

May 2022 Almond Position Report

May 2022 shipments were 257.55 million pounds. This is +17.4% compared to May 2021 shipments of 219.41 million pounds.

2021 Almond Supply

Carry-in from the 2020 crop:	608 million pounds
Estimated 2021 crop size:	2.910 billion pounds
Less 2% loss / exempt:	58 million pounds
Less shipments to date:	2.186 billion pounds
Less commitments:	614 million pounds
Remaining unsold supply:	660 million pounds

Receipts, Shipments & Inventory v. 2020 Season

Receipts:	-6.17%
Total supply v. 2020 season:	-0.85%
Shipments v. 2020 season:	-10.71%
Uncommitted inventory:	+52.18%

Receipts & Shipments

2021 crop receipts are 2.910 billion pounds, which is -6.17% compared to 2020 crop receipts of 3.102 billion pounds. May shipments of 257.55 million pounds are a new record, surpassing the previous record set last year of 219.41 million pounds. 2021 crop shipments of 2.186 billion pounds are -10.71% compared to 2020 crop shipments of 2.448 billion pounds.

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

Domestic commitments of 239 million pounds are -3.75% and export commitments of 375 million pounds are +4.39% compared to May 2021. New sales during the month of May were about 117 million pounds.

Domestic Shipments

Domestic shipments were -8.2% at 64.14 million pounds. This is 5.75 million pounds less than the record set last year of 69.89 million pounds. New domestic sales for the month of May were about 12 million pounds.

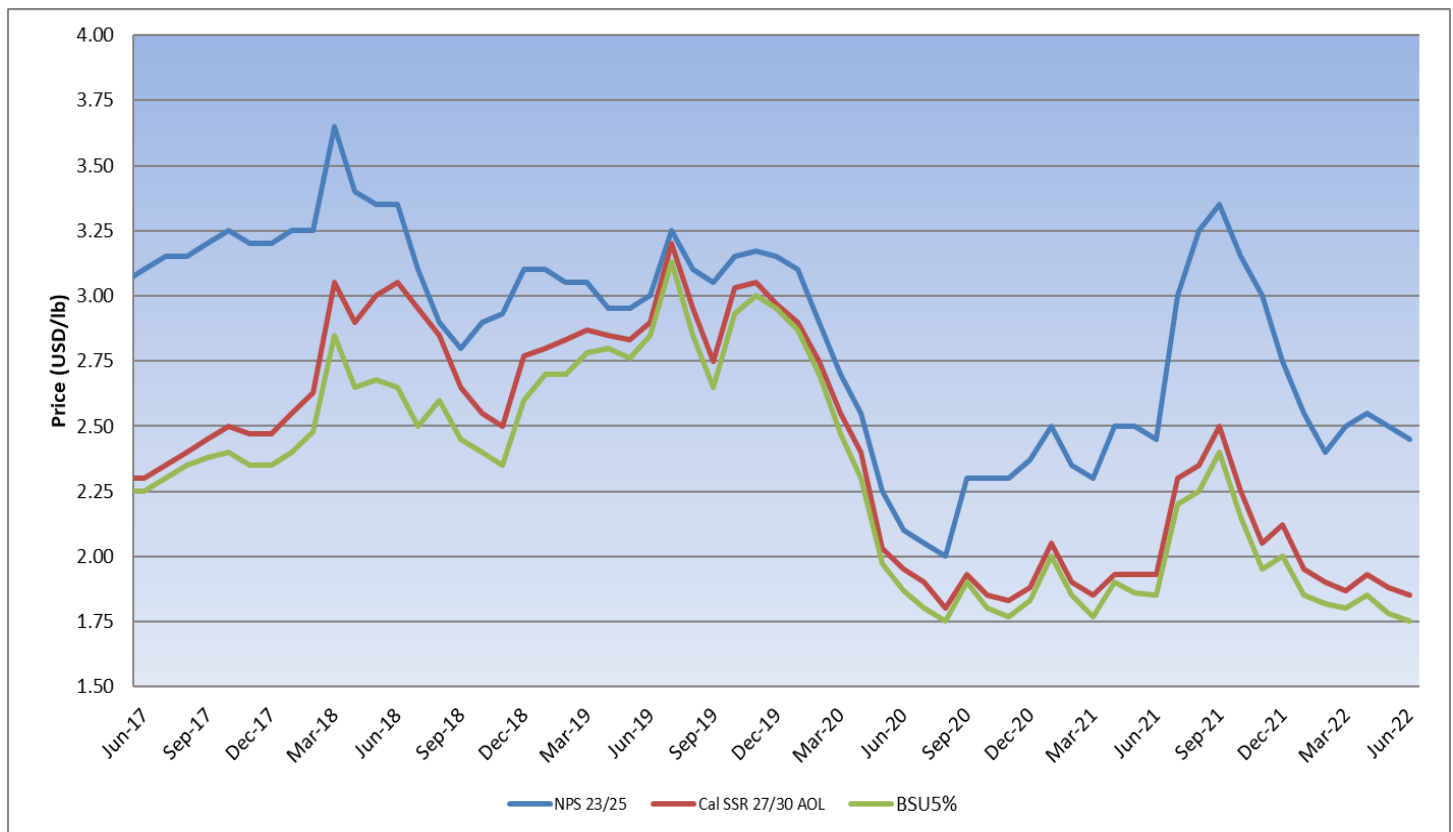
Export Shipments

Export shipments were +29.4% at 193.40 million pounds. This is a new record, surpassing the previous record of 149.51 million pounds set last May. New export sales for the month of May were about 105 million pounds.

Regional Shipments

	<u>Aug. 2021 - May 2022</u>		<u>Aug. 2020 - May 2021</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<u>EUROPE</u>					
France	17,326,881	0	28,589,734	0	-39%
Germany	92,767,740	91,800	123,815,556	30,600	-25%
Italy	70,145,655	1,481,999	80,126,320	1,709,466	-12%
Netherlands	85,117,454	32,247	79,694,916	0	7%
Spain	183,720,979	869,751	189,734,474	1,311,775	-3%
U.K.	22,891,913	62,767	34,106,541	0	-33%
<u>MIDDLE EAST</u>					
Israel	9,230,219	923,384	13,645,160	346,978	-27%
Jordan	11,487,400	629,056	10,410,375	788,724	8%
Saudi Arabia	15,562,850	57,047	21,602,010	296,868	-29%
Turkey	39,861,103	16,056,939	44,826,143	13,188,517	-4%
UAE	83,585,846	14,636,439	92,851,724	11,374,485	-6%
<u>ASIA</u>					
China/HK	37,843,329	73,282,202	78,888,143	73,295,330	-27%
Japan	82,011,187	47,793	74,863,987	3,460	10%
South Korea	57,307,108	0	67,551,779	0	-15%
Vietnam	21,582,303	505,522	24,719,451	4,808,305	-25%
India	8,369,053	291,825,969	2,912,768	319,355,146	-7%

Historical Pricing



Conclusion

California shipped a record 257.55 million pounds in May, up 17.4% from the record set in May 2021 of 219.41 million pounds. Additionally, May was the largest shipment month this season, with record export shipments leading the way at 193.40 million pounds, up 44 million pounds from last year. Year-to-date shipments of 2.186 billion pounds are 262 million pounds (-10.71%) less than YTD shipments last season of 2.448 billion pounds. New current crop sales for the month of May were 117 million pounds compared to 103 million pounds last season. New crop commitments were reported for the first time this season at 129 million pounds compared to 231 million pounds last year and 286 million pounds two years ago. Total committed shipments of 614 million pounds are up 1.06% (6.5 million pounds) compared to last year. California added another 5.4 million pounds in receipts during the month of May bringing YTD receipts to 2.910 billion pounds. California is currently 81% sold (shipments + commitments) compared to 87% sold at this time last season.

Today's report is another encouraging sign that the shipping situation from California is continuing to improve. With vessel and container availability increasing, California looks to finish the crop year on a high note. It was just a few short months ago that the industry was fearing a carryout of 1 billion pounds. If California can keep up this momentum on the export side, the industry may be looking at a carryout closer to 800 million pounds at the end of July. In the past month, prices have decreased by about \$0.05-0.10/lb for most items and to a lesser degree for those items in limited supply. The last couple weeks have been a good opportunity for buyers to take advantage of more aggressive sellers wanting to bring down their inventory levels. With prices for many items returning to the lowest levels seen all season, there would appear to be very little if any more downside from current prices. Should prices continue to decrease, buyers would be wise to take advantage. New crop continues to be priced at a premium of about \$0.05/lb on pollinators and at a discount of \$0.05/lb on NPIS and NPX.

Early next month, the Objective Estimate will be released. Based on previous estimates and current expectations in California, the industry is anticipating a 2022 crop between 2.80-2.90 billion pounds. Growing costs have been increasing substantially the last couple years. At today's prices, almonds are arguably the cheapest we have seen at a time when costs are at their highest. While the cost of nearly all goods and services are increasing in our everyday lives, almonds remain at historically low levels. With global inflation on the rise and economic uncertainty on the minds of consumers, almonds are priced at enticing levels. Barring a surprise from the Objective Estimate, we don't expect to see any major changes in pricing in the weeks ahead. With that said, there is arguably more upside than downside at current levels as we look ahead to the upcoming season. We have seen a unified resistance from sellers in California at the bottom of the market over the last two years. We expect to see similar resistance to these lower levels for the foreseeable future.

Given the uncertainty of the supply outlook over the next few years, which many will argue is flattening out due to orchard removals, water restrictions, cost of production, etc., buyers should likely feel a greater sense of confidence when booking at today's favorable prices.

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

Best regards,
DERCO FOODS