s and 2000s that have shaped the market we all know, risk being reduced to custom processors for this rapidly growing E-commerce platform. With creative importing services potentially losing their attraction, these companies could see their processing services commoditized and sent to the most efficient, lowest-cost (and safest) producers.

Fifth, the influence of Hong Kong trading companies is in flux as more and more business is being done directly between overseas suppliers and companies in the mainland. These mainland companies either have a new generation of English speakers they want to utilize (English no longer being a competitive advantage for HK) or are realizing that they need to have full transparency in documentation. To be sure, there are still a few powerful and successful trading companies in Hong Kong that hold considerable market share in mainland China because of their ability to deliver just in time inventory. But their success in China will increasingly depend on their effective speculative purchasing decisions and ability to manipulate the Chinese domestic market. The difficulty here is that neither speculation nor manipulation are viable long term strategies. Consequently, these Hong Kong entities are morphing into global trading companies as they come to accept the fact that what used to be their sole playground, China, is now courting many different international suitors.

Time will tell whether or not the pull and scale of E-commerce companies will be both large and consistent enough to change the way things have been done in China for a very long time. What we know is that when China embraces change, it does so on a bone-crushing Sino-scale that is impossible to avoid, much less ignore.

North Korean Aside....

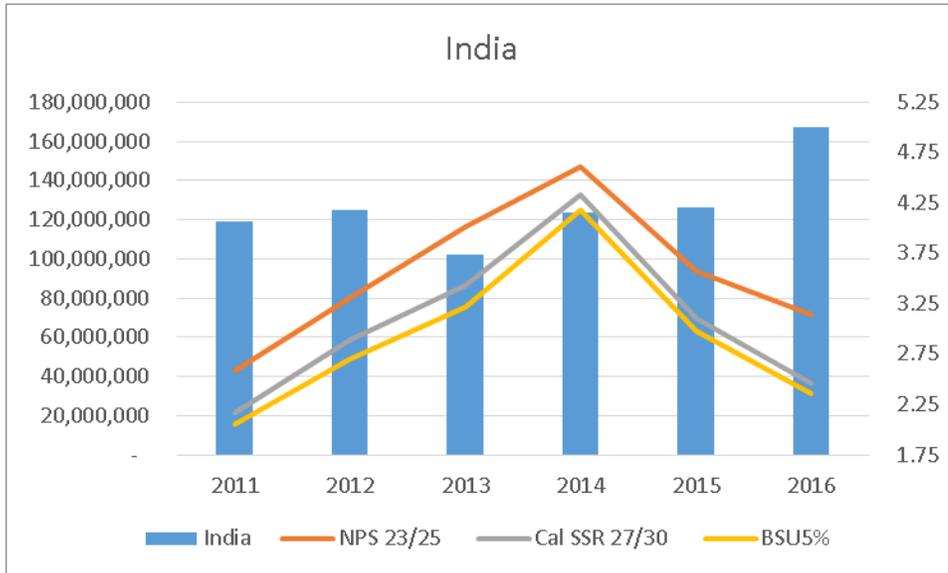
"The trouble with our times is that the future is not what it used to be." Paul Valery (1871 - 1945)

Would you have believed a few years ago that a Pillsbury Doughboy look-alike, with a bad haircut and desperately unimaginative wardrobe, whose ass you could easily kick on a schoolyard playground, would be able to keep you and the rest of the world up at night? Welcome to the world of Kim Jong Un's North Korea. Of course any discussion about this country isn't centered around the establishment or growth of almond exports. Not sure what radio-active almonds would taste like, and like you, we'd rather not find out. We're worried about their nuclear capabilities, the fact that they are run by an egomaniacal nut job whose regime is tacitly supported by the Chinese. Despite all our worries, if something catastrophic were to happen because of North Korea, most people would not be worried about the impact on the almond market. There would certainly be bigger fish to fry. So we can move on with palpable trepidation, because the variables for disaster are lining up with alarming precision....³

³ A very thoughtful article on this topic: [What Would Gates Do? A Defense Chief's Plan for North Korea](#) By Gerald F. Seib, July 10, 2017. WSJ online – subscription needed. (And though of course we would never encourage you to do so, you could just Google the title of the article and see what happens.)

India

“If I were to wish for anything, I should not wish for wealth and power, but for the passionate sense of potential -- for the eye which, ever young and ardent, sees the possible. Pleasure disappoints; possibility never.” Søren Kierkegaard (1813 – 1855)



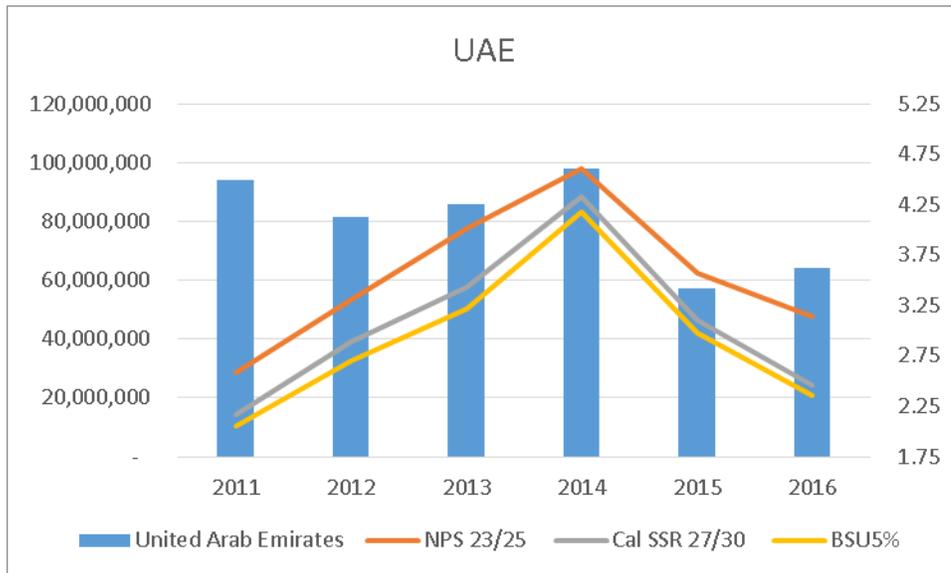
The more we get to know this massive country, the more intriguing, exciting, and challenging it becomes. It's a messy marriage of brilliant colors, tantalizing aromas, amazing kindness, mind-numbing genius, infuriating traffic, incessant noise, heartbreaking poverty, astounding spirituality, grinding bureaucracy, inspiring resilience and spectacular opportunity all rolled up in the world's largest and messiest democracy. You can't do India justice with a few paragraphs – but one cannot write a global update on almonds without noting that India is going to be a major player at the highest level for decades to come. It's a young, hard working population with a burgeoning middle class that is very familiar with and fond of consuming nuts. Almond consumption is going to grow considerably in the years to come and navigating the sometimes turbulent waters of the Indian almond trade will test the mettle of the hardest trader.

The intense atmosphere and frenetic pace within the tightly situated trading stalls of the industry's power brokers in Khari Baoli is something to behold. The speed with which information, both factual and utterly unsubstantiated, moves through the labyrinthine alleys is remarkable. So it's not surprising that the Indian almond market oscillates between blistering hot and icy cold. When a major player enters the market, everyone follows suit. A bearish shipment number signals Armageddon while a bullish report results in the entire market wanting to buy "now!"

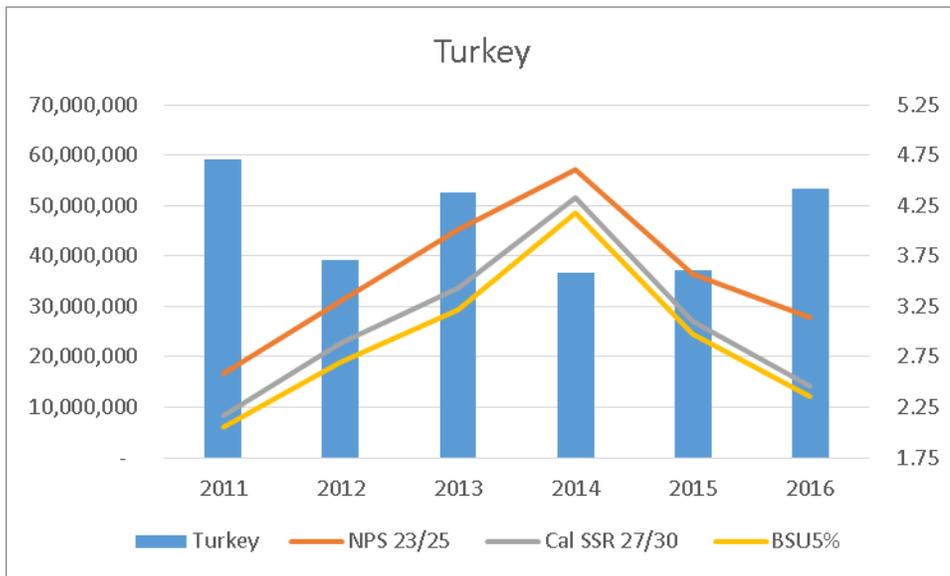
India boasts some of the premier defaulters of the 2015 season and reminds all those who ship to the area of just what a hurtful weapon the NOC can be when wielded by the unethical. But India is also home to some of the most honorable families and individuals that you will ever meet. The difficulty is in separating the good from the bad because no one paints a rosier picture about himself than an Indian defaulter. A few elegant and flowery sentences filled with circular reasoning justifying the default and invoking God are uttered, and not only do you feel guilty for not having wanted to sell to this person, but you're ready to sign over your first born to him!⁴

Watching the establishment of the tariff rate for almonds during the course of the national GST implementation has been like watching an addictive soap opera on television. Plot twists and turns have been coupled with gossip, despair, hope, misinformation, anxiety and anticipation. Ultimately, the dust will settle, the GST rate will be the GST rate, and the almond market will continue to open up to more people in more parts of the country. This will be good for the established families and it will be good for those who want to enter the trade in parts of the country outside of Delhi. There will be enough almond consumption to keep all boats afloat. Professionals with good networks will find ways to thrive and pretenders will eventually fade away.

MIDDLE EAST & NORTH AFRICA



⁴ This jargon that Indian defaulters use is better known in the Old Country as a 'Fart Necklace.' Basically, fart, fart – and attach all your farts on a string – and there you have the proverbial Fart Necklace. Presented as a cherished gift, but invisible, meaningless and utterly useless....just like the defaulter himself. Feel free to use this expression as you deem fit. For example, referring to this report you are currently reading as "That was the biggest fart necklace I've ever seen!" You're welcome.



Psychologist: "Tell me the first thing that comes to mind when I say the words 'Middle East'"
Test subject: "Hopeless Cluster F**k"

Let's separate the vast majority of kind and generous Middle Eastern people from (a) their governments (which is good policy everywhere in the world) and (b) the fanatics who have hijacked many of the countries in the region. ISIS and Al Qaeda have shown the world how barbaric Iron Age thinking can metastasize when young men are hopeless, uneducated, sexually repressed and brain-washed...or just evil and looking for a venue in which to live out their murderous fantasies....a kind of bastardized real-life Westworld (see HBO).

Instead of focusing on education, secular government, equality between the sexes, innovation, exploration and personal growth...too many are opting for the road of ignorance and blame, which quickly leads to hatred and violence. The Middle East, once the beacon of the civilized world, is now in a death-struggle for its identity. Many countries in the region are living in the reality that emerges when the value of religious affiliation supersedes the value of a common humanity, where the afterlife is valued more than the present life, where tribalism trumps national identity, and where a tiny autocratic intellectual elite manipulate the uneducated masses for their own personal power and enrichment. Instead of people focusing on roasting almonds, making baklava, running shops and factories, earning money, and loving their family and friends – you get the cluster f**k of dysfunction that we have now.

Do you want to ship almonds to Qatar...no problem....you just can't use any vessels that call on Egypt, Saudi Arabia, Bahrain or the United Arab Emirates. Oh, and in case you do conclude business and need to get documents legalized (as you are shipping to a country that is the paragon of transparency and integrity), the Qatari consulate in Los Angeles is staffed by useless troglodytes.

Do you want to ship to Syria? Oh wait, what Syria? Do you want to ship to Libya? Good luck finding a bank that will manage the transfer. Algeria? Didn't hear? They have a new import permit law that just came into effect....about 5 companies can import into Algeria now. You know, good for competition. Turkey? As long as the democratically elected Mr. Erdoğan says it's cool, then it's cool. If he changes his mind, it won't be so cool. But what's a few hundred loads stranded in Mersin between friends? We can always ship to Egypt – wait – do they still have a currency or have they reverted to bartering wheat?

The UAE is solid, right? Yes, except for when its banks, the pillars of this financial hub, turn out not to know how to manage and coordinate their lending practices, inadvertently allowing crooks to run wild on outrageously unjustified lines of credit, hurting serious importers in the country and their suppliers alike. The current situation in Dubai sees traders nursing crippled borrowing facilities which is limiting their ability to extend lines of credit to their buyers; there is discord among the Gulf States; there is increasingly more direct business taking place, circumventing Dubai (Pakistan, a clear example). So what is the future role of the UAE as a trading super-center?⁵

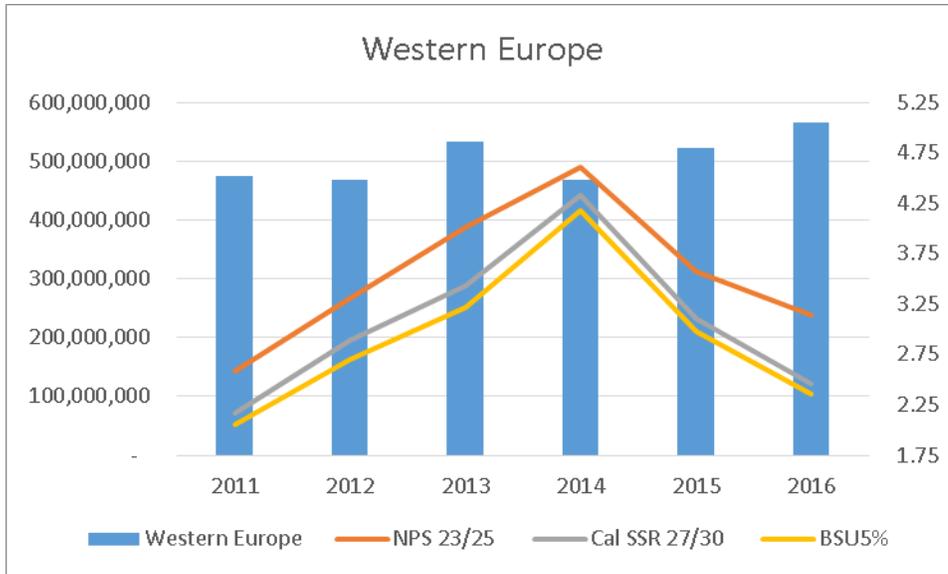
Dare we look to or even mention Israel? Well if your cartons have Hebrew text and you need to divert, you got nowhere to divert to in the region, brother. Take the load to Europe or bring it back home.....Yes, in the 21st century where Google has mastered the self-driving car and earthlings are getting ready for an age of space tourism. Can the dichotomy be any more stark? The disparity in tolerance any more revealing? The Middle East has a long history of consuming nuts and an unmatched processing expertise of roasting nuts. The delicacies produced in the region containing nuts are peerless. Yet despite these factors, it is not reaching anywhere near its full potential as a trading partner. This is because the region does not possess the bedrocks that traders cherish: political stability coupled with financial and legal transparency and outcome predictability. Consequently, and sadly, when thinking of marketing almonds in the Middle East, whether you consciously realize it or not, you don't actually focus on marketing almonds, with all the macro and micro analysis that this would normally entail. Rather, you are forced to focus on all the ancillary geo-political bullshit that is endemic to the Middle East, so that Allah forbid, you don't get caught selling Sunni almonds, shipped by an infidel Christian (or worst, an atheist), to a Shiite buyer, in a carton with Hebrew markings, with payment transferred by an auto-parts dealer in Jordan.⁶

⁵ For the latest exciting news about potential defaults in the UAE, see [JBF RAK](#). Basically, it's a polyester producer that is trying to renegotiate about 2 billion Dirhams (\$544 million) of debt, involving 19 banks. As Iron Maiden says, "If you're gonna die, die with your boots on."

⁶ Don't worry, you don't have to say it. I know where I'm headed..... [I'm on the Highway to Hell](#) Enjoy.

EUROPE

“Slow and steady wins the race.” Aesop (620 BC - 560 BC)



There is something to be said for reliability and consistency. Europe, like every other region in the world, is facing serious challenges. A growing sense of nationalism, a crushing influx of immigration, Brexit, and the list goes on. But despite a plethora of challenges, Europe stays the course. It's the equivalent of a financial advisor's dream investor client: "Just buy and hold, baby." The lack of annual shipment volatility has admittedly made it more difficult for European importers and traders to posture at critical seasonal purchasing junctures (though they still enjoy doing so). Irrespective of purchasing styles, European buyers are still the best in the game. Sophisticated, reliable (well, mostly...), informed and decisive – it's no surprise that Europe remains the most competitive market and one for which, most processors and exporters in the US are willing to do whatever it takes to get market share.

Technology Aside...

Assuming that Trump and Kim Jong Un don't kill us all, how is our industry going to be impacted by the next wave of seminal technological change? Is it going to be an online platform - akin to what was boldly envisioned by AgEx back in the late '90s? There have been multiple efforts at this type of trading model (for non-exchange based commodities, like almonds), but none (at least in our industry) have taken off yet as people still seem to want to have a personal interaction when buying 20 tons or more of tree nuts. Also, creators of these types of platforms always envision efficiencies but disregard the inefficiencies or the blind spots of their programs. Will this change as a younger generation who don't have a copy of [Bad Company's 10 From 6](#) or [Air Supply's Greatest Hits](#) on cassette become the purchasing decision makers? Will the next generation (or maybe the one thereafter) be willing to trade entirely electronically, anonymously and take on virtual counter party risk? If the technology enabling transactional security (both in terms of performance, documentation, quality assurance and payment) are in place, why not?

Enter the Blockchain.....How will blockchain technology come into play? At what point is our archaic way of transacting international business going to change? Efficiencies that blockchain can bring to the table are difficult to ignore. Once compatibilities are established and accepted (electronic bills of lading and phytosanitary certificates come to mind), change in this area of commerce is inevitable.⁷ It's truly just a matter of time until logistics, documentation, payments and legal matters are all addressed by this revolutionary technology. It promises to be as disruptive and enlightening as the internet was 20 years ago....just wait and see.

INTEGRITY

“Our character...is an omen of our destiny, and the more integrity we have and keep, the simpler and nobler that destiny is likely to be.” George Santayana (1863 - 1952)

Giving lectures on integrity is a delicate matter. It is not difficult to imagine scenarios where the lecturer can easily become the lecturee. Any company, irrespective of size, can get into trouble. Of course most well-run companies do all that they can to avoid trouble in the first place by implementing risk-management protocols to mitigate asymmetric risk exposures. Nevertheless, shit happens. Integrity of course comes into play once times get tough.

It is a fact of human nature that most people are extraordinarily forgiving when they see genuine remorse in their counterparts coupled with tangible acts of restitution. Individuals and companies will work with their wounded trading partners in the industry if they see that serious, candid effort is being made to set things right. Sadly, some people in our industry seem to think that the passage of time and historical revisionism is the equivalent of ‘genuine effort.’

We are so disappointed to see the resurrection of defaulters over the past few months. Just two years ago, companies extended their feet outside their blankets. The almond and walnut industries were coming off a nearly uninterrupted seven year bull run. Making money seemed so easy. Engaging in risk management, exercising self-restraint, developing client intimacy, building retained earnings, acting with circumspection, etc. were all thrown out the window. It was easy to make money - until it wasn't. Then, the shooting stars fizzled out and used every excuse in the book to walk away from their obligations. Now these same people are acting like nothing happened. They want back in despite the fact that they did little or nothing to pay their bills. Second and third homes went unsold and investments unliquidated. Well, the industry cannot tell these defaulters that they may not *ask* to come back, but the industry can send a clear signal that they will not be *allowed* to come back, no matter what type of explanatory jujitsu they utilize. If you owe *any* of your former suppliers millions of dollars, you are a defaulter. The fact that you come from a ‘venerable family’ or are basically a ‘good guy who went through tough times’ is meaningless drivel. Repeating the drivel does not elevate it from still being drivel. It just makes it drivel in full regalia.

⁷ A good read is [Blockchain Revolution: How the Technology Behind Bitcoin is Changing Money, Business and the World](#). Don Tapscott & Alex Tapscott; Penguin Random House; 2016.

The reality is that there is no shortage of solvent, ethical and capable buyers in the tree nut industry. Crops are not of the size that growers and processors have to sell in panicked desperation to anyone with a pulse and an email account. So if you don't have to sell to a known defaulter, why would you willingly do so? Is it a justification to sell to a known defaulter just because he didn't default on you? There is a guy who is actively selling in Dubai right now, even though he is being pursued legally by a well-known processor in California. How are we allowing this to happen? How does this make our industry better and more vibrant?

If you don't know to whom you can offer your product, we will make it easy for you: offer it to Derco or to the other reputable exporters in the business. You will make the sale, get paid, and you won't have to rationalize to yourself that by continuing to sell to the guy who screwed you just two years ago you will be made partially whole by the year 2050.

CONCLUSION

“Because we don't think about future generations, they will never forget us.” Henrik Tikkanen (1924 – 1984)

The Futility of Fatalism

Every season there are challenges in our business. Some of the challenges are big and impact virtually all the players in the industry. No need to look further than 2015.⁸ Other times, they impact a more "limited" audience.

Take for example the November 2016 demonetization in India. We were in New Delhi on the day this happened, enjoying a nice Gulab Jamun at a nearby Haldiram. The next day, as we walked the Khari Baoli market (with mostly worthless cash in our pockets), traders and importers were understandably in shock. The general sentiment was that the market would not recover until summer, and maybe not even until the new crop. A few exceptionally pessimistic people thought it could be a couple of years before normalcy returned to the trade. Well, the market recovered in just around 60-90 days.

Another notable example of fatalism on display is what has now become the annual February to May "Guess which Chinese tree nut importer is going to get arrested next" sweepstakes. Long story short: importer either doing something stupid himself (flaunting import regulations due to excessive hubris) or associated with a freight forwarder who is doing something stupid (smuggling tiger bones, ivory, rhinoceros horns, rare metals....) gets arrested. The Chinese tree nut industry panics. Overnight everyone runs to Hong Kong or Thailand (the latter destination offers fringe benefits to the unattached and 'adventurous' tourist). They abandon their factories, change phone numbers, WeChat accounts and email addresses, etc....You know, they engage in the sophisticated kind of evasive maneuvers to throw the Chinese government off their scent. Yes, they feel that the same government which just built a naval base and airport on what was just a few months ago some rocks jutting out of the South China Sea (Spratly Islands), is now going to be flummoxed by this perplexing guile. After all, "Illusion is the first of all pleasures." (Oscar Wilde; 1854 – 1900)

⁸ Thank you, Atif Ibrahim of Khushi. Caught you on the news recently. Hope that sugar venture in Lahore funded (indirectly) with the money you owed us is working out well for you.



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Inevitably, after all the made for TV drama, it becomes business as usual again in just a few weeks. The arrests remain an uncomfortable memory, but the almonds, walnuts, macadamias, pistachios and pecans keep on getting purchased, processed and sold. The veritable circle of life continues on its spherical journey.

Every time something 'big' happens, the industry overreacts (buyers and sellers alike), usually causing a needlessly violent price change, generating dozens of prognostications by experts who aren't really experts, and predicting the end of the civilized world, commerce and certainly almond consumption....Yet three to four months later, at the most, it's business as usual. The most resilient people underestimate their resiliency. So here's a piece of advice that would have served Asterix and his village well also: the sky is not falling. At least not until Kim Jong Un decides it is.

"A cynic is not merely one who reads bitter lessons from the past, he is one who is prematurely disappointed in the future." Sidney J. Harris

Enjoy the cartoon, which is prepared in good fun.

Best regards,
DERCO FOODS

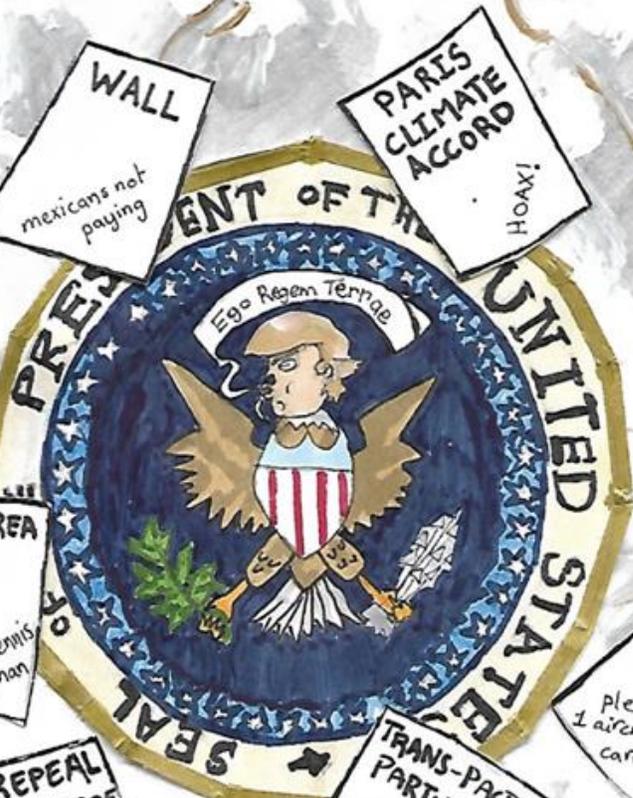
Donald,
I'll trade you Lewinsky,
Whitewater, Benghazi, EmailGate
and Bill
- for your problems
AND
approval ratings



I can feel this one's
gonna be
HUGE!



I love Hammit



QATAR
Call Clapton
for lessons

WALL
mexicans not
paying

**PARIS
CLIMATE
ACCORD**
HOAX!

EUROPE
o Moslim running
London
o Bitch in Berlin
o Old First Lady in
Paris
o NATO- Bunch of
mooches

N. KOREA
call Dennis
Rodman

OUTERTE
Lucky bastard
gets to shoot
people -
UNFAIR!

**SAUDI
ARABIA**
They know
how to treat royalty...
order some
TRUMPo
keffiyehs with
gold colored
agals

**REPEAL
OBAMACARE**
Too complicated

**TRANS-PACIFIC
PARTNERSHIP**
TTP, yeah
you know me
- For LOSERS

CHINA
plane...
1 aircraft
carrier...

RUSSIA
no meeting
no meeting
no meeting

ISIS
TAXES
INFRASTRUCTURE
IMMIGRATION
DAILY NEWSWAP