



NEWSLETTER

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Almond Industry Position Report

January 2020

	<u>Million Lbs</u>
Carry-in August 1, 2019	318.3
2019 Net Marketable Crop (Received to date).....	<u>2,458.9</u>
Total Supply	2,777.2
Sold Shipped & Not Shipped	
Domestic	667.2
Export	1,204.0
Total Sold	1,871.2
Uncommitted Inventory (Not Sold)	906.0

Position Report

California had another record shipment month to start off 2020 by shipping 5.2% more almonds than last year for a total of 220.5 million pounds. Year-to-date shipments sit 4.5% ahead of last year while total commitments inched up to 11.3%. This is evident of strong new January sales of 210 million pounds thus suggesting strong upcoming shipping months. Both Domestic and Export markets posted records by being up 9.0% and 3.5%, respectively. The number that received the most attention, however, was crop receipts which now sit at 2.51 billion pounds or 11.4% more than last year. California has not only surpassed the objective estimate of 2.2 billion pounds but also the subjective of 2.5 billion pounds. Final crop size will probably come in close to 2.55 billion pounds thus giving the industry a healthy supply increase. Based on the figures above and using an updated crop size of 2.55 billion, our industry is roughly 67.5% sold including carry-in.

The Market

Demand had remained quiet after the release of last month's shipment report but came back strong by the middle of the month albeit at lower price points. Prices kept slowly trending lower as packers and growers moved to increase their sold positions. Prices came off on average \$0.10 - \$0.15 per pound and now with this latest report showcasing a crop size over 2.5 billion pounds, buyers will continue to try and put downward pressure on the market. California will need to have monthly record shipments as well as record new sales in order to have a reasonable carry-in heading into new crop. Barring a major bloom setback, this should occur. The big positive take away is that almonds are still in healthy growth mode even at price points that we experienced in the fall. Other than China, which is off by 21% for the year, all major export destinations are up. This includes: Europe (up 14%), Middle East (up 34%) and North America (up 10%). If the Chinese trade issues resolve, demand in that region could whipsaw and be the growth region that it needs to be as we head into larger crop years.

Bloom Report

Fields in certain regions are slowly beginning bloom. Early reports are that bud sets statewide are good to strong. While the forecast appears to show optimal weather, big concern is the lack of rain that we have experienced since the holidays. Farmers have been having to irrigate in the middle of winter as fields have become dry. Rain during bloom is not ideal and as of now is not forecast nor is a deep freeze. Hopefully March can come roaring back with some precipitation, but it is too early to tell. All eyes will be on the bloom season.

"Buyer & Seller of Quality California Almonds"