



Select Harvest Almond Update

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November 2018 Position Report

The Almond Board released the November position report for the 2018 crop today. Receipts continue to travel same time last year only slightly at 1.987 billion pounds -0.33 %, which many conclude that the crop will not reach the expected 2.45 billion pound estimate. It appears it will be hard pressed to even reach 2.30 billion, more likely less.

Shipments: November shipments were a new record with 237.63 billion, up 4% over the previous year. Export shipments were also a new record for the month +3.6%, 173.41 million pounds. The industry is almost caught up to last year's shipments to date just trailing by 26 million pounds -3.15%. You can expect to see this disappear with December shipments if not January. We continue to see strong demand thru to the bloom. Most packers are reporting production fully booked thru the first half of January.

Year to date shipments summary:

- **US: +5.1 %** - Not to be over shadowed the domestic market continues to show growth with its own record for November, 64.22 million pounds shipped.
- **North America: +11.0%** - Reflecting positive shipment increases to Mexico +9% and Canada +12%.
- **Asia-Pacific: - 2%** - India declined this month as a result of prior heavy shipments -8.0% versus same time last year. However, the market remains uncovered and we will see strong shipments in the next few months. Japan was up 2% and South Korea is up 11%. China / Hong Kong -8% and (Vietnam +35%) came back strong in November with YTD shipments + 2.3 million pounds versus last year. What trade war?
- **Europe: -6%** - Europe continued to come back. But with California packers booked in October and November shipments could not be made. Europe has been active and positioned for a strong resurgence.
- **Middle East: -25%** - UAE off -24% YTD, Turkey is off -66%. Expectations leave the Middle East off this year. It will be difficult with all the issues throughout the region for it to come back to -25% for the year.

Commitments: The industry remains undersold versus same time last year, although the margin continues to shrink. Total 2018 committed shipments are 588 million -11% versus last year to date. New sales for the month of November were over 240 million pounds.

Market Outlook: With crop receipts behind, the reality of a 2.45 billion pound crop is gone. Expect to see firming prices continue through the bloom period, should the expected demand continue unchecked, as it did last year. The trade war with China has not (thus far) shown its effect on the industry and Chinese New year is now covered. We will continue to sell into the bloom. With favorable weather and expectations of a larger crop coming, prices should remain relatively stable through the crop year. I still suspect that particular sizes and varieties may become harder to find as we saw toward the end of last crop year. We continue to see pricing differentials between Nonpareil and the other California varieties closer than historically seen.

Next shipment report: January 11, 2019