

September 2020 Almond Position Report

September 2020 shipments were 260.97 million pounds. This is +33.0% compared to September 2019 shipments of 196.24 million pounds.

2020 Almond Supply

Carry-in from the 2019 crop:	450 million pounds
Estimated 2020 crop size:	3.000 billion pounds
Less 2% loss / exempt:	60 million pounds
Less shipments to date:	454 million pounds
Less commitments:	1.093 billion pounds
Remaining unsold supply:	1.843 billion pounds

Receipts, Shipments & Inventory v. 2019 Season

Receipts:	+25.39%
Total supply v. 2018 season:	+29.86%
Shipments v. 2018 season:	+32.00%
Uncommitted inventory:	-149.27%

Receipts & Shipments

2020 crop receipts are 1.052 billion pounds, which is +25.39% compared to 2019 crop receipts of 839 million pounds. September shipments of 260.97 million pounds are a new record, surpassing the previous record of 201.56 million pounds set in September 2016 and bettering September 2019 shipments by 64.73 million pounds.

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

Domestic commitments of 426 million pounds are +51.97% and Export commitments of 667 million pounds are +73.54% compared to September 2019. Total commitments of 1.093 billion pounds are +64.44% compared to last year. New sales for the month of September were about 298 million pounds.

Domestic Shipments

Domestic shipments were +17.0% at 63.58 million pounds. This is a new record, surpassing the previous record of 58.20 million pounds set in September 2016 and bettering September 2019 shipments by 9.23 million pounds. New domestic sales for the month of September were about 77 million pounds.

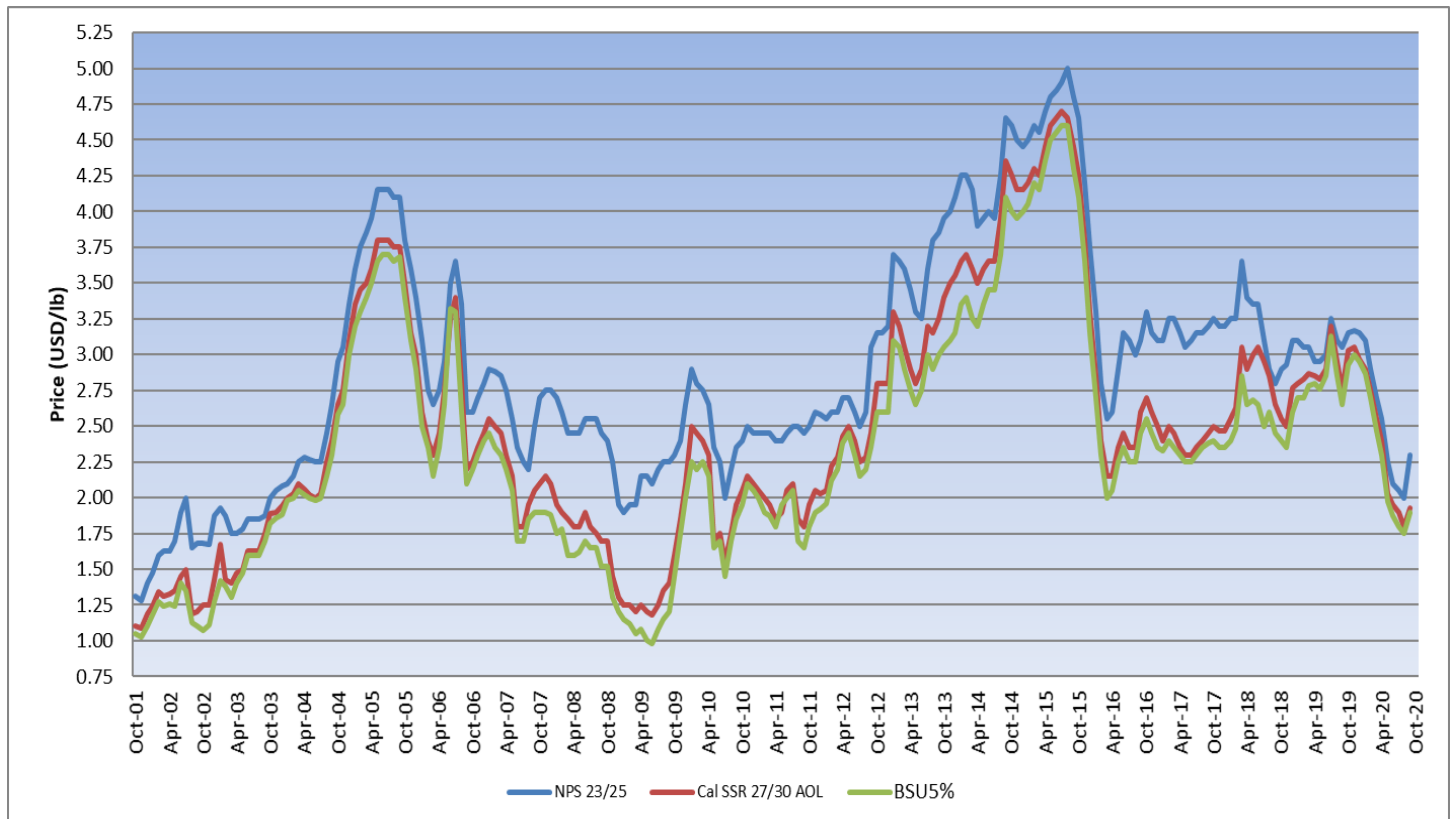
Export Shipments

Export shipments were +39.1% at 197.39 million pounds. This is a new record, surpassing the previous record of 143.36 million pounds set in September 2016 and bettering September 2019 export shipments by 55.50 million pounds. New export sales for the month of September were about 221 million pounds.

Regional Shipments

	Aug 2020 - Sep 2020		Aug 2019 - Sep 2019		% Change
	Shelled	Inshell	Shelled	Inshell	
EUROPE					
France	4,476,947	0	3,366,779	0	33%
Germany	16,194,305	0	15,172,807	30,600	7%
Italy	14,275,734	401,604	8,837,050	507,624	57%
Netherlands	12,089,977	0	8,137,967	0	49%
Spain	30,453,221	200,710	26,668,683	233,996	14%
U.K.	5,355,450	0	3,380,069	0	58%
MIDDLE EAST					
Jordan	1,377,000	129,101	1,001,500	173,162	28%
Turkey	5,681,716	3,493,657	3,015,000	3,990,444	31%
UAE	14,332,450	3,250,646	12,758,650	2,910,588	12%
ASIA					
China/HK	15,544,503	10,800,093	8,782,041	20,082,112	-9%
Japan	8,383,218	0	8,194,227	63,468	2%
South Korea	9,625,288	0	6,291,036	0	53%
Thailand	1,457,800	0	1,230,850	1,079,434	-37%
India	358,750	103,640,323	556,410	42,914,851	139%

Historical Pricing



Conclusion

September 2020 shipments were HUGE – breaking the previous record by 59 million pounds. We mentioned this last month, but it's worth repeating that a larger carry-in from the 2019 crop has definitely contributed to the fantastic start to the 2020 crop season. Year-to-date shipments of 454 million pounds are currently up 32% (+110 million pounds) compared to last season. Crop receipts increased by 780 million pounds during the month of September bringing YTD receipts to 1.052 billion pounds, compared to 839 million pounds last season. New sales during the month of September were nearly identical to last season at 298 million pounds. Total commitments of 1.093 billion pounds are +64.44% or 428 million pounds more than last season at this time. With such impressive commitments on the books, you can count on record October shipments next month, as well. Based on a crop size of 3.00 billion pounds, California is currently 46% sold (shipments + commitments) compared to 36% sold at this time last year.

With such strong shipments for the month of September, most all major markets are up. India added 63 million pounds (~2,013 containers) during the month of September, bringing YTD shipments to 104 million pounds (~3,298 containers) compared to YTD shipments of 43 million pounds (~1,376 containers) last season. Even given more attractive pricing and an increase in local consumption, it's hard to believe India will maintain this pace, likely leading to a slowdown in demand in the coming weeks and months. It is also worth noting that YTD shipments to Western Europe are up 17 million pounds. However, given the larger carry-in from the 2019 crop, which most of the shipments to Europe have consisted of YTD, we may find that Q4 coverage took place earlier this year and will largely consist of 2019 crop almonds. One major market that is surprisingly down given how strong shipments have been this season is China (-9%). With this in mind, China may pick up some of the potential slack in demand from more heavily covered markets in the coming weeks. The Middle East and U.S domestic markets are both tracking up 14% and 11% YTD respectively.

Based on early receipt data, the industry seems content for now on marketing the 2020 crop based on 3.00 billion pounds. When you take into account the estimated increase in crop size (+450 million lbs) and increase in the carry-in (+130 million pounds), you can better understand why there continues to be a strong desire to sell in California – even given the current sold position. It's very difficult to quantify how much global demand will increase this season at current market prices. With shipments already up 110 million pounds and commitments tracking considerably higher than last season, California is undoubtedly off to a great start and pricing has played a key role. Demand may arguably be the most important market factor between now and bloom. It will be interesting to see if markets can continue buying at an increased pace or if this is a situation where buyers have covered a greater percentage of their needs earlier this season than previous crop years. While there continues to be many unknowns from the actual crop size to the outlook for the 2021 crop, one thing that is for certain is that if you need something for nearby shipment, now is the time to buy.

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

Best Regards,
DERCO FOODS