

STRATAMARKETS ALMOND REPORT

GLOBAL MARKET PRICES, ANALYSIS AND NEWS

WEEKLY MARKET RECAP

Prices Retreat as Market Prepares for New Position Report and Bloom

Benchmark STDS and NPIS prices fell again in the U.S. FAS market during the week ending February 2 amid reports of a supply glut in California's largest export market.

STDS lost 5 cents on the week while NPIS fell 6 cents. Prices fell for 13 of 16 assessed items. NPX 30/32 remained flat, while NPX 25/27 and NPX 20/22 inched up.

Weak demand in India prevented the market there from reducing its inventory levels, which are reported to be high. A broker in India said managers of almond storage facilities he visited last week told him they're not accepting new supply because there's no room.

"I was shocked that each one was full of material," the broker said, referring to the units he visited.

A buyer for India based in the U.S. added that shipments still making their way to India mean that supply in India could build.

"The importers bought too much and now it has to be sold and the demand is not there," the importer said. "The market is not buying anything."

Demand outlook in India

Short-term demand in India for California almonds looks bearish, market participants said. India's marriage season, a demand driver, will not begin until late April. Warmer temperatures in India are said to be reducing consumption. Protests by farmers in India caused some minor supply-chain disruptions, which contributed to

WEEKLY PRICE ASSESSMENTS, US FAS, \$/lb

ASSESSMENT PERIOD: JAN 26 - FEB 2

WEEKLY MARKET CLOSE (WMC) DATE: FEB 2

ITEM	LOW	HIGH	WMC	WEEKLY CHANGE (WC)
STDS	1.90	1.96	1.91	-0.05

NONPAREIL

NPIS	1.61	1.63	1.62	-0.06
NPX 30/32	2.07	2.10	2.07	0.00
NPX 27/30	2.03	2.08	2.08	-0.04
NPX 25/27	2.15	2.33	2.24	+0.01
NPX 23/25	2.52	2.60	2.52	-0.01
NPX 20/22	2.95	3.01	3.01	+0.02
NPS 23/25	2.40	2.42	2.41	-0.03

CALIFORNIA

CAL SSR 30/32	1.99	2.01	2.00	-0.02
CAL SSR 27/30	2.00	2.02	2.01	-0.02

BUTTE PADRE

BP SSR 36/40	2.01	2.03	2.02	-0.02
BP SSR 30/32	2.04	2.06	2.05	-0.02
BP SSR 27/30	2.05	2.07	2.06	-0.02

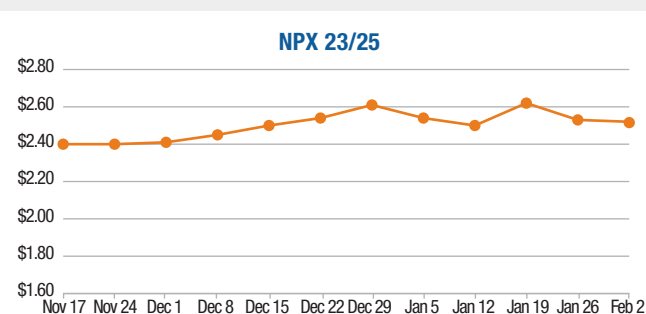
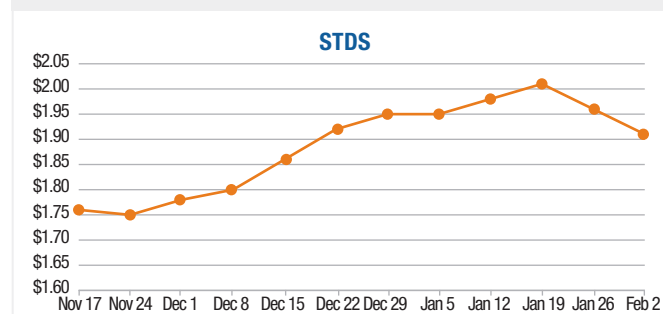
CARMEL TYPE

CAR SUP 27/30	2.00	2.04	2.02	-0.03
CAR SUP 23/25	2.03	2.05	2.04	-0.05

INDEPENDENCE

IIS	1.43	1.45	1.44	-0.06
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WMC PRICES, US FAS, \$/lb



Weekly Market Recap cont'd...

weaker buying interest. Australia has also begun to offer into India, creating competition for California.

NPIS prices fell on thin trade, with no verified transactions for either NPIS or IIS during the week. The IIS discount to NPIS remained higher than normal at 18 cents.

Elsewhere, buyers in China remained dormant ahead of Chinese New Year Celebrations. However, sellers still expect buyers in China to re-enter the FAS market soon after the holiday to refill supply.

Demand in other global markets was soft, yet more robust compared with the prior week. Germany showed more interest last week, and packers reported a decent number of new sales to Japan, Korea, and the Middle East. In Spain, nougat makers returned to the market. U.S. domestic buyers also showed increasing interest. One packer said half of her demand last week came from U.S. domestic buyers.

Trading companies were active in the STDS market. The item was trading at a high of \$1.96/lb FAS for prompt shipment at the start of the week but softened on Monday and Tuesday.

Buyers appeared to be willing to pay a 9-cent premium for new crop STDS shipping in Q4, with verified bids and offers for Q4-shipment STDS at \$2.00/lb FAS.

Precipitation California received last week contributed to the softer prices, relieving some call pool growers who worried about water costs and who were keeping their offers high as a result. Those growers responded to last week's rain and snow by lowering their offers, market participants said.

Even though there were enough motivated sellers in the market to accommodate the lower bids, plenty of packers who are sufficiently sold for the year were able to sit out last week's downswing.

"For those who are further along and don't want to move, the softening prices just confirm that there is no reason to do anything for awhile," said a packer, who counted himself part of that group. "I'm in no rush to move."

The Almond Board of California (ABC) is scheduled to release its January 2021 position report next week. Also, with the start of bloom in the coming weeks, the market will receive an early indication of California's 2021 crop size, which could introduce some price volatility into the market.

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

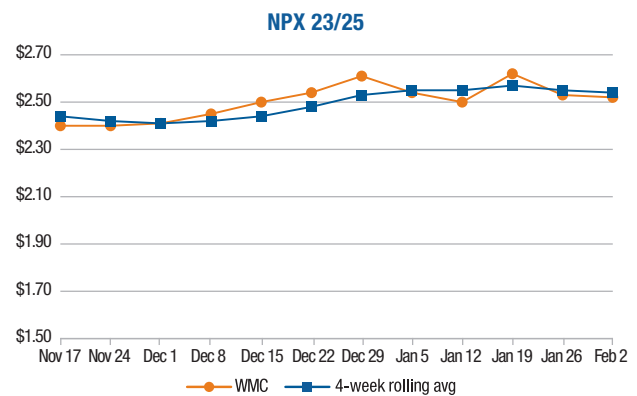
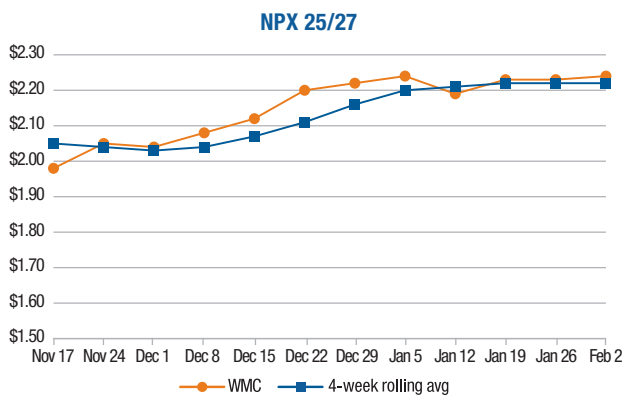
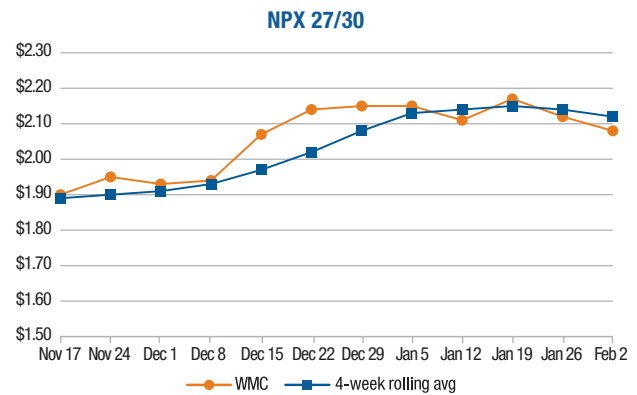
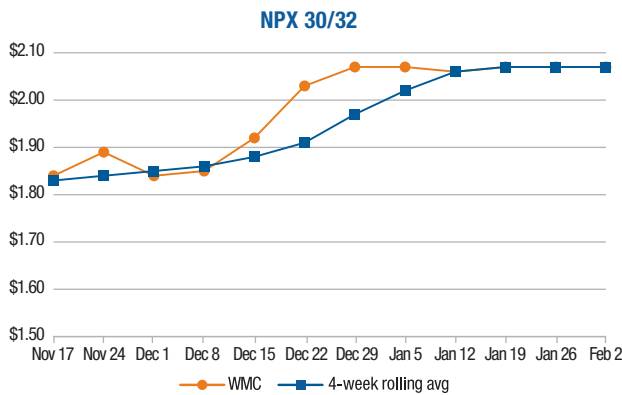
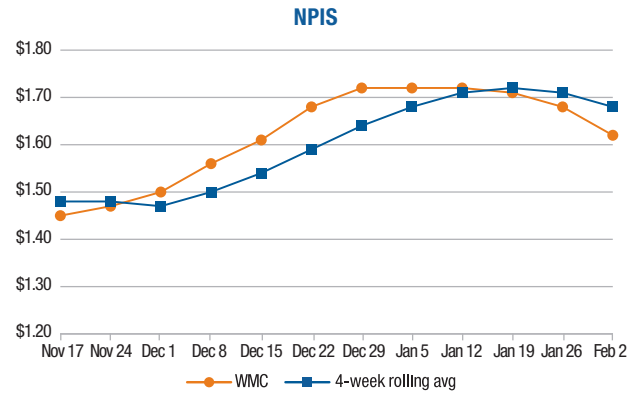
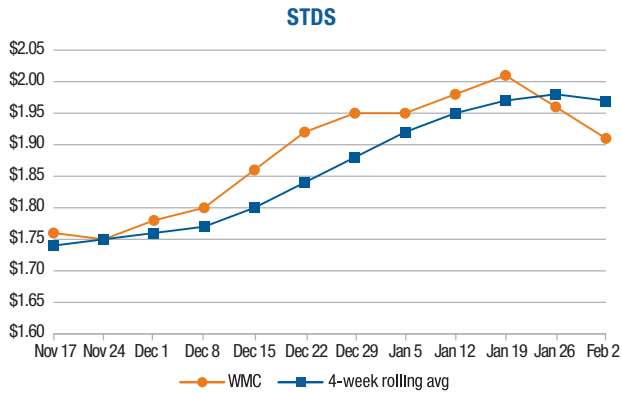
ITEM	WMC	WC
STDS	1.97	-0.01
NONPAREIL		
NPIS	1.68	-0.02
NPX 30/32	2.07	0.00
NPX 27/30	2.12	-0.02
NPX 25/27	2.22	0.00
NPX 23/25	2.54	-0.01
NPX 20/22	3.05	0.00
NPS 23/25	2.46	-0.02
CALIFORNIA		
CAL SSR 30/32	2.03	-0.01
CAL SSR 27/30	2.04	-0.01
BUTTE PADRE		
BP SSR 36/40	2.06	-0.01
BP SSR 30/32	2.07	-0.01
BP SSR 27/30	2.09	-0.01
CARMEL TYPE		
CAR SUP 27/30	2.07	-0.01
CAR SUP 23/25	2.10	-0.03
INDEPENDENCE		
IIS	1.50	-0.03



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.

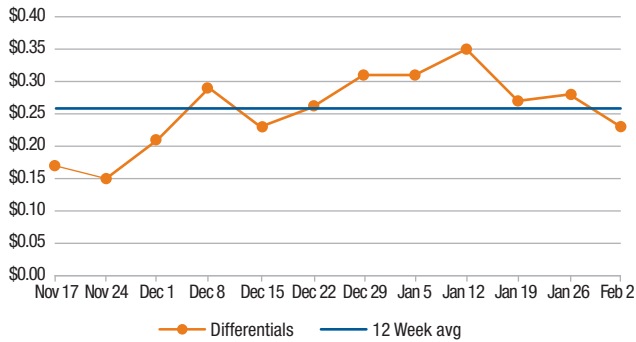
WMC VS 4-WEEK ROLLING AVERAGE, US FAS, \$/lb



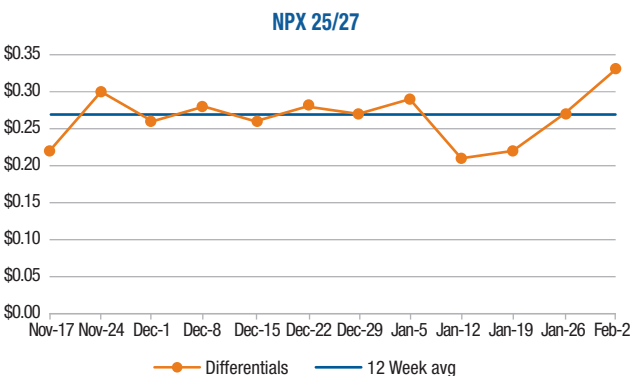
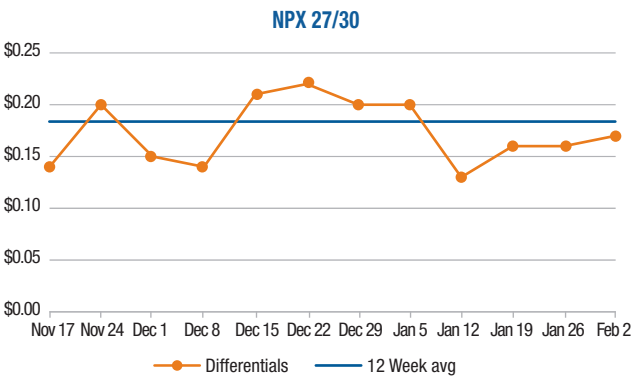
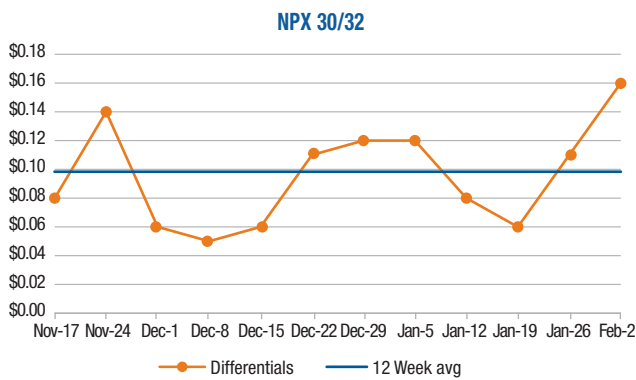
FORWARD PRICES FOR STDS, US FAS, \$/lb

PROMPT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
	Q2 2021			Q3 2021			Q4 2021			Q1 2022		
	\$1.94			\$1.97			\$2.00			\$2.03		

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



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



MONTHLY PRICES, US FAS, \$/lb

ITEM	NOV	DEC	JAN	CURRENT MONTH AVERAGE
STDS	1.75	1.86	1.98	1.91

NONPAREIL

NPIS	1.48	1.61	1.71	1.62
NPX 30/32	1.84	1.94	2.07	2.07
NPX 27/30	1.90	2.05	2.14	2.08
NPX 25/27	2.04	2.13	2.22	2.24
NPX 23/25	2.42	2.50	2.55	2.52
NPX 20/22	2.72	2.93	3.04	3.01
NPS 23/25	2.36	2.41	2.47	2.41

CALIFORNIA

CAL SSR 30/32	1.83	1.92	2.04	2.00
CAL SSR 27/30	1.84	1.93	2.05	2.01

BUTTE PADRE

BP SSR 36/40	1.82	1.93	2.07	2.02
BP SSR 30/32	1.84	1.95	2.08	2.05
BP SSR 27/30	1.85	1.96	2.10	2.06

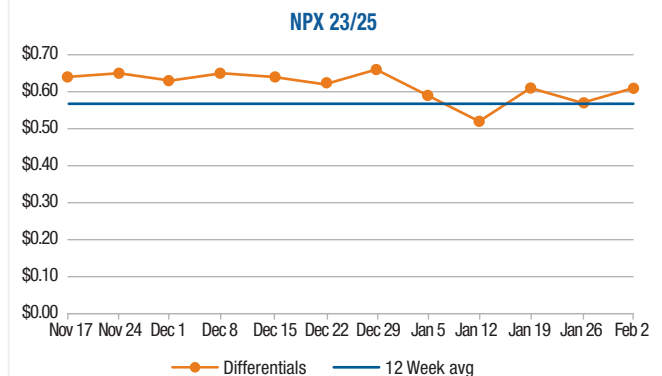
CARMEL TYPE

CAR SUP 23/25	1.84	1.93	2.08	2.02
CAR SUP 25/27	1.91	2.08	2.12	2.04

INDEPENDENCE

IIS	1.39	1.48	1.53	1.44
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PRICE DIFFERENTIALS TO STDS, US FAS, \$/lb



WMC ASSESSMENT RATIONALE

STDS

At the close of the January 27 to February 2 assessment period, a bid was verified at \$1.90/lb FAS and an offer at \$1.92/lb FAS, both for prompt shipment. Trades were heard but not verified at \$1.88/lb and \$1.90/lb FAS. Earlier in the period, trades were verified at \$1.94/lb and \$1.96/lb FAS for May shipment.

NONPAREIL

NPIS

An offer was verified at \$1.63/lb FAS at the close of the assessment period with a bid verified at \$1.61/lb FAS, both for prompt shipment on a 70% sliding scale. No trades were verified.

NPX 30/32

A trade for pasteurized NPX 30/32 was verified at \$2.15/lb EXW for prompt shipment, which converts to an unpasteurized, FAS price of \$2.10/lb. At the close of the assessment period, an offer was verified at \$2.08/lb FAS, indicating a softening market. The market-clearing price was seen 1 cent lower than the offer.

NPX 27/30

The item was bid at \$2.08/lb FAS for prompt shipment and offered at the same level for much of the assessment period. A verified trade for NPX 27/30 K spec at \$2.13/lb FAS for February and March shipment, which converts to a USDA-grade equivalent value of \$2.03/lb FAS, was considered off-market and did not influence the assessment. A verified trade at \$2.25/lb EXW for shipment in each month from February to August did not influence the assessment because it fell outside the zero-to-six-week prompt period assessment window.

NPX 25/27

Multiple trades for NPX 25/27 J and K spec were verified between \$2.25/lb and \$2.37/lb FAS, which convert to USDA-grade values between \$2.15/lb and \$2.27/lb. A trade was also verified at \$2.40/lb delivered to the Middle East for prompt shipment, which converts to a \$2.33/lb FAS value. The assessment was calculated by taking the midpoint of the \$2.15/lb to \$2.33/lb trade range.

NPX 23/25

Early in the assessment period, a trade was verified at \$2.60/lb FAS for February to April shipment. Later in the period, the market fell, with an offer verified at \$2.53/lb FAS for prompt shipment. The market-clearing price was seen 1 cent lower than the offer.

NPX 20/22

Trades were verified at 2.95/lb FAS for March shipment and later in the period at \$3.00/lb EXW for February and March shipment, which converts to a \$3.01/lb FAS value.

NPS 23/25

Offers were verified at \$2.50/lb EXW, and at \$2.43/lb and \$2.42/lb FAS for prompt shipment. The assessment was based on the most competitive offer, with the market-clearing price seen 1 cent lower than that offer.

CALIFORNIA

CAL SSR 30/32

The assessment was based on the item's 1 cent discount to CAL SSR 27/30 seen last week.

CAL SSR 27/30

A trade was verified at \$2.04/lb FAS for April to June shipment, which converts to a prompt-shipment value of \$2.01/lb FAS when accounting for the market contango. At the

close of the assessment period, an offer was verified at \$2.03/lb FAS for prompt shipment.

BUTTE PADRE

BP SSR 36/40

An offer was verified at \$2.05/lb FAS for prompt shipment at the close of the assessment period, with trades heard but not verified at \$2.05/lb and \$2.00/lb FAS for prompt shipment. The market-clearing price was seen at 3 cents lower than the offer.

BP SSR 30/32

The assessment was based on the item's 3 cent premium to BP SSR 36/40 seen last week.

BP SSR 27/30

The assessment was based on the item's 1 cent premium to BP SSR 30/32 seen last week.

CARMEL TYPE

CAR SUP 27/30

Trades were verified at \$2.05/lb FAS for August shipment, which converts to a prompt-shipment value of \$2.00/lb FAS; and at \$2.06/lb FAS for May and June shipment, which converts to a prompt-shipment value of \$2.04/lb FAS. The assessment was based on the midpoint of the prompt-shipment values.

CAR SUP 23/25

A trade was verified at \$2.04/lb FAS for March shipment, with an offer verified at \$2.07/lb FAS for February or March shipment earlier in the assessment period.

INDEPENDENCE

IIS

No trades, bids, or offers were verified. The assessment was based on the item's 18 cent discount to NPIS seen last week.