

June 2020 Almond Position Report

June 2020 shipments were 175.37 million pounds. This is +6.2% compared to June 2019 shipments of 165.17 million pounds.

2019 Almond Supply

Carry-in from the 2018 crop:	318 million pounds
2019 crop size:	2.547 billion pounds
Less 2% loss / exempt:	51 million pounds
Less shipments to date:	2.192 billion pounds
Less commitments:	370 million pounds
Remaining unsold supply:	252 million pounds

Receipts, Shipments & Inventory v. 2018 Season

Receipts:	+12.29%
Total supply v. 2018 season:	+9.00%
Shipments v. 2018 season:	+3.91%
Uncommitted inventory:	+33.36%

Receipts & Shipments

2019 crop receipts are 2.547 billion pounds, which is +12.29% compared to 2018 crop receipts of 2.269 billion pounds. June shipments of 175.37 million pounds are 10.2 million pounds more than last year and 1.68 million pounds less than the record set in June 2017.

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

Domestic commitments of 196 million pounds are +35.68% and Export commitments of 175 million pounds are +25.56% compared to June 2019. Total commitments of 370 million pounds are +30.71% compared to last year. New 2019 crop sales for the month of June were about 171 million pounds. New 2020 crop commitments increased by about 171 million pounds from last month.

Domestic Shipments

Domestic shipments were +2.4% at 58.50 million pounds. This is 1.35 million pounds more than last year and 6.8 million pounds less than the record set in June 2017. New 2019 crop domestic sales for the month of June were about 6 million pounds. New 2020 crop domestic commitments increased by about 64 million pounds.

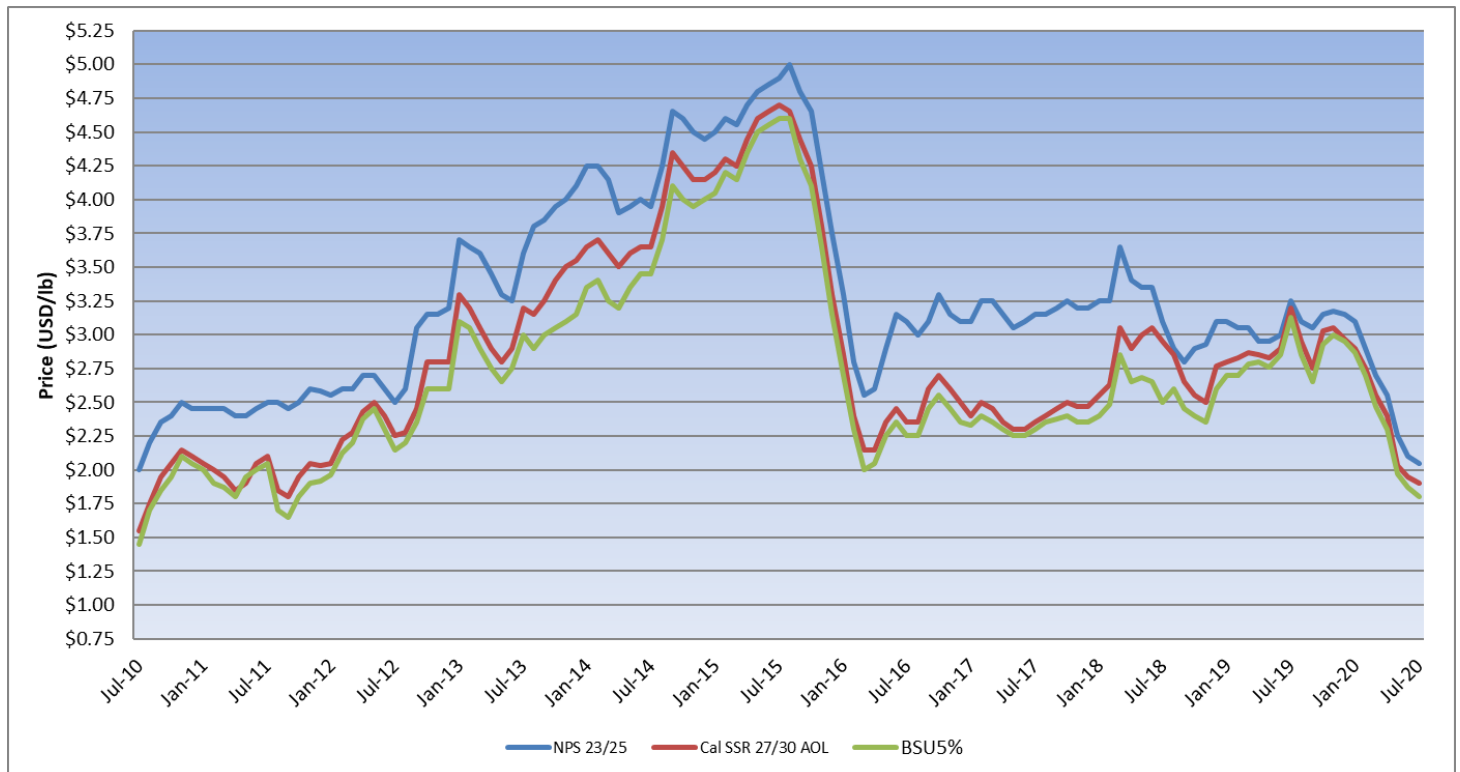
Export Shipments

Export shipments were +8.2% at 116.86 million pounds. This is 8.84 million pounds more than last year and 3.8 million pounds less than the record set in June 2016. New 2019 crop export sales for the month of June were about 83 million pounds. New 2020 crop export commitments increased by about 107 million pounds.

Regional Shipments

	<u>Aug 2019 - Jun 2020</u>		<u>Aug 2018 - Jun 2019</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	28,628,956	0	28,072,569	17,474	2%
Germany	121,735,475	122,400	102,315,885	67,597	19%
Italy	67,872,653	1,930,257	60,046,473	1,511,089	13%
Netherlands	68,944,155	16,958	65,283,794	0	6%
Spain	177,043,965	1,348,314	178,897,627	1,426,561	-1%
U.K.	32,419,646	0	30,304,309	0	7%
<u>MIDDLE EAST</u>					
Jordan	11,310,150	687,170	10,242,050	439,397	12%
Saudi Arabia	22,310,391	537,455	19,508,996	459,267	14%
Turkey	41,460,551	17,657,756	21,188,624	14,136,202	67%
UAE	73,681,238	9,244,420	59,897,491	6,346,884	25%
<u>ASIA</u>					
China/HK	43,296,593	50,770,757	65,149,868	57,296,539	-23%
Japan	81,516,589	172,622	77,324,659	235,664	5%
South Korea	52,402,673	0	54,735,821	0	-4%
Thailand	6,532,115	1,079,434	6,351,726	525,573	11%
India	2,571,074	230,218,386	4,032,503	213,131,814	7%

Historical Pricing



Conclusion

June 2020 shipments of 175.37 million pounds are about 10 million pounds more than last year and about 2 million pounds shy of the record set in June 2017. Year-to-date shipments are currently tracking about 4% higher than last season at 2.192 billion pounds. Crop receipts increased by about 11 million pounds from last month to put YTD crop receipts at 2.547 billion pounds. New sales (both current and new crop) during the month of June totaled about 261 million pounds. Total current crop commitments are up 25.76%, with both domestic and export commitments up 36.76% and 14.77% respectively. New crop commitments are currently reported at 458 million pounds, which is 226 million pounds more than last year at this time. The industry is currently 91% sold, compared to 93% sold at this same time last season. With another strong shipment month expected for July, the final carryout for the 2019 crop looks to be around 450 million pounds.

2020 has been a recipe for disaster. First, we had a larger than expected 2019 crop. This was followed up by a global pandemic that continues to disrupt daily life and global markets. And finally, a record 2020 crop that is looming on the horizon. Now for some much-needed good news. June marked the first month since the start of the calendar year where prices didn't decrease from the previous month. In fact, prices for several products – industrial items in particular – have even increased by about \$0.05-0.10/lb in the last couple weeks. While some of this was likely due to buyers hedging their bets against a lower than expected Objective Estimate, overall demand has picked up as buyers look to take advantage of historically attractive prices. In fact, an interesting dynamic has developed where several new crop items have been priced at a premium to current crop even with a much larger crop expected next season. Also, we are seeing confidence on the part of several buyers to cover a large portion of their 2020/2021 needs at these prices.

This past Tuesday, the Objective Estimate was released at 3.00 billion pounds. This is in-line with industry expectations and with earlier estimates. With no further crop information to be released, the industry will continue to market the 2020 crop based on 3.0 billion pounds for the foreseeable future. Europe has been arguably the most active export market for both current and new crop the last couple of months. We are also seeing renewed interest from other key global markets recently and would expect buying interest from these markets to continue to increase in the coming weeks. Barring any unforeseen surprises, we don't see much (if any) downside from current levels and would encourage buyers to continue to cover their upcoming needs at these fantastic prices.

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

Best Regards,
DERCO FOODS