ALFRUS ALMONDS SINCE 1885 "Value added to food safety" is BRC Certified and also holds ISO 14001, ISO 22000 and Kosher Certification.

ALFRUS ITALY

ALMONDS SINCE 1885

ALMOND MARKET update

Friday, June 12th 2018

MAY 2018 SHIPMENTS REPORT

DEMAND

May Shipments: 158.3 m/lbs +25% (-7.3% YTD)

Exports: -17.9% (+10.2% YTD)

US Shipments: +13.1% (+10.7% YTD)

Total Shipments: 1.9 b/lbs + 10.2% YTD

Total Supply: 2.6 b/lbs +4.3%

Commitments: 292 m/lbs -24% YTD

Uncommitted inventory: 368 m/lbs YTD

Currency: The USD remains stable at 1.18/Euro

2017 CROP

Receipts YTD were 2.257 b/lbs. +5.8% YTD.

The Almond Board of California released the May 2018 position report

May shipments were 158.3 million lbs. vs. 170.7 million lbs. in 2017 – down 7.3%

DEMAND

This was the first "down month" since September.

The U.S. market remains very solid, up 13% for the month.

Exports were off 18% or 20 million lbs. Western Europe and the Middle East/North Africa were both off about 10 million lbs. For the past few weeks, we have seen steady interest out of the Middle East/ North African region, so shipments could pick up on upcoming reports. However, it is uncertain the entire region will pick up given the duty/import situation in Turkey.

REVIEW & OUTLOOK:

For the first time since September 2017, total monthly shipments failed to set a new record. Although domestic

figures expressed in Lbs	May 2018 Position Report					
	month			Crop year		
	CY	PY	%	2017-2018	2016-2017	%
Carryin				398.677.112	412.001.125	-3,23
Crop receipts				2.257.764.983	2.134.146.317	5,8
2% L/E				- 45.155.300	- 42.682.926	5,8
New Crop Marketable				2.212.609.683	2.091.463.391	5,8
TOTAL SUPPLY				2.611.286.795	2.503.464.516	4,3
Shipments Usa	66.290.523	58.597.775	13,1	612.498.983	553.191.147	10,7
Shipments Export	92.007.607	112.093.559	-17,9	1.338.439.624	1.216.585.512	10,0
TOTAL SHIPMENTS	158.298.130	170.691.334	-7,3	1.950.938.607	1.769.776.659	10,2
TOTAL INVENTORY				660.348.188	733.687.857	-10,0
Committments Usa				132.889.707	135.248.030	-1,7
Committments Export				158.871.228	248.856.090	-36,2
TOTAL COMMITTMENTS				291.760.935	384.104.120	-24,0
UNCOMMITTED INVENTORY				368.587.253	349.583.737	5,4
Forec. Carryout				403.700.000		

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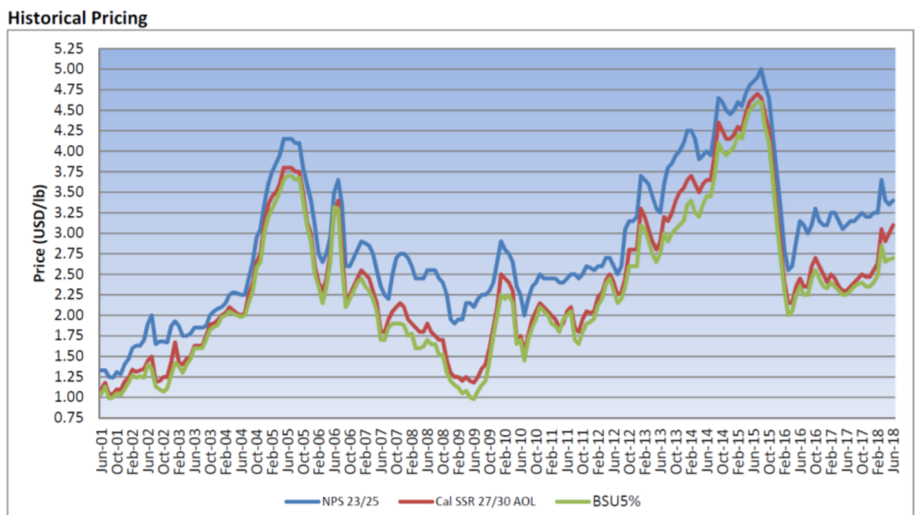
Top 10 importers **Crop 2017 - 2018**

Aug'17 - Apr'18	Tot - m/lbs	Chg PY
India	180,0	21,9%
Spain	172,4	0,0%
China/HK	160,1	18,7%
Germany	114,0	10,7%
Japan	66,9	12,2%
Italy	61,9	25,6%
UAE	58,9	-1,3%
Vietnam	50,9	27,2%
Turkey	49,0	1,4%
Canada	48,2	6,2%
Tot top 10 Chg PY	962,3	10,9%

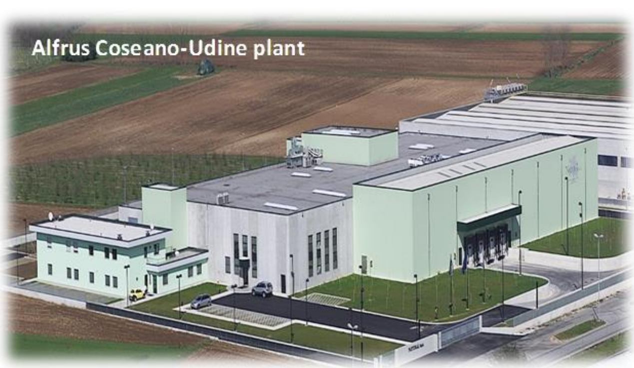
62,1 of total exports

80% of total Exports

shipments were a new record at 66.3 million pounds, export shipments were the lowest we have seen this season at 92 million pounds. California is now sitting at 75% shipped and 86% sold (shipments + commitments) of total marketable supply, compared to 71% shipped and 86% sold at this time last year. New crop commitments are reported to be about 81 million pounds, compared to 209 million pounds at this time last season. Based on an estimated 2018crop size 2.35 billion pounds, California is about 3.4% sold, compared to 9.2% sold at the end of May 2017.



Taking into account the dollar has been strengthening against many foreign currencies, with tariff increases in various markets and with new crop estimate ranging anywhere 2.2 to 2.5 b/lbs, it's not surprising to see very low new crop commitments. Buyers and sellers alike have been hesitant to put new crop business on the books. Both parties have expressed interest in waiting for the Objective estimate on July 5th. At the end of the day, we are unlikely to see any kind of real volume traded until both buyers and sellers come to an agreement on prices.



For now, current crop inventory levels are getting lower by the day.

Almonds remain the best value amongst all tree nuts. Current pricing levels have kept demand pushing remaining inventories. Pressure will continue on remaining supply. After the May Shipments report, the outlook for a better carry-over has improved a bit. Yet there are still voids that will exist thru the transition. Two more shipping months to go.

Coming up

June 18 Position report: July 12, 2018

Objective Estimate: July 5, 2018

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.