

## January 2019 Almond Position Report

January 2019 shipments were 209.61 million pounds. This is +8.3% compared to January 2018 shipments of 193.50 million pounds.

### 2018 Almond Supply

Carry-in from the 2017 crop:	359 million pounds
2018 Estimated crop size:	2.30 billion pounds
Less 2% loss / exempt:	46 million pounds
Less shipments to date:	1.217 billion pounds
Less commitments:	539 million pounds
Remaining unsold supply:	857 million pounds

### Receipts, Shipments & Inventory v. 2017 Season

Receipts:	+0.39%
Total supply v. 2017 season:	-1.20%
Shipments v. 2017 season:	-1.23%
Uncommitted inventory:	+6.17%

### Receipts & Shipments

Receipts through the month of January are 2.251 billion pounds, which is +0.39% or up about 9 million pounds compared to this same time last season. Shipments of 209.61 million pounds are a new record, surpassing January 2018 shipments by 16.11 million pounds and bettering the previous record of 193.50 million pounds set in January 2018.

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

Domestic commitments of 249 million pounds are -1.46% and Export commitments of 290 million pounds are -16.99% compared to January 2018. Total commitments of 539 million pounds are -10.47% compared to last year. New sales for the month of January were about 180 million pounds.

### Domestic Shipments

Domestic shipments were +8.5% at 65.30 million pounds. This is a new record surpassing the previous record of 60.18 million pounds set in January 2018 and bettering January 2018 shipments by 5.12 million pounds. New domestic sales for the month of January were about 53 million pounds.

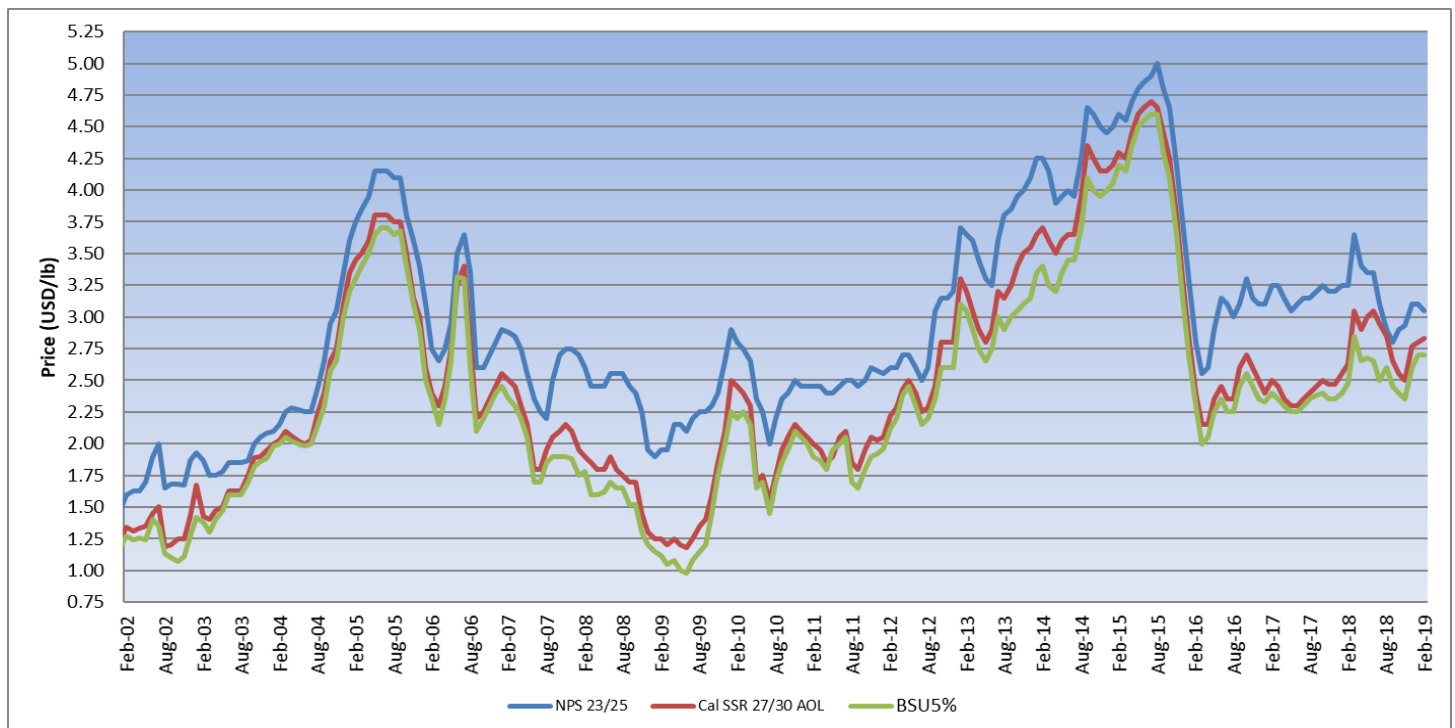
### Export Shipments

Export shipments were +8.2% at 144.31 million pounds. This is a new record surpassing the previous record of 133.32 million pounds set in January 2018 and bettering January 2018 shipments by 10.99 million pounds. New export sales for the month of January were about 127 million pounds.

## Regional Shipments

	Aug 2018 - Jan 2019		Aug 2017 - Jan 2018		% Change
	Shelled	Inshell	Shelled	Inshell	
<b>EUROPE</b>					
France	15,540,646	17,474	16,333,852	17,010	-5%
Germany	52,347,113	67,597	66,771,722	0	-22%
Italy	31,203,516	1,004,175	35,140,102	1,656,364	-12%
Netherlands	35,994,742	0	28,403,645	0	27%
Spain	92,050,890	896,881	97,339,546	833,386	-5%
U.K.	16,812,280	0	19,862,704	30,775	-15%
<b>MIDDLE EAST</b>					
Israel	6,066,950	951,342	5,348,385	149,042	28%
Jordan	5,722,750	188,530	4,634,525	408,321	17%
Saudi Arabia	11,748,050	280,136	7,637,300	372,967	50%
Turkey	12,396,091	9,114,565	14,126,319	21,804,062	-40%
UAE	40,803,978	5,129,942	31,636,103	7,376,141	18%
<b>ASIA</b>					
China/HK	49,811,214	50,605,656	63,516,606	57,781,624	-17%
Japan	38,254,873	111,063	37,804,642	160,197	1%
South Korea	29,356,908	0	26,885,145	0	9%
Taiwan	4,899,559	392,022	6,088,122	322,633	-17%
Thailand	3,232,800	326,204	2,139,425	0	66%
Vietnam	17,051,939	23,282,900	7,931,903	28,389,827	11%
India	2,956,411	140,538,078	4,306,301	141,024,087	-1%

## Historical Pricing



## Conclusion

January shipments were a new record and slightly higher than expectations. Year-to-date shipments are about 15 million pounds less and commitments are about 63 million pounds less than last year. Most buyers continue to focus on covering their nearby needs, which explains the strong monthly shipments, but lower overall commitments. Receipts increased by about 49 million pounds this past month and are now about 9 million pounds more than this time last year. Last season, California received an additional 18 million pounds after the month of January. If the same were to hold true this season, the final 2018 crop will be just under 2.27 billion pounds. Assuming a crop size of 2.27 billion pounds, California is about 68% sold (shipments + commitments) compared to about 70% sold at this same time last year.

January marked the 4<sup>th</sup> consecutive record shipment month for the domestic market. Export shipments were also a record for the 2<sup>nd</sup> time this season. While shipments to China/HK/Vietnam were down for the month – mainly due to Chinese New Year – gains could be seen in Japan and Korea. Shipments to India were considerably up, with buyers purchasing about 703 containers this January vs about 464 containers a year ago. Shipments to the UAE were also strong, with about 240 containers this January vs 126 containers last year. Shipments to Western Europe continued to track flat to slightly down compared to a year ago. Given these figures, it is understandable that Middle Eastern and Asian markets were relatively subdued this past month and why demand from Europe has picked up in recent days.

In the last couple weeks, we saw the prices for some items come under pressure compared to levels seen a month ago. This was primarily true for the Nonpareil kernel market and to a lesser degree the NPIS market. Last year, NP kernels surprisingly made up a larger than normal portion of the ending inventory. In recent weeks, some sellers looked to increase their NP sold position in the midst of a quieter market ahead of bloom. As a result, prices decreased by as much as \$0.10/lb for these items. Other items, such as BSU5% and sized Cals were less volatile this past month and remain stable to slightly firm. For items such as Butte/Padre, which have become increasingly limited in supply, we can expect continued premiums to be placed on these varieties – very similar to what we saw develop last season.

The attention has now turned to bloom in California, which has just begun. With a similar supply scenario unfolding on current crop compared to a year ago, we can expect a relatively stable market in the months ahead. Weather conditions over the coming weeks will set the tone for the 2019 crop. Even with a favorable bloom, we can likely expect to see a two-tiered market for much of the remainder of the season. So long as the outlook for the 2019 crop remains positive, we should experience a more active new crop market this Spring compared to a year ago.

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

Best Regards,  
**DERCO FOODS**