

# Almond Market Update

- The almond market remains firm due to lower-than-expected new crop yields and low carryover.
- The reduced availability of 23/25 and 20/22 sizes has driven up premiums for 23/25 AOL, while price differences for NPX and INDX larger sizes have narrowed.
- With the global market still uncovered, we anticipate continued strong sales as buyers restock inventories and address potential price increases.

16 September, 2024



## Inside

A. Price

B. Supply

C. Demand

D. Our View

## A. Price:

FAS Prices – 12 September 2024	
Grade	Price (USD/lb)
STD 5%	2.25
INDX 20/22	3.08
INDX 23/25	2.95
NPX 23/25	3.05
NPX 27/30	2.95

*\*Prices are for reference only and are taken from market transaction and feedback*

Markets have stayed firm following the lowest carry-in since 2019 and an estimated 2.8 billion lbs of new crop production. Sentiment is growing that the actual crop might range between 2.65 and 2.8 billion lbs. Almond prices have surged to near three-year highs as buyers rush to secure immediate shipments.

## B. Supply Side

Harvest is progressing, revealing smaller-than-expected sizes compared to last year for Nonpareil. Many packers also anticipate smaller sizes in the pollinators. The reduced availability of 23/25 and 20/22 sizes has increased premiums for 23/25 AOL, with packers reporting fewer of these sizes than in the previous year.

NPX and INDX larger sizes have narrowed in price, now only 5-10 cents apart. INDX 23/25 is priced at \$2.85-\$2.95 FAS, while NPX 23/25 ranges from \$2.95 to \$3.05 FAS.

Early harvest weather has been ideal, with above-normal temperatures and low humidity enhancing almond maturation and drying. With this year's earlier harvest start, weather is expected to have less impact going forward.

Overall yields are better than last year but still below expectations. Independence has been most affected by the July heat, with statewide reductions of 10-20%. In the south, Nonpareil is down 10-15%, while in the central and northern regions, it's up

about 20%. Early reports indicate Monterey yields are down from last year and lower than Nonpareil in the same orchards.

The final carryforward was 502 million pounds, reflecting a lost and exempt rate of 2.11%, a decrease of 37.19% compared to last year. Even with an earlier harvest, total supply is currently 9.44% lower compared to the same period a year ago, and computed inventory has dropped by 5.84%. accounting for a 2% loss and exempt rate, total supply would be just 1.5% higher than last year. This points to tighter market conditions ahead.

August shipments dropped 20.63% vs. last August, with exports down 29.5%. Total commitments fell 2.3%, and new August commitments were 14.8% lower than last year. Uncommitted inventory is just 11 million pounds, down 68.44%. This decline is likely due to low carry-in levels, a fuller market after strong months from April to June. Additionally, many buyers opted to book the 2024 crop at discounted rates compared to the 2023 crop, which contributed to the lower shipment figures.

## **C. Demand**

Europe, the Middle East, China, Asia, India, and South America have all been active recently in securing shipments for the 4th quarter. With the 2023 crop's limited carryover, inventory remains low in most markets.

Indian importers still active ahead of Diwali, boosting shipments by 24% in August as compared to same period last year. Current inventories are seen as inadequate for festival consumption, meaning buyers will need to remain active in the market.

In August, Western Europe saw a 39% drop in imports compared to last year, with Spain and Germany experiencing declines of 44% and 56%, respectively. The region had enough inventory to meet immediate needs, and uncertainty over crop size and a tighter transition likely led to sellers being less active in offering their products, causing EU buyers to adopt a wait-and-see approach.

In the Middle East, shipments fell by 41%, likely due to limited availability of preferred grades and buyer caution as the harvest began in August. Turkey and Dubai have no spot sales inventory. However, demand from buyers in the region has surged recently in preparation for the upcoming winter, and markets are expected to continue purchasing as confidence grows that prices will remain high in the foreseeable future.

In Northeast Asia, imports from China, Japan, and South Korea all dropped in August. These declines may be linked to the availability of goods in these markets. Shipments to Japan and South Korea, in particular, appear to vary with carryforward levels, with larger volumes being shipped when inventories are higher.

Recent buying interest has been strong, and September shipments are projected to surpass last year's levels. With much of the global market still uncovered, we expect continued robust sales as buyers replenish inventories and manage potential price increases. Given the rising prices and demand, we anticipate a stable and firm market in the coming weeks to months.

*(Source: Select Harvest USA, Summit TreeNuts)*

## **D. Our view:**

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