

July 2019 Almond Position Report

July 2019 shipments were a record 154.19 million pounds. This is +7.2% compared to July 2018 shipments of 143.81 million pounds.

2018 Almond Supply

Carry-in from the 2017 crop:	359 million pounds
2018 crop size:	2.270 billion pounds
Less 2% loss / exempt:	45 million pounds
Less shipments to date:	2.264 billion pounds
Less commitments:	164 million pounds
Remaining unsold supply:	155 million pounds

Receipts, Shipments & Inventory v. 2017 Season

Receipts:	+0.40%
Total supply v. 2017 season:	-1.18%
Shipments v. 2017 season:	+0.56%
Uncommitted inventory:	-19.34%

Receipts & Shipments

2018 crop receipts totaled 2.270 billion pounds, which is +0.40% compared to 2017 crop receipts of 2.260 billion pounds. July shipments of 154.19 million pounds are a new record, surpassing the previous record of 153.97 million pounds set in July 2017. Total 2018 crop shipments were a record 2.264 billion pounds, surpassing the previous record of 2.252 billion pounds set for the 2017 crop.

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

Domestic 2018 crop commitments of 95 million pounds are +7.52% and Export 2018 crop commitments of 69 million pounds are -15.55% compared to July 2018. Total 2018 crop commitments of 164 million pounds are -3.56% compared to last year. New 2018 crop sales for the month of July were about 35 million pounds. 2019 crop commitments of 352 million pounds are about 91 million pounds higher than at this same time last year.

Domestic Shipments

Domestic shipments were +4.9% at 62.87 million pounds. This is a new record, surpassing the previous record of 59.95 million pounds set in July 2018. New 2018 crop domestic sales for the month of July were about 14 million pounds. New 2019 crop domestic sales increased by about 32 million pounds since last month.

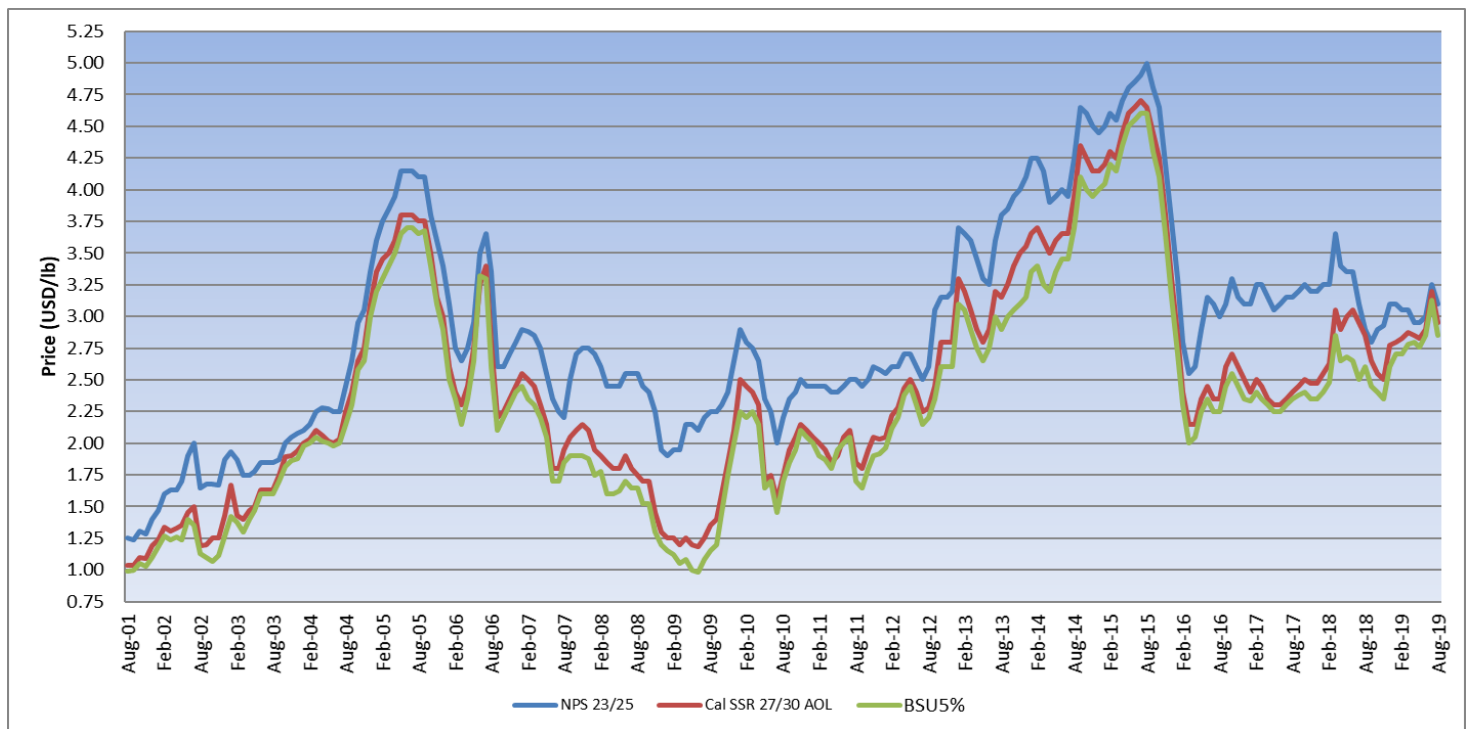
Export Shipments

Export shipments were +8.9% at 91.32 million pounds. This is the third largest July or about 9 million pounds less than the record set in July 2013. New 2018 crop export sales for the month of July were about 21 million pounds. New 2019 crop export sales increased by about 89 million pounds since last month.

Regional Shipments

	<u>Aug 2018 - July 2019</u>		<u>Aug 2017 - July 2018</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	30,002,869	17,474	29,179,209	34,934	3%
Germany	110,392,925	67,597	134,325,489	0	-18%
Italy	65,551,742	1,511,089	66,391,852	1,990,218	-2%
Netherlands	72,191,808	0	52,043,475	1,156	39%
Spain	194,184,698	1,455,235	202,169,209	1,193,199	-4%
U.K.	32,597,020	0	34,049,455	31,067	-4%
<u>MIDDLE EAST</u>					
Israel	10,414,954	1,111,443	8,600,105	149,042	32%
Jordan	10,958,050	439,397	8,761,975	730,380	20%
Saudi Arabia	19,811,996	459,267	14,182,000	554,651	38%
Turkey	22,000,948	14,136,202	29,732,941	22,011,899	-30%
UAE	62,297,491	6,713,623	54,010,530	9,525,033	9%
<u>ASIA</u>					
China/HK	68,375,602	59,718,869	93,414,317	76,370,121	-25%
Japan	81,042,854	235,664	78,577,681	224,790	3%
South Korea	56,917,487	0	50,842,362	0	12%
Taiwan	8,952,247	392,022	9,288,453	322,633	-3%
Thailand	6,804,926	525,573	5,186,652	0	41%
Vietnam	31,928,657	25,305,185	15,361,354	39,805,971	4%
India	4,381,324	226,966,164	6,456,086	193,061,273	16%

Historical Pricing



Conclusion

July shipments of 154.19 million pounds were a new record. 2018 crop total shipments of 2.264 billion pounds were also a new record, surpassing the previous record of 2.252 billion pounds set for the 2017 crop. The carryout (before the final loss and exempt adjustment) currently stands at 319 million pounds compared to 362 million pounds last season. This is the lowest ending inventory we have seen since the 2012 crop. 2018 crop sales for the month of July were 35 million pounds compared to 75 million pounds a year ago. 2019 crop sales increased by about 121 million pounds in the past month. 2019 crop commitments are currently 91 million pounds ahead of this same time last year. California may be in a more comfortable new crop sold position today on paper, but there continues to be a lot of uncertainty surrounding the 2019 crop size.

Harvest is just underway in California. On average, harvest appears to be about a week later than this past season in most growing regions. Given the wide range of crop size estimates for the 2019 crop, growers will be tracking receipts very closely in the coming weeks. Prices have decreased by about \$0.10/lb in the last few weeks in large part due to a greater desire from growers to sell. Even with a reduction in new crop buying interest in recent weeks, business continues to take place every day – albeit in limited volume. With little optimism surrounding the ongoing trade war between the U.S. and China, it would appear that higher tariffs are here to stay for at least the foreseeable future. With that said, the California almond industry showed once again this past season its ability to persevere and overcome less than favorable global market conditions.

After an active few weeks just following the Objective Estimate, buying interest from global markets has slowed recently. While much of Europe has been on vacation the last several weeks, a few trades have been reported for 2018 crop BSU5% at \$2.85/lb FAS this past week. Buying interest for new crop BSU5% has been at about a \$0.05/lb discount or around \$2.80/lb FAS. China and the Middle East were actively buying late June through mid-July. However, with prices slowly decreasing in recent weeks, buyers have been waiting for more stability before reentering the market. The most recent trades for new crop NPX 23/25 AOL have been reported between \$3.15-3.17/lb FAS. As prices have decreased to more attractive levels, India is showing increased interest in new crop NPIS. Trades for new crop NPIS have been reported between \$2.18-2.20/lb FAS this week.

With early production space filling up quickly in California, we encourage buyers in need of Sep/Oct shipment to place their orders sooner rather than later.

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

Best Regards,
DERCO FOODS