



NEWSLETTER

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June 2018

Almond Industry Position Report

May 2018

Million Lbs

Carry-in August 1, 2017	398.7
2017 Net Marketable Crop (Received to date).....	2,213.6
Total Supply	2,612.3
Sold Shipped & Not Shipped	
Domestic	745.4
Export	1,497.3
Total Sold	2,242.7
Uncommitted Inventory (Not Sold)	369.6

Position Report

For only the 3rd time this marketing year, California shipped less than the previous year by moving 158.3 million pounds which is down -7.3%. Total year-to-date shipments stand at 1,950.9 billion pounds, putting our industry 10.2% ahead of the 2016 crop. Once again, the domestic market drove the month by being up 13.1% compared to the same period last year representing 66.3 million pounds. Exports were down -17.9% or 92.0 million pounds, possibly reflecting trade uncertainties coupled with higher prices. Using current crop marketable receipts of 2,213.6, we are roughly 86.6% sold as an industry.

The Market

Market had been firming leading up to INC conference that was held in Seville, Spain a couple weeks ago. At that point current crop prices were close to the highs experienced after the bloom freeze. Since that point, however, market has slowed with lack of demand and lower prices. Much of this is due to external factors like trade uncertainty and increasing value of the dollar. Many buyers feel that the actual crop is larger than the Subjective Estimate of 2.3 billion pounds. In turn, most are choosing to wait for the Objective Estimate and play their chances before booking their Fall needs.

This shipping report does not help strengthen California's position as both shipments and new sales were down for the month from prior year. Previously, the uncommitted inventory number was trending less than last year even though crop was larger. Now we are sitting 5.4% more than last year. This is evidence that market has slowed and higher prices have weakened demand. With that being said, we'll still carry out a low number and with current crop being in short supply, buyers will need to cover soon for first available shipments. Many items are already difficult to find or out of stock thus helping sustain current crop pricing. The big question mark is where new crop prices will find footing. Since the industry has only booked 80 million pounds, which is less than 4%, buyers know we'll need to start booking soon. The **Objective Estimate to be released July 5th** will tell a lot on where pricing will take off for the 2018 crop year.

New Field Rep

We are pleased to announce Markus Espinoza as a new field buyer in our Minturn team. He grew up in Firebaugh and graduated from Fresno State with a degree in Agricultural Business. He looks forward to working with us and growing in the business.

"Buyer & Seller of Quality California Almonds"