

Good afternoon,

We would like to share with you the following information about the market situation. The most important thing is that the Spanish almond rate has not changed on the market since weeks. It has maintained the same price and with a very poor activity (domestic wise and exportation), we have been observing, that is the main reason for price stability. There is an important maintenance in terms of movements, as far as husks are concerned, and this can be seen in the grain market, where the offer is quite low and is aimed at short-term deliveries. On the other hand, the demand, also low, it happens the opposite. In short term, there are not much business opportunity and it is more focus on medium/ long term. Therefore, on the less activity there are many situations that influence on it.

This market situation looks like it regulates itself. If there was an extensive offer there would not be enough demand to satisfy it. Therefore, the price would go down. If it were the opposite, the price would gone up. But we have a situation where there is a shortage of both, therefore the price does not change and is maintained. To make a change on that, the normal thing is that one of the two sides of the coin make some movement, and with the conditions that we have today, we may not see it, except for unexpected surprises, that you never know.

There are prices and differentials that are not usual to see them. For example, a difference between comunas or late blooms and monovarietales of + € 0.05 / kg, largueta prices are down due to lack of interest and marcona remains strong at prices whose differentials with the commune are high. On the other hand, today a 12/14 has only been observed +0.05 € / kg respect to the owner, when the usual is +0.10 € / kg. The s / 14 of comuna and monovarietales returns to the differential of + € 0.20 / kg. The organic one has lack activity, a feeling of more offer than demand.

The American market is experiencing a situation of slightly bullish prices, rising of + 0.05/ 0.10 \$/lb on the last weeks. It is because they have been active in other markets that are not known for Spanish almonds, that is, where they have no relevance. We are talking about Asian countries, India and other countries of Ramadan. Some of them are beginning to prepare for the festivity, which will be next April.

It is important to note that Europe, the main market for the Spanish almond and for the American as well, has been no active during the month of November in general, but in recent days there has been a greater activity in the American, being invaluable in the Spanish.

American sellers have been able to defend themselves in recent weeks and this has caused them to be very calm. Let us remember that for months his situation has been very comfortable, having already made a significant volume of sales.

Today, 15<sup>th</sup> of December, we will have shipment information from November, where it is expected that they will be good again. That is why many sellers are withdrawn from the offer waiting for this figure. There is a 60% of probability of crop sold. The most relevant information will be the harvest entry, crucial data.

Therefore, there is the feeling that the Americans have their homework done quite well, having already sold most of part of their crop by today, and this gives them peace of mind. For our part, it seems that we do not have as much of our crop as sold as they do and this generates some nervousness not for the present, but for the future. It is for sure that on 2021 will be a big crop volume than we are used to. Let's see how we manage it.

On the other hand, last week we had the conferences that are annually on these dates by the Almond Board, where many things of interest were discussed. Here's a summary of the highlights:

#### **Summary 'Almond Board Conference 2020'**

- Self-congratulation for the Almond Board's ability to handle international relations in the global community on import matters. They say that the issues affecting this product are less than other US agricultural products but that they get along.
- The administration is focused on the pandemic and any international or legislative regulation always follows the current efforts of the pandemic by politicians.
- Biden's nomination of Tom Vilsack as secretary of agriculture begins to comment positively for the sector.
- The relationship with the European Union is important for the USA, although they consider it unbalanced ... They will fight to reduce barriers and continue to build markets for agricultural producers.
- They indicate that the orange worm is the usual enemy and encourage to be aggressive and invest to reduce it.

#### **Notes on the conference**

As the days have passed, attendance and interest have decreased. The conference has been very focused on local producers, technology applied to the sector and the advances that the Almond Board of California makes for the industry. There is a considerable part focused on marketing strategies by country, they talk about India, China / Korea / Japan and how to sell the product in each market. They comment that the pandemic has left people concerned about their immune systems, and that they will make the marketing of the product as favorable to our immune system.

A positive balance is made of the large size of the crop, the 3 Billion pounds are taken for granted and how well it is being sold.

Hopefully this helps. Thank you.