



# NEWSLETTER

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## April 2018

### Almond Industry Position Report

March 2018

Million Lbs

Carry-in August 1, 2017 .....	398.7
2017 Net Marketable Crop (Received to date).....	2,211.6
Total Supply.....	2,610.3
<b>Sold Shipped &amp; Not Shipped</b>	
Domestic .....	670.1
Export.....	1,388.2
Total Sold.....	2,058.3
Uncommitted Inventory (Not Sold).....	552.0

### Position Report

California had another record month by shipping 193.9 million pounds this March, which is 8.8% more than last year. Total year-to-date shipments stand at 1.61 billion pounds, putting our industry 11.7% ahead of the 2016 crop. Commitments (sold not shipped) are now at 442.1 million pounds, which is only 0.46% more than last year, proving that the market was slow after the freeze and ensuing price hikes. With that said, California still added over 100 million pounds of new sales which far exceeded most industry expectations. Export was once again strong by posting a gain of 13.9% over last year compared to 6.5% for the domestic market. Crop receipts have plateaued at 2.256.7 billion pounds, right on estimates target. Using the current crop receipts of 2.256 billion plus carry-in, our industry is roughly 79.4% sold.

### The Market

Demand had been flat as sellers were reluctant to offer as the potential of major freeze damage was present. The freeze had frozen the market. The fear of a devastated crop drove prices up nearly \$0.40 per pound in less than two weeks and remained flat for a short period until buyers began backing off as reports were coming in that crop was progressing and looking better by the day. As expectations of the crop began to improve, the prices in turn began to soften. Heading into the position report, market pricing was within \$0.10 of pre-freeze levels with more sellers. The strong shipment report helped bring confidence back into the market. California surprisingly sold more than anticipated and continued the record shipment pace. We will now carry in much less product than prior crop and have limited supply to finish out the marketing year. At prevailing price points, the global appetite for California almonds is truly astounding.

The annual Terra Nova crop estimate was released last Friday and was placed at 2.51 billion pounds. This is on the high side of most expectations who feel crop is closer to 2.3. Prior to the freeze most of the industry was using a crop potential of 2.5 – 2.6 billion pounds. Their assessment is that the crop is indeed affected so we won't have any record yields, but the sheer amount of new acreage makes up for the freeze damage. Most anticipated the market to react with lower prices, but instead reaction seems to have been strong. A 2.51-billion-pound crop barely keeps pace with the market growth so this is not something to be fearful of. New crop demand has already begun to increase.

### Payment Reminder

Our target for the next grower progress payment is May 25<sup>th</sup>. Pricing will be announced in our May newsletter.

### Grower Appreciation BBQ

Just a reminder that this year's Grower Appreciation BBQ has been moved up to Friday, April 27<sup>th</sup>. Plant tours and appetizers begin at 11 AM with lunch being served from 12:00 – 1:30 PM. Please RSVP as soon as possible.

*"Buyer & Seller of Quality California Almonds"*