



NEWSLETTER

8800 South Minturn Road - Le Grand California 95333 USA
 Office 559-665-8500 FAX 559-665-8588
www.minturnnut.com

February 2015

Almond Industry Position Report

January 2015

	<u>Million Lbs</u>
Carry-in August 1, 2014	350.6
2014 Net Marketable Crop (Received to date).....	<u>1,783.4</u>
Total Supply	2,134.0
Sold Shipped & Not Shipped	
Domestic	575.2
Export	<u>862.1</u>
Total Sold	1,437.3
Uncommitted Inventory (Not Sold)	696.7

Position Report

California almond shipments totaled 115.3 million pounds; down 44.9 million pounds or 28.1% compared to last January. Total shipments for the year sit at 918.4 million pounds; down 14.1% compared to last year for the same period. Commitments have pushed up to 519 million pounds or 15.7% compared to last January. The strong commitment numbers suggest two things. First, our industry would have shipped heavier if it weren't for the port slow-down and lock-out. Second, our industry is set up to have strong shipments the next couple of months if the port issues settle. Our industry is now a little over 70% sold.

The Market

Market activity increased and prices firmed as we worked our way through January and into February. Our industry added around 257 million pounds of new sales in January. End-users must have seen strong holiday sales in order for January to be this robust. Since the first of the year, prices moved up about 20-cents per pound on the lower priced items, and 12-cents per pound on the higher priced items. We have seen a compression in prices develop since fall. For many in our end-user community, an almond is an almond. They go after the cheapest product when they can. It's all about "price point" at these price levels. Bloom will direct the market for the short run, followed by the lack of water. Once again, water being the topic driver. Most agree the new crop will be compromised by a lack of water in some growing regions, but to what extent is the question. The port congestion hassles our industry has been dealing with have become another market driver. Export product being held up at the port or in processors plants has created pent-up demand in many of our foreign markets. Will we lose this demand or will product end up getting there in time? These have become added issues that sellers and buyers have to wrestle with in making sales decisions. Our industry has become a bit edgy due to the high level of uncertainty. Growing and selling almonds in today's environment has become a high-wire act.

Domestic Market

Thank goodness for our **strong** domestic market! Domestic shipments for January were up 1 million pounds compared to the export being down 44.9 million pounds. For the year domestic shipments are off 0.43% whereas export shipments are off 19.97%. Domestic commitments are sitting at 258.6 million pounds, with export commitments at 260.3 million pounds. Our domestic market does not have port issues to work through. Most important, it has become our largest, fastest growing, and safest market to sell into. Thanks and good job to our domestic end-user customers.

"Buyer & Seller of Quality California Almonds"