DERCO FOODS®

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May 2017 Almond Position Report

May 2017 shipments were 170.69 million pounds. This is -4.1% less than May 2016 shipments of 178.07 million pounds.

2016 Almond Supply

Carry-in from the 2015 crop:	412 million pounds
2016 crop size:	2.134 billion pounds
Less 2% loss / exempt:	43 million pounds
Less shipments to date:	1.770 billion pounds
Less commitments:	384 million pounds
Remaining unsold supply:	349 million pounds

Receipts, Shipments & Inventory v. 2015 Season

Receipts:	+12.64%
Total supply v. 2015 season:	+12.10%
Shipments v. 2015 season:	+18.09%
Uncommitted inventory:	-6.24%

Receipts & Shipments
Receipts through the month of May are 2.134 billion pounds. Shipments of 170.69 million pounds were the second largest May on record or about 7 million pounds less than May 2016 shipments. Shipments season-to-date now stand at +18.09% compared to last year.

Commitments (Almonds that are sold, but not yet shipped)
Domestic commitments are -13.64% and Export commitments are +21.27% compared to May 2016. Total commitments are +6.16%. Uncommitted inventory is now 349 million pounds (-6.24% compared to last season). New sales for the month of May were about 145 million pounds. This is the largest number of total new sales during the month of May on record.

Domestic Shipments
Domestic shipments were +9.8% at 58.60 million pounds. This is a new record surpassing the previous record of 54.64 million pounds set in May 2014. New domestic sales for the month of May were about 23 million pounds.

Export Shipments
Export shipments were -4.1% at 112.09 million pounds. This is the second largest May or about 12 million pounds less than the record set in May 2016. New export sales for the month of May were about 122 million pounds. This is the largest number of new export sales during the month of May on record.

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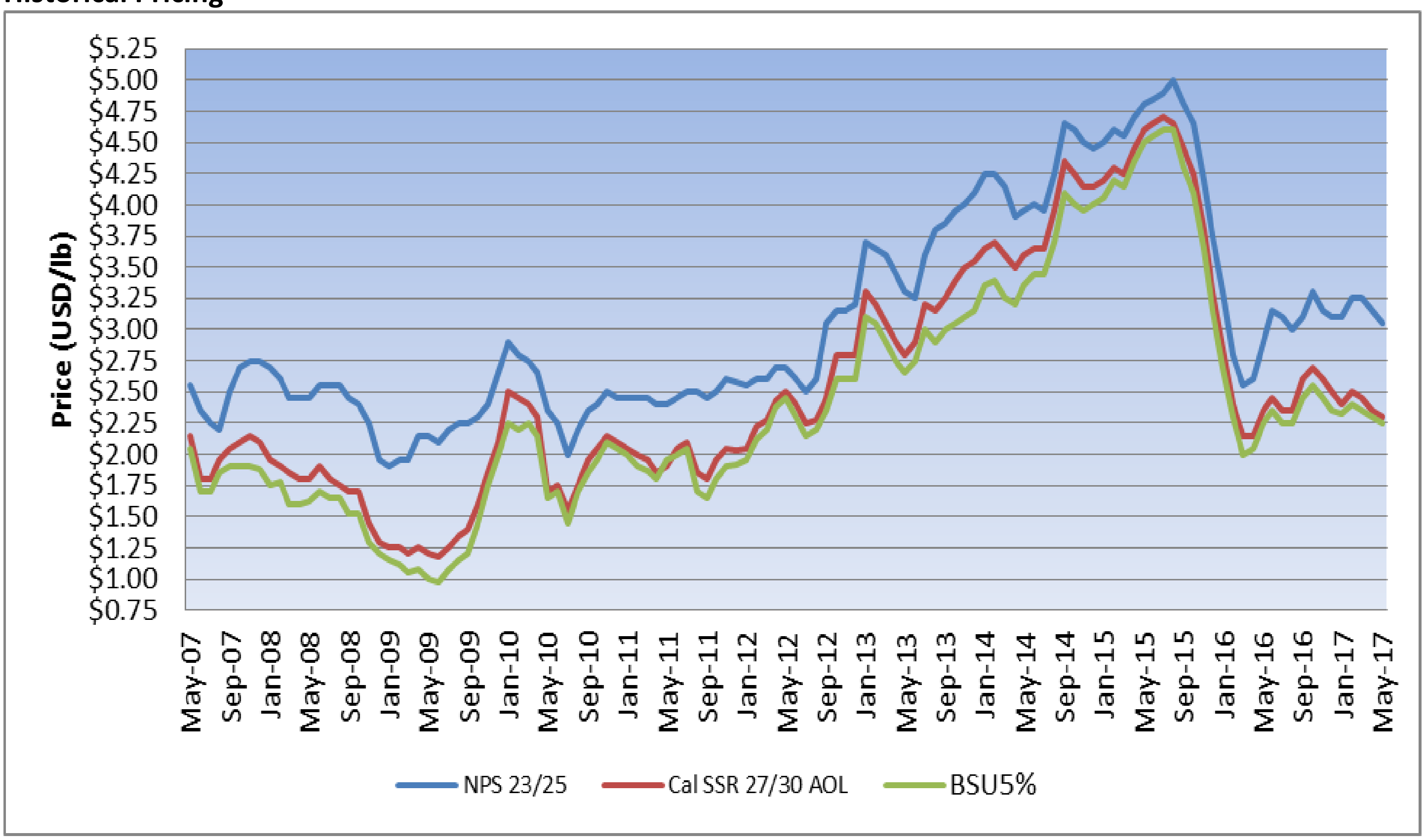
Regional Shipments

	August 2016 - May 2017		August 2015 - May 2016		% Change
EUROPE	**Shelled**	**Inshell**	**Shelled**	**Inshell**	
France	23,160,806	31,735	19,732,691	97,064	17%
Germany	103,093,131	52,792	79,692,914	94,861	29%
Italy	48,038,492	1,358,330	45,763,885	1,634,799	4%
Netherlands	41,882,396	1,440	39,027,638	0	7%
Spain	170,334,339	2,198,281	156,083,753	971,625	10%
U.K.	29,329,823	0	26,406,036	0	11%
MIDDLE EAST					
Israel	9,190,430	127,954	6,724,523	443,989	30%
Jordan	7,783,225	523,578	6,678,250	470,063	16%
Saudi Arabia	18,138,244	457,256	12,042,256	557,845	48%
Turkey	26,528,296	21,891,890	21,799,399	12,245,021	42%
UAE	53,325,027	6,344,365	44,652,653	5,321,359	19%
ASIA					
China/HK	77,367,318	57,510,991	58,641,453	64,349,085	10%
Japan	59,600,035	203,420	51,834,085	342,697	15%
South Korea	47,720,671	0	34,909,720	0	37%
Taiwan	10,549,940	297,622	7,847,270	209,384	35%
Thailand	3,519,815	0	3,023,025	0	16%
Vietnam	4,999,378	35,225,986	2,181,801	15,798,932	124%
India	6,176,317	141,394,019	7,286,575	102,307,371	35%

Historical Pricing



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Conclusion

Today's shipment figures were higher than many in the industry had anticipated. Initial expectations – from buyers and sellers alike – were for shipments to be well below the record set last year. New sales for the month of May were an astonishing 145 million pounds. Based on commitments, it once again appears that this season's carryout will be in-line with last year.

We expect to see renewed confidence from some of the more aggressive sellers in California. For the most part, growers have been reluctant to lower prices further in recent weeks. In some cases, we have seen some firmness, especially on items that are becoming less available.

Harvest is expected to start about two weeks later than the last few seasons. With a delayed harvest, we are seeing increased interest for July and August shipments. With much of the buying still needing to take place between now and new crop availability, there looks to be little downside pressure to current crop pricing.

On July 6th, the USDA NASS Objective Estimate will be released. After the lower than expected Subjective Estimate last month, you could argue that the market has been trading based on expectations of a larger Objective Estimate in the neighborhood of 2.3 billion pounds. Until then, we expect new crop pricing to continue to track closely to current crop levels.

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

Best Regards,
DERCO FOODS