

November 2018 Almond Position Report

November 2018 shipments were 237.63 million pounds. This is +4.0% compared to November 2017 shipments of 228.46 million pounds.

2018 Almond Supply

Carry-in from the 2017 crop:	359 million pounds
2018 Estimated crop size:	2.450 billion pounds
Less 2% loss / exempt:	49 million pounds
Less shipments to date:	808 million pounds
Less commitments:	589 million pounds
Remaining unsold supply:	1.363 billion pounds

Receipts, Shipments & Inventory v. 2017 Season

Receipts:	-0.33%
Total supply v. 2017 season:	-1.96%
Shipments v. 2017 season:	-3.15%
Uncommitted inventory:	+6.02%

Receipts & Shipments

Receipts through the month of November are 1.987 billion pounds, which is -0.33% or down about 7 million pounds compared to this same time last season. Shipments of 237.63 million pounds are a new record, surpassing November 2017 shipments by 9.17 million pounds and bettering the previous record of 228.46 million pounds set in November 2017.

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

Domestic commitments of 250 million pounds are -2.41% and Export commitments of 338 million pounds are -16.19% compared to November 2017. Total commitments of 589 million pounds are -10.83% compared to last year. New sales for the month of November were about 240 million pounds.

Domestic Shipments

Domestic shipments were +5.1% at 64.22 million pounds. This is a new record surpassing the previous record of 61.12 million pounds set in November 2017 and bettering November 2017 shipments by 3.1 million pounds. New domestic sales for the month of November were about 62 million pounds.

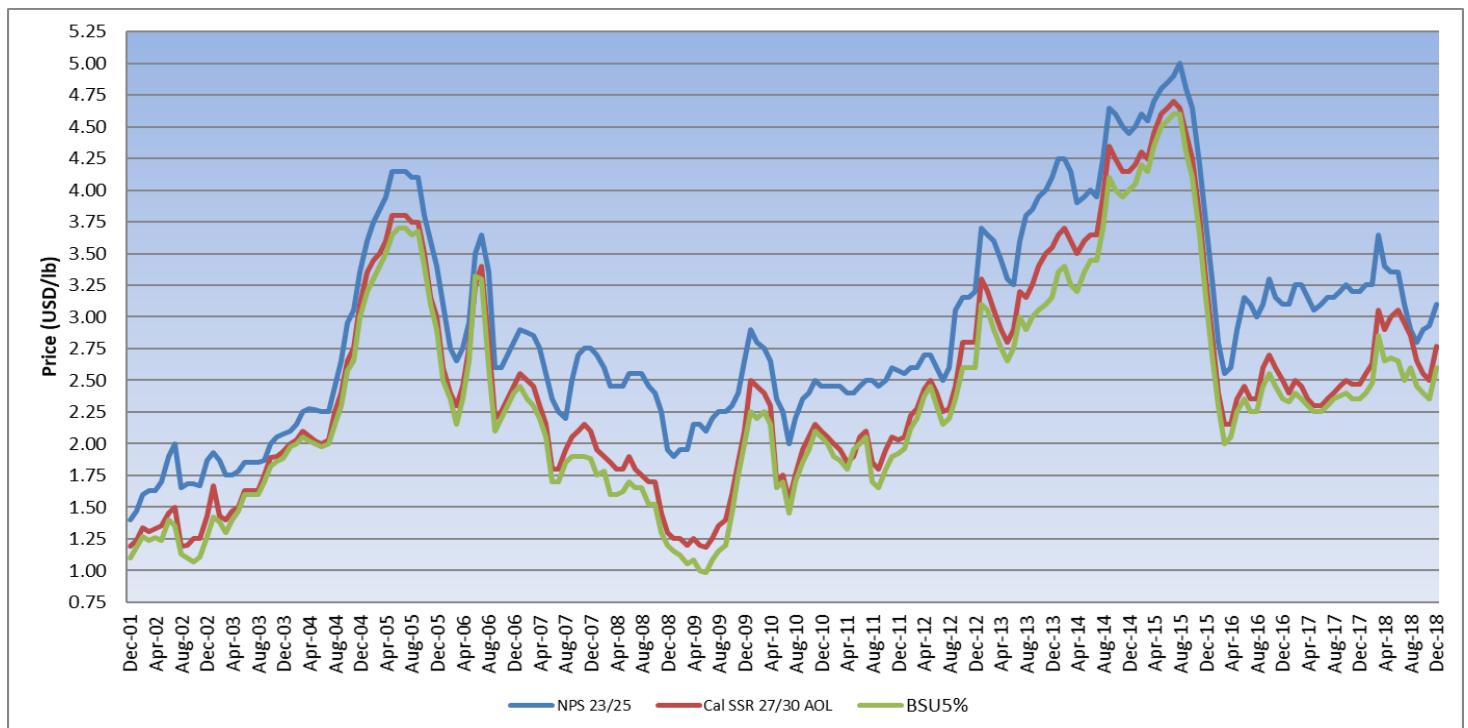
Export Shipments

Export shipments were +3.6% at 173.41 million pounds. This is a new record surpassing the previous record of 167.34 million pounds set in November 2017 and bettering November 2017 shipments by 6.07 million pounds. New export sales for the month of November were about 178 million pounds.

Regional Shipments

	<u>Aug 2018 - Nov 2018</u>		<u>Aug 2017 - Nov 2017</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
EUROPE					
France	8,085,170	17,474	7,860,668	17,010	3%
Germany	34,436,292	67,597	42,130,942	0	-18%
Italy	19,947,516	478,401	20,797,610	1,052,026	-7%
Netherlands	20,103,942	0	17,524,931	0	15%
Spain	57,855,516	497,280	59,705,095	419,392	-3%
U.K.	9,960,069	0	12,543,572	30,775	-21%
MIDDLE EAST					
Israel	2,878,200	756,064	3,086,335	95,859	14%
Jordan	2,512,500	95,850	2,755,900	237,865	-13%
Saudi Arabia	5,404,500	186,768	4,343,900	172,003	24%
Turkey	5,758,000	5,306,418	7,722,544	18,695,567	-58%
UAE	18,794,750	3,138,578	22,510,497	6,278,218	-24%
ASIA					
China/HK	38,999,422	45,907,331	47,995,696	43,892,954	-8%
Japan	23,334,041	110,455	22,803,597	112,828	2%
South Korea	17,372,272	0	15,694,038	0	11%
Taiwan	2,589,928	392,022	3,372,219	322,633	-19%
Thailand	2,036,600	326,204	1,155,800	0	104%
Vietnam	13,317,111	22,724,890	4,956,125	21,791,092	35%
India	2,600,411	98,802,889	2,868,401	107,558,729	-8%

Historical Pricing



Conclusion

As expected, November shipments were a new record. For the first time since February 2018, both domestic and export shipments set records in the same month. February 2018 also marked the last time that export shipments were a record. While record domestic shipments have almost become expected, it was very encouraging to see a strong showing on the export side this past month. Year-to-date shipments are about 26 million pounds less and commitments are about 72 million pounds less than last year. Assuming that once again a large percentage of the previous month's commitments ship in the following month, December shipments will likely be another new record as well.

The most important number on today's report is arguably the receipts figure. YTD receipts are about 7 million pounds *less* than last season. Last month, YTD receipts were about 25 million pounds *ahead* of last season. In other words, during the month of November California received about 32 million pounds *less* this year compared to last year. At this time last year, receipts were 88.2% received. If we assume that California is the same percentage received this season, this equates to a crop size slightly less than last season's 2.26 billion pounds. Based on these figures, the top side potential for the 2018 crop appears to be around 2.3 billion pounds, which is considerably less than the official 2.45 billion-pound estimate. If we use a crop size of 2.3 billion pounds, California is about 53% sold (shipments + commitments) compared to about 57% at this same time last season.

China/HK/Vietnam were largely responsible for the strong showing on the export side. Year-to-date shipments to China/HK/Vietnam are now up about 2.3 million pounds compared to last season. This is remarkable considering the ongoing trade-conflict between the U.S. and China. Shipments to Dubai were also up considerably compared to last November. With shipments to India less than expectations, we are hopeful that pricing in the local market, which is trading at a sizeable discount to replacement costs in California, will continue to move up. While shipments to the EU were mostly flat or slightly down for November, Europe has been one of the most active markets for the last couple weeks and looks poised to make up lost ground in the months ahead.

Since the October shipment report, prices in California have increased by about \$0.10-0.30/lb depending on the item. The larger price increases have been seen on BSU5% and Cals, while price increases on NPIS and NPX have been more modest. Demand continues to be focused on nearby shipment. Most processing facilities are fully booked through the first half of January. After today's report, buyers can expect prices to continue to increase by at least \$0.05/lb and likely remain firm until bloom.

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

Best Regards,
DERCO FOODS