



NEWSLETTER

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Almond Industry Position Report

December 2019

| | <u>Million Lbs</u> |
|--|--------------------|
| Carry-in August 1, 2019 | 318.3 |
| 2019 Net Marketable Crop (Received to date)..... | <u>2,337.6</u> |
| Total Supply | 2,655.9 |
| Sold Shipped & Not Shipped | |
| Domestic | 617.1 |
| Export | <u>1044.5</u> |
| Total Sold | 1,661.6 |
| Uncommitted Inventory (Not Sold) | 994.3 |

Position Report

California moved back into record territory for December by shipping 3.2% more almonds than last year for a total of 205.9 million pounds. Year-to-date shipments now stand 4.3% ahead of last year while commitments are now up 7.2%. Domestic was finally the big mover by shipping a record 57.5 million pounds or 7.7% more than last year. Exports were still up but only by a slight 1.5%. The big number that most were eager to see was net crop receipts which increased to 2.33 billion pounds or 8.32% more than last year. California has now easily surpassed the objective estimate of 2.2 billion pounds and looks to be heading very close to the subjective estimate of 2.5 billion pounds. That is now 2 years in a row where the NASS objective has failed to deliver respectable results. The Almond Board will have further discussion on how to tighten this. Based on the figures above and using an updated crop size of 2.5 billion, our industry is roughly 59.6% sold including carry-in.

The Market

Demand was soft through the holiday season as is typical for that time of year. Many buyers were also holding off as they awaited the release of this latest shipment report in order to see receipt figures. Most in the industry expected strong shipments and that is exactly what happened but receipts ended up being higher than most had anticipated. With the later and larger crop, many hullers were running deeper into the season. Even today some hullers are still running and trying to finish off this last year's crop. In turn, receipts kept inching up and now a projected 2.5-billion-pound crop is likely. This has put downward pressure on the prices on an already slow market. Even with record shipments, most buyers feel that prices have to come down in the short term as our industry needs record monthly shipments in order to have a sustainable carry-in for next year. If bloom weather is good that could add further fuel to the buyer's position. With that said, our industry is still in good position as we have grown demand at prevailing prices and continue to post record monthly shipments. Bloom season will carry added weight this year as many global buyers will wait to see what it looks like before making larger procurement decisions.

Notes from the Field

Thanks to the support of our growers, we have had another good quality crop year to process. As food safety and quality concerns continue to increase, it becomes more and more costly to process lower grade material. Orchard sanitation is the key and as all of you know now is the time for mummy shaking and winter sanitation as we head into bloom season. We appreciate your continued commitment as we finish off this crop year and head into the new!

"Buyer & Seller of Quality California Almonds"