



NEWSLETTER

8800 South Minturn Road - Le Grand California 95333 USA
Office 559-665-8500 FAX 559-665-8588
www.minturnnut.com

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Almond Industry Position Report

August 2020

	<u>Million Lbs</u>
Carry-in August 1, 2019	450.1
2020 Net Marketable Crop (Received to date).....	266.7
Total Supply	716.8
Sold Shipped & Not Shipped	
Domestic.....	478.8
Export	769.7
Total Sold.....	1,248.5
Uncommitted Inventory (Not Sold)	-531.8

Position Report

Crop year 2020 started with a bang by posting a record August of 193 million pounds for an increase of 30% over prior year. This was expected and much needed as we head into a big crop year. Export market was the main driver by shipping 49.1% more than last year for a total of 127.1 million pounds. Most of these shipments were old crop but also harvest was a bit earlier so packers were able to get more product out. Crop receipts so far are 35.8% ahead of last year which is mainly driven by the larger crop but also the earlier harvest. The real telling number is the amount of new sales. California has already committed 1.05 billion pounds of almonds which represents an increase of 88% for this same period last year. Its obvious that the lower prices have really spurred customer demand. Taking the estimated crop size of 3 billion pounds and adding Carry-in our industry is 37.7% sold compared to only 25% a year ago.

The Market

Demand has been strong since the last shipment report with the majority of interest coming out of China and India. As of late, the Middle East has also been active thus helping prop up the Nonpareil kernel market. Prices have risen a solid \$0.25 - \$0.40 depending on variety and type. The Chinese demand has been very robust which is welcoming considering how weak they have been over the course of the last few years. Market prices have now come down to a point where even when you factor in the tariffs, almonds are still affordable. Our weaker dollar is also assisting in consumer demand. Global currencies are now strengthening against the greenback which is also adding to the affordability of California almonds. The Domestic market and EU are still relatively quiet and could be slower out of gate as they already own the majority of our industries sold position. As their fall needs remain mostly covered, the demand they do have is for further into 2021.

2020 Crop Harvest

Harvest has so far been smooth although as of late the heavy smoke has delayed the drying out period and created more green weight. Other than this one issue, the overall quality has been great but sizing has been off. NP and Independence kernels are on average a full size smaller than last year. Hopefully this will start improving the deeper we get into it. The yields are flat to up, depending on the growing region. As a generalization it seems that Kern county is slightly off to flat whereas the more North you go the greater the yield improvement with the Sacramento Valley seeing the strongest increase. This is in line with the objective estimate so at this point its hard to argue against the 3-billion-pound figure.

“Buyer & Seller of Quality California Almonds”