

October 2019 Almond Position Report

October 2019 shipments were 265.50 million pounds. This is +7.4% compared to October 2018 shipments of 247.11 million pounds.

2019 Almond Supply

Carry-in from the 2018 crop:	318 million pounds
2019 estimated crop size:	2.200 billion pounds
Less 2% loss / exempt:	44 million pounds
Less shipments to date:	609 million pounds
Less commitments:	694 million pounds
Remaining unsold supply:	1.171 billion pounds

Receipts, Shipments & Inventory v. 2018 Season

Receipts:	+2.36%
Total supply v. 2018 season:	-0.25%
Shipments v. 2018 season:	+6.89%
Uncommitted inventory:	-20.90%

Receipts & Shipments

2019 crop receipts are 1.590 billion pounds, which is +2.36% compared to 2018 crop receipts of 1.554 billion pounds. October shipments of 265.50 million pounds are a new record, surpassing the previous record of 247.11 million pounds set in October 2018.

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

Domestic commitments of 303 million pounds are +19.93% and Export commitments of 391 million pounds are +17.08% compared to October 2018. Total commitments of 694 million pounds are +18.31% compared to last year. New sales for the month of October were about 295 million pounds.

Domestic Shipments

Domestic shipments were -8.3% at 62.55 million pounds. This is 5.63 million pounds less than the record set last year. New domestic sales for the month of October were about 85 million pounds.

Export Shipments

Export shipments were +13.4% at 202.95 million pounds. This is a new record, surpassing the previous record of 182.58 million pounds set in October 2017 and bettering October 2018 shipments by 24 million pounds. New export sales for the month of October were about 210 million pounds.

Regional Shipments

	<u>Aug 2019 - Oct 2019</u>		<u>Aug 2018 - Oct 2018</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	6,106,964	0	6,020,650	17,474	1%
Germany	29,890,657	30,600	23,285,252	37,629	28%
Italy	17,008,275	793,497	14,764,946	393,337	17%
Netherlands	17,758,256	16,958	14,426,206	0	23%
Spain	46,633,915	456,720	44,788,237	401,509	4%
U.K.	8,102,778	0	6,505,119	0	25%
<u>MIDDLE EAST</u>					
Jordan	2,018,450	272,562	1,515,000	95,850	42%
Saudi Arabia	3,995,000	154,214	3,690,500	126,509	9%
Turkey	10,040,350	7,999,902	3,400,500	3,611,490	157%
UAE	28,672,416	4,557,212	11,085,650	1,554,402	163%
<u>ASIA</u>					
China/HK	21,697,448	35,826,910	15,863,844	28,610,937	29%
Japan	17,175,086	76,033	15,783,071	11,455	9%
South Korea	12,313,123	0	12,283,970	0	0%
Thailand	1,547,350	1,079,434	1,539,650	131,525	57%
India	677,616	68,841,697	1,852,411	80,823,742	-16%

Historical Pricing



Conclusion

The industry was anticipating a strong October shipment report and the numbers did not disappoint. October shipments of 265.50 million pounds is a new record and the single largest shipment month in history. Export shipments led the way with a record 202.95 million pounds. Domestic shipments were down 5.63 million pounds compared to a year ago at 62.55 million pounds. October was a very active month with news sales totaling 295 million pounds compared to 277 million pounds last October. Both domestic and export commitments are up collectively by +18.31% (about 107 million pounds) compared to last year. Receipts are currently +2.36% (about 37 million pounds) higher than last season through October. Based on a crop size of 2.40 billion pounds, California is currently 49% sold (shipments + commitments) compared to 45% sold at this same time last year.

With domestic shipments slightly down, export shipments more than picked up the slack. Shipments to China/HK for the month of October were 28.7 million pounds compared to 26.3 million pounds last year. YTD shipments to China/HK are up 29%, but when taking Vietnam into account, YTD shipments to "China" are down about 8.8 million pounds. October shipments to India were about 26 million pounds or about 826 containers compared to 868 containers last October. YTD shipments to India are down 16% or about 407 containers less than last year. Shipments to the U.A.E. for the month of October were 17.6 million pounds compared to 6.8 million pounds last October. YTD shipments to the U.A.E. are up 163% compared to last year (33.2 million pounds vs. 12.6 million pounds). In looking at Europe, most countries were flat to slightly up for the month of October, with the largest increases seen in Germany, Netherlands and the U.K. Collectively, YTD shipments to Europe are up 15% or about 19.5 million pounds compared to last year.

There continues to be a lot of uncertainty surrounding the 2019 crop size. In looking at the past 5 seasons, receipts through the month of October are on average 73% received. However, it is worth noting that the percentage received through October has been on a decreasing trend these past 5 seasons, with the last two crop years averaging 68% received. This downward trend is mostly attributed to the increase in crop production outpacing the increase in hulling/shelling capacity in California. Assuming the industry is 68% received for the 2019 crop, this would equate to a crop size of 2.34 billion pounds. If the industry continues on a downward trend and is only 65% received, the final crop size would be 2.45 billion pounds. Even based on a crop size of 2.45 billion pounds, California would be 48% sold, which is still 3% higher than last year at this time. In reality, we are still probably a couple months away from have a better idea of the final crop size. For now, the industry is arguably trading based on a 2.40 billion-pound crop, which seems fair until we have more information.

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

Best Regards,
DERCO FOODS