

Update



THE LATEST ALMOND BUSINESS NEWS

August 2016

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Market Status

Almond Board Industry Position Report: July 2016

The July Almond Industry Position Report published by the Almond Board of California detailed the final disposition for the 2015 crop. All in all, total shipments of the 2015 crop came to within a million pounds of the 2014 level, at 1.811 billion pounds.

Shipments for the month of July totaled 138.9 million pounds, which represented a 13 percent increase over last year. Domestic shipments for July were 51.86 million pounds, only off slightly, 1.6 percent below last season. Looking at the period from January through July, domestic shipments exceeded the prior year by 9.3 percent. Export shipments for the month of July amounted to just over 87 million pounds, a strong increase of 23.9 percent over 2014. When looking at the period of January through July, export shipments increased by 19.5 percent.

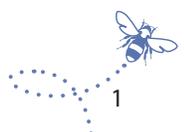
Total crop receipts for the 2015 crop year came in at 1.894 billion pounds which is nearly flat, only a 1.42 percent increase, compared to 1.867 billion pounds of almonds reported for 2014.

From a standpoint of carry-out, the remaining inventory of 421.9 million pounds will be brought forth to be shipped and sold in the following months. Total committed shipments are listed in excess of 224 million pounds, which only leaves just under 200 million pounds without a commitment for sale as we roll into the next crop year. With an overall carry-in of nearly 422 million pounds and a new crop projection of 2.05 billion pounds, this means next year's crop supply will be around 2.5 billion pounds for the industry in 2016.

Harvest Underway

With the 2016 harvest fully underway, it is too early as of this writing to draw any early conclusions on crop size or quality. The heat wave that occurred during the last week of July resulted in some water stress in orchards statewide, however, other than in a few isolated cases, minimal impact to orchard condition has been observed. In contrast to the 2015 season, by and large, growers

Million Pounds Kernel Weight	
Carry-In August 1, 2015	376.6
Receipts - 2015 Crop (Net)	1,856.5
Total Supply	2,233.1
Shipments 8/1/15 - 7/31/16	
Domestic	593.2
Export	1,218.0
TOTAL	1,811.2
Computed Inventory	421.9
Commitments (Sold, Not Delivered)	
Domestic	117.4
Export	106.8
TOTAL	224.2
Uncommitted Inventory	197.7



have had relatively adequate water supplies to bring the 2016 crop to a strong conclusion. As mentioned above, the USDA National Ag Statistics Service based on their Objective Estimate has put forth this year's crop estimate at 2.05 billion pounds. Most in the industry believe that this is likely a floor for this year's crop, with some speculating that it could push beyond 2.1 billion pounds.

Market Perspective

Global almond demand has been rebounding since January. The U.S. market recovery lags behind due to a longer gap between market price shifts and the price change at the retail level.

California almond shipments should increase by more than 10 percent over the performance of the last two years, carrying shipments to the 2 billion pound mark. The current supply projection of approximately 2.5 billion pounds fits comfortably within that scenario.

The next 90 days will reveal more about crop quality, receipts and demand trends. Until then almond market prices are staying within a narrower, more stable range than that which had been seen in the last three years.



2016 ACCELERATED AND DEFERRED PAYMENTS

Anyone planning on deferring any 2016 crop payments must have a completed Deferred Payment Agreement on record with Blue Diamond prior to crop delivery from the sub-contract you wish to defer. Any payee may defer an entire payment or elect to receive a set amount and defer the residual to the next calendar or fiscal year.

Deferred Payment Agreements will not be accepted after a sub-contract's first delivery.

Please contact your Field Supervisor if you need assistance.

CHANGES TO YOUR HULLER/SHELLER

If you are going to be delivering your crop to a new or different huller/sheller this year, we ask that you contact your local Field Supervisor or call the Membership Office at 209-545-6225.

It is very important that we are aware of your current huller/sheller so that your delivery tags may be forwarded to the appropriate facility, ensuring proper reporting of delivery quality information to the huller/sheller.

SAVE THE DATE

Please mark your calendars for the 2016 Blue Diamond Annual Meeting, to be held on Wednesday, November 16th at the Modesto Centre Plaza. The event also features Blue Diamond marketing exhibits, vendor exhibits and grower seminars.

Look for a detailed schedule of events to come soon.

VARIETY CORRECTION

In article "Variety Separations at Harvest" in the July issue of Update, the Winters variety was incorrectly identified as being compatible with the Padre variety. As in past years, the Winters variety may only be combined with the Carmel for delivery without penalty. We regret and apologize for the error.



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