



NEWSLETTER

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October 2005

Almond Industry Position Report

September 2005

	<u>Million Lbs</u>
Carry-in August 1, 2005	137.7
2004 Net Marketable Crop (<i>Received to date</i>)	<u>338.4</u>
Total Supply.....	476.1
Sold Shipped & Not Shipped	
Domestic.....	171.1
Export	<u>261.8</u>
Total Sold	432.9
Uncommitted Inventory (Not Sold)	(43.2)

Position Report

Almond shipments for September were 81.5 million pounds. Down 33.1 million pounds compared to last September shipments. The industry was expecting a lower shipping number due to the late harvest of the California varieties. Then the wrath of Hurricane Rita caused a delay of shipments out of the Houston Port. Unfortunately, the Market perceived 81.5 million pounds as “weakness”. Year to date shipments now stand at 138.9 million pounds compared to 193.3 million pounds last year. Shipments should improve to 100-110 million pounds for the month of October, making it a “solid month”.

The Market

The best way to describe today’s market place is nervous and difficult. Prices have slipped some, but they are still at appealing levels. Both buyers and seller are extremely jittery. With lower shipments and a higher AHPA crop projection (890 million pounds) the market has gone into retreat in the last ten days. This year there are more growers than ever participating in sales decisions and this has created weakness due to the “sell now” approach. Some “panic selling” is occurring and it is not the best strategy to “cut and run”. There is some optimism when looking at the Position Report. Shipments, along with commitments total 433 million pounds or 46% of the projected supply, with more than ten months still remaining to sell. The Industry believes October shipments will be solid. Crop receipts suggest that 825 million pound may be a more accurate number than 900 million pounds. If so, the market should firm up with a great deal of business still remaining to be done for January forward.

2005 Crop Harvest

Deliveries continue at a steady pace. It has been reported that by October 21st the harvest will be completed in the orchards with the huller-shellers running on stockpiles. Quality has improved as the pollinators have been received. Inedible averages are running above 2%, a level equal with the 2003 crop. Ant damage is the main “culprit” followed by Peach Twig Boer and last Navel Orange Worm. Foreign material, chip-n-scratch and broken are on par with last year. Size count is considerably larger than recent years. Compared to last year Nonpareil production is off 30% with Pollinators down 8-10%. The Butte and Padre varieties are turning in the best consistent production figures so far. Based on receipts the most frequently quoted crop size projection is 820-840 million pounds.

“Buyer & Seller of Quality California Almonds”