



NEWSLETTER

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February 2019

Almond Industry Position Report

January 2019

	<u>Million Lbs</u>
Carry-in August 1, 2018	359.0
2018 Net Marketable Crop (<i>Received to date</i>).....	2,206.4
Total Supply	2,565.4
Sold Shipped & Not Shipped	
Domestic	617.3
Export	1,138.4
Total Sold	1,755.7
Uncommitted Inventory (Not Sold)	809.7

Position Report

As expected, January shipments were strong and represented a record month of 209.6 million pounds vs. 193.5 million pounds last year. That indicates an increase of 8.3% and brings year-to-date shipments more in line to last year but still down 1.2% in total. The export market finally came alive by posting an increase of 8.2% over prior year and the domestic market continued its strong trend by being up 8.5%. Crop receipts inched up slightly to 2,252.4 billion pounds which represents a record crop but is significantly under the 2.45-billion-pound estimate. This is proof that the freeze did indeed hamper crop potential, but the trees still produced a decent almond set. New sales were 180 million pounds, equaling prior month so shipments again should be strong for February considering the hand-to-mouth nature of the market. Taking the above numbers as well as current receipts, the industry is 69% sold.

The Market

Over the course of the last month, the market can be best described as stable. Demand has cooled off overall with weakest sectors being inshell and Nonpareil kernels, but on the flip side demand for standard type material and Butte / Padre has been robust. This has continued the compression of the market that we have been experiencing as of late. In fact, today Butte / Padre is valued higher than Carmel in the marketplace and Nonpareil has come down within striking distance of pollinators. Expect this trend to continue as less Butte / Padre is in production and the supply of Nonpareil and Independence varieties increases.

Bloom Report

Since both total supply and shipments are similar to last year, the stability in pricing should remain. The only event that could affect the market would be a bad bloom. Bloom began early but then retracted as cold conditions swept the state. Right now, it's rainy with additional storms looking to come to fruition into next week. If these cold, wet conditions persist then crop potential could once again be compromised. With that being said, at this point the marketplace is fully anticipating a large crop next year thus keeping a lid on upward price pressure.

“Buyer & Seller of Quality California Almonds”