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October 2021 Almond Position Report

October 2021 shipments were 217.07 million pounds. This is **-29.9%** compared to October 2020 shipments of 309.68 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:	652 million pounds
Less commitments:	748 million pounds
Remaining unsold supply:	1.952 billion pounds

Receipts, Shipments & Inventory v. 2020 Season

Receipts:	-0.91%
Total supply v. 2020 season:	+6.38%
Shipments v. 2020 season:	-14.62%
Uncommitted inventory:	+125.89%

Receipts & Shipments

2021 crop receipts are 1.794 billion pounds, which is **-0.91%** compared to 2020 crop receipts of 1.811 billion pounds. October shipments of 217.07 million pounds is 92.61 million pounds less than the record set last year. 2021 crop shipments of 652 million pounds are **-14.62%** compared to 2020 crop shipments of 764 million pounds.

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

Domestic commitments of 344 million pounds are **-16.69%** and export commitments of 404 million pounds are **-34.85%** compared to October 2020. New sales during the month of October were about 244 million pounds.

Domestic Shipments

Domestic shipments were **-11.6%** at 65.19 million pounds. This is 8.57 million pounds less than the record set last year. New domestic sales for the month of October were about 105 million pounds.

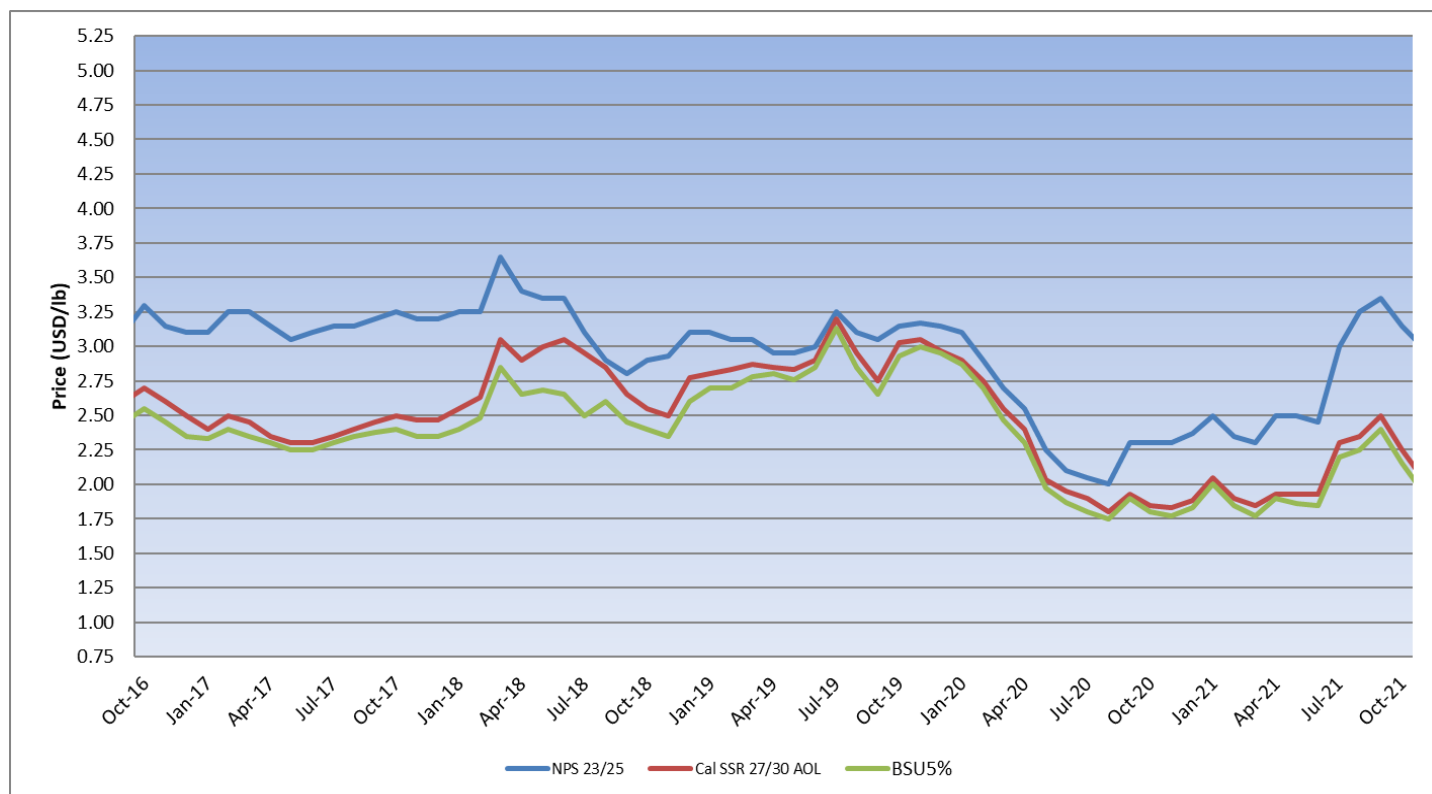
Export Shipments

Export shipments were **-35.6%** at 151.88 million pounds. This is 84.04 million pounds less than the record set last year. New export sales for the month of October were about 140 million pounds.

Regional Shipments

	<u>Aug. 2021 - Oct. 2021</u>		<u>Aug. 2020 - Oct. 2020</u>		<u>% Change</u>
<u>EUROPE</u>	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
France	4,422,752	0	6,747,522	0	-34%
Germany	23,647,095	0	27,896,836	0	-15%
Italy	15,801,114	631,044	23,384,734	604,190	-32%
Netherlands	17,987,741	0	22,133,911	0	-19%
Spain	40,405,446	274,332	52,669,129	263,779	-23%
U.K.	7,591,800	62,767	8,924,770	0	-14%
<u>MIDDLE EAST</u>					
Israel	1,092,075	284,868	2,577,115	64,602	-48%
Jordan	2,869,500	239,310	3,305,000	250,350	-13%
Saudi Arabia	2,057,550	29,597	3,994,710	59,400	-49%
Turkey	7,693,447	6,210,280	14,568,441	5,853,204	-32%
UAE	24,984,856	4,557,096	28,040,350	5,185,194	-11%
<u>ASIA</u>					
China/HK	15,491,855	46,435,829	32,463,418	31,254,402	-3%
Japan	17,664,076	47,646	14,841,403	3,460	19%
South Korea	17,902,276	0	15,572,966	0	15%
Vietnam	6,794,772	271,963	6,240,222	3,819,184	-30%
India	5,503,255	115,150,645	584,500	145,536,887	-17%

Historical Pricing





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Conclusion

California shipped 217.07 million pounds in the month of October, which is **-29.9%** or 92.61 million pounds less than the record set last year of 309.68 million pounds. Although disappointing, today's figures were somewhat expected across the industry. Year-to-date shipments of 652 million pounds are 112 million pounds (**-14.62%**) behind last year's pace of 764 million pounds. Total commitments of 748 million pounds are **-27.60%** or 285 million pounds less than last year. New sales during the month of October were 244 million pounds, compared to 250 million pounds in October 2020. During the month of October, California added 726 million pounds in crop receipts bringing YTD receipts to 1.794 billion pounds compared to 1.811 billion pounds at this time last season. Based on a crop size of 2.80 billion pounds, the industry is currently 42% sold (shipments + commitments) compared to 51% sold at this time last year.

For the second consecutive month, shipments are down compared to a year ago. Ongoing shipping challenges are again largely to blame. On a little more positive note, new sales were respectable this past month – only 6 million pounds less than last year when prices for most items were at more attractive levels. While total supply is forecast to be down 4% compared to last year, California is currently 9% less sold than at this point last season. October marked the first month since harvest began where YTD receipts are now tracking less than last season. It is still too early to comment on the potential final crop size. A large percentage of almonds are currently in stockpiles at huller/shellers throughout the state. For now, many in the industry continue to estimate the crop to be between 2.80-2.90 billion pounds. While receipts for most pollinators are currently tracking slightly higher than last season, Nonpareil and Sonora varieties are currently down 95 million pounds and 13 million pounds respectively. It is also worth noting that Independence variety receipts are currently up 59 million pounds.

Unfortunately, the export shipping situation has gotten worse rather than improve in recent months. On top of that, trucker shortages in the U.S. have also delayed domestic deliveries. In anticipation of lower shipments, prices in California have been declining in recent weeks. With the exception of Japan and Korea, export shipments to nearly all major markets are down. In addition, export commitments are also tracking down 116 million pounds compared to a year ago. With lower inventory levels at destination and less shipments on the water, we anticipate pricing in overseas local markets to remain stable and potentially firm – especially in comparison to replacement costs in California. As this trend develops and with pricing becoming more attractive in California, we expect to see an increase in demand in the weeks and months ahead. Buyers can also buy more confidently now that prices have returned to pre-Objective Estimate levels for many items and given the limited downside risk at these prices. The drought in California is still an ongoing concern. While recent storms have been a pleasant surprise, California needs a lot more rain/snow in order for the water supply to improve.

With prices for many items returning to historically low levels, now may be a good time for buyers to replenish their stocks and take advantage of current opportunities.

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

Best regards,
DERCO FOODS