



# NEWSLETTER

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**May 2020**

## Almond Industry Position Report

	<b>April 2020</b>
	<i>Million Lbs</i>
Carry-in August 1, 2019 .....	318.3
2019 Net Marketable Crop ( <i>Received to date</i> ).....	<b>2,483.3</b>
<b>Total Supply</b> .....	<b>2,801.6</b>
<b>Sold Shipped &amp; Not Shipped</b>	
<b>Domestic</b> .....	<b>846.1</b>
<b>Export</b> .....	<b>1515.7</b>
<b>Total Sold</b> .....	<b>2,361.8</b>
<b>Uncommitted Inventory (Not Sold)</b> .....	<b>439.8</b>

### Position Report

California had another record shipping month by moving 181.2 million pounds in the month of April. This is a slight increase of 2.4% over the same period last year. Year to date shipments are now 5.5% ahead of last year with both domestic and export up by 6.4% and 5.1% respectively for the year. Even while having the 5<sup>th</sup> record shipping month in a row and having commitments up by 15% we still have 15.7% more uncommitted inventory for the year which translates to 439.8 million pounds vs 380.1 million pounds seen last year. This is all attributed to having a larger crop size. Based on the figures above and using a crop size of 2.55 billion pounds, our industry is roughly 84% sold. This suggests we are slightly behind last year where we were 85.9% sold at the same period.

### 2020 Subjective Estimate

The NASS subjective forecast for the upcoming 2020 crop was released on Tuesday with an estimated size of 3.0 billion pounds. This would represent an increase of 17.6 percent over last year's production of 2.55 billion pounds. The yield per acre estimate is 2,380 pounds per acre which is 10.2 percent higher than prior year. Every growing region reported seeing higher than average yields.

### The Market

This report overall is considered neutral as we did indeed set another record and commitments are strong but at the same time this has all been negated by the sheer size of the subjective estimate. All this is compounded by the fact that we may not have fully dealt with the demand affects yet brought on by the Covid-19 pandemic. The lasting effects of the lockdowns are still to be determined with certain segments such as retail experiencing strong demand increases while others like the service industry are seeing major collapses. As these lockdowns ease globally, we will start seeing some of this demand come back but to what extent is the question. Due to the expectations of such a supply increase, pricing has come off another \$0.10 - \$0.15 per lb. and almost a \$1.00 from the high point of last fall. This should help spur demand and that is exactly what we are seeing in regions such as Europe, but on the other hand, markets like China, Middle East and India are still reeling from the devastation brought on from Covid-19 and are holding off until more stability is seen in their local markets. These are truly unprecedented times with lots of global uncertainty, which markets don't like, and when adding in a potential major supply increase it becomes difficult to predict when we will see price stability let alone increases.

### 2019 Grower Progress Payment

Our next payment will be made on May 29<sup>th</sup> for \$0.50 per lb. across all varieties and types. This will bring inshell Nonpareil and Sonora to \$2.30 lb. and \$2.10 lb. for the Independence. Nonpareil kernels will go to \$2.30 lb. and all other varieties \$2.05 lb.

*"Buyer & Seller of Quality California Almonds"*