



NEWSLETTER

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October 2017

Almond Industry Position Report

September 2017

	<u>Million Lbs</u>
Carry-in August 1, 2017	398.7
2017 Net Marketable Crop (Received to date).....	827.3
Total Supply	1,226.0
Sold Shipped & Not Shipped	
Domestic	390.9
Export	690.1
Total Sold	1081.0
Uncommitted Inventory (Not Sold)	145.0

Position Report

California almond industry shipped out 190.58 million pounds which is 5.4% less than the 201.5 shipped in 2016. This represents the second largest September on record even with the crop coming in late. Domestic was off by 13.3% or 50.4 million pounds compared to 58.2 shipped last year. Exports were slightly off by 2.2% for a total of 140.1 million pounds shipped. These lower shipments are mainly a function of the delayed harvest which pushed back many shipments. Commitments are actually ahead of last year by 12.8%. Based on the above numbers and using the objective estimate of 2.25 billion pounds, that would put the industry at 42.4% sold against total supply.

2017 Crop Harvest

For the most part, the 2017 crop harvest is behind us with many being quite happy to see it coming to an end! This has been the crop of extremes. We have a few growers who produced their best crop ever while others it was their worst crop ever. Some growers experienced their poorest quality while others encountered really good quality. However, quality overall is the poorest we have seen in years. This year's problems include: insect, gummy, dark spots, and doubles in all the varieties which is unusual. Sizing is similar to last year. The Nonpareil variety will either hit estimate or fall slightly short based on huller-sheller reports. The California varieties are all over the board; some up, some down but at this time too early to give an accurate estimate. Most industry sources are projecting the crop to finish somewhere between 2.20-2.25 billion pounds based on receipts at this early stage. The best part about this year's harvest has been mother nature blessing us with dry weather.

The Market

Demand has been weaker over the course of the last couple weeks. Prices had been firming for a good month and a half, but then began to flatline leading up to shipment numbers. Standards had risen to \$2.46 before losing steam. Many believed that the strong shipment numbers would, at the least, hold the market steady. Instead the market has continued to soften. The main culprit is the fact that certain markets have seemingly pulled out. The Spanish crop is also 40% larger, thus providing more material in Europe. One of the flip sides to having such strong commitments is that the majority of buyers possibly have covered most or all of their winter needs. October is setting up to be a massive shipping month and all indications show that November should be as well. Buyers are obviously comfortable at these price points so any movement forward will be based on what the final crop size is.

Grower Over-the-Counter Sales

With the holiday season quickly approaching, any order over 100 pounds needs to be called in prior to pick-up in order to ensure that it will be ready. We encourage you to work through your field rep in order to avoid delays.

"Buyer & Seller of Quality California Almonds"