



NEWSLETTER

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June 2020

Almond Industry Position Report

	May 2020
	<i>Million Lbs</i>
Carry-in August 1, 2019	318.3
2019 Net Marketable Crop (Received to date).....	2,485.7
Total Supply	2,804.0
Sold Shipped & Not Shipped	
Domestic	895.2
Export	1,577.3
Total Sold	2,472.5
Uncommitted Inventory (Not Sold)	331.5

Position Report

California slid backwards for the month of May after five consecutive record reports. The decline of 13.9%, representing a total of 153.9 million pounds, comes from both domestic and export. Much of this decrease can be attributed to Covid-19 that pushed back some shipments. Year to date shipments are still 3.7% ahead of last year with both domestic and export being up by 4.3% and 3.5%, respectively. Total commitments are at a healthy 456 million pounds which is 26% ahead of last year but due to the larger crop we are still sitting on 20% more uncommitted inventory. California needs to finish off shipping the same as last year just to keep carry-in at 475 million pounds which is still more than 100 million pounds above prior year. Based on the figures above and using a crop size of 2.54 billion pounds, our industry is roughly 89% sold.

This report is also the first to reflect 2020 new crop sales. Currently that number sits at 286.5 million pounds which compares to 133.2 million of last year. That represents roughly 10% sold for new crop which is necessary considering the potential of upcoming crop.

The Market

Pricing was relatively stable going into the report, albeit at lower than desired price levels, but soon fell \$0.05 - \$0.10 per pound after the weak shipments. Global interest is strong at these levels but many are afraid to commit due to all the global uncertainties. More product is in California than prior years and as we head into a record crop, more packers and growers are looking to move their balance inventory thus putting downward pressure on remaining crop. Pricing is actually cheaper on current crop than new crop in some cases.

Most new crop sales have been isolated to the domestic and European markets. The rest of the world is essentially uncovered as they have also been the most affected economically by the pandemic and price deterioration. This is especially true for India which is the largest export market. The good news is that lockdowns are being lifted and the major market corrections seem to be stabilizing as the world starts to move into a post-Covid future. This at least will add much needed stability and liquidity back into the market place as we head into harvest. Now the big question looming over the marketplace is the upcoming crop size. The objective estimate will be released the first part of July with both buyers and sellers seemingly waiting to see what that number will bring prior to making major decisions. The feeling is that it will be around that 3-billion-pound number or slightly under. Hopefully these lower prices spur lots of demand as we begin to shake these trees so our industry can build strong momentum and put 2020 behind us!

“Buyer & Seller of Quality California Almonds”