DERCO FOODS®

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April 2017 Almond Position Report

April 2017 shipments were 151.98 million pounds. This is -9.3% less than April 2016 shipments of 167.55 million pounds.

2016 Almond Supply

Carry-in from the 2015 crop:	412 million pounds
2016 crop size:	2.132 billion pounds
Less 2% loss / exempt:	43 million pounds
Less shipments to date:	1.599 billion pounds
Less commitments:	410 million pounds
Remaining unsold supply:	492 million pounds

Receipts, Shipments & Inventory v. 2015 Season

Receipts:	+12.74%
Total supply v. 2015 season:	+12.18%
Shipments v. 2015 season:	+21.09%
Uncommitted inventory:	+3.27%

Receipts & Shipments
Receipts through the month of April are 2.132 billion pounds. Given the small increase from the previous month, final receipts look to be 2.135 billion pounds or less. Shipments of 151.98 million pounds were the second largest April on record or about 15 million pounds less than April 2016 shipments. Shipments season-to-date now stand at +21.09% compared to last year.

Commitments (Almonds that are sold, but not yet shipped)
Domestic commitments are -9.40% and Export commitments are -2.00% compared to April 2016. Total commitments are -5.22%. Uncommitted inventory is now 492 million pounds (+3.27% compared to last season). New sales for the month of April were about 122 million pounds. New sales during the same month last year were about 177 million pounds, a difference of 55 million pounds.

Domestic Shipments
Domestic shipments were -0.4% at 50.77 million pounds. In 4 of the last 5 seasons, April domestic shipments have been a near identical 50 million pounds. This is the first month where Domestic monthly shipments have not exceeded last year's shipments for the same month. New domestic sales for the month of April were about 43 million pounds.

Export Shipments
Export shipments were -13.2% at 101.21 million pounds. With Domestic shipments flat compared to last year, Export markets are responsible for the decrease in shipments for the month of April. New export sales for the month of April were about 79 million pounds. New export sales for the same month last year were about 132 million pounds, a difference of 53 million pounds.

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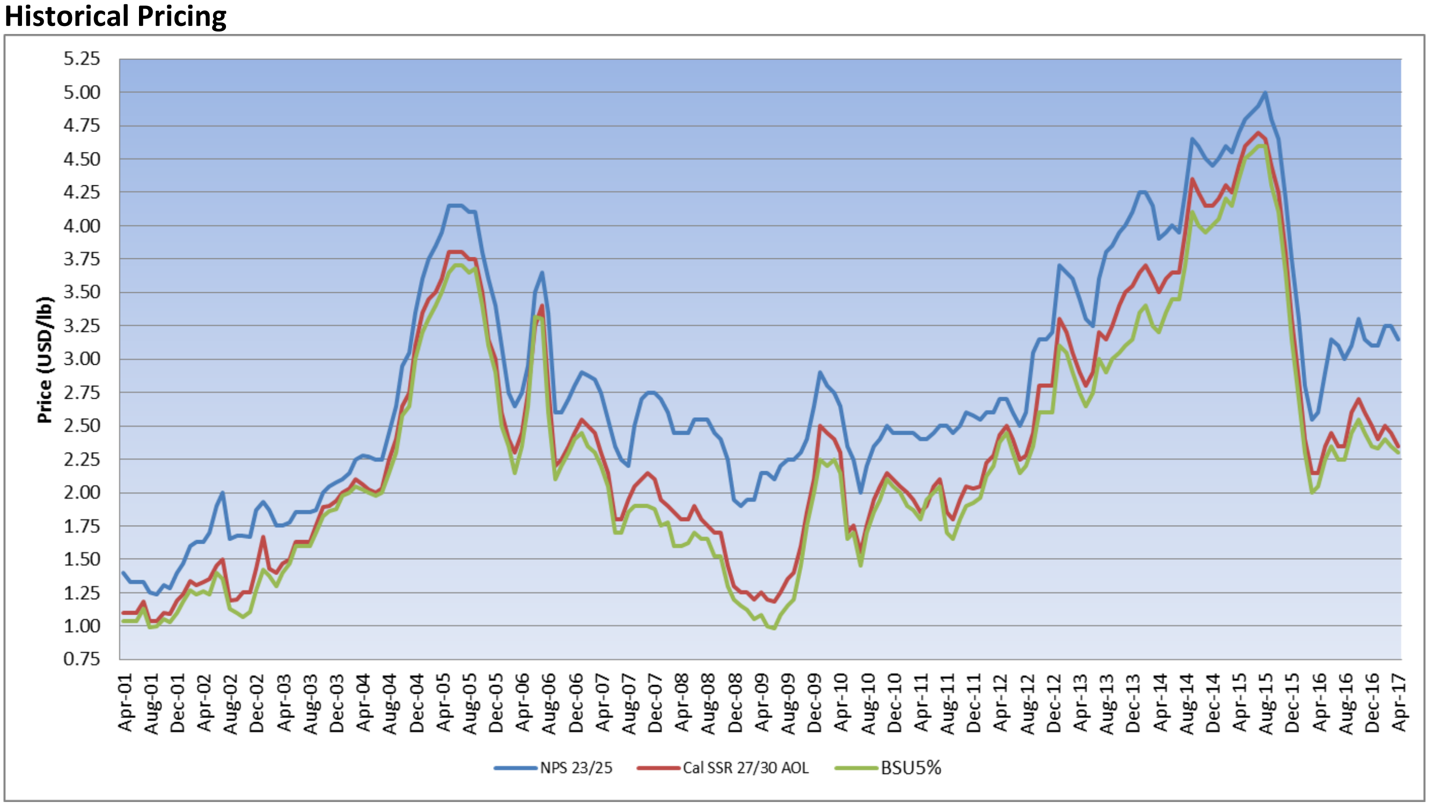
Regional Shipments

	August 2016 - April 2017		August 2015 - April 2016		% Change
EUROPE	**Shelled**	**Inshell**	**Shelled**	**Inshell**	
France	20,620,276	31,735	18,173,796	97,064	13%
Germany	89,862,027	36,394	71,686,564	62,699	25%
Italy	44,174,492	1,329,597	41,260,135	1,456,421	7%
Netherlands	37,707,796	1,440	33,573,870	0	12%
Spain	150,488,239	1,959,724	134,803,690	891,914	12%
U.K.	25,982,929	0	22,880,049	0	14%
MIDDLE EAST					
Israel	8,279,830	95,923	5,864,523	412,489	33%
Jordan	7,353,225	523,578	5,528,000	438,563	32%
Saudi Arabia	17,874,244	457,256	10,319,056	525,544	69%
Turkey	21,197,638	21,802,281	18,166,449	11,194,863	46%
UAE	48,090,061	6,200,131	36,792,729	4,744,876	31%
ASIA					
China/HK	74,244,440	56,868,629	50,364,590	58,020,923	21%
Japan	52,565,485	203,420	46,269,440	342,697	13%
South Korea	42,135,571	0	30,627,274	0	38%
Taiwan	9,567,379	297,622	7,077,468	209,384	35%
Thailand	3,283,490	0	2,676,025	0	23%
Vietnam	4,451,128	34,267,401	1,877,551	14,375,649	138%
India	5,319,017	133,380,825	6,555,328	91,252,262	42%

Historical Pricing



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Conclusion

Yesterday, the grower subjective estimate was released and was lower than expected at 2.20 billion pounds. This is the number that California will use to market the crop between now and the objective estimate on July 6th. With the price for all other competing tree nuts trading higher than the price of almonds – for both current and new crop – you could argue that California is going to need every bit of 2.2 billion pounds to nurture demand this upcoming season.

It is not surprising to see shipments, commitments, and new sales down this month compared to last year. Export markets were the main culprit for the decrease in each of these categories. Most buyers had been waiting for the grower subjective estimate before covering their needs for the remainder of the crop year, as well as new crop. New crop commitments are reported to be down compared to previous seasons. In addition to the US domestic market actively buying new crop for the past few months, India and China have also been buyers of new crop in recent weeks.

Harvest looks to be on a more normal time line this upcoming season, whereas the previous two seasons had been as much a two weeks early. With an early Diwali this year, India will need to cover their needs from the current crop. Unfortunately for them, inventories of Inshell Nonpareil in California are very low or fully depleted in many cases. European traders have been consistently offering below California's levels, but with inventories close to being exhausted and with California holding the bottom of the market close to $2.30/lb for BSU5%, we anticipate a continued increase in demand during the coming weeks.

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

Best Regards,
DERCO FOODS