



NEWSLETTER

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July 2018

Almond Industry Position Report

June 2018

Million Lbs

Carry-in August 1, 2017	398.7
2017 Net Marketable Crop (Received to date).....	<u>2,214.2</u>
Total Supply.....	2,612.9
Sold Shipped & Not Shipped	
Domestic	791.9
Export.....	<u>1,555.1</u>
Total Sold.....	2,347.0
Uncommitted Inventory (Not Sold)	265.9

Position Report

For the 4th time this year, California shipped less than the previous year by moving 156.8 million pounds which is down -11.5%. Total year-to-date shipments stand at a record 2,107.7 billion pounds, putting our industry 8.26% ahead of the 2016 crop. Both domestic and export shipments were down by -4.6% and -15.4% respectively. Uncommitted inventory is flat from last year at 265.8 million pounds, illustrating the fact our industry has basically marketed the entirety of last year's crop. Carry-over should settle around 350 – 375 million pounds. Using current crop marketable receipts of 2,214.2, we are roughly 90.4% sold as an industry.

2018 California Almond Objective Measurement Report

The NASS Objective Estimate was released last Thursday and reflected a crop figure of 2.45 billion pounds. This estimate is based on 1,070,000 bearing acres with an average yield of 2,290 pounds per acre. Samples were derived from 853 orchard blocks throughout the state. Nonpareil variety is expected to be down 0.8% and represent 37% of the total crop.

The Market

Market had been steady heading into the estimate. Demand was picking up for current crop coverage as well as early new crop needs for both inshell out of India and standard material out of Europe. This helped stabilize the price and bring liquidity back into a slow market. Since the report and shipment numbers, the price has come off \$0.05 - \$0.10 per pound. This is mainly due to the record crop figure as well as having an undersold position heading into harvest compared to previous years. Now we are at price levels that are similar to the early sales of 2017 crop. The big difference, however, is the current trade duties levied against us in China as well as uncertainties in the Middle Eastern market. Many of the currencies throughout the region have devalued and it's becoming increasingly difficult to secure capital. This is making it harder to build momentum until some of the above issues are resolved.

The positive is that we are now at price points which we know we can grow demand and have little to no material left out of current crop. This will help us start at a solid point to hopefully built pricing up throughout the year. If trade issues in China get resolved then the market could really push forward.

2018 Crop Final Payment

Minturn Nut is planning to announce and make our final payment during the month of August. At that point, we will also state our on-delivery payment.

"Buyer & Seller of Quality California Almonds"