

STRATAMARKETS ALMOND REPORT

GLOBAL MARKET PRICES, ANALYSIS AND NEWS

WEEKLY MARKET RECAP

Prices for STDS Fall as SSR-Grade Items Increase

Sized SSR-grade item price premiums to STDS increased in the global almond market the week ending Tuesday as trade ticked up.

The BPSSR 30/32 premium to STDS ended the week at 18 cents, up from 9 cents the week prior. BPSSR 30/32 gained 5 cents/lb on the week while STDS fell 4 cents/lb as packers sold their remaining 2020-2021 crop year inventory.

“They want to get rid of it and move into the new season” said a grower in Fresno County, adding that buyers in Europe were reluctant to pay more than \$2.20/lb FAS for STDS for most of the week. “They’re just holding the line there. They know we have to move and clear the warehouses out.”

The strong selling interest for the prompt period helped keep the STDS market in a contango structure with prompt-shipment STDS pegged at a 17-cent discount to STDS shipping in Q4 2021. Stratamarkets assessed prompt-shipment STDS at \$2.21/lb FAS while a trade for STDS shipping in Q4 2021 was verified at \$2.38/lb FAS.

Packers’ reluctance to sell product shipping in 2022 appeared to diminish last week with more trades reported for the period. A packer reported selling 22 containers of STDS shipping from October 2021 to August 2022 at \$2.40/lb FAS, among other trades reported for the period. Another packer said he believes now could be the time to ramp up offers for the 2022 period.

“The industry has to start selling sooner than later,” the packer said. “We’re still keeping things close to the vest for 2022, but we may have to break out of the pack if no one else is offering.”

KEY PRICES, US FAS, \$/lb

ASSESSMENT PERIOD: JULY 27 - AUG 3
WEEKLY MARKET CLOSE (WMC) DATE: AUG 3

| ITEM | LOW | HIGH | WMC | WEEKLY CHANGE |
|------|------|------|------|---------------|
| STDS | 2.20 | 2.22 | 2.21 | -0.04 |

NONPAREIL

| | | | | |
|-----------|------|------|------|-------|
| NPIS | 2.33 | 2.40 | 2.37 | -0.03 |
| NPISKW | 3.33 | 3.43 | 3.39 | -0.03 |
| NPX 30/32 | 2.62 | 2.65 | 2.63 | +0.06 |
| NPX 27/30 | 2.70 | 2.84 | 2.78 | -0.03 |
| NPX 25/27 | 2.85 | 3.00 | 2.91 | +0.03 |
| NPX 23/25 | 3.06 | 3.08 | 3.07 | +0.02 |
| NPX 20/22 | 3.29 | 3.31 | 3.30 | +0.05 |
| NPS 23/25 | 3.01 | 3.03 | 3.02 | +0.02 |

CALIFORNIA

| | | | | |
|--------------|------|------|------|-------|
| CALSSR 30/32 | 2.32 | 2.34 | 2.33 | +0.01 |
| CALSSR 27/30 | 2.38 | 2.40 | 2.39 | +0.06 |

BUTTE PADRE

| | | | | |
|-------------|------|------|------|-------|
| BPSSR 36/40 | 2.35 | 2.37 | 2.36 | +0.05 |
| BPSSR 30/32 | 2.38 | 2.40 | 2.39 | +0.05 |
| BPSSR 27/30 | 2.39 | 2.41 | 2.40 | +0.05 |

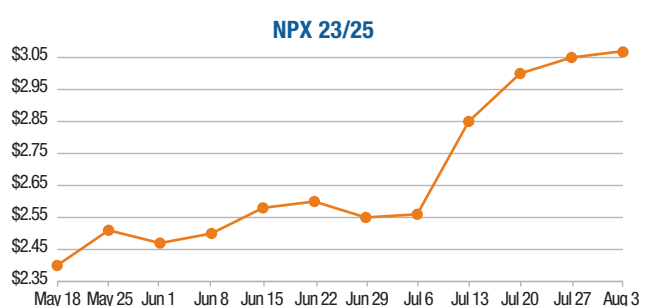
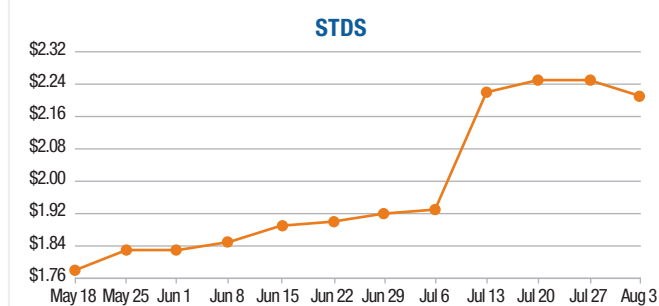
CARMEL TYPE

| | | | | |
|-----------|------|------|------|-------|
| CTS 27/30 | 2.51 | 2.55 | 2.52 | -0.01 |
| CTS 23/25 | 2.55 | 2.65 | 2.60 | +0.02 |

INDEPENDENCE

| | | | | |
|------------|------|------|------|-------|
| IIS | 2.10 | 2.12 | 2.11 | -0.09 |
| IISKW | 3.00 | 3.03 | 3.01 | -0.09 |
| INDX 23/25 | 2.79 | 2.81 | 2.80 | +0.27 |

WMC PRICES, US FAS, \$/lb



Weekly Market Recap cont'd...

In recent weeks, many packers have refrained from selling for the 2022 period because they believe drought conditions in California will reduce almond production in the state this year and next year and shrink kernel sizes, leading to higher prices.

Initial results from the start of the 2021-2022 crop year harvest in California shows lower yields and smaller kernels, multiple packers and growers said last week.

"I've never seen almonds this small – ever," said the grower referred to previously, hours after receiving results from his huller on 150-acres of harvested and hulled Nonpareil. "We're seeing historically bad numbers."

A packer in Kern County said that based on initial results from this year's harvest by growers in his pool, he expects that 23/25 and larger-size kernels will make up 20% of his handle this year, down from 59% the previous crop year. He cautioned that his projections are based on a small data set and that early harvests typically produce smaller-than-average yields and kernel sizes.

"In the past few days, I've heard nothing but horror stories about the size of the almonds," said the packer, whose company handles more than 60-million pounds per year. "I'm on the doom and gloom side of things right now, but I know a lot can change."

Meanwhile, NPIS lost 3 cents/lb on the week, ending four consecutive weeks of price increases as demand from India cooled and traders in the U.S., Hong Kong, and China began offering inshell at lower levels compared with packers in California, market participants said.

Stratamarkets assessed NPIS at \$2.37/lb FAS for August shipment, a 6-cent premium to NPIS shipping in September, which was seen at \$2.31/lb FAS. Stratamarkets assessed IIS at \$2.11/lb FAS for August shipment, a 26-cent discount to NPIS.

Inshell prices remain at high levels compared with previous months. But with most kernel prices climbing and inshell prices falling, the spread between the two is shrinking. Notably, the IISKW price premium to INDX 23/25 narrowed to 21 cents last week from 61 cents/lb the prior week, mainly on the increase in the assessed price for INDX 23/25, which gained 27 cents/lb on the week.

In other markets, buying from China subsided while Europe remained quiet. Sellers noted an increase in demand from buyers in North America.

"The level of business is picking up," a packer said. "The domestic market feels fairly active to us. A lot of business that was postponed from May to August is now starting to happen."

MONTHLY PRICES, US FAS, \$/lb

| ITEM | MAY | JUNE | JULY | CURRENT MONTH AVERAGE |
|------|------|------|------|-----------------------|
| STDS | 1.84 | 1.88 | 2.16 | 2.21 |

NONPAREIL

| | | | | |
|-----------|------|------|------|------|
| NPIS | 1.87 | 1.97 | 2.23 | 2.37 |
| NPISKW | 2.67 | 2.81 | 3.19 | 3.39 |
| NPX 30/32 | 2.04 | 2.06 | 2.33 | 2.63 |
| NPX 27/30 | 2.12 | 2.17 | 2.57 | 2.78 |
| NPX 25/27 | 2.26 | 2.33 | 2.71 | 2.91 |
| NPX 23/25 | 2.51 | 2.54 | 2.87 | 3.07 |
| NPX 20/22 | 2.85 | 2.91 | 3.19 | 3.30 |
| NPS 23/25 | 2.41 | 2.49 | 2.82 | 3.02 |

CALIFORNIA

| | | | | |
|---------------|------|------|------|------|
| CAL SSR 30/32 | 1.88 | 1.90 | 2.24 | 2.33 |
| CAL SSR 27/30 | 1.90 | 1.91 | 2.25 | 2.39 |

BUTTE PADRE

| | | | | |
|--------------|------|------|------|------|
| BP SSR 36/40 | 1.90 | 1.90 | 2.22 | 2.36 |
| BP SSR 30/32 | 1.93 | 1.92 | 2.25 | 2.39 |
| BP SSR 27/30 | 1.95 | 1.94 | 2.26 | 2.40 |

CARMEL TYPE

| | | | | |
|--------------|------|------|------|------|
| CT SUP 27/30 | 1.93 | 1.97 | 2.32 | 2.52 |
| CT SUP 23/25 | 2.04 | 2.02 | 2.37 | 2.60 |

INDEPENDENCE

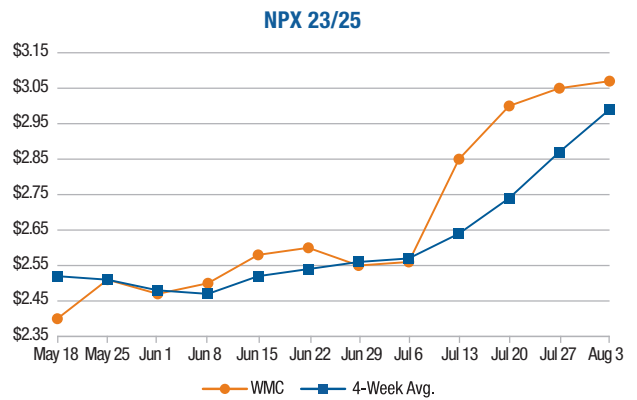
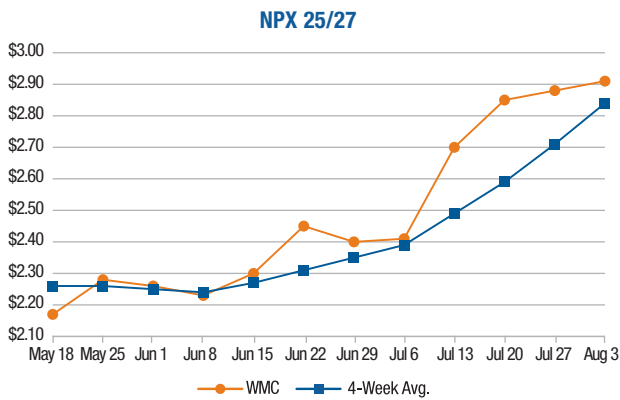
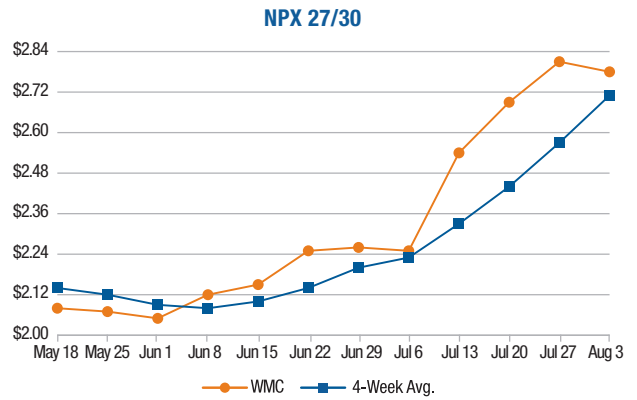
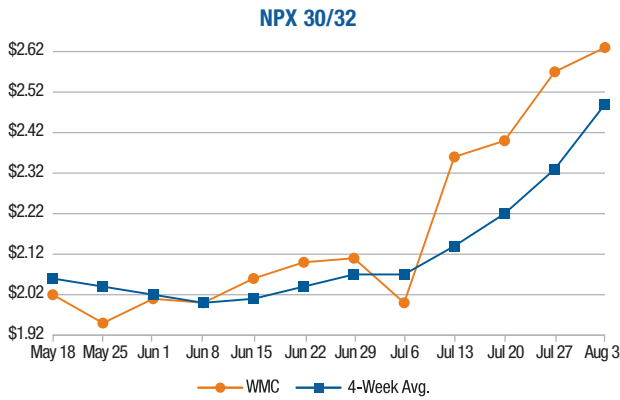
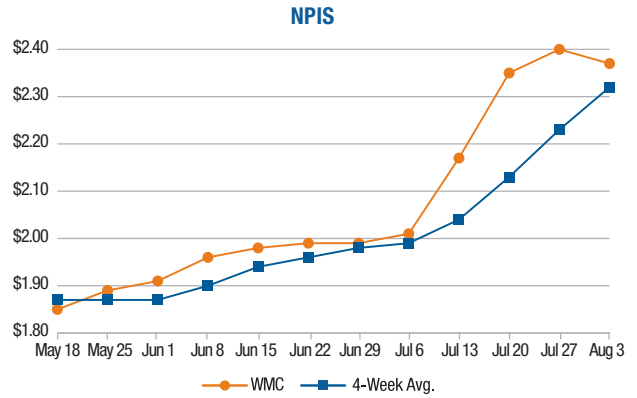
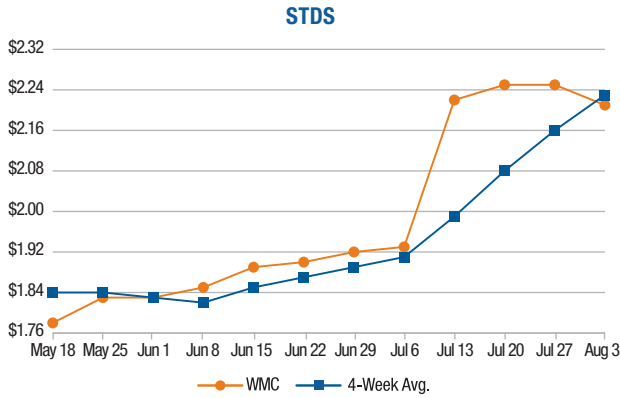
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|------------|------|------|------|------|
| IIS | 1.69 | 1.77 | 2.03 | 2.11 |
| IISKW | 2.41 | 2.53 | 2.90 | 3.01 |
| INDX 23/25 | 2.07 | 2.12 | 2.40 | 2.80 |



METHODOLOGY & SPECIFICATIONS GUIDE

The *Stratamarkets Methodology & Specifications Guide* explains the price assessments published in this report and in our data platform. The guide explains item abbreviations, defines the markets we assess, and describes how we gather price information and produce the price assessments. To request a copy, please send an email to hello@stratamarkets.com.

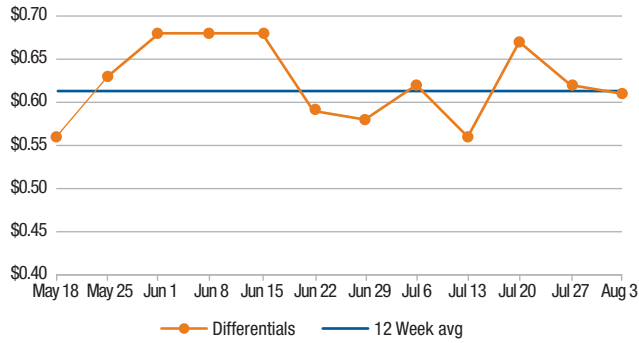
WMC VS 4-WEEK ROLLING AVERAGE, US FAS, \$/lb



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

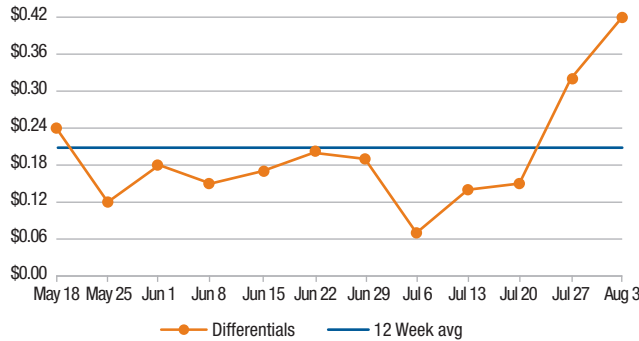
| PROMPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| | Q4 2021 | | | Q1 2022 | | | Q2 2022 | | | Q3 2022 | | |
| \$2.21 | \$2.38 | | | \$2.39 | | | \$2.40 | | | \$2.40 | | |

NPISKW DIFFERENTIAL TO NPX 27/30, US FAS, \$/lb

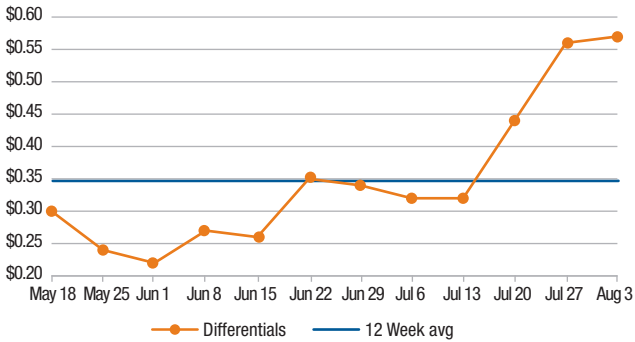


PRICE DIFFERENTIALS TO STDS, US FAS, \$/lb

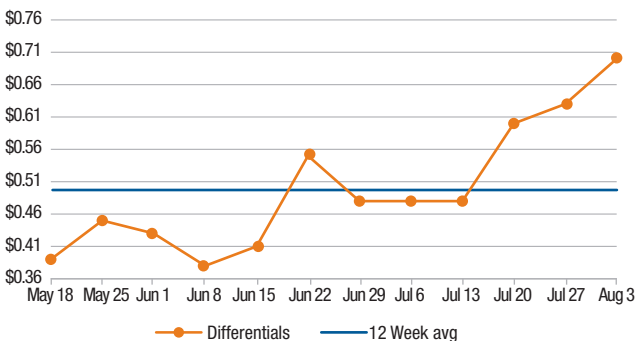
NPX 30/32



NPX 27/30



NPX 25/27



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

| ITEM | WMC | WC |
|------------------|------|-------|
| STDS | 2.23 | +0.07 |
| NONPAREIL | | |
| NPIS | 2.32 | 0.09 |
| NPISKW | 3.32 | +0.13 |
| NPX 30/32 | 2.49 | +0.16 |
| NPX 27/30 | 2.71 | +0.13 |
| NPX 25/27 | 2.84 | +0.13 |
| NPX 23/25 | 2.99 | +0.13 |
| NPX 20/22 | 3.28 | +0.10 |
| NPS 23/25 | 2.94 | +0.13 |

CALIFORNIA

| | | |
|---------------|------|-------|
| CAL SSR 30/32 | 2.32 | +0.09 |
| CAL SSR 27/30 | 2.35 | +0.10 |

BUTTE PADRE

| | | |
|--------------|------|-------|
| BP SSR 36/40 | 2.31 | +0.09 |
| BP SSR 30/32 | 2.34 | +0.09 |
| BP SSR 27/30 | 2.35 | +0.09 |

CARMEL TYPE

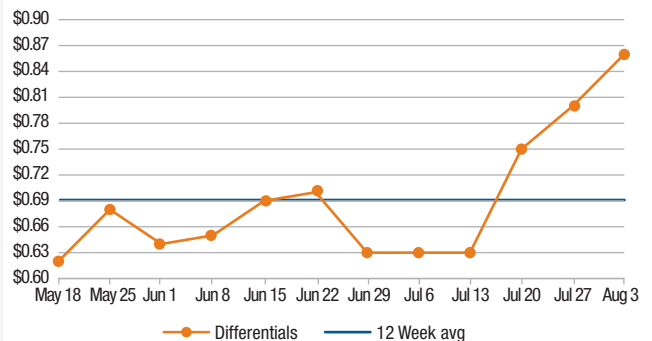
| | | |
|--------------|------|-------|
| CT SUP 27/30 | 2.43 | +0.12 |
| CT SUP 23/25 | 2.49 | +0.13 |

INDEPENDENCE

| | | |
|------------|------|-------|
| IIS | 2.11 | +0.08 |
| IISKW | 3.01 | +0.11 |
| INDX 23/25 | 2.57 | +0.17 |

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

NPX 23/25



WMC ASSESSMENT RATIONALE**STDS**

The item traded multiple times at \$2.20/lb FAS for August and September shipment during the July 27 to August 3 assessment period. At the close of the assessment period, the item was bid at \$2.20/lb FAS. The item was assessed at \$2.21/lb FAS.

NONPAREIL**NPIS**

Trades for August shipment were verified at \$2.43 CIF India (\$2.38/lb FAS), \$2.38/lb CIF India (\$2.33/lb FAS), \$2.40/lb FAS, and \$2.41/lb CIF India (\$2.37/lb FAS), all on a 70% sliding scale. At the close of the assessment period, an offer was verified at \$2.42/lb FAS. The item was assessed at \$2.37/lb FAS based on the closing trade.

NPX 30/32

Trades were verified at \$2.67/lb CIF Dubai (\$2.63/lb FAS) and \$2.65/lb FAS for September shipment. NPX 30/32 with 3% C&S traded at \$2.67/lb FAS for September shipment, which converts to a USDA Extra specification of \$2.62/lb FAS. A trade was heard but not verified at \$2.64/lb FAS. The item was assessed at \$2.63/lb FAS based on the average of the verified trades.

NPX 27/30

More than a dozen trades were verified from \$2.70/lb FAS to \$2.84/lb FAS for August and September shipment. The item traded twice at \$2.74/lb FAS and

\$2.80/lb FAS, both for August shipment, on the final day of the assessment period. The item was assessed at \$2.78/lb FAS based on the average of the trades.

NPX 25/27

The item traded multiple times from \$2.85/lb FAS to \$3.00/lb FAS for August and September shipment. The item was assessed at \$2.91/lb FAS based on the average of the trades.

NPX 23/25

NPX 23/25 with 3% C&S traded at \$3.11/lb FAS for September and October shipment, which converts to a USDA Extra specification of \$3.06/lb FAS. A high specification, pasteurized NPX 23/25 traded at \$3.12/lb FOB for August and September shipment, which converts to an unpasteurized, USDA Extra specification, FAS price of \$3.08/lb FAS. At the close of the assessment period, the item was bid at \$3.06/lb FAS. The item was assessed at \$3.07/lb FAS based on the trades.

NPX 20/22

The item traded at \$3.30/lb FAS for September shipment with an offer at \$3.35/lb FAS. The item was assessed at \$3.30/lb FAS based on the trade

NPS 23/25

No trades, bid, or offers were verified. The item was assessed at \$3.02/lb FAS based on its 5-cent discount to NPX 23/25 last week.

CALIFORNIA**CAL SSR 30/32**

No trades, bids, or offers were verified. A similar item, CALSSR 34/36, traded at \$2.29/lb FAS for August and September shipment. The item was assessed at \$2.33/lb FAS assuming 4-cent premium to CALSSR 34/36.

CAL SSR 27/30

CALSSR 27/30 with 10 piece per ton foreign material traded at \$2.54/lb FOB for September to December shipment, which converts to a USDA Select Sheller Run specification, FAS price of \$2.50/lb FAS. The item was assessed at \$2.39/lb FAS based on the trade and the \$0.036 per month market contango structure.

BUTTE PADRE**BP SSR 36/40**

No trades, bids, or offers were verified. The item was assessed at \$2.36/lb FAS based on its 3-cent discount to BPSSR 30/32 last week.

BP SSR 30/32

The item traded at \$2.50/lb FAS for Q4 2021 shipment. The item was assessed at \$2.39/lb FAS based on the trade and the \$0.036 per month market contango structure.

BP SSR 27/30

No trades, bids, or offers were verified. The item was assessed at \$2.40/lb FAS based on its 1-cent premium to BPSSR 30/32 last week.

CARMEL TYPE**CT SUP 27/30**

The item traded at \$2.55/lb FAS for September and October shipment, which converts to a prompt-shipment trade of \$2.52/lb FAS. The item was assessed at \$2.52/lb FAS.

CT SUP 23/25

The item traded at \$2.60/lb FAS for October shipment, which converts to a prompt-shipment trade of \$2.55/lb FAS. Later in the assessment period, a similar item, CTS 25/27, traded at \$2.65/lb FAS for October, which converts to a prompt-shipment, CTS 23/25 trade of \$2.65/lb FAS. The item was assessed \$2.60/lb FAS based on the average of the two trades.

INDEPENDENCE**IIS**

The item traded at \$2.11/lb FAS for August and the first half of September shipment and late in the assessment period at \$2.16/lb CIF India (\$2.11/lb FAS), both on a 70% sliding scale. The item was assessed at \$2.11/lb FAS.

INDX 23/25

Two trades were verified at \$2.80/lb FAS for prompt shipment. The item was assessed at \$2.80/lb FAS.



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