DERCO FOODS®

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February 2017 Almond Position Report

February 2017 shipments were 152.26 million pounds. This is 1.8% less than February 2016 shipments of 155.05 million pounds.

2016 Almond Supply

Carry-in from the 2015 crop:	412 million pounds
2016 crop size:	2.126 billion pounds
Less 2% loss / exempt:	43 million pounds
Less shipments to date:	1.269 billion pounds
Less commitments:	483 million pounds
Remaining unsold supply:	744 million pounds

Receipts, Shipments & Inventory v. 2015 Season

Receipts:	+12.93%
Total supply v. 2015 season:	+12.33%
Shipments v. 2015 season:	+27.92%
Uncommitted inventory:	-8.19%

Receipts & Shipments
Receipts through the month of February are 2.126 billion pounds. At this point last season, the crop was over 99% received. If the same holds true this season, the final crop size will be slightly less than 2.14 billion pounds. Shipments of 152.26 million pounds were about 3 million pounds less than last year and about 8 million pounds less than the record set in February 2013. This is the first month this season where monthly shipments did not exceed the previous season.

Commitments (Almonds that are sold, but not yet shipped)
Domestic commitments are -4.38% and Export commitments are +31.22% compared to February 2016. Total commitments are +15.11%. Uncommitted inventory is now 744 million pounds (-8.19% compared to last season). New sales for the month of February were about 144 million pounds.

Domestic Shipments
Domestic shipments were +1.4% at 51.81 million pounds. This is the second largest February or about 3 million pounds less than the record set in February 2014. New domestic sales for the month of February were about 20 million pounds.

Export Shipments
Export shipments were -3.3% at 100.46 million pounds. This is the first month this season where monthly export shipments did not exceed the previous season. New export sales for the month of February were about 123 million pounds.

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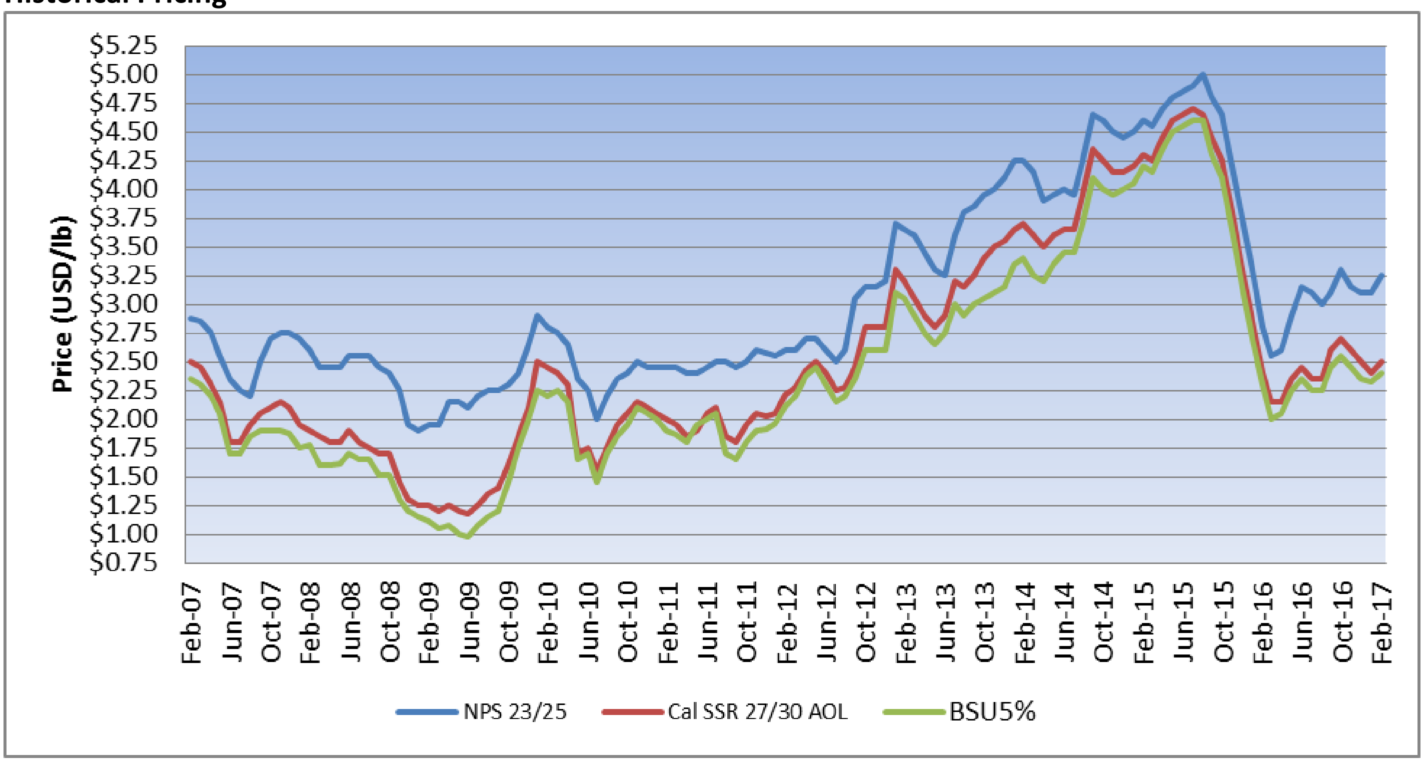
Regional Shipments

Here are the shipment totals for shelled and inshell almonds to major global markets (in pounds):

	Aug 2016 - Feb 2017		Aug 2015 - Feb 2016		% Change
EUROPE	**Shelled**	**Inshell**	**Shelled**	**Inshell**	
France	15,633,594	16,835	13,864,025	97,064	12%
Germany	70,162,679	93,794	54,490,189	62,699	29%
Italy	36,231,967	1,081,378	31,100,692	1,181,015	16%
Netherlands	30,235,847	0	23,767,070	0	27%
Spain	110,117,340	1,798,624	97,250,735	804,256	14%
U.K.	20,141,885	0	16,625,538	0	21%
MIDDLE EAST					
Israel	5,669,750	95,923	3,745,873	282,992	43%
Jordan	5,122,275	498,171	3,001,500	309,938	70%
Saudi Arabia	13,268,544	374,944	7,139,650	495,263	79%
Turkey	15,906,988	20,609,114	10,313,999	4,136,504	153%
UAE	34,988,861	5,463,835	25,977,388	3,552,286	37%
ASIA					
China/HK	61,540,776	52,258,847	39,412,727	47,867,774	30%
Japan	40,094,705	170,291	35,518,204	275,660	12%
South Korea	29,417,614	0	20,696,423	0	42%
Taiwan	7,525,397	266,472	5,258,796	209,384	42%
Thailand	2,539,385	0	1,982,725	0	28%
Vietnam	3,778,128	33,395,800	1,126,947	12,487,758	173%
India	3,759,001	115,889,130	5,721,258	69,621,138	59%

Historical Pricing



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Conclusion

Bloom is wrapping up now in California. The state experienced some very volatile weather during the start of bloom, causing some concern for the Nonpareils and other corresponding pollinator varieties. During this time, prices for most items increased by as much as $0.15/lb. Towards the end of bloom, weather conditions were much more favorable for the Butte and Padre varieties. As a result, we have seen prices retract by about $0.05-0.10/lb in the last week. While it is still too early to make any definitive statements regarding the upcoming crop size, most are of the opinion that the 2017 crop will not produce at its full potential.

Last year, California shipped another 819 million pounds during the remaining 5 months of the season, or an average of about 164 million pounds per month. Three of the five remaining months were record shipments (April-June). Can California keep pace this season? If so, we will be looking at a very similar carry-out to last year. With most markets uncovered for the late spring and summer months, California expects shipments to stay strong for the remainder of the season – especially if prices remain stable in the current trading range we have experienced the last several months.

Expectations for the 2017 crop should slowly become clearer in the coming weeks and months. Hopefully, we can anticipate a crop size at least similar to and preferably larger than this season. With each passing week, technical shortages are developing for certain varieties and sizes – specifically most inshell varieties and NPX. These items have had a tendency to increase to a greater degree in firmer markets and decrease less in weaker markets. Buyers in need of these items may wish to cover their requirements for the remainder of the crop year sooner rather than later.

As always, our teams in China, Dubai, India and California are at your service.

Best Regards,
DERCO FOODS