

STRATAMARKETS ALMOND REPORT

GLOBAL MARKET PRICES, ANALYSIS AND NEWS

WEEKLY MARKET RECAP

Prices Advance in Thin Trade

Prices ticked higher in the U.S FAS market during the week ending December 29 as California sellers withdrew for the holidays.

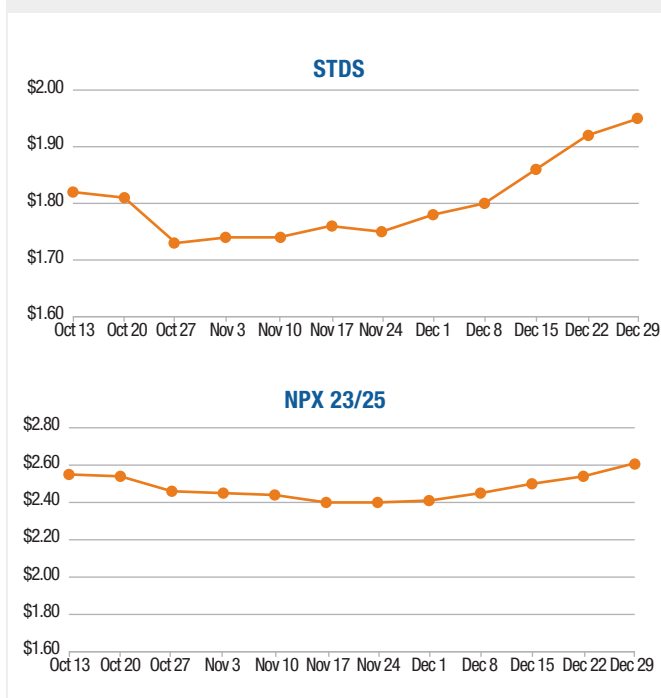
Bids helped nudge prices higher, though few trades were verified. Benchmark STDS and NPIS climbed 3 cents/lb and 4 cents/lb on the week, respectively.

"Sellers are just off the market, but prices in general are firming," a trader said. "All the bad news is out of the way."

Market participants reported good demand for large-kernel almonds from the Middle East, with buyers said to be stocking up ahead of Ramadan. The month-long observance begins April 12.

New demand from the Middle East could help reverse a decline in California almond exports to the region. Exports to the Middle East from August to November are down 7.5% compared with the same period last year, from 94 million pounds to 87 million pounds.

WMC PRICES, US FAS, \$/lb



WEEKLY PRICE ASSESSMENTS, US FAS, \$/lb

ASSESSMENT PERIOD: DEC 22 - DEC 29
WEEKLY MARKET CLOSE (WMC) DATE: DEC 29

ITEM	LOW	HIGH	WMC	WEEKLY CHANGE (WC)
STDS	1.94	1.96	1.95	+0.03

NONPAREIL

NPIS	1.70	1.74	1.72	+0.04
NPX 30/32	2.06	2.08	2.07	+0.04
NPX 27/30	2.14	2.16	2.15	+0.01
NPX 25/27	2.20	2.25	2.22	+0.02
NPX 23/25	2.60	2.62	2.61	+0.07
NPX 20/22	3.00	3.10	3.05	+0.00
NPS 23/25	2.50	2.55	2.53	+0.07

CALIFORNIA

CAL SSR 30/32	2.01	2.03	2.02	+0.02
CAL SSR 27/30	2.02	2.04	2.03	+0.02

BUTTE PADRE

BP SSR 36/40	2.03	2.05	2.04	+0.03
BP SSR 30/32	2.05	2.07	2.06	+0.02
BP SSR 27/30	2.06	2.08	2.07	+0.02

CARMEL TYPE

CAR SUP 27/30	2.02	2.04	2.03	+0.01
CAR SUP 23/25	2.18	2.22	2.20	+0.01

INDEPENDENCE

IIS	1.56	1.58	1.57	+0.04
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CORRECTION

In last week's Weekly Price Assessments table, we misstated the low and high values for NPX 27/30, CAR SUP 27/30, and IIS. The correct low and high values are \$2.13 and \$2.15 for NPX 27/30; \$2.01 and \$2.06 for CAR SUP 27/30; and \$1.52 and \$1.54 for IIS, respectively.

Weekly Market Recap cont'd...

In India, demand in the local wholesale market remained decent, which reduced inventories. But supply at the ports increased as delayed shipments from California arrived, dampening buying interest from India in the U.S. FAS market.

Trade between India and California during the assessment period ending Tuesday was lighter than usual. Deals were reported for NPIS and Sonora Inshell – the latter seen at a 10 cent/lb premium to NPIS. There was no activity reported for IIS as demand for that item in India continued to wane.

Participants said a packer in Australia selling to India two-weeks ago withdrew from the market after securing commitments for its intended supply. Participants said another large packer in Australia has not yet begun selling to India. Australia's 2021-2022 marketing year begins in March.

A buyer who exports to India said he believes demand for California almonds in India could begin to fade if prices in the U.S. FAS market continue to edge higher.

"I don't think these prices are going to work out in the Indian market," the buyer said. "The same thing that happened in September – I think it will happen again, and I think prices will come down again," he added, referring to the price retreat that began in late September.

Demand from China could quiet in weeks ahead

Participants reported little demand from China. Buying for the Chinese New Year is now seen as primarily finished. Moreover, expectations of coming shutdowns in the country due to the upcoming Chinese New Year celebrations and Covid-19-related containment measures could keep buyers in China out of the U.S. FAS market for several weeks, participants said.

In Europe, demand from Germany and Spain remained steady, which helped bolster STDS and BP SSR prices. In addition to interest for prompt-shipment STDS, buyers in Europe were said to be bidding for new crop STDS at between \$2.00/lb and \$2.10/lb FAS – a significant premium to STDS shipping prompt.

Looking ahead, participants expect liquidity to improve next week as packers return to work after the holiday. Though participants expressed different opinions on how prices will trend in January, there was widespread agreement that prices could shift significantly as California's bloom gets underway in February.

FOUR-WEEK ROLLING AVERAGE, US FAS, \$/lb

ITEM	WMC	WC
STDS	1.88	+0.04

NONPAREIL

NPIS	1.64	+0.06
NPX 30/32	1.97	+0.06
NPX 27/30	2.08	+0.05
NPX 25/27	2.16	+0.04
NPX 23/25	2.53	+0.05
NPX 20/22	2.98	+0.08
NPS 23/25	2.45	+0.06

CALIFORNIA

CAL SSR 30/32	1.95	+0.05
CAL SSR 27/30	1.96	+0.05

BUTTE PADRE

BP SSR 36/40	1.96	+0.06
BP SSR 30/32	1.99	+0.06
BP SSR 27/30	2.00	+0.06

CARMEL TYPE

CAR SUP 27/30	1.96	+0.05
CAR SUP 23/25	2.11	+0.07

INDEPENDENCE

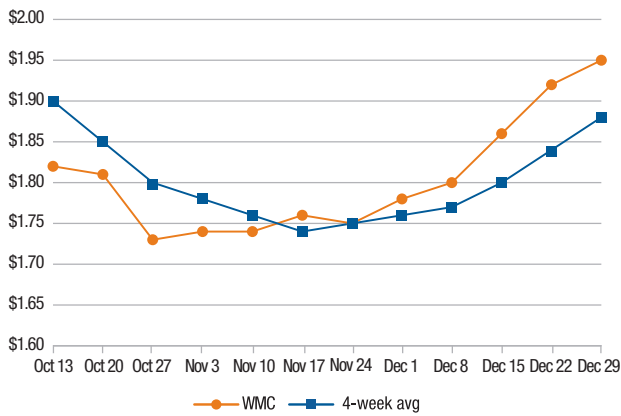
IIS	1.51	+0.05
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STRATAMARKETS
PRICE ASSESSMENT GUIDE

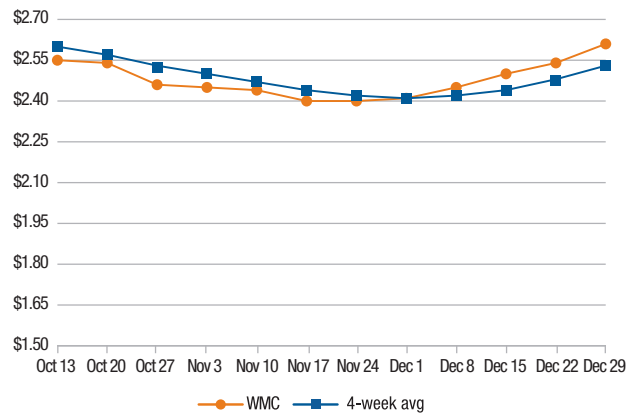
Stratamarkets utilizes a transparent procedure for gathering price information and producing our price assessments. We created and maintain a document, the *Stratamarkets Price Assessment Guide*, to explain this procedure. The document also explains item abbreviations and the market locations, timing, and trading terms and conditions that our price assessments reflect. To request a copy, please send an email to hello@stratamarkets.com.

WMC VS 4-WEEK ROLLING AVERAGE, US FAS, \$/lb

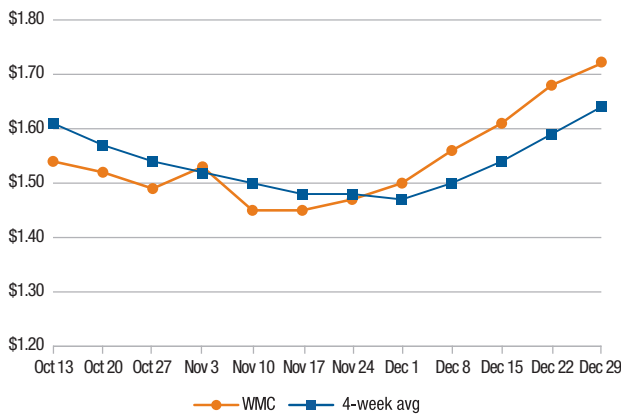
STDS



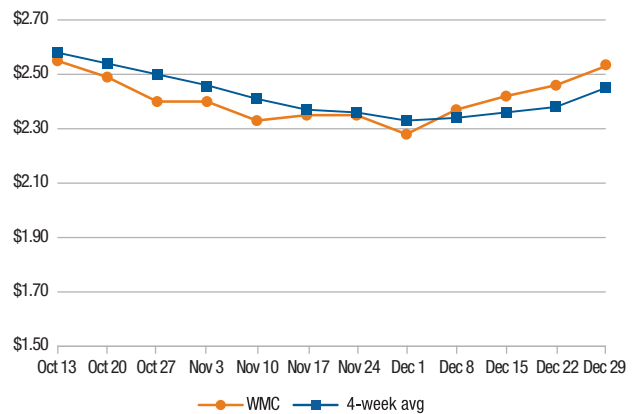
NPX 23/25



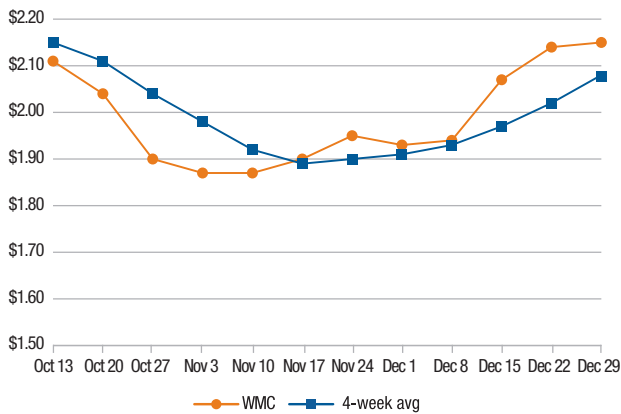
NPIS



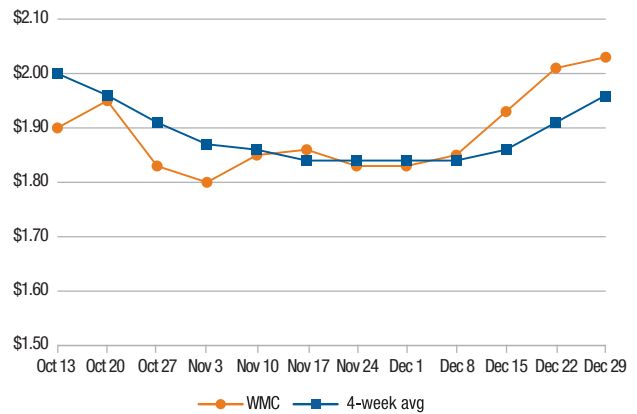
NPS 23/25



NPX 27/30



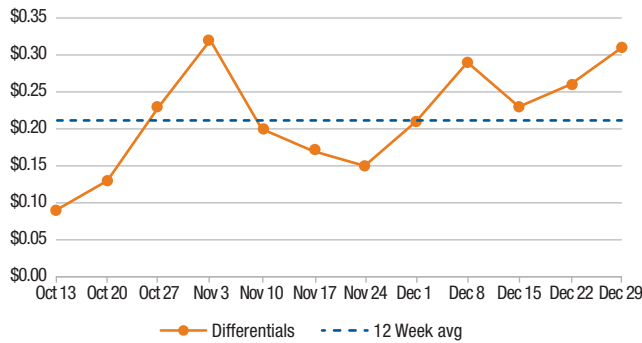
CAL SSR 27/30



FORWARD PRICES FOR STDS, US FAS, \$/lb

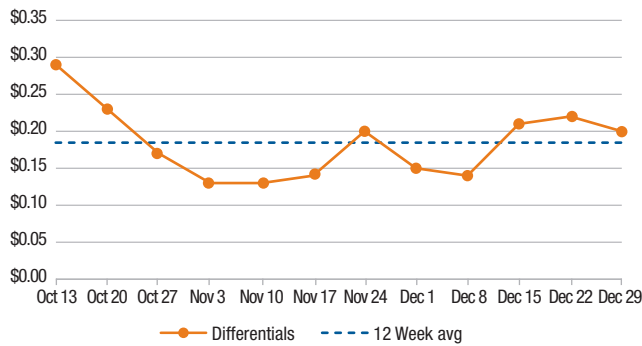
PROMPT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
	Q2 2021			Q3 2021			Q4 2021			Q1 2022		
	\$1.98			\$2.02			\$2.05			\$2.10		

NPIS 70% KERNEL DIFFERENTIAL TO NPX 27/30, US FAS, \$/lb

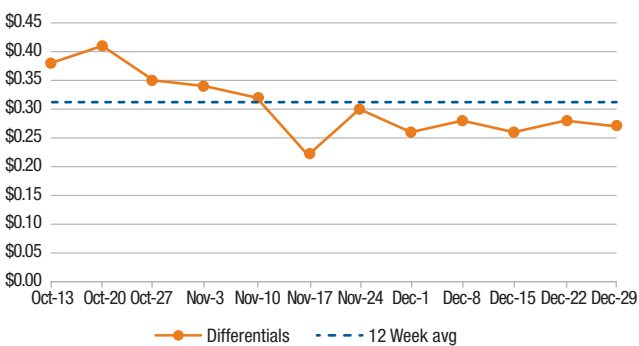


PRICE DIFFERENTIALS TO STDS, US FAS, \$/lb

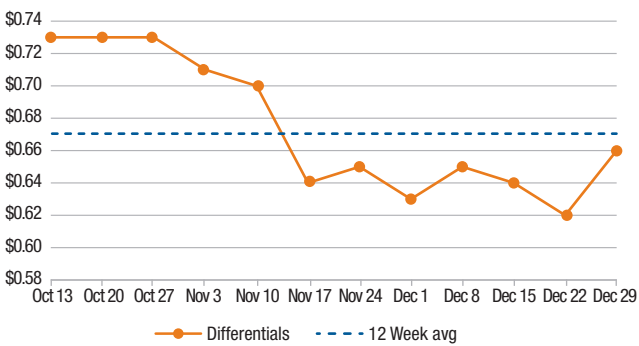
NPX 27/30



NPX 25/27



NPX 23/25



MONTHLY PRICES, US FAS, \$/lb

ITEM	SEP	OCT	NOV	DEC
STDS	1.89	1.80	1.75	1.86

NONPAREIL

NPIS	1.59	1.54	1.48	1.61
NPX 30/32	2.03	1.99	1.84	1.94
NPX 27/30	2.09	2.04	1.90	2.05
NPX 25/27	2.18	2.17	2.04	2.13
NPX 23/25	2.47	2.53	2.42	2.50
NPX 20/22	2.69	2.90	2.72	2.93
NPS 23/25	2.42	2.50	2.36	2.41

CALIFORNIA

CAL SSR 30/32	1.95	1.89	1.83	1.92
CAL SSR 27/30	1.97	1.91	1.84	1.93

BUTTE PADRE

BP SSR 36/40	1.93	1.87	1.82	1.93
BP SSR 30/32	1.97	1.90	1.84	1.95
BP SSR 27/30	2.00	1.91	1.85	1.96

CARMEL TYPE

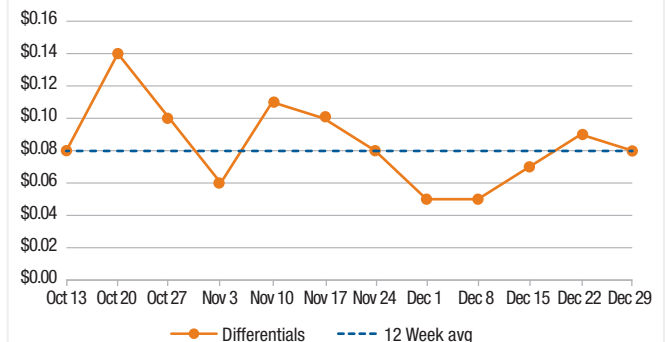
CAR SUP 23/25	1.97	1.96	1.84	1.93
CAR SUP 25/27	2.11	2.08	1.91	2.08

INDEPENDENCE

IIS	1.50	1.39	1.39	1.48
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PRICE DIFFERENTIALS TO STDS, US FAS, \$/lb

CAL SSR 27/30



WMC ASSESSMENT RATIONALE¹**STDS**

No trades or offers were verified. Market participants considered a verified bid at \$1.93/lb FAS at the end of the assessment period (December 22 to December 29) too low to find selling interest.

NONPAREIL**NPIS**

Two trades were verified at \$1.70/lb and \$1.74/lb FAS on a 70% sliding scale, both for January 2021 shipment. Bids were verified at \$1.70/lb and offers at \$1.75/lb FAS at the end of the assessment period.

NPX 30/32

An offer was heard but not verified at \$2.06/lb FAS for February 2021 shipment. No trades or bids were verified. Participants pegged the market-clearing price at between \$2.05/lb and \$2.12/lb FAS.

NPX 27/30

No trades were verified. Participants considered a bid at \$2.09/lb FAS for January to February 2021 shipment too low to attract selling interest. An offer was heard but not verified at \$2.11/lb FAS. Participants pegged the market-clearing price at between \$2.13/lb and \$2.20/lb FAS.

NPX 25/27

No trades were verified. A bid was verified at \$2.21/lb FAS. An offer was heard but not verified at \$2.19/lb FAS. Participants pegged the market clearing-price at between \$2.22/lb and \$2.25/lb FAS.

NPX 23/25

No trades were verified. Two bids were seen at \$2.60/lb FAS and participants pegged the market-clearing price at between \$2.62/lb and \$2.65/lb FAS.

NPX 20/22

No trades or bids were verified. An offer was verified at \$3.10/lb FAS. The assessment was left unchanged.

NPS 23/25

A bid heard but not verified at \$2.30/lb FAS was considered too low to attract selling interest. No trades or offers were verified. The assessment was based on the item's 8 cents/lb discount to NPX 23/25 seen last week.

CALIFORNIA**CAL SSR 30/32**

No trades, bids, or offers were verified. The assessment was based on the item's 4 cents/lb discount to BP SSR 30/32 seen last week.

CAL SSR 27/30

No trades, bids, or offers were verified. The assessment was based on the item's 1 cent/lb premium to CAL SSR 30/32 seen last week. A trade for a similar item, CAL SSR 34/36, was heard at \$1.97/lb FAS but could not be verified.

BUTTE PADRE**BP SSR 36/40**

A trade was heard at \$2.02/lb FAS for January 2021 shipment before the market edged higher with a verified bid at \$2.04/lb FAS and a verified offer at \$2.05/lb FAS.

BP SSR 30/32

A trade was verified at \$2.06/FAS for shipment in January and February 2021.

BP SSR 27/30

No trades, bids, or offers were verified. The assessment was based on the item's 1 cent/lb premium to BP SSR 30/32 seen last week.

CARMEL TYPE**CAR SUP 27/30**

An offer was verified at \$2.07/lb FAS. No trades or bids were verified. The assessment was based on the item's 12 cents/lb discount to NPX 27/30 seen last week.

CAR SUP 23/25

No trades, bids, or offers were verified. The assessment was based on the item's 17 cents/lb premium to CAR SUP 27/30 seen last week.

INDEPENDENCE**IIS**

No trades, bids, or offers were verified. The assessment was based on the item's 15 cents/lb discount to NPIS seen last week.

¹Trades discussed here reflect values minus commissions.

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