

## **February 2019 Almond Position Report**

February 2019 shipments were 186.95 million pounds. This is **-1.7%** compared to February 2018 shipments of 190.13 million pounds.

### **2018 Almond Supply**

Carry-in from the 2017 crop:	359 million pounds
2018 Estimated crop size:	2.275 billion pounds
Less 2% loss / exempt:	46 million pounds
Less shipments to date:	1.404 billion pounds
Less commitments:	502 million pounds
Remaining unsold supply:	682 million pounds

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

Receipts:	+0.52%
Total supply v. 2017 season:	<b>-1.08%</b>
Shipments v. 2017 season:	<b>-1.29%</b>
Uncommitted inventory:	+1.93%

### **Receipts & Shipments**

Receipts through the month of February are 2.262 billion pounds, which is +0.52% or up about 12 million pounds compared to this same time last season. Shipments of 186.95 million pounds are the second largest February or 3.18 million pounds less than the record set in February 2018.

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

Domestic commitments of 238 million pounds are +9.81% and Export commitments of 263 million pounds are **-14.26%** compared to February 2018. Total commitments of 502 million pounds are **-4.29%** compared to last year. New sales for the month of February were about 150 million pounds.

### **Domestic Shipments**

Domestic shipments were +8.7% at 58.41 million pounds. This is a new record surpassing the previous record of 54.47 million pounds set in February 2014 and bettering February 2018 shipments by 4.66 million pounds. This is the fifth consecutive month of record domestic shipments. New domestic sales for the month of February were about 48 million pounds.

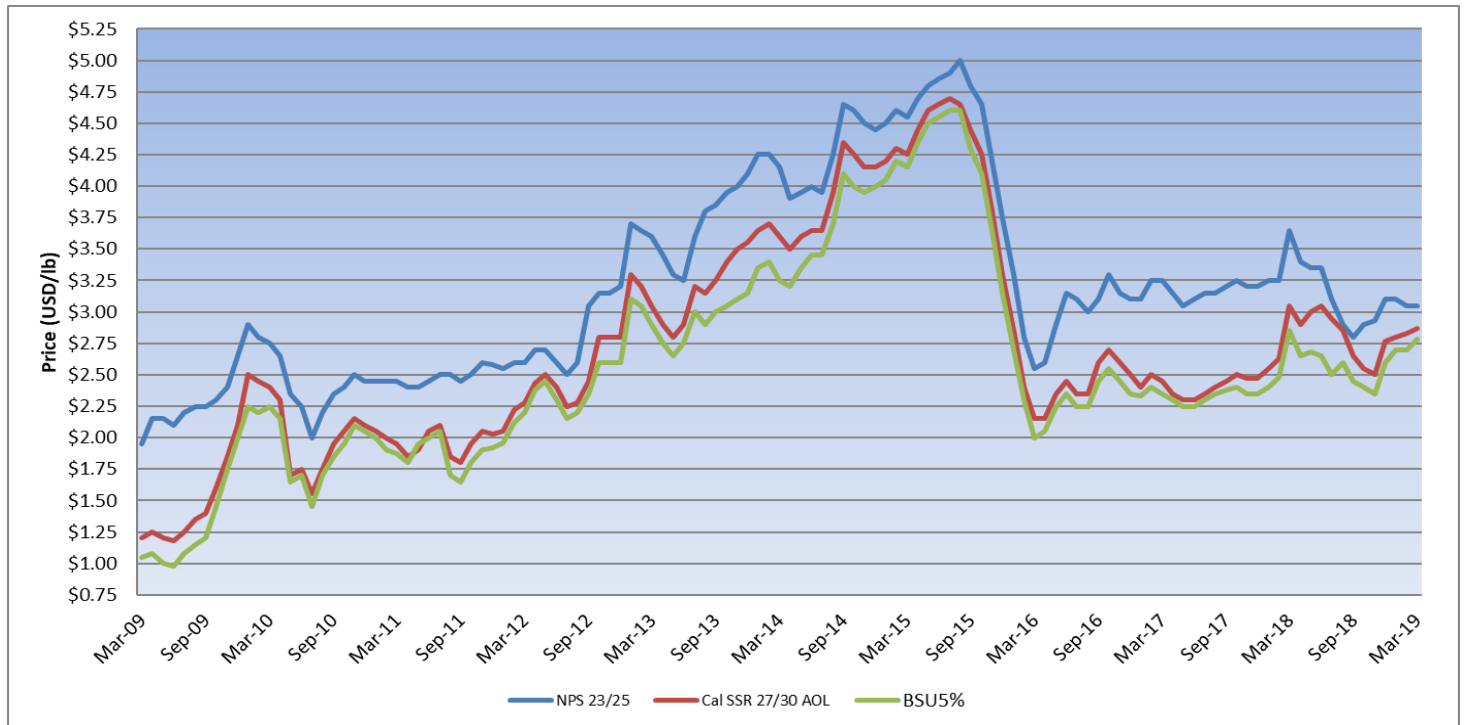
### **Export Shipments**

Export shipments were **-5.7%** at 128.54 million pounds. This is the second largest February or 7.84 million pounds less than the record set in February 2018. New export sales for the month of February were about 102 million pounds.

### Regional Shipments

	<u>Aug 2018 - Feb 2019</u>		<u>Aug 2017 - Feb 2018</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<b><u>EUROPE</u></b>					
France	18,754,481	17,474	18,851,824	61,010	-1%
Germany	63,370,740	67,597	81,534,732	0	-22%
Italy	37,148,616	1,183,339	42,715,417	1,863,462	-14%
Netherlands	42,534,792	0	33,083,345	0	29%
Spain	112,099,107	1,132,620	118,636,153	992,771	-5%
U.K.	20,083,135	0	22,520,970	30,775	-11%
<b><u>MIDDLE EAST</u></b>					
Israel	7,767,950	983,742	5,886,135	149,042	45%
Jordan	7,130,400	188,530	5,420,975	392,346	26%
Saudi Arabia	14,299,200	364,047	9,745,050	398,550	45%
Turkey	14,059,555	11,583,760	17,718,569	22,025,883	-35%
UAE	47,332,686	5,474,563	37,252,255	8,244,264	16%
<b><u>ASIA</u></b>					
China/HK	51,679,167	51,256,372	73,585,157	64,379,766	-25%
Japan	46,557,397	111,063	44,159,821	192,489	5%
South Korea	34,276,162	0	31,588,445	0	9%
Taiwan	6,335,259	392,022	6,951,122	322,633	-8%
Thailand	3,843,161	427,643	2,456,375	0	74%
Vietnam	19,922,248	23,355,140	9,083,903	31,878,471	6%
India	3,075,135	154,384,122	4,616,101	149,652,781	2%

### Historical Pricing



## Conclusion

February shipments of ~187 million pounds were in line with industry expectations, but still slightly less than the record set last year. Receipts increased by about 11 million pounds from this past month. Last season, California received an additional 10 million pounds after the month of February. If California receives a similar amount this season, the final 2018 crop will be between 2.27 and 2.28 billion pounds or about 10-20 million pounds more than the 2017 crop. Based on a crop size of 2.275 billion pounds, California is currently about 74% sold (shipments + commitments) compared to about 75% sold at this time last year.

For the past month, much of the industry's attention has been on the bloom in California. With cool and wet conditions dominating the forecast, bee flight hours were less than we have seen in past seasons, especially in Northern California. While it is too early to predict the affect these conditions will have on the 2019 crop, we have seen limited new crop selling interest as a result. Given the later start to bloom and how long it extended, it wouldn't come as a surprise to see the harvest delayed this upcoming season. This will likely put further pressure on what already looks to be a tight transition between crop years. Much like last season, we are already seeing shortages develop for certain varieties and sizes.

After the release of the January shipment report last month, prices for most items increased by about \$0.10/lb with the exception of Nonpareil kernels. In the last few weeks, demand has been very strong from India. With an earlier Diwali this year, India will need to cover their needs from the 2018 crop. Europe has also been quite active this past month. While much of the demand in recent months has been for nearby shipment, we have seen an increase in buying interest for late Q2 and Q3 at current market levels as well. As usual, most of the European demand has been for BSU5% and sized Cals. While current crop demand from China has been lackluster, we have seen an increase in buying interest for new crop NPIS and NPX for Sep/Oct shipment.

After today's shipment figures, we can expect to see a continued stable market in California. The price spread between the top and bottom of the market is as narrow as we have seen in recent memory. With such strong demand for standards and sized Cals from both the U.S. domestic market and Europe, we don't anticipate much (if any) downside pressure on pricing for the time being. This of course could change in the coming months with a more positive outlook for the 2019 crop. However, with the supply situation and ending inventory figures shaping up to be very similar to this past season, any relief we see in pricing will likely be on new crop, with current crop being less volatile.

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

Best Regards,  
**DERCO FOODS**