DERCO FOODS®

2670 West Shaw Lane, Fresno, California 93711 U.S.A.
Telephone (559) 435-2664 • Fax (559) 435-8520 • www.dercofoods.com • e-mail: derco@dercofoods.com

January 2021 Almond Position Report

January 2021 shipments were 194.29 million pounds. This is -11.9% compared to January 2020 shipments of 220.50 million pounds.

2020 Almond Supply

Carry-in from the 2019 crop:	450 million pounds
Estimated 2020 crop size:	3.080 billion pounds
Less 2% loss / exempt:	62 million pounds
Less shipments to date:	1.478 billion pounds
Less commitments:	932 million pounds
Remaining unsold supply:	1.058 billion pounds

Receipts, Shipments & Inventory v. 2019 Season

Receipts:	+20.57%
Total supply v. 2019 season:	+22.96%
Shipments v. 2019 season:	+16.22%
Uncommitted inventory:	+10.88%

Receipts & Shipments
2020 crop receipts are 3.025 billion pounds, which is +20.57% compared to 2019 crop receipts of 2.509 billion pounds. January shipments of 194.29 million pounds are 26.21 million pounds less than the record set last year.

Commitments (Almonds that are sold, but not yet shipped)
Domestic commitments of 360 million pounds are +20.70% and Export commitments of 572 million pounds are +90.06% compared to January 2020. Total commitments of 932 million pounds are +55.52% compared to last year. New sales for the month of January were about 206 million pounds.

Domestic Shipments
Domestic shipments were -17.4% at 58.76 million pounds. This is 12.71 million pounds less than the record set last year. New domestic sales for the month of January were about 44 million pounds.

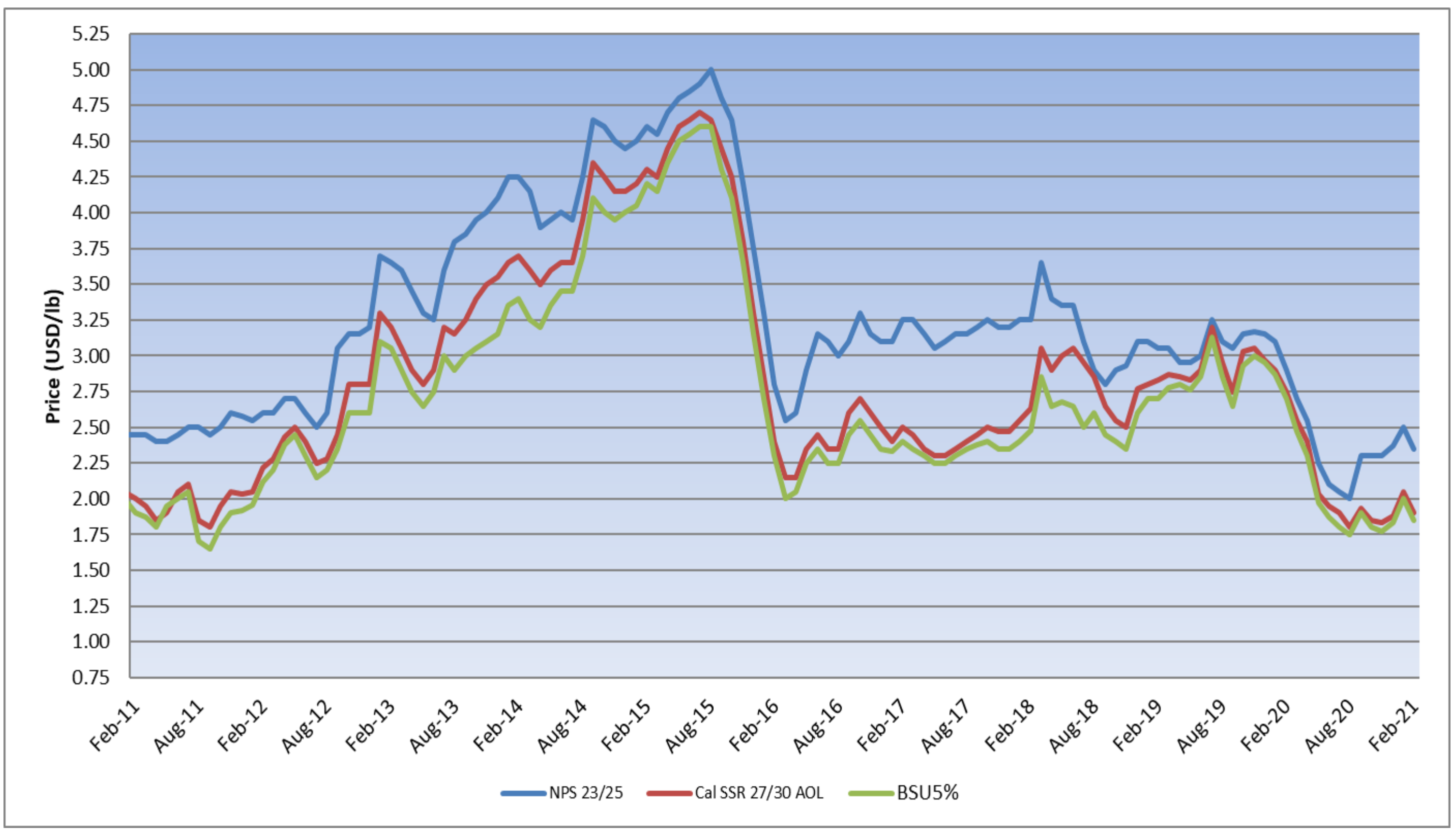
Export Shipments
Export shipments were -9.2% at 135.53 million pounds. This is 13.79 million pounds less than the record set last year. New export sales for the month of January were about 162 million pounds.

2670 West Shaw Lane, Fresno, California 93711 U.S.A.
Telephone (559) 435-2664 • Fax (559) 435-8520 • www.dercofoods.com • e-mail: derco@dercofoods.com

Regional Shipments

	8/1/2020 - 1/31/2021		8/31/2019 - 1/31/2020		% Change
EUROPE	**Shelled**	**Inshell**	**Shelled**	**Inshell**	
France	17,390,907	0	17,341,654	0	0%
Germany	63,591,289	30,600	64,197,634	61,200	-1%
Italy	47,472,243	1,336,228	37,235,745	1,360,762	26%
Netherlands	43,105,048	0	37,023,203	16,958	16%
Spain	112,170,470	826,117	105,487,624	939,415	6%
U.K.	19,819,340	0	17,087,740	0	16%
MIDDLE EAST					
Jordan	7,015,975	661,873	5,965,350	400,731	21%
Turkey	25,219,627	8,953,347	24,757,750	16,125,596	-16%
UAE	51,277,099	7,703,275	51,322,553	7,805,730	0%
ASIA					
China/HK	57,448,603	62,072,618	33,320,437	46,263,474	50%
Japan	36,794,937	3,460	42,593,113	109,721	-14%
South Korea	36,732,198	0	28,263,559	0	30%
Thailand	4,459,700	0	2,966,640	1,079,434	10%
India	1,049,559	241,207,345	1,067,424	150,816,693	60%

Historical Pricing



DERCO FOODS®

2670 West Shaw Lane, Fresno, California 93711 U.S.A.
Telephone (559) 435-2664 • Fax (559) 435-8520 • www.dercofoods.com • e-mail: derco@dercofoods.com

Conclusion

January 2021 shipments of 194.29 million pounds failed to exceed last year's record shipments of 220.50 million pounds. Since September, the industry had been shipping an average of 26% of the previous month's commitments. Had California shipped 26% of December's commitments (as opposed to just 21%), January shipments would have likely been around 240 million pounds. California will argue that if it were not for the ongoing shipping challenges, the industry would have matched or even surpassed this record figure. While this argument likely holds true for export shipments, domestic shipments were just simply down. Year-to-date shipments are currently up 16.22% or about 206 million pounds ahead of last season at this time. Crop receipts increased by about 157 million pounds from a month ago and now stand at 3.025 billion pounds. California had received 98.35% of total receipts at this time last season, with another 42 million pounds yet to come in. Assuming we are the same percentage received this season, the final crop size will end up around 3.080 billion pounds. Based on this figure, the industry is 69% sold compared to 66% sold at this time last season.

In the past month, prices in California have decreased by about $0.15/lb for most items. After the December shipment report, it became evident that the crop was going to exceed 3.0 billion pounds, resulting in more sellers than buyers in the market. Then a couple weeks ago, California finally received some much-needed rain and snow, easing concerns of a severe drought. To top things off, it was soon evident that a large number of January shipments were delayed to February, erasing what was surely going to be a record shipment month. Given these factors, new sales during the month of January were surprisingly a respectable 206 million pounds compared to 210 million pounds a year ago. Even in a "quiet market" business is clearly continuing to take place. Commitments are still tracking well ahead of last season, up 55% or about 333 million pounds more than last year. Uncommitted inventory of 1.004 billion pounds is currently 100 million pounds more than last season at this time. New sales between February and July of last year totaled about 847 million pounds. With prices at more attractive levels this season and with the initial shock of the pandemic behind us, it would seem fair to expect the industry to record more new sales during the same period this year.

California is in the very beginning stages of bloom. After a little rain in the forecasts these next few days, conditions in California look favorable for the next two weeks. Even with a good bloom, many in California do not expect to set another bumper crop in 2021. While this remains to be seen, we can confidently say that the carryout from the 2020 crop will be larger than last year. The question is how much larger? Between February and July of last season, California shipped 1.1 billion pounds. If California wants to target a carryout of 600-700 million pounds at the end of this season, the industry will need to ship about 1.3-1.4 billion pounds these next 6 months.

After today's report, it wouldn't be surprising to see some items again trading at or near opening levels. Almonds are attractively priced and at the lowest levels they have been in the past 10 years. Buyers are not complaining that prices are too high. At this point, it comes down to confidence. Once there is a sense of stability in the market, we would expect to see an increase again in demand.

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