

ALMOND MARKET update

Friday, May 11th 2018

APRIL 2018 SHIPMENTS REPORT

DEMAND

April Shipments: 176.4m/lbs +16% (+12% YTD)

Exports: +2% (+13% YTD)

US Shipments: +44% (+10% YTD)

Total Shipments: 1.8 b/lbs + 12% YTD

Total Supply: 2.6 b/lbs + 4,4% YTD

Commitments: 374m/lbs -9%

Uncommitted Inv.: 445m/lbs -9.5%

Currency: The USD remains strong at 1.19/Euro

2017 CROP

Receipts YTD were 2.258 b/lbs. +6% YTD.

The Almond Board released its monthly shipment report on Friday May 11, 2018. Crop receipts have topped out at 2,258 billion in April from 2,256 in March, as it continues to trickle in ever closer to 2,260 billion.

Shipments: April shipments represent a record at 176.4 Million Lbs., up 16.1% over prior year, this is a record for April shipments and is also the seventh month in a row for record shipments. The YTD shipments of 1,792 billion in comparison to last year, have now exceeded shipments/demand by +12.1 %.

Shipments need to start slowing down as we near the end of the crop year July. It is very much expected a carryout lower than last year. Prices

remain firm on old crop as there is really not much left to sell, buyers are having difficulty finding items they need.

Commitments: Total committed shipments have gone negative at this point -8.8%. Uncommitted inventory is -9.55% with 445.4 million pounds left versus 492.4 million last year at this time. If we simply ship from this point forward equal to last year from May thru July we would end up at 2,294 billion pounds or 8.6% ahead of last year's total. At this rate it will leave less than 300 million pounds carry-over.

Market Outlook: The freeze is only a memory now and the crop continues to grow. There are many differing opinions as to the extent of damage that occurred and how that will ultimately play out. Generally, the thought overall is that a 2.5b pound crop is not there. Yesterday's subjective estimate suggests the grower's attitude and signifies lower expectations yet at 2.3b pounds. This is up 1.30% from 2017 production of 2.27b pounds. The subjective estimate is based on a telephone

figures expressed in Lbs	April 2018 Position Report					
	month			Crop year		
	CY	PY	%	2017-2018	2016-2017	%
Carryin				398.677.112	412.001.125	-3,23
Crop receipts				2.258.385.719	2.132.109.953	5,9
2% L/E				45.167.714	42.642.199	5,9
New Crop Marketable				2.213.218.005	2.089.467.754	5,9
TOTAL SUPPLY				2.611.895.117	2.501.468.879	4,4
Shipments Usa	73.302.816	50.765.783	44,4	546.208.460	494.593.372	10,4
Shipments Export	103.096.494	101.212.129	1,9	1.246.432.017	1.104.491.953	12,9
TOTAL SHIPMENTS	176.399.310	151.977.912	16,1	1.792.640.477	1.599.085.325	12,1
TOTAL INVENTORY				819.254.640	902.383.554	-9,2
Commitments Usa				170.310.617	170.609.243	-0,2
Commitments Export				203.559.373	239.372.144	-15,0
TOTAL COMMITMENTS				373.869.990	409.981.387	-8,8
UNCOMMITTED INVENTORY				445.384.650	492.402.167	-9,5
Forec. Carryout				403.700.000		

Top 10 importers Crop 2017 - 2018

Aug'17 - Apr'18	Tot - m/lbs	Chg PY
India	170,0	22,5%
China/HK	158,6	21,0%
Spain	156,3	2,5%
Germany	104,5	16,0%
Japan	58,5	10,8%
Italy	56,7	25,0%
UAE	56,0	3,1%
Vietnam	48,2	25,0%
Turkey	47,5	10,6%
Canada	43,2	6,3%
Tot top 10	899,5	13,9%
Chg PY		

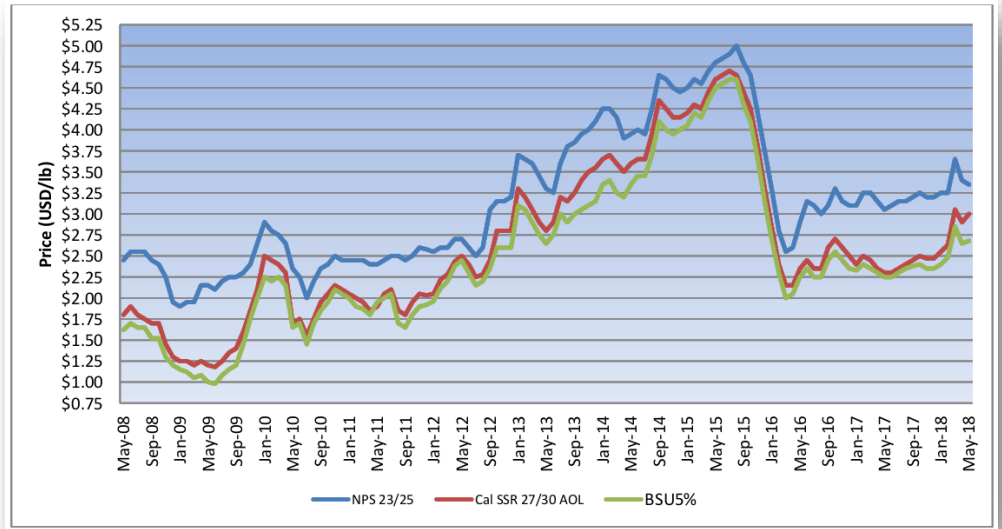
56% of total exports
72% of total Exports

survey conducted from April 18 – May 4 from a sample of growers. Each grower is asked to indicate their yield per acre from the last year and guess their yield per acre for the upcoming year. The subjective estimate is only as accurate as the opinions of the growers surveyed. We must also say that, it is widely known that growers have often had a conservative approach by underestimating the final crop.

PRICES: Almonds remain the best value amongst all the tree nuts. Current pricing levels have kept demand pushing remaining inventories. Pressure will continue on remaining supply. While there are still many unknowns about the 2018 crop, the 2017 crop is well sold, and prices should be stable to firming for the remainder of the crop year. After this shipment report, demand continues to demonstrate the need for larger crops.

We do not anticipate significant discounts for new crop based on everything we are seeing today.

Conclusion: As expected, April shipments set a new record. With only a 2-million-pound increase in crop receipts, it now appears that the crop size is final. Shipments year-to-date are up 12%, whereas receipts are only up 5.92%. California is very well sold and many items such as sized Cals, Carmel Type Supreme 23/25 AOS and



Inshell Nonpareil are becoming difficult to find. With supply constraints and a more traditional harvest time expected for the 2018 crop, the transition between crop years is once again going to be tight.



It is impossible to estimate the 2018 crop size with certainty. However, the average yield for the 2018 crop is by most forecasted between 2,150 and 2,243 lbs/acre on 1,070,000 bearing acres. Given so, we hold out hope to have a 2018 crop ranging between 2.3 and 2.4b pounds.

Should we consider an estimated 2017 carryout of 350 million pounds and using the 2018 subjective estimate of 2.3b pounds, 2018 total supply of 2.6b is 7 million pounds short of the 2017 supply. Should the 2018 crop come in at 2.4b pounds, the 2018 total supply will still only increase by 3.5%. With an expected increase in demand, growers feel that 2.4b is still a manageable supply and that we are in safe trading ranges.

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Upcoming May Shipment Report (June 11th) and the Objective estimate Report (July 5th), will help us understand more on further developments.

As usual, we won't miss to keep you duly updated.

As always, please advise your needs so our teams in our 2 production facilities, Bari (South Italy) and Coseano (North Italy) may assist you.

Thank you for your continued trust and business.