



# NEWSLETTER

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## October 2020

### Almond Industry Position Report

September 2020

	<u>Million Lbs</u>
Carry-in August 1, 2020 .....	450.1
2020 Net Marketable Crop (Received to date).....	1,031.4
<b>Total Supply</b> .....	<b>1,481.5</b>
<b>Sold Shipped &amp; Not Shipped</b>	
<b>Domestic</b> .....	<b>555.7</b>
<b>Export</b> .....	<b>991.0</b>
<b>Total Sold</b> .....	<b>1,546.7</b>
<b>Uncommitted Inventory (Not Sold)</b> .....	<b>-65.2</b>

### Position Report

Another month and another record! California was able to ship a whopping 454 million pounds which represents an increase of 32% compared to prior year. This is now two months in a row of over 30% year over year increases. Although a big month was expected this report exceeds even the best assumptions. New sales were also fantastic which helped push our commitments up even further resulting in the state being up 64.4% compared to last year with over 1 billion pounds already being sold. This suggests continued record shipments for the fall months yet to come. All major markets experienced growth with early year to date shipments being led by India (+139%), Spain (+14%), Turkey (+31%) and Domestic (+10.8%). The receipts continue to grow as expected with an increase of 25.4% compared to prior year, pushing up total receipts to 1.052 billion pounds. Based on the above and assuming a crop size of 3 billion pounds, our industry is 46% sold.

### The Market

Demand began to slip earlier in the month after the September shipment report. Although the report was indeed a record, the main buying regions began to pull off the market as California continued pushing up prices. With all those sales, buyers were able to cover their needs and now are able to remain on the sidelines until more coverage is needed. China was a major driver and is now waiting until we get deeper in the fall before making purchases needed for the new year. Chinese demand was extremely encouraging so the hope is that they will continue being a player as we have seen their demand decrease over the last few years since tariffs were put into place. Chinese increased demand is necessary in order to successfully market a 3-billion-pound crop. Europe continues to be in and out of the market but the feeling is that they have booked more pre-harvest than they have in the near past so buyers may be able to hold off a bit as they gauge consumers' demand. The cheaper prices have really excited our buyers and they are confident of continued growth. It will be hard, however, to push prices up much with this large crop hanging over our heads. We need to get further sold into it before firming can ensue.

### 2020 Crop Harvest

Harvest continues to be relatively smooth. Most growers have either finished up or are close to it. Yields have been solid throughout the state with higher yields experienced north of Merced. This is especially true for the Sacramento Valley which is reporting phenomenal yields. Quality overall has been good to great with the only downside being the small kernel sizes. We are seeing this in every variety and it doesn't seem to be improving. At this point, most expect the crop to hit the 3-billion-pound number with some even suggesting it could be slightly over.

*“Buyer & Seller of Quality California Almonds”*