



Select Harvest U.S.A.

Select Harvest Almond Update

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August 2018 Position Report

The Almond Board released the first month position report for the 2018 crop today. Carry over from the 2017 crop will be revised to 359.0 million pounds.

Shipments: August shipments reflect the late crop (10 days) and lack of supply for export material; however it was the third largest August in history. With 154.2 million pounds shipped it bounced back from last month's 143.6 million pounds shipped, showing a positive trend. Domestic shipments were flat from the previous year at 67.05 Million, just missing a shipping record for the industry. Export shipments were down -14.0% to 87.18 Million over prior year '17 shipments of 101 Million pounds.

Year to date shipments summary:

- **US: -0.3 %** - Domestic market remains strong, as customers await new crop shipments.
- **North America: +12.0%** - Reflecting positive shipment increases to Mexico, +40% and Canada +3%.
- **Asia-Pacific: +14%** - China is up 3% despite tariff news and South/Central Asia continues to reflect +8%, driven by India +8% and Kazakhstan +600 %.
- **Europe: -32%** - Europe has been on vacation for the month of August. With year-long strong shipments (well covered) at this point everyone is in anticipation of new crop.
- **Middle East: -48.0%** - UAE off -42% YTD, while Turkey is off -77%. With currency implosion and further concern of continued devaluation and depreciation, concern will remain for some time.

Commitments: The industry remains undersold versus this time last year. Total 2018 committed shipments of 515 Million -24% to last year's 677.2 million.

Market Outlook: The market is reflecting unrest on both the seller side and the buyer side. Confidence remains low on both sides. The grower is not confident in the supply, the buyer is not confident in the demand (yet China is still buying and India is still buying). Consumers have a love affair with almonds. It sells products!

The harvest is now in full swing albeit 10 days behind last year. Reports are describing Nonpareil off by as much as 30% in the southern region. Serious Damage and doubles are being reported similar to last year. It is still very early and these indicators are typical for this time of the year.

With uncertainty comes opportunity for everyone. At this time, covering short term needs may be the best strategy. I don't think we will really know the crop size until late October/November.

The objective estimate of 2.45 billion pounds and the revised carry-out of 359 million pounds give us a total of 2.80 billion pounds or **2.76 Billion marketable total supply** (after Loss and Exempt) for the 2018 crop year.

This will help to restore a more sustainable carry-over into 2019 crop. The industry will look to ship approximately +4.0% to +5.0% more of the 2018 crop versus 2017. Double digit growth will be unattainable once again as supply only grows by 8%.

Next shipment report: October 11, 2018