



# NEWSLETTER

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## October 2018

### Almond Industry Position Report

September 2018

	<u>Million Lbs</u>
Carry-in August 1, 2018 .....	359.0
2018 Net Marketable Crop (Received to date).....	<u>816.7</u>
Total Supply.....	1,175.7
<b>Sold Shipped &amp; Not Shipped</b>	
Domestic .....	357.5
Export.....	<u>522.7</u>
Total Sold.....	880.2
Uncommitted Inventory (Not Sold).....	295.4

### Position Report

California was down for the second straight month by moving 168.8 million pounds which is down 11.4%. Domestic shipments were again flat over last year at 50.0 million pounds while exports were off 15.2% or down 118.8 million pounds. Much of this decrease can be attributed to both limited carry-in as well as a later harvest. The area that is concerning, however, is that both the Middle East and China were significantly down by 53% and 38%, respectively. This drives home the fact that currency issues and trade barriers are taking a toll on demand. Using the above numbers and applying the objective estimate of 2.45 billion, our industry's sold position is 31.9%. This is significantly down compared to last year when we were 42.4% sold for the same point in time. Total commitments are off by 22.8%.

### 2018 Crop Harvest

So far this year's crop has been coming in not only light but also sporadic. The colder weather coupled with early rains have delayed many ranches. This has pushed back receipts and made it more difficult to predict final crop size as well as available inventory. Many now feel that the crop will miss the objective estimate and may even be closer to last year's crop size. The areas that appear most off on yields seem to be Fresno south, especially Kern County, while better crops are being recorded up North, mainly around Stanislaus and San Joaquin Counties. We will see how everything averages out, but since the majority of the crop is produced down South it is only reasonable to expect the crop to miss the mark. One positive is that quality appears to be slightly better than last year, but still not as good as averages from previous years. Pollinators thus far are smaller in size and double counts are still a problem on Monterey varieties.

### The Market

Leading up to the shipment number, demand was coming in strong from all major buying regions. Customers who had continued to put off buying in anticipation of lower prices all have had to pull the trigger and cover over the course of the last few weeks. This has helped drive prices up by \$.10 - \$.15 per pound as well as bring liquidity back into an otherwise stale marketplace. The main drivers have been the two markets that were previously the quietest China and the Middle East. It's great to see them active but a large question mark still remains in what their demand picture is going to look like after the current buying spurt. We know tariffs have affected Chinese demand and Middle East currency devaluations have made that region less and less reliable. India has again been a major bright spot as shipments are once again up 10%. They continue to buy regardless of market price. That's a great sign moving forward as we continue to build that market.

*"Buyer & Seller of Quality California Almonds"*