



2670 West Shaw Lane, Fresno, California 93711 U.S.A.

Telephone (559) 435-2664 • Fax (559) 435-8520 • [www.dercofoods.com](http://www.dercofoods.com) • e-mail: [derco@dercofoods.com](mailto:derco@dercofoods.com)

### **October 2020 Almond Position Report**

October 2020 shipments were 309.68 million pounds. This is +16.6% compared to October 2019 shipments of 265.50 million pounds.

#### **2020 Almond Supply**

Carry-in from the 2019 crop:	450 million pounds
Estimated 2020 crop size:	3.000 billion pounds
Less 2% loss / exempt:	60 million pounds
Less shipments to date:	764 million pounds
Less commitments:	1.033 billion pounds
Remaining unsold supply:	1.593 billion pounds

#### **Receipts, Shipments & Inventory v. 2019 Season**

Receipts:	+13.86%
Total supply v. 2018 season:	+18.53%
Shipments v. 2018 season:	+25.31%
Uncommitted inventory:	-25.38%

#### **Receipts & Shipments**

2020 crop receipts are 1.811 billion pounds, which is +13.86% compared to 2019 crop receipts of 1.590 billion pounds. October shipments of 309.68 million pounds are a new record, surpassing the previous record of 265.50 million pounds set in October 2019.

#### **Commitments (Almonds that are sold, but not yet shipped)**

Domestic commitments of 413 million pounds are +36.06% and Export commitments of 620 million pounds are +58.79% compared to October 2019. Total commitments of 1.033 billion pounds are +48.86% compared to last year. New sales for the month of October were about 250 million pounds.

#### **Domestic Shipments**

Domestic shipments were +17.9% at 73.76 million pounds. This is a new record, surpassing the previous record of 68.18 million pounds set in October 2018 and bettering October 2019 shipments by 11.21 million pounds. New domestic sales for the month of October were about 60 million pounds.

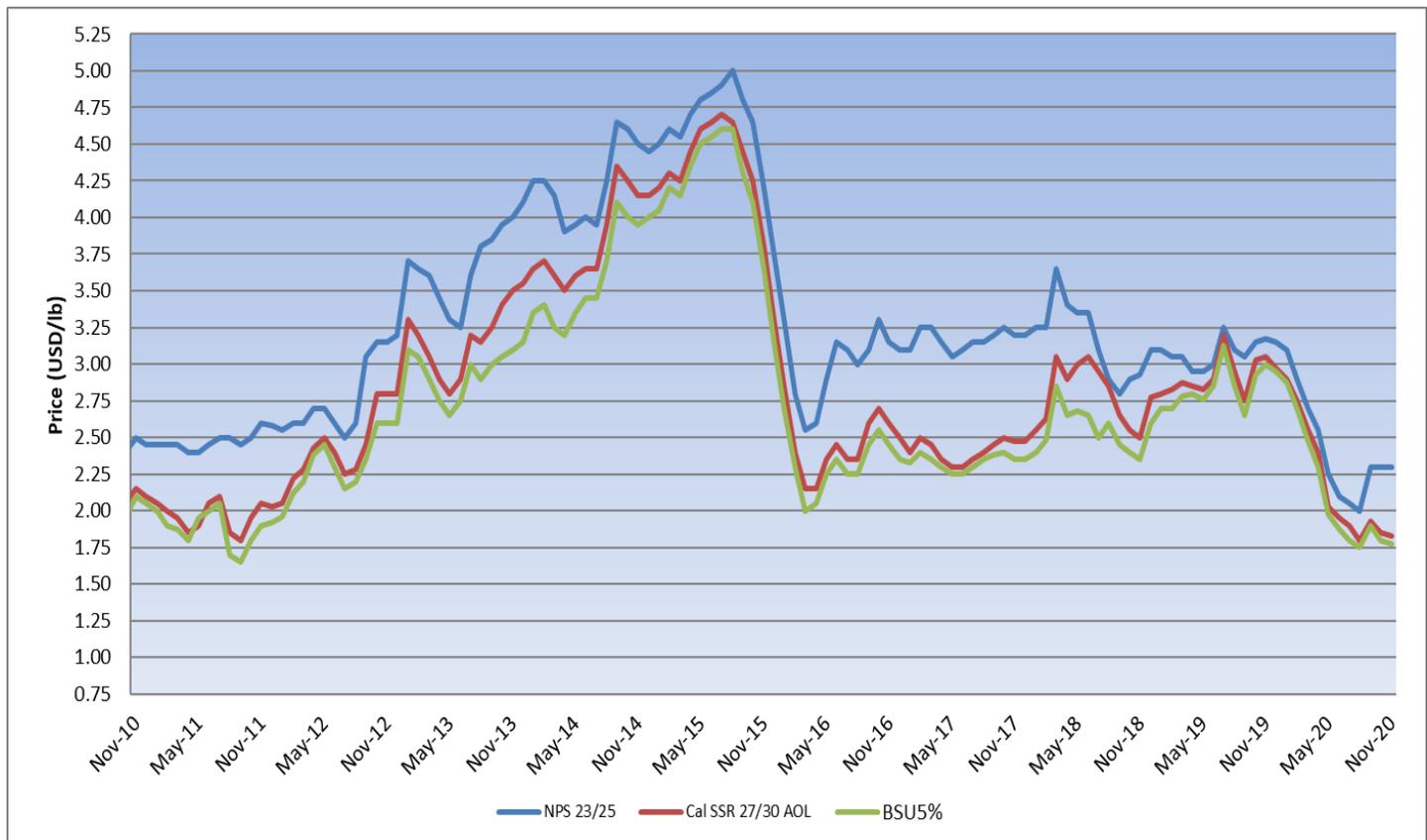
#### **Export Shipments**

Export shipments were +16.2% at 235.92 million pounds. This is a new record, surpassing the previous record of 202.95 million pounds set in October 2019. New export sales for the month of October were about 190 million pounds.

### Regional Shipments

	<u>Aug 2020 - Oct 2020</u>		<u>Aug 2019 - Oct 2019</u>		<u>% Change</u>
	<u>Shelled</u>	<u>Inshell</u>	<u>Shelled</u>	<u>Inshell</u>	
<b><u>EUROPE</u></b>					
France	6,747,522	0	6,106,964	0	10%
Germany	27,896,836	0	29,890,657	30,600	-7%
Italy	23,384,734	604,190	17,008,275	793,497	35%
Netherlands	22,133,911	0	17,758,256	16,958	25%
Spain	52,669,129	263,779	46,633,915	456,720	12%
U.K.	8,924,770	0	8,102,778	0	10%
<b><u>MIDDLE EAST</u></b>					
Jordan	3,305,000	250,350	2,018,450	272,562	55%
Turkey	14,568,441	5,853,204	10,040,350	7,999,902	13%
UAE	28,040,350	5,185,194	28,672,416	4,557,212	0%
<b><u>ASIA</u></b>					
China/HK	32,463,418	31,254,402	21,697,448	35,826,910	11%
Japan	14,841,403	3,460	17,175,086	76,033	-14%
South Korea	15,572,966	0	12,313,123	0	26%
Thailand	2,090,800	0	1,547,350	1,079,434	-20%
India	584,500	145,536,877	677,616	68,841,697	110%

### Historical Pricing



## Conclusion

While October 2020 shipments were expected to be a record, 309 million pounds exceeded expectations. October 2020 is the largest shipment month in history, bettering the previous record by over 44 million pounds. Prior to today's figures, some people even questioned if California had the capacity to process and ship over 300 million pounds in a single month. Year-to-date shipments of 764 million pounds are +25.31% or 154 million pounds ahead of last season. Crop receipts increased by about 758 million pounds during the month of October and currently stand at 1.811 billion pounds compared to 1.590 billion pounds at this time last year. New sales during the month of October were 250 million pounds compared to 295 million pounds in October 2019. Total commitments of 1.033 billion pounds continue to track considerably higher than last season (+48.86% or 339 million pounds more). Based on a crop size of 3.00 billion pounds, California is currently 53% sold (shipments + commitments) compared to 46% sold at this time last season.

Domestic and export shipments exceeded last October by 17.9% and 16.2% respectively. Domestic shipments are currently up 13.34% (about 24 million pounds) YTD. On the export side, India once again led the way with October shipments of 42 million pounds or about 1,335 containers. YTD shipments to India are up 110% (about 77 million pounds). China/HK were next up with shipments of 37 million pounds for the month of October. YTD shipments to China/HK are about 58 million pounds or up 11% compared to last season. In Europe, shipments to Spain were 22 million pounds for October. YTD shipments to Spain are up 12% or about 6 million pounds ahead of last season. With the exception of Germany (-7%; down 2 million pounds), nearly all European countries are tracking up compared to last season. Looking to the Middle East, the region as a whole is up 3% (2 million pounds) YTD. October shipments to Turkey were flat compared to a year ago, while shipments to the UAE were down about 2 million pounds.

Over the course of the past month, prices were again under pressure. With expectations for a 3 billion-pound crop combined with a carry-in from last season of 450 million pounds, the total supply looks to be about 570 million pounds more than the 2019 crop. Last season, shipments were 2.372 billion pounds. Under the current supply scenario, in order for California to bring the carry-out from the 2020 crop to under 600 million pounds, the industry needs to increase shipments by at least 18% or 418 million pounds. As of now, California has shipped 154 million pounds more than last season. With such strong commitments on the books, you can expect for that number to continue to increase in the months ahead. Additionally, not only does California have an increased desire/need to sell, but it also has capacity/storage hurdles it must overcome. If you ask most sellers, they would rather find themselves in an oversold position rather than an undersold position come bloom.

Prior to today's report, the prices for many items have returned to the lowest levels we have seen this season. California has likely established a floor for now. We expect for prices to remain stable/slightly firm as opposed to further decrease from current levels. This combined with a lack of vessel space and container shortages in California, we recommend that buyers continue to cover their nearby needs as soon as possible.

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

Best Regards,  
**DERCO FOODS**