

March 2021 Almond Position Report

March 2021 shipments were 266.65 million pounds. This is +28.1% compared to March 2020 shipments of 208.22 million pounds.

2020 Almond Supply

Carry-in from the 2019 crop:	450 million pounds
Estimated 2020 crop size:	3.115 billion pounds
Less 2% loss / exempt:	62 million pounds
Less shipments to date:	1.979 billion pounds
Less commitments:	812 million pounds
Remaining unsold supply:	697 million pounds

Receipts, Shipments & Inventory v. 2019 Season

Receipts:	+22.10%
Total supply v. 2019 season:	+24.30%
Shipments v. 2019 season:	+17.67%
Uncommitted inventory:	+22.53%

Receipts & Shipments

2020 crop receipts are 3.093 billion pounds, which is +22.10% compared to 2019 crop receipts of 2.533 billion pounds. March shipments of 266.65 million pounds are a new record, surpassing the previous record of 208.22 million pounds set in March 2020.

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

Domestic commitments of 325 million pounds are +10.19% and Export commitments of 486 million pounds are +87.02% compared to March 2020. Total commitments of 812 million pounds are +46.19% compared to last year. New sales for the month of March were about 191 million pounds.

Domestic Shipments

Domestic shipments were -10.6% at 71.26 million pounds. This is the second largest March or 8.41 million pounds less than the record set in March 2020. New domestic sales for the month of March were about 47 million pounds.

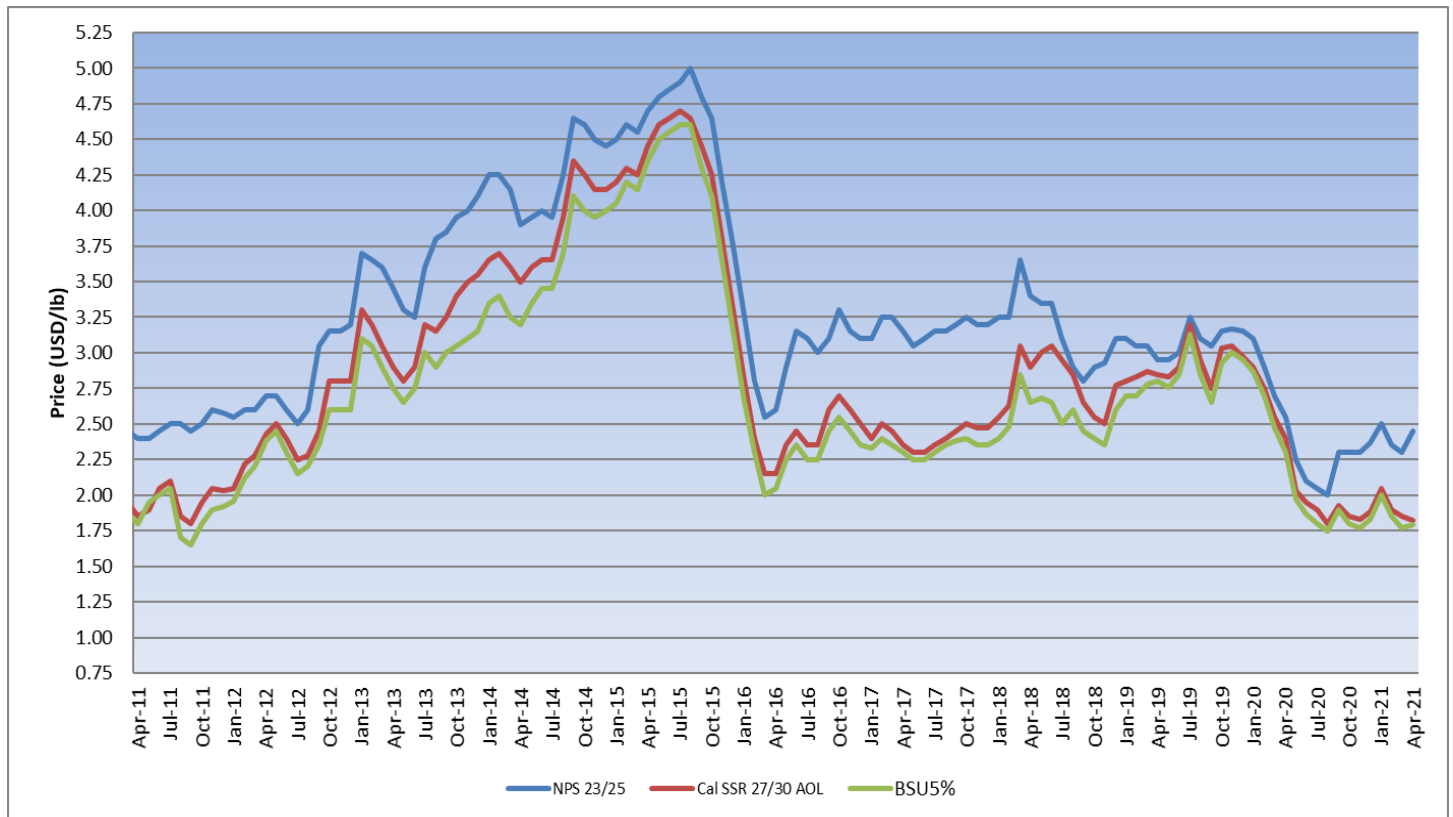
Export Shipments

Export shipments were +52.0% at 195.39 million pounds. This is a new record, surpassing the previous record of 133.88 million pounds set in March 2015. New export sales for the month of March were about 145 million pounds.

Regional Shipments

	<u>Aug 2020 - Mar 2021</u>		<u>Aug 2019 - Mar 2020</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	23,579,619	0	21,837,014		8%
Germany	98,440,501	30,600	86,258,737	122,400	14%
Italy	63,375,533	1,519,846	50,333,173	1,686,461	25%
Netherlands	60,824,018	0	52,193,175	16,958	16%
Spain	152,313,729	1,065,101	139,016,288	1,138,124	9%
U.K.	27,501,680	0	23,911,035	0	15%
<u>MIDDLE EAST</u>					
Jordan	8,566,375	725,775	7,735,350	451,262	14%
Turkey	34,941,420	12,843,087	33,653,005	17,340,411	-6%
UAE	73,316,724	10,033,652	65,639,453	8,238,712	13%
<u>ASIA</u>					
China/HK	67,828,983	65,441,853	36,246,293	47,569,842	59%
Japan	56,687,783	3,460	60,153,700	172,622	-6%
South Korea	54,242,248	0	37,368,711	0	45%
Thailand	6,259,725	0	4,065,140	1,079,434	22%
India	1,758,244	284,688,843	1,842,624	187,858,833	51%

Historical Pricing



Conclusion

March 2021 shipments of 266.65 million pounds are a new record and the 2nd largest shipment month in history – only surpassed by October 2020 shipments. Export shipments led the way with 195.39 million pounds, which is up 52% compared to last year. Although domestic shipments were down 10.6% at 71.26 million pounds, this is still the second largest March on record. Total YTD shipments are up 17.67% or about 297 million pounds ahead of last season. New sales during the month of March were about 191 million pounds compared to 174 million pounds a year ago. Commitments continue to track well ahead of last year, up 46.19% or 257 million pounds more than last year at this time. Crop receipts increased by about 6 million pounds from a month ago and currently total 3.093 billion pounds. Assuming California is the same percentage received as last season, the final crop appears to be headed towards 3.115 billion pounds. Based on this figure, the industry is currently 80% sold of total supply versus 79% sold last year at this time.

Over the course of the past month, prices for most items in California have remained stable with the exception of mid-size NPX and inshell, which have continued to firm as a result of diminishing supply. Last month, NPX 27/30 and NPX 25/27 were trading between \$1.95-2.05/lb FAS. Earlier this week, prices for these same items were \$0.10/lb higher – with more buying interest than selling interest from California sellers. The same is true for NPIS, which last month was around \$1.75/lb FAS and this week was trading at \$1.85/lb FAS. Prior to today's report, BSU5% was ranging between \$1.75-1.80/lb FAS, while large-size NPX (sizes 23/25 and 22/24) were trading in the \$2.45-\$2.50/lb FAS range. With 4 months to go this season and even with a carryout of around 700 million pounds, it is still going to be a tight transition for some items. Given the lack of remaining inventory of high quality NPX, NPIS and Inshell Independence, we recommend covering your current crop needs for these items as soon as possible.

At current prices, global demand has been robust all season long. YTD shipments are up to nearly every global market, with some markets even exceeding our wildest expectations. Commitments are well ahead of last season, which bodes well for continued strong shipments to finish the crop year. Even with a larger carryout this season, the ending uncommitted inventory figure may not be drastically higher than previous seasons – especially as a percentage of crop size. Even with the industry expecting a shorter crop this upcoming season, the total supply is expected to be similar to or even slightly larger than the 2020 crop year. However, don't be surprised to see some items start at higher prices than this past season given their current availability or lack thereof at the end of this season. A couple of the first crop estimates are expected to be released in the coming weeks followed by the Subjective Estimate on May 12th. Recently, industry expectations for the 2021 crop year have ranged between 2.80-3.00 billion pounds. Should these estimates fall within this range, California knows what it takes to move a crop of this size. With that said, there is arguably more upside potential than downside at current price levels for most items.

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

Best regards,
DERCO FOODS