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### September 2022 Almond Position Report

September 2022 shipments were 188.38 million pounds. This is **-17.2%** compared to September 2021 shipments of 227.64 million pounds.

#### 2022 Almond Supply

Carry-in from the 2021 crop:	837 million pounds
Estimated 2022 crop size:	2.60 billion pounds
Less 2% loss / exempt:	52 million pounds
Less shipments to date:	417 million pounds
Less commitments:	666 million pounds
Remaining unsold supply:	2.302 billion pounds

#### Receipts, Shipments & Inventory v. 2021 Season

Receipts:	<b>-8.41%</b>
Total supply v. 2021 season:	+8.49%
Shipments v. 2021 season:	<b>-4.21%</b>
Uncommitted inventory:	+42.77%

#### Receipts & Shipments

2022 crop receipts are 979 million pounds, which is **-8.41%** compared to 2021 crop receipts of 1.068 billion pounds. September shipments of 188.38 million pounds are 39.26 million pounds less than September 2021 shipments of 227.64 million pounds.

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

Domestic commitments of 338 million pounds are +11.28% and export commitments of 328 million pounds are **-21.37%** compared to September 2021. New sales during the month of September were about 240 million pounds.

#### Domestic Shipments

Domestic shipments were **-19.3%** at 51.73 million pounds. This is 12.39 million pounds less than the record set last year of 64.12 million pounds. New domestic sales for the month of September were about 87 million pounds.

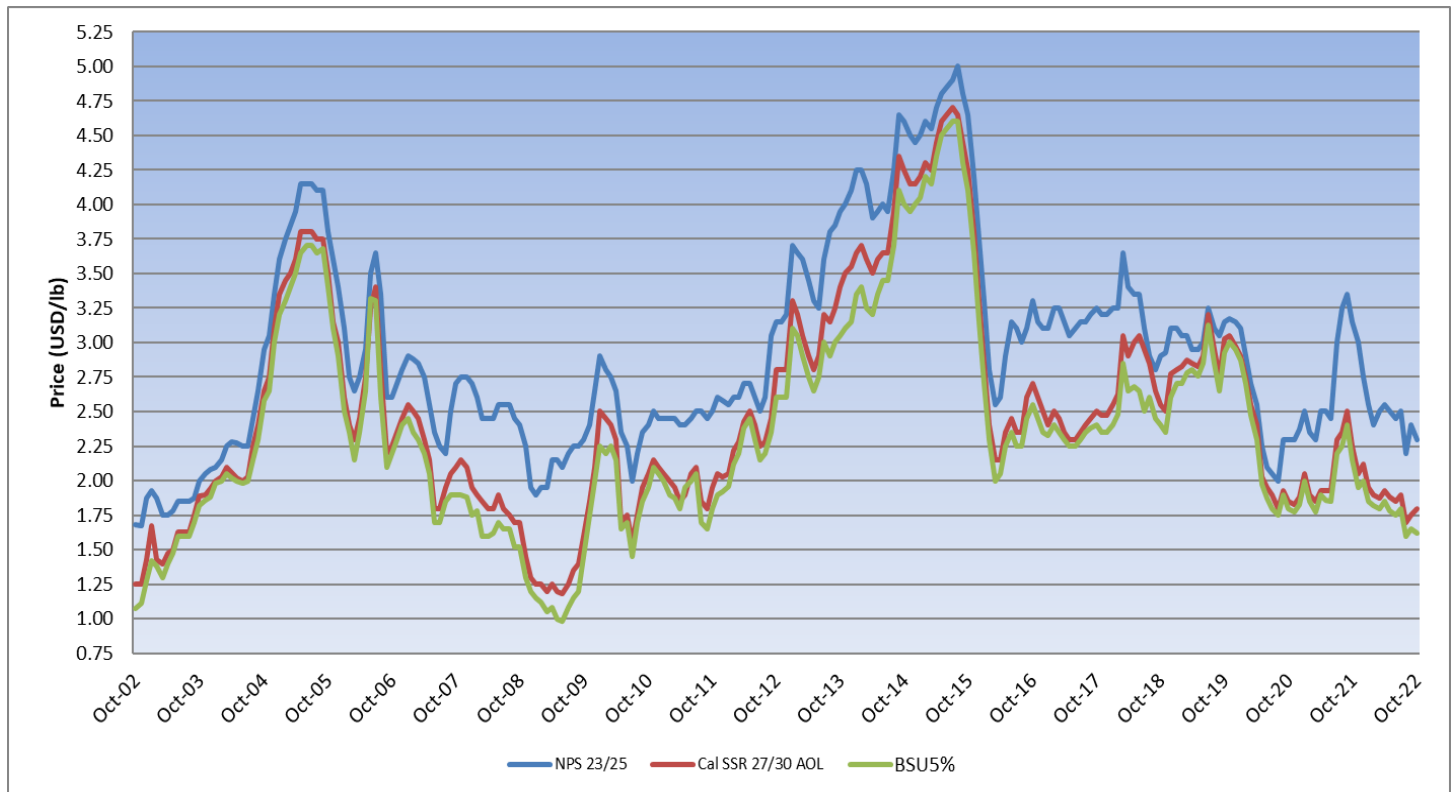
#### Export Shipments

Export shipments were **-16.4%** at 136.66 million pounds. This is 26.86 million pounds less than last year and 60.73 million pounds less than the record set in September 2020. New export sales for the month of September were about 153 million pounds.

## Regional Shipments

	<u>Aug. 2022 - Sep. 2022</u>		<u>Aug. 2021 - Sep. 2021</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<b><u>EUROPE</u></b>					
France	4,067,181	0	3,243,675	0	25%
Germany	20,763,216	64,305	18,369,377	0	13%
Italy	11,712,202	246,838	11,496,249	438,764	0%
Netherlands	10,099,533	0	12,074,141	0	-16%
Spain	33,313,568	216,294	30,359,480	165,904	10%
U.K.	2,925,551	12,242	4,623,980	62,767	-37%
<b><u>MIDDLE EAST</u></b>					
Israel	1,768,011	193,594	388,500	63,005	334%
Jordan	2,648,525	207,135	1,606,000	63,900	71%
Saudi Arabia	2,200,000	0	1,046,850	29,597	104%
Turkey	9,607,424	2,461,673	2,977,101	2,851,739	107%
UAE	23,948,797	1,364,512	16,011,050	2,214,485	39%
<b><u>ASIA</u></b>					
China/HK	10,215,606	17,459,244	8,662,895	21,140,353	-7%
Japan	8,001,121	0	10,944,790	47,646	-27%
South Korea	6,159,716	0	12,401,937	0	-50%
Vietnam	3,333,483	959,268	5,077,472	113,353	-17%
India	856,827	55,141,353	5,040,455	86,450,261	-39%

## Historical Pricing



## Conclusion

California shipped 188.38 million pounds in September compared to 227.64 million pounds last year. Expectations leading up to today's report were for shipments between 175-200 million pounds. Both domestic and export shipments were down compared to September 2021 by 19.3% and 16.4% respectively. California added 714 million pounds of receipts during the month of September bringing year-to-date receipts to 979 million pounds – down 90 million pounds (-8.41%) compared to last season. Domestic commitments are up 34 million pounds (+11.28%), export commitments are down 89 million pounds (-21.37%) and total commitments are down 55 million pounds (-7.59%) compared to a year ago. New domestic sales were 87 million pounds in September – down 8 million pounds compared to last year. On the export side, new sales for the month of September were 153 million pounds – up 16 million pounds compared to September 2021. Total new sales during the month of September were 240 million pounds compared to 232 million pounds last year – an overall increase of 8 million pounds. Based on a crop size of 2.60 billion pounds, the industry is currently 32% sold (shipments + commitments) compared to 33% sold at this time last season.

September shipments to most major markets were a mix bag – with some markets up and others down. U.S. domestic shipments were down 12 million pounds for the month of September, while domestic commitments are currently tracking up 34 million pounds YTD. Shipments to China/HK were down over 4 million pounds in September – with the shortfall coming from inshell shipments. With YTD shipments to China/HK down 7% and with an earlier Chinese New Year this season, we expect to see an increase in activity these next couple weeks before the shipment window rapidly closes. September shipments to India were down over 21 million pounds compared to last September. With India being uncovered for shipment November forward and with Diwali taking place at the end of this month, we can expect buyers to return to the market in the coming weeks to cover some of their November/December needs. Shipments to the Middle East were up 2 million pounds in September and are currently tracking up 65% YTD. Traders in local markets – particularly in Dubai – have been facing selling pressure in recent weeks given higher inventory levels on hand. Lastly, shipments to Western Europe were flat for September and are currently up 2% YTD. The limited demand from Europe continues to be predominantly for shipment January forward.

The California almond industry is in the midst of a changing dynamic when it comes to the timing of demand. Historically, demand and shipments have been at their highest during harvest/Q4. Given the increase in supply the last few seasons and with larger ending inventories/carry-outs, shipments have been uncharacteristically strong at the end of crop years. In turn, initial demand from new crop has been more subdued from several markets given inventory levels on hand in overseas warehouses. This season, the industry is also having to take into account several additional outside factors such as a stronger U.S. dollar, global inflation and a war in Ukraine. With that said, prices in California are at very attractive levels – most of which are below the cost of production. This past month alone, prices decreased by an additional \$0.05-0.10/lb for most items. Even taking into account current exchange rates, prices are at or near the lowest levels we have seen in quite some time. While buyers may be of the opinion that prices may further weaken after today's report, you have to wonder how much more downside (if any) there is at current levels. As I mentioned above, today's shipment figures were within expectations and have arguably been factored into current pricing. As soon as buyers sense some stability in California, it wouldn't be surprising to see an increase in demand from several global markets.

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