

February 2021 Almond Position Report

February 2021 shipments were 234.21 million pounds. This is +16.1% compared to February 2020 shipments of 201.78 million pounds.

2020 Almond Supply

Carry-in from the 2019 crop:	450 million pounds
Estimated 2020 crop size:	3.112 billion pounds
Less 2% loss / exempt:	62 million pounds
Less shipments to date:	1.712 billion pounds
Less commitments:	887 million pounds
Remaining unsold supply:	901 million pounds

Receipts, Shipments & Inventory v. 2019 Season

Receipts:	+22.00%
Total supply v. 2019 season:	+24.21%
Shipments v. 2019 season:	+16.20%
Uncommitted inventory:	+19.17%

Receipts & Shipments

2020 crop receipts are 3.087 billion pounds, which is +22.00% compared to 2019 crop receipts of 2.531 billion pounds. February shipments of 234.21 million pounds are a new record, surpassing the previous record of 201.78 million pounds set in February 2020.

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

Domestic commitments of 350 million pounds are +19.89% and Export commitments of 537 million pounds are +80.62% compared to February 2020. Total commitments of 887 million pounds are +50.54% compared to last year. New sales for the month of February were about 189 million pounds.

Domestic Shipments

Domestic shipments were +9.1% at 70.23 million pounds. This is a new record, surpassing the previous record of 64.36 million pounds set in February 2020. New domestic sales for the month of February were about 60 million pounds.

Export Shipments

Export shipments were +19.3% at 163.97 million pounds. This is a new record, surpassing the previous record of 137.42 million pounds set in February 2020. New export sales for the month of February were about 129 million pounds.

Regional Shipments

	<u>Aug 2020 - Feb 2021</u>		<u>Aug 2019 - Feb 2020</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	20,747,587	0	20,136,314	0	3%
Germany	78,647,959	30,600	75,604,620	122,400	4%
Italy	53,795,943	1,400,767	44,486,519	1,642,548	20%
Netherlands	50,363,171	0	43,848,131	16,958	15%
Spain	130,604,328	1,034,983	122,766,998	1,106,849	6%
U.K.	23,189,590	0	20,098,962	0	15%
<u>MIDDLE EAST</u>					
Jordan	7,580,875	661,873	7,285,350	400,731	7%
Turkey	28,588,999	11,258,948	28,698,055	17,326,006	-13%
UAE	64,875,949	8,894,033	57,797,053	8,043,866	12%
<u>ASIA</u>					
China/HK	62,875,248	63,008,689	34,621,856	46,652,296	55%
Japan	46,974,168	3,460	51,767,099	109,721	-9%
South Korea	44,460,014	0	32,613,319	0	36%
Thailand	5,003,700	0	3,406,740	1,079,434	12%
India	1,402,224	260,721,217	1,504,899	173,161,180	50%

Historical Pricing



Conclusion

February 2021 shipments of 234.21 million pounds are a new record and a welcome surprise given the unrelenting shipping challenges wreaking havoc on the industry. Many growers in California were fearing a repeat of last month due to ongoing delays on the part of the shipping lines. Domestic shipments bounced back after a disappointing showing last month with a record 70.23 million pounds. Export shipments also set a new record at 163.97 million pounds, surpassing the previous record by 19%. Total YTD shipments are currently up 16.20% or about 239 million pounds ahead of last year. New sales during the month of February were 189 million pounds compared to 192 million pounds a year ago. California added 62 million pounds of receipts during the month of February bringing the YTD total to 3.087 billion pounds – up 22% from last season at this time. Assuming California is the same percentage received as last season, the industry can expect to receive another 25 million pounds, resulting in a final crop size of 3.112 billion pounds. Based on this figure, California is 74% sold of total supply versus 73% last year at this time.

After the February shipment report last month, kernel prices in California momentarily weakened by as much as \$0.10/lb before demand from global markets erupted. The week following last month's report was very active as buyers happily took advantage of some of the lowest levels seen all season (again). Within a matter of days, prices had increased and have since settled to within \$0.03-0.05/lb of pre-January report levels. In the last two weeks, prices in California have remained stable. There is growing confidence in California that a floor has been set for the foreseeable future. California only needs to decrease current prices by a nickel in order for demand to dramatically increase. On the other end of the spectrum lies the inshell market. Demand from India for Inshell Nonpareil and Inshell Independence has been robust this past month. With inventory levels dwindling in California, Indian importers have been frantically covering their inshell requirements for the remainder of the crop year. As a result, inshell prices have returned to the highest levels seen all season.

As bloom winds down in California, most growers throughout the state reported good overlap between varieties and adequate bee flight hours this season. In the coming weeks, as nutlets form on the trees, California will start to assess the crop. By this time next month, the first of the crop estimates will likely be released. Given the record yields reported in several counties this past season – especially those in the central and northern growing regions – growers are expecting lower yields in 2021, resulting in a smaller crop next season. With a carryout in the neighborhood of 700 million pounds this season combined with a shorter crop next season, for now it would appear that California will be looking at a similar total supply scenario for the 2021 crop year. With inshell almonds on the verge of selling out in California and with high quality items such as NPX consistently in demand, we expect most of the carryout to consist of industrial grade product. In recent weeks, we have seen an increase in new crop demand out of Europe – predominantly for industrial items. It is worth noting that new crop business has been taken place at a \$0.05/lb premium to current crop levels.

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

Best regards,
DERCO FOODS