



NEWSLETTER

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

September 2018

Almond Industry Position Report

August 2018

Million Lbs

Carry-in August 1, 2018	359.0
2018 Net Marketable Crop (Received to date).....	<u>185.7</u>
Total Supply.....	544.7
Sold Shipped & Not Shipped	
Domestic	292.1
Export.....	<u>377.1</u>
Total Sold.....	669.0
Uncommitted Inventory (Not Sold)	-124.6

Position Report

California began the shipping season on a lighter note than last year by moving 154.2 million pounds which is down 8.5%. Domestic shipments were flat compared to last year at 67.1 million pounds while exports were off by -14% or 87.2 million pounds. Much of this decrease was due to limited carry-in as well as a later crop harvest thus not being able to ship as much product out. Using the objective estimate of 2.45 billion pounds and adding the carry-in of 359 million pounds, our industry is a little over 24% sold against total supply. This is down compared to the 32.9% sold position our industry was in at the same period last year.

2018 Crop Harvest

Harvest has been later this year for most regions and some being significantly late, especially for pollinators as colder temperatures have swept the valley. In turn, we have not received as much product from the hullers so it's difficult to properly gauge comparable yields over last year. Nonpareil so far has major variation amongst regions. Some orchards are flat while others, mainly around the Westside and South Valley, are off by as much as 25%. Independence variety has been very strong with even 3rd leaf orchards hitting 1,000 pounds per acre. Quality has been much better compared to last year, but we still have pollinators to bring in. Sizing is smaller compared to last year and may continue to be that way as California types are expected to have a good crop. Most industry sources believe the crop to be slightly under or well under the 2.45-billion-pound mark.

The Market

The many unknowns that are out of our control are currently weighing down the market. Chinese tariffs, currency devaluations, and falling comparable nut prices have created an uneasiness amongst the buying community. With these question marks hanging over our industry like a cloud, buyers are only looking to cover near-by needs. Certain markets are practically frozen--such as China and Turkey. It remains to be seen to what extent they will be making purchases, if at all. The deeper we get into the Fall, we hope there is a resolution found in time for the prime buying season. The positive note is that India, Europe, and our Domestic markets are all continuing with strong demand and should continue to grow throughout the course of the marketing year. Even as prices have come down in places like India, they continue to buy. These lower price levels should help spur more consumption and market growth. Hopefully we will build a good base that can help trend the market up into the New Year. Our industry will have to get further sold in order to make this happen or the crop comes in as short as some are predicting.

“Buyer & Seller of Quality California Almonds”