



NEWSLETTER

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November 2020

Almond Industry Position Report

October 2020

	<u>Million Lbs</u>
Carry-in August 1, 2020	450.1
2020 Net Marketable Crop (Received to date).....	<u>1,774.4</u>
Total Supply	2,224.6
Sold Shipped & Not Shipped	
Domestic.....	615.9
Export	<u>1,180.8</u>
Total Sold	1,796.7
Uncommitted Inventory (Not Sold)	427.9

Position Report

For the first time ever, California was able to hit the 300-million-pound shipping threshold for a month by moving a record 309.7 million pounds which is 16.6% more than last year. After the first 3 months of the crop year, our industry is shipping at an average clip of 25.3% more than last year. These types of figures are exceeding expectations of what was already expected to be a record pace level. It's astonishing that our industry even has the capacity and ability to move these types of volumes. New sales were 250 million pounds which is actually down by 15.3% compared to last year thus suggesting we could be leveling off a bit from this record pace. Both domestic and export shipments were up significantly by 17.9% and 16.2% respectively. By far the largest increase in total shipments is coming out of India where we are up a staggering 110%. At this rate India could become our largest market sooner rather than later. As expected, the receipts continue to grow rather substantially where now they sit at 1.8 billion pounds thus suggesting a 3-billion-pound crop is imminent. Using the above figures and a crop of 3 billion our industry is 53% sold.

The Market

Demand had softened throughout the month with only fleeting moments of interest coming primarily out of India as well as further out positions for the EU. This created a slightly softening marketplace but relatively flat as pricing is not the real driver of the current market. As evident from these robust shipment reports, consumers see tons of value at these levels and even with all the global uncertainty, food companies want to invest in almonds. The only factor keeping the lid on the market price is the sheer size of the crop. Even as we ship and sell at a record clip, it's still not sufficient to make a large enough dent into the overall sold position to warrant price hikes. Until our industry is able to comfortably sell ahead of the crop or we see issues with the bloom, upside will be limited. Packers will also need to continue selling due to capacity constraints so the outlook should look very similar to what we have seen so far. We have seen a slight uptick in most product types after this report which hopefully can be sustained, but overall expect future months to continue in this same measured pricing trend.

Thanksgiving Office Hours

The office will be closed on Thursday, November 26th and Friday November 27th for Thanksgiving. We will re-open on Monday, November 29th. We hope all of you truly enjoy a wonderful Thanksgiving celebration with your family.

"Buyer & Seller of Quality California Almonds"