

## July 2018 Almond Position Report

July 2018 shipments were 143.81 million pounds. This is **-6.6%** compared to July 2017 shipments of 153.97 million pounds.

### 2017 Almond Supply

Carry-in from the 2016 crop:	399 million pounds
2017 crop size:	2.260 billion pounds
Less 2.5% loss / exempt:	57 million pounds
Less shipments to date:	2.252 billion pounds
Less commitments:	170 million pounds
Remaining unsold supply:	180 million pounds

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

Receipts:	+5.84%
Total supply v. 2016 season:	+4.35%
Shipments v. 2016 season:	+7.17%
Uncommitted inventory:	-5.05%

### Receipts & Shipments

Final crop receipts for the 2017 crop are 2.260 billion pounds. Shipments of 143.81 million pounds are **-6.6%** or down about 10 million pounds compared to July 2017, which is the current record.

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

Domestic commitments of 88 million pounds are **-10.24%** and Export commitments of 82 million pounds are **-20.82%** compared to July 2017. Total commitments of 170 million pounds are **-15.65%** compared to last year. New sales for the month of July were about 75 million pounds.

### Domestic Shipments

Domestic shipments were +4.3% at 59.95 million pounds. This is a new record, surpassing the previous record by 2.5 million pounds set in July 2017. New domestic sales for the month of July were about 31 million pounds.

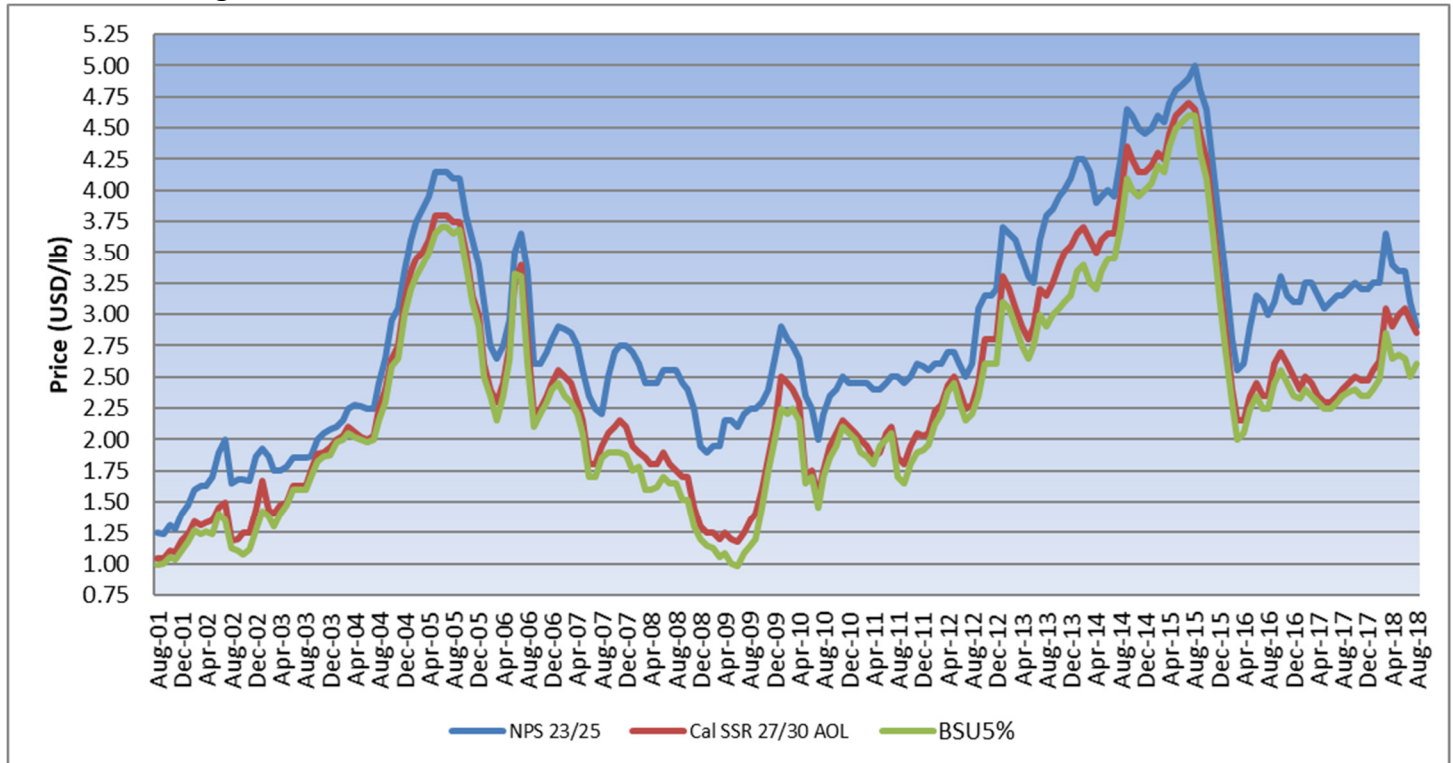
### Export Shipments

Export shipments were **-13.1%** at 83.86 million pounds. This is about 13 million pounds less than last July and about 16 million pounds less than the record set in July 2013. New export sales for the month of July were about 43 million pounds.

### Regional Shipments

	<u>August 2017 - July 2018</u>		<u>August 2016 - July 2017</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<b><u>EUROPE</u></b>					
France	29,179,209	34,934	27,767,050	65,535	5%
Germany	134,325,489	0	130,156,902	52,792	3%
Italy	66,391,852	1,990,218	56,751,286	1,388,915	18%
Netherlands	52,043,475	1,156	51,506,006	1,440	1%
Spain	202,169,209	1,193,199	208,343,603	2,285,968	-3%
U.K.	34,049,455	31,067	34,369,146	0	-1%
<b><u>MIDDLE EAST</u></b>					
Israel	8,600,105	149,042	10,364,680	127,954	-17%
Jordan	8,761,975	730,380	9,586,225	587,938	-7%
Saudi Arabia	14,182,000	554,651	20,352,244	477,256	-29%
Turkey	29,732,941	22,011,899	31,566,425	21,893,606	-3%
UAE	54,010,530	9,525,033	57,441,301	6,925,859	-1%
<b><u>ASIA</u></b>					
China/HK	93,414,317	76,370,121	89,818,820	60,955,453	13%
Japan	78,577,681	224,790	70,950,428	203,420	11%
South Korea	50,842,362	0	54,452,487	0	-7%
Taiwan	9,288,453	322,633	11,160,828	297,622	-16%
Thailand	5,186,652	0	3,966,015	0	31%
Vietnam	15,361,354	39,805,971	6,451,509	36,139,373	30%
India	6,456,086	193,061,273	8,526,491	158,549,003	19%

### Historical Pricing



## Conclusion

July marks the final month of the 2017 crop year. 2017 crop shipments were a record 2.252 billion pounds, up 7.17% or 151 million pounds compared to 2016 crop shipments. The carry-out currently stands at 362 million pounds, but this number will be revised downward next month when the loss and exempt is recalculated to reflect the higher inedibles this past season. New crop commitments are reported at 261 million pounds compared to 405 million pounds at this same time last year. With new crop commitments down 145 million pounds compared to a year ago, there is clearly a lot of both buying and selling that needs to take place in the coming weeks. Harvest has just begun in the Southern San Joaquin Valley. Nonpareils are the first variety to be harvested. With NASS forecasting the Nonpareil crop to be down this season, it shouldn't come as a big surprise if growers start reporting lower yields on this variety.

In the past few weeks, we have seen new crop buying interest increase from China and India. These markets have been primarily buying NPIS in addition to Inshell Monterey, NPX and Carmel Type Supreme. In the past two weeks the price for NPIS has increased from \$2.15/lb FAS up to \$2.25/lb+++ FAS on the heels of strong demand from both India and China. European interest has been limited to 2017 crop BSU5% and sized Cal/Carmel Type SSR. However, availability of these products is very scarce and those fortunate to get their hands on these items are paying considerable premiums compared to new crop price ideas. This week, BSU5% has been trading at \$2.60/lb FAS and sized Cals between \$2.80-2.90/lb FAS for Prompt shipment. New crop trading of these items has been limited due to a wide discrepancy in price ideas between buyers and sellers.

With the 2018 crop now officially underway, there are many unknowns as to how this season will unfold. It is very difficult to forecast the effects that higher tariffs and weakening currencies will have on global demand. While consumption is expected to be down this season in markets like China and the Middle East, other markets such as India and the U.S. domestic market are expected to be up. Even with a larger Spanish crop this season, it wouldn't come as a shock to see European shipments flat to slightly up at the end of the 2018 crop year. At the end of the day, there are going to be more almonds to sell, but as we have seen in past seasons, California has a very good track record of moving larger crops, even in difficult global environments. Today's prices for most new crop items are at similar levels to a year ago. It is hard to argue that these prices are not attractive. Once buyers are confident prices are unlikely to weaken further, we should see an increase in global demand.

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

Best Regards,  
**DERCO FOODS**