

STRATAMARKETS ALMOND REPORT

GLOBAL MARKET PRICES, ANALYSIS AND NEWS

WEEKLY MARKET RECAP

Prices Rebound, Ending a Four-Week Downswing

Almond prices rallied in the global industrial market during the week ending Tuesday as talk heightened of a potential inshell shortage in California.

NPIS jumped 9 cents on the week and IIS climbed 15 cents. The perceived inshell shortage – combined with new demand from China, India, and Europe; and a willingness among packers to hold firm on offers – helped increase prices for 16 of 17 assessed items.

Packers have been highlighting a potential inshell shortage for weeks. Though no known publicly available data exists showing the current inshell supply in California, talk of a possible shortage intensified last week among both buyers and sellers.

“I personally feel the major reason for [inshell] prices increasing is due to the shortage,” said an importer in India. “People are realizing there is less inshell.”

A packer in California agreed:

“I don’t have much inshell left, and I supposed that is true for everyone,” the packer said, adding that his company has about 1 million pounds of inshell remaining from a starting supply of between 7 million and 8 million pounds.

On top of the possible inshell shortage in California, packers in Australia have been less active in India’s market in recent weeks compared with the same period last year. A mild summer delayed Australia’s almond harvest by nearly a month, which in turn delayed hulling and shelling. A packer in Australia said he expects his company to begin ramping up its selling activity next week.

WEEKLY PRICE ASSESSMENTS, US FAS, \$/lb

ASSESSMENT PERIOD: FEB 16 - FEB 23
WEEKLY MARKET CLOSE (WMC) DATE: FEB 23

ITEM	LOW	HIGH	WMC	WEEKLY CHANGE (WC)
STDS	1.75	1.82	1.80	+0.06

NONPAREIL

NPIS	1.58	1.63	1.61	+0.09
NPX 30/32	1.95	1.97	1.96	+0.07
NPX 27/30	1.97	1.99	1.98	+0.07
NPX 25/27	2.04	2.06	2.05	0.00
NPX 23/25	2.44	2.46	2.45	+0.06
NPX 20/22	2.94	2.96	2.95	+0.11
NPS 23/25	2.34	2.36	2.35	+0.06

CALIFORNIA

CAL SSR 30/32	1.87	1.89	1.88	+0.07
CAL SSR 27/30	1.88	1.90	1.89	+0.07

BUTTE PADRE

BP SSR 36/40	1.87	1.93	1.90	+0.07
BP SSR 30/32	1.92	1.94	1.93	+0.07
BP SSR 27/30	1.93	1.95	1.94	+0.07

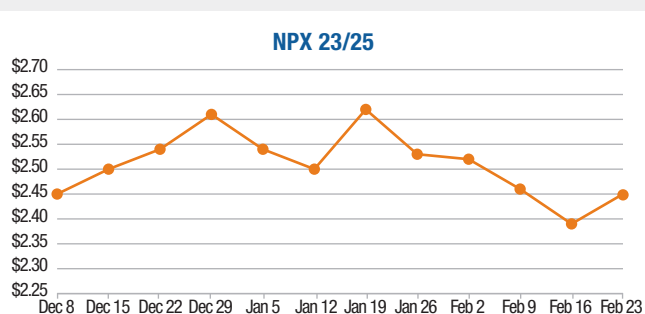
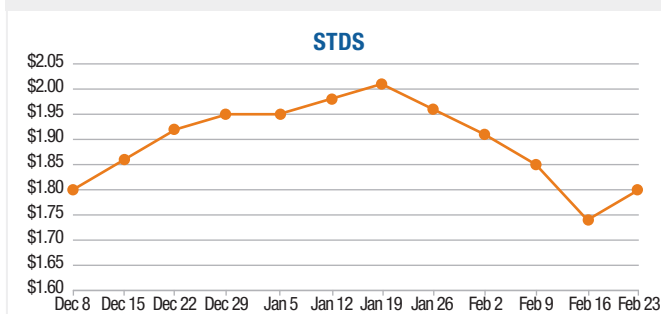
CARMEL TYPE

CT SUP 27/30	1.86	1.88	1.87	+0.04
CT SUP 23/25	1.88	1.90	1.89	+0.04

INDEPENDENCE

IIS	1.42	1.50	1.49	+0.15
INDX 23/25	1.99	2.01	2.00	+0.01

WMC PRICES, US FAS, \$/lb



Weekly Market Recap cont'd...

Inshell demand from China last week also helped bolster inshell prices. Demand from China had been quiet for weeks, but inshell inventories there appear to be draining, though kernel stocks appear to be adequate, said a separate packer in Australia.

NPIS traded in a wide range last week and firmed throughout the assessment period. IIS showed even more strength, with the NPIS premium to IIS shrinking from 18 cents to 12 cents.

Still, inshell price gains did not appear logical to all market participants. An inshell buyer for India based in the U.S. said prices in India's local market remain low, with delayed shipments purchased months ago still arriving, temperatures warming, and India's wedding season not set to begin until late April.

"I'm not sure who is buying at these prices," the importer said. "Even if you're buying at a low of \$1.55 FAS, you're still not breaking even in India."

Inventories diminishing in Europe

Meanwhile, in Europe, manufacturing companies unable to purchase for prompt shipment from California due to shipping logjams in the state turned instead to local sellers for supply.

"End users are scrambling to cover on the local spot market," a packer in California said. "The second-hand inventory that is sitting over there is getting sucked up."

The need to replenish inventories helped rekindle buying interest for STDS from Europe. At the start of the assessment period, manufacturing companies were said to be buying STDS at \$1.70/lb FAS, although trades at that level could not be verified.

But as sellers lifted offers for STDS or pulled them from the market, bids climbed. On Tuesday, the market peaked with a trade for prompt shipment STDS verified at \$1.80/lb FAS and buyers paying a premium for new crop.

Almond prices have been choppy in recent weeks in the industrial market. Last week's rally followed four weeks of losses. Prices touched near record lows recently after unexpectedly bearish January shipments.

As the week ending Tuesday got underway, buyers showed interest in transacting at those low levels. Packers, however, mostly declined to engage. The result was a wide gap separating bids and offers for much of the week, until bids began to climb.

"Handlers won't participate when the prices are so damn cheap," a trader said. "The bottom was short-lived."

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

ITEM	WMC	WC
STDS	1.83	-0.04

NONPAREIL

NPIS	1.59	-0.02
NPX 30/32	1.98	-0.03
NPX 27/30	2.00	-0.04
NPX 25/27	2.12	-0.04
NPX 23/25	2.46	-0.02
NPX 20/22	2.94	-0.01
NPS 23/25	2.36	-0.02

CALIFORNIA

CAL SSR 30/32	1.91	-0.03
CAL SSR 27/30	1.92	-0.03

BUTTE PADRE

BP SSR 36/40	1.93	-0.04
BP SSR 30/32	1.96	-0.04
BP SSR 27/30	1.97	-0.03

CARMEL TYPE

CT SUP 27/30	1.92	-0.05
CT SUP 23/25	1.94	-0.05

INDEPENDENCE

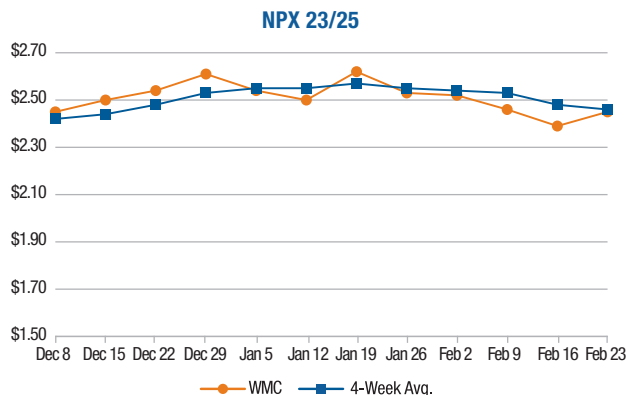
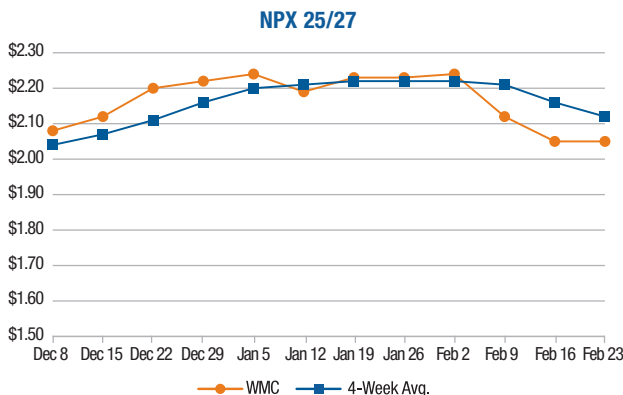
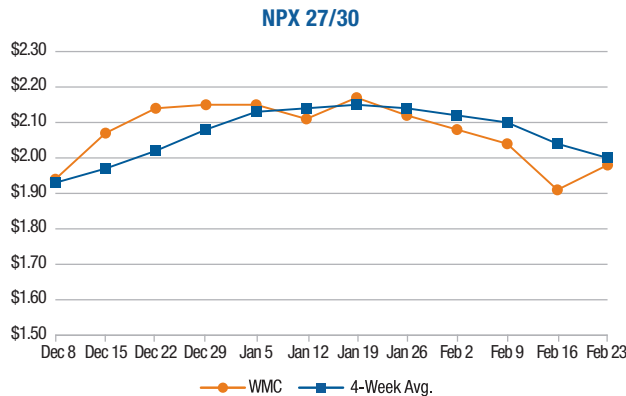
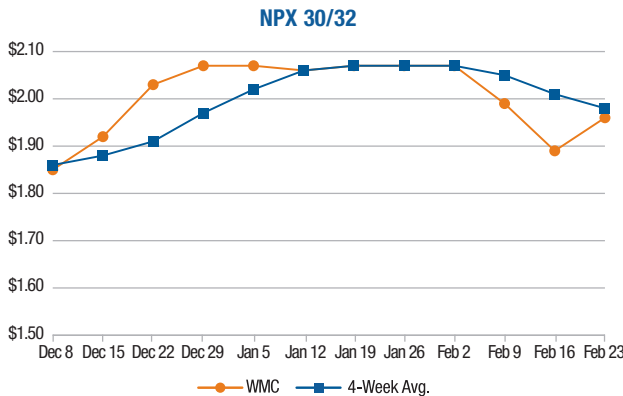
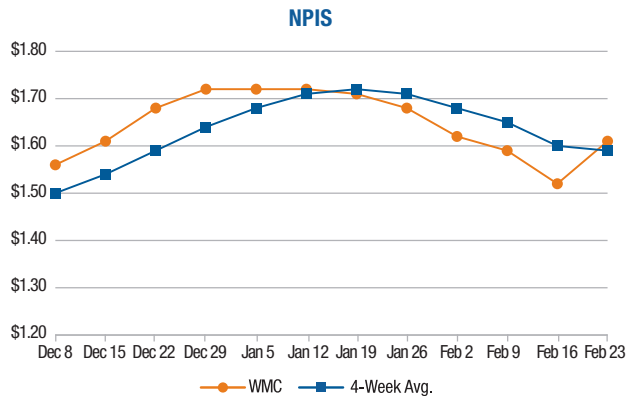
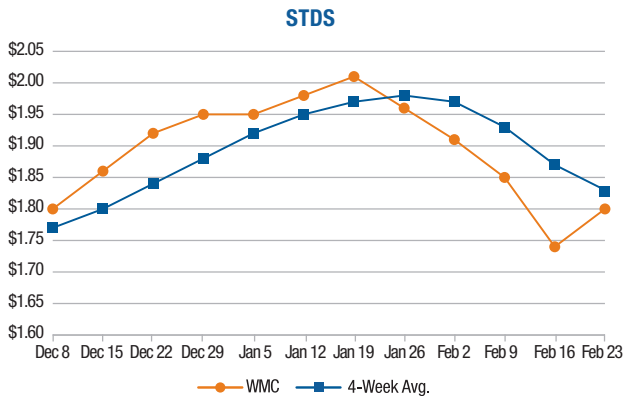
IIS	1.42	0.00
INDX 23/25	2.04	-0.05

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.

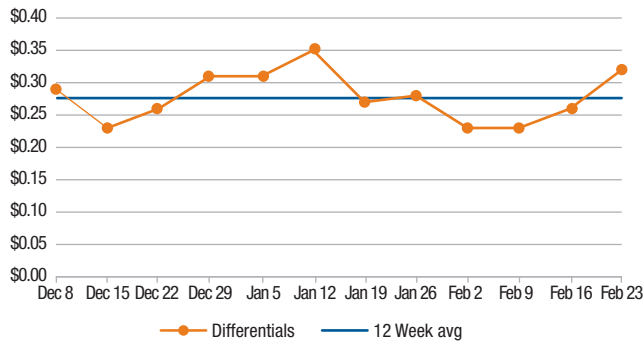
WMC VS 4-WEEK ROLLING AVERAGE, US FAS, \$/lb



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

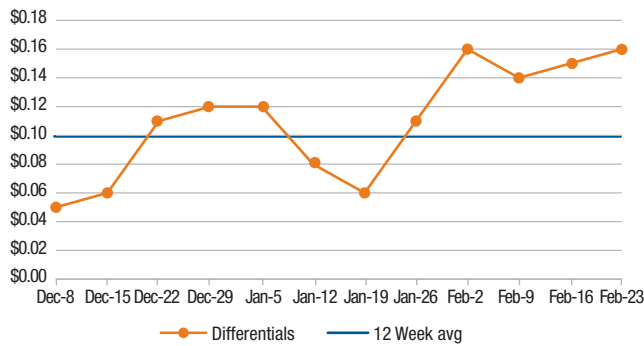
PROMPT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
	Q2 2021			Q3 2021			Q4 2021			Q1 2022		
\$1.80	\$1.83			\$1.85			\$1.88			\$1.90		

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

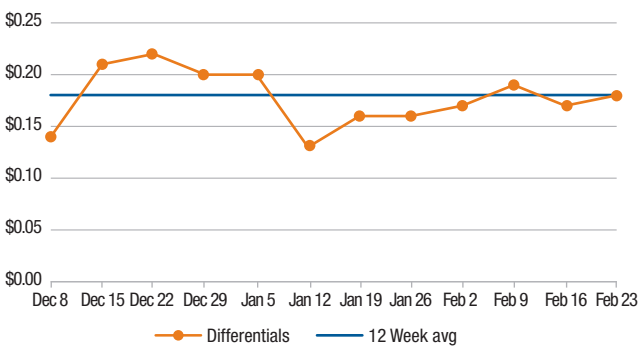


PRICE DIFFERENTIALS TO STDS, US FAS, \$/lb

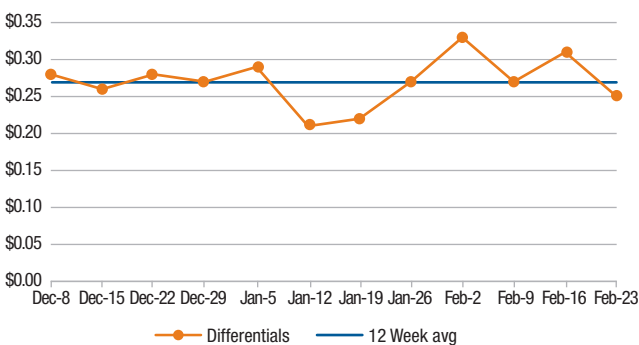
NPX 30/32



NPX 27/30



NPX 25/27



MONTHLY PRICES, US FAS, \$/lb

ITEM	NOV	DEC	JAN	CURRENT MONTH AVERAGE
STDS	1.75	1.86	1.98	1.83

NONPAREIL

NPIS	1.48	1.61	1.71	1.59
NPX 30/32	1.84	1.94	2.07	1.98
NPX 27/30	1.90	2.05	2.14	2.00
NPX 25/27	2.04	2.13	2.22	2.12
NPX 23/25	2.42	2.50	2.55	2.46
NPX 20/22	2.72	2.93	3.04	2.94
NPS 23/25	2.36	2.41	2.47	2.36

CALIFORNIA

CAL SSR 30/32	1.83	1.92	2.04	1.91
CAL SSR 27/30	1.84	1.93	2.05	1.92

BUTTE PADRE

BP SSR 36/40	1.82	1.93	2.07	1.93
BP SSR 30/32	1.84	1.95	2.08	1.96
BP SSR 27/30	1.85	1.96	2.10	1.97

CARMEL TYPE

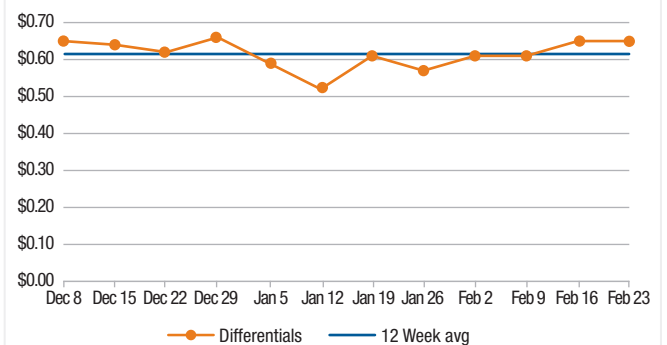
CT SUP 27/30	1.84	1.93	2.08	1.92
CT SUP 23/25	1.91	2.08	2.12	1.94

INDEPENDENCE

IIS	1.39	1.48	1.53	1.42
INDX 23/25	2.00	2.08	2.18	2.04

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

NPX 23/25



WMC ASSESSMENT RATIONALE

STDS

The item was bid and offered at \$1.80/lb FAS for March shipment at the close of the February 16 to February 23 assessment period. The item also traded at \$1.80/lb FAS for prompt shipment at the close of the period.

NONPAREIL

NPIS

Multiple offers for prompt shipment were seen at the close of the assessment period, with the most competitive offers at \$1.62/lb FAS. Higher offers were verified for shipment beyond the prompt period and did not influence the assessment. Earlier in the period, trades were verified at \$1.56/lb FAS; and at \$1.58/lb, \$1.60/lb, and 1.66/lb CIF – all for prompt shipment on a 70% sliding scale. The market-clearing price was seen at \$1.61/lb FAS

NPX 30/32

No trades, bids, or offers for prompt shipment were verified. The assessment was based on the item's 2-cent discount to NPX 27/30 seen last week.

NPX 27/30

At the close of the period, the item was bid and offered at \$1.98/lb FAS for prompt shipment. An offer heard at \$1.95/lb FAS could not be verified.

NPX 25/27

The item was bid and offered at \$2.05/lb FAS at the close of the period. A verified trade for NPX 25/27 J-spec at \$2.15/lb FAS for May and June and shipment fell outside the prompt period and did not influence the assessment.

NPX 23/25

Multiple offers for prompt shipment were seen at the close of the period with the most competitive offer at \$2.45/lb FAS for March shipment. The item was also bid

at \$2.45/lb FAS for prompt shipment. No trades were verified.

NPX 20/22

An offer was verified at \$2.95/lb for prompt shipment and a bid was heard but not verified at \$2.99/lb for prompt shipment. The market-clearing price was seen at \$2.95/lb FAS.

NPS 23/25

The item was offered at \$2.45/lb FAS for prompt shipment, which was seen as higher than the market-clearing price. The assessment was calculated based on the item's 10-cent discount to NPX 23/25 seen last week. No trades or bids were verified. Pasteurized NPS 23/25 was offered at \$2.40/lb EXW for prompt shipment, which converts to an unpasteurized FAS offer of \$2.35/lb.

CALIFORNIA

CAL SSR 30/32

No trades, bids, or offers were verified. A bid for a similar item, CAL SSR 32/34, was verified at \$1.86/lb FAS for prompt shipment. The market-clearing price was seen at \$1.88/lb FAS.

CAL SSR 27/30

No trades, bids, or offers were verified. The assessment was based on the item's 1-cent premium to CAL SSR 30/32.

BUTTE PADRE

BP SSR 36/40

The item was bid at \$1.87/lb FAS and offered at \$1.93/lb FAS for prompt shipment. The assessment was based on the midpoint of the bid and offer. No trades were verified.

BP SSR 30/32

No trades, bids, or offers were verified. The assessment was based on the item's 3-cent premium to BP SSR 36/40 seen last week.

BP SSR 27/30

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

CARMEL TYPE

CT SUP 27/30

The item was bid at \$1.80/lb FAS for prompt shipment. No trades or offers were verified. The assessment was based on the item's 2-cent discount to CT SUP 23/25 seen last week.

CT SUP 23/25

The item was offered at \$1.90/lb FAS for prompt shipment at the close of the period. No trades or bids were verified. A bid for a similar item, CT SSR 23/25, was verified at \$1.79/lb FAS at the start of the period. The market-clearing price was seen at \$1.89/lb FAS.

INDEPENDENCE

IIS

The item traded at \$1.42/lb FAS at the start of the assessment period. Later in the period, a trade was heard but not verified at \$1.50/lb FAS and a bid was heard but not verified at the same level. The market-clearing price was seen at \$1.49/lb FAS. Higher bids and offers for shipment beyond the prompt period were verified but did not influence the assessment.

INDX 23/25

The item was offered at \$2.00/lb FAS for prompt shipment at the close of the assessment period. Earlier in the period, the item was bid at \$1.90/lb FAS. The market-clearing price was seen at the same level as the offer.



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