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March 2022 Almond Position Report

March 2022 shipments were 244.98 million pounds. This is **-8.1%** compared to March 2021 shipments of 266.65 million pounds.

2021 Almond Supply

Carry-in from the 2020 crop:	608 million pounds
Estimated 2021 crop size:	2.902 billion pounds
Less 2% loss / exempt:	58 million pounds
Less shipments to date:	1.683 billion pounds
Less commitments:	832 million pounds
Remaining unsold supply:	937 million pounds

Receipts, Shipments & Inventory v. 2020 Season

Receipts:	-6.20%
Total supply v. 2020 season:	-0.86%
Shipments v. 2020 season:	-14.95%
Uncommitted inventory:	+35.46%

Receipts & Shipments

2021 crop receipts are 2.901 billion pounds, which is **-6.20%** compared to 2020 crop receipts of 3.093 billion pounds. March shipments of 244.98 million pounds are 21.67 million pounds less than the record set last year of 266.65 million pounds. 2021 crop shipments of 1.683 billion pounds are **-14.95%** compared to 2020 crop shipments of 1.979 billion pounds.

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

Domestic commitments of 306 million pounds are **-5.91%** and export commitments of 526 million pounds are **+8.20%** compared to March 2021. New sales during the month of March were about 220 million pounds.

Domestic Shipments

Domestic shipments were **+0.8%** at 71.84 million pounds. This is 0.58 million pounds more than last year, but 7.83 million pounds less than the record set in March 2020 of 79.67 million pounds. New domestic sales for the month of March were about 29 million pounds.

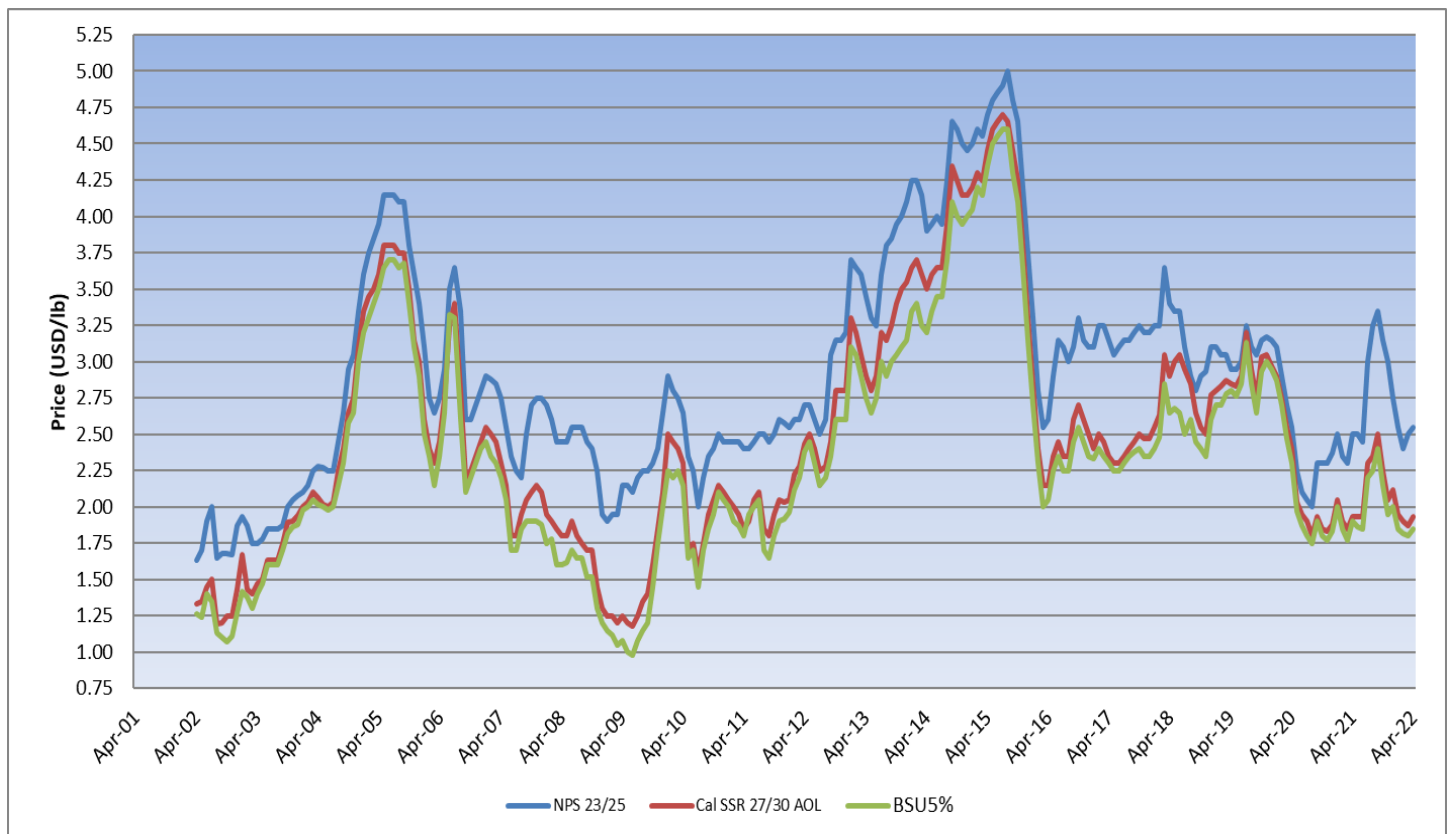
Export Shipments

Export shipments were **-11.4%** at 173.14 million pounds. This is 22.25 million pounds less than the record set last year of 195.39 million pounds. New export sales for the month of March were about 191 million pounds.

Regional Shipments

	<u>Aug. 2021 - Mar. 2022</u>		<u>Aug. 2020 - Mar. 2021</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	13,998,099	0	23,579,619	0	-41%
Germany	71,291,719	30,600	98,440,501	30,600	-28%
Italy	52,194,444	1,301,013	63,375,533	1,519,846	-18%
Netherlands	62,223,302	0	60,824,018	0	2%
Spain	127,802,507	744,946	152,313,729	1,065,101	-16%
U.K.	18,606,825	62,767	27,501,680	0	-32%
<u>MIDDLE EAST</u>					
Israel	6,510,217	730,158	10,143,265	316,643	-31%
Jordan	8,562,900	564,615	8,566,375	725,773	-2%
Saudi Arabia	10,626,000	29,597	17,362,810	268,155	-40%
Turkey	22,591,491	13,101,637	34,941,420	12,843,087	-25%
UAE	54,313,770	12,414,445	73,316,724	10,033,652	-20%
<u>ASIA</u>					
China/HK	28,424,505	69,506,913	67,828,983	65,441,853	-27%
Japan	66,869,109	47,793	56,687,783	3,460	18%
South Korea	47,685,351	0	54,242,248	0	-12%
Vietnam	16,343,305	505,522	18,590,825	4,750,404	-28%
India	6,764,469	231,366,179	1,758,224	284,688,843	-17%

Historical Pricing



Conclusion

California shipped 244.98 million pounds in March, down **-8.1%** from the record set in March 2021 of 266.65 million pounds. This is the largest shipment month of the 2021 crop year and higher than industry expectations leading up to the report. Domestic shipments of 71.84 million pounds were up **+0.8%** and export shipments of 173.14 million pounds were down **-11.4%** compared to March 2021. Year-to-date shipments of 1.683 billion pounds are 296 million pounds (**-14.95%**) less than last season's YTD shipments of 1.979 billion pounds. New sales for the month of March were a record 220 million pounds compared to 191 million pounds in March 2021. Total committed shipments of 832 million pounds are 21 million pounds (**+2.55%**) more than last year at this time. California added 9.5 million pounds in receipts during the month of March, bringing YTD receipts to 2.902 billion pounds compared to 3.093 billion pounds at this time last season. If California is the same percentage received as last season at this time, the final crop size will be 2.914 billion pounds. Based on a crop of this size, the industry is 73% sold (shipments + commitments) compared to 80% sold at this time last year.

Since last month's report, prices in California have increased anywhere from \$0.05-0.10/lb for industrial material to upwards of \$0.15-0.30/lb for NPX and IIS/NPIS respectively. These price increases were largely due to the lowering of expectations for the 2022 crop as a result of frost damage and the potential effects of the continued drought in California. As mentioned in last month's report, Northern California is reporting the most damage due to the frost and to a lesser degree Central and Southern California. Additionally, California is in the 3rd year of a drought and while it is difficult to quantify the potential damage another drought year will have on the crop, many in California see this as the largest threat to the 2022 crop size. Demand from most global markets remains very robust, which was reaffirmed by record new sales of 220 million pounds in the month of March. The items displaying the largest price increases (NPIS/IIS/NPX) continue to get shorter and shorter in supply and will be sold out before new crop is available for the second season in a row.

As mentioned above, today's shipment figures were surprisingly higher than initial expectations, especially given the ongoing shipping issues. While strong export shipments last month are encouraging, the shipping situation has arguably worsened in recent weeks due to a lack of container availability (especially out of Oakland) in addition to limited bookings and vessel options from California. Freight rates continue to increase with fewer options to the most popular destinations. Delays have become commonplace and may be poised to worsen in the weeks and months ahead. With continued strong new sales, we encourage buyers to cover their upcoming needs to secure production space and to account for shipment delays. The carryout is going to mostly consist of industrial material. For buyers of higher quality kernels and inshell, we expect prices to remain stable and potentially firm given the lack of availability and tight transition between crop years for these items. Please plan your purchases accordingly.

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

Best regards,
DERCO FOODS