DERCO FOODS®

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September 2021 Almond Position Report

September 2021 shipments were 227.64 million pounds. This is -12.8% compared to September 2020 shipments of 260.97 million pounds.

2021 Almond Supply

Carry-in from the 2019 crop:	608 million pounds
Estimated 2021 crop size:	2.80 billion pounds
Less 2% loss / exempt:	56 million pounds
Less shipments to date:	435 million pounds
Less commitments:	721 million pounds
Remaining unsold supply:	2.196 billion pounds

Receipts, Shipments & Inventory v. 2020 Season

Receipts:	+1.52%
Total supply v. 2020 season:	+11.72%
Shipments v. 2020 season:	-4.19%
Uncommitted inventory:	+865.85%

Receipts & Shipments

2021 crop receipts are 1.068 billion pounds, which is +1.52% compared to 2020 crop receipts of 1.052 billion pounds. September shipments of 227.64 million pounds is the second largest September, but 33 million pounds less than the record set last year. 2021 crop shipments of 435 million pounds are -4.19% compared to 2020 crop shipments of 454 million pounds.

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

Domestic commitments of 304 million pounds are -28.64% and export commitments of 417 million pounds are -37.50% compared to September 2020. New sales during the month of September were about 232 million pounds.

Domestic Shipments

Domestic shipments were +0.8% at 64.12 million pounds. This is a new record, surpassing the previous record of 63.58 million pounds set last year. New domestic sales for the month of September were about 95 million pounds.

Export Shipments

Export shipments were -17.2% at 163.52 million pounds. This is the second largest September, but 34 million pounds less than the record set last year. New export sales for the month of September were about 137 million pounds.

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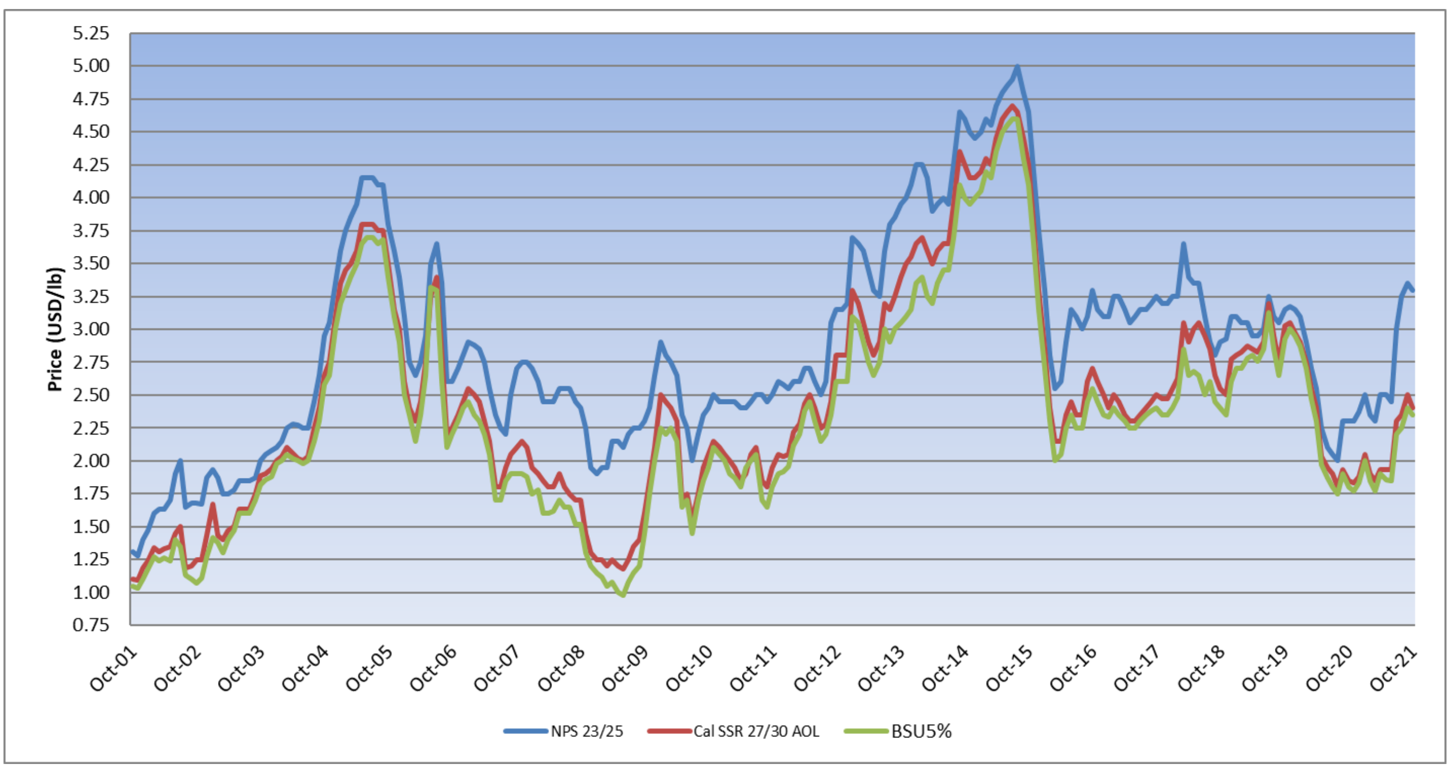
Regional Shipments

	Aug. 2021 - Sep. 2021		Aug. 2020 - Sep. 2020		% Change
EUROPE	**Shelled**	**Inshell**	**Shelled**	**Inshell**	
France	3,243,675	0	4,476,947	0	-28%
Germany	18,369,377	0	16,194,305	0	13%
Italy	11,496,249	438,764	14,275,734	401,604	-19%
Netherlands	12,074,141	0	12,089,977	0	0%
Spain	30,359,480	165,904	30,453,221	200,710	0%
U.K.	4,623,980	62,767	5,355,450	0	-12%
MIDDLE EAST					
Israel	388,500	63,005	1,603,250	32,652	-72%
Jordan	1,606,000	63,900	1,377,000	129,101	11%
Saudi Arabia	1,046,850	29,597	1,533,160	0	-30%
Turkey	2,977,101	2,851,739	5,681,716	3,493,657	-36%
UAE	16,011,050	2,214,485	14,332,450	3,250,646	4%
ASIA					
China/HK	8,662,895	21,140,353	15,544,503	10,800,093	13%
Japan	10,944,790	47,646	8,383,218	0	31%
South Korea	12,401,937	0	9,625,288	0	29%
Vietnam	5,077,472	113,353	2,353,480	1,356,298	40%
India	5,040,455	86,450,261	358,750	103,640,323	-12%

Historical Pricing



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Conclusion

September 2021 shipments of 227.64 million pounds are 33 million pounds less than the record set last season. Export shipping issues continue to plague our industry. On paper, several packers were flat or up in terms of September shipments a few weeks ago. However, given the ongoing disruptions from the shipping lines and at the ports, many September contracts were delayed to October. Crop receipts of 1.068 billion pounds are an increase of 757 million pounds from last month and are currently up 1.52% compared to a year ago at this time. Total commitments of 721 million pounds are -34.05% or 372 million pounds less than last season. New sales during the month of September were 232 million pounds compared to 298 million pounds last September. Based on a crop size of 2.80 billion pounds, the industry is currently 34.5% sold (shipments + commitments) compared to 44.3% sold at this time last year.

Domestic shipments led the way with a record 64.12 million pounds. New domestic sales of 95 million pounds in September were also up compared to 77 million pounds of new domestic sales a year ago. Domestic commitments are currently -28.64% or 122 million pounds less than last year at this time. Export shipments on the other hand were -17.2% at 163.52 million pounds compared to 197.39 million pounds in September 2020. New export sales during the month of September of 137 million pounds were also down compared to September 2020 new export sales of 221 million pounds. Export commitments of 417 million pounds are -37.50% or 250 million pounds less than a year ago. While we have seen a slightly better start to U.S domestic shipments this season (+0.90%), export shipments are currently tracking behind last season's record pace (-6.22%). It is worth noting that total supply for the 2021 crop is forecast to be 4% less than last season, while the industry is currently 10% less sold (of total supply) compared to last year at this time.

Since last month's report, pricing has decreased on several items by about $0.10-0.15/lb. Some sellers have been more aggressive than others as they look to increase their sold percentages in what has been a quieter market than we are used to at this time of year. Drought continues to be a major concern and as mentioned in previous reports, most sellers in California would like to be less sold heading into the Winter months. It remains to be seen how pricing will develop following today's report. A lot will depend on demand and whether we see an increase in activity from export markets that have been quiet the last several weeks. While it would be easy to solely blame pricing for the recent slowdown in demand, other factors such as record shipments last season (particularly at the end of the crop year) combined with delays in shipments from origin and longer transit times on the water, have also likely played a role in hampering early buying interest. Should demand increase in the coming weeks as expected, California will be hard pressed to set record shipment figures in the months ahead in the current shipping environment.

Given the continued shipping delays on the export side – which are arguably the worst we have ever experienced – we recommend that buyers schedule their purchases and shipments ahead of normal to account for delays. If not, buyers face the likelihood of not having enough inventory on hand ahead of important holidays and festivals in their respective markets.

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

Best regards,
DERCO FOODS