

## Market information (05/04/2021)

Good Morning,

We want to share the following information about the evolution of market on the recent weeks and how it is now.

On 9<sup>th</sup> of April was published the report on American shipments of March, had very positive figures (shipments of + 28.1%, monthly sales of + 9.80% and harvest entry of just over 3.09 Blb (+ 22.10%). These situations develop to a price increase from around \$ 1.75 / \$ 1.80 / lb to \$ 1.90 / lb, referring to Std 5%.

Later than American report, on 14<sup>th</sup> of April, Terranova published its harvest estimate based on a total acreage of 1,280,000 acres, with an estimated yield of 2,190 lbs / acre, that would mean an estimated harvest of 2,803 Blbs, estimating a carrying of 650 Mlbs, it would give a total harvest very similar to this 2020 campaign, around 3.45 Blbs.

	TNT (BLB)	SUBJECTIVE (BLB)	OBJECTIVE (BLB)	REAL (BLB)
<b>2017 CROP</b>	2,27	2,20	2,25	2,26
<b>2018 CROP</b>	2,51	2,30	2,45	2,27
<b>2019 CROP</b>	2,53	2,50	2,20	2,53
<b>2020 CROP</b>	2,96	3,00	3,00	3,09
<b>2021 CROP</b>	2,80	?? (12 <sup>th</sup> of May)	?? (7 <sup>th</sup> of July)	??

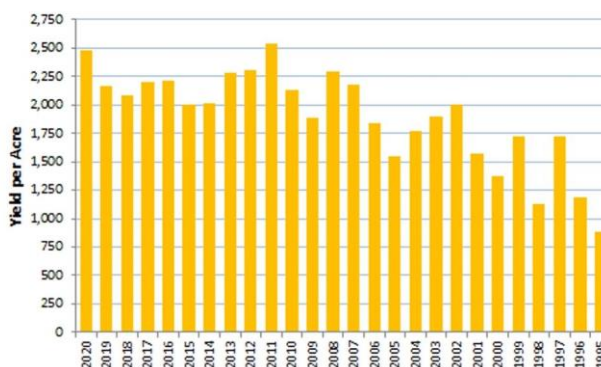
This information did not cause any change on market, being the expected figure. For its part, the price remained stable, although with the rise a fairly withdrawn demand could be observed, especially European and Arab, due to the celebration of Ramadan.

On 23<sup>rd</sup> of April, the official production estimate of the area was published in 1,330,000 acres, which represents + 6.4% of the current 2020 harvest, which taking the yield of Terranova, we

would have a harvest of 2, 91 Blbs. Therefore, once the surface is known, we would only need the subjective and objective performance to have a better approximation.

That performance, which is expected to be lower than it was on 2020, its evolution can be seen in the graph.

Yield per Acre



This new information, together with the lack of demand mentioned before, caused a small decrease on the price, around \$ 1.85 / lb, referring to Std 5%.

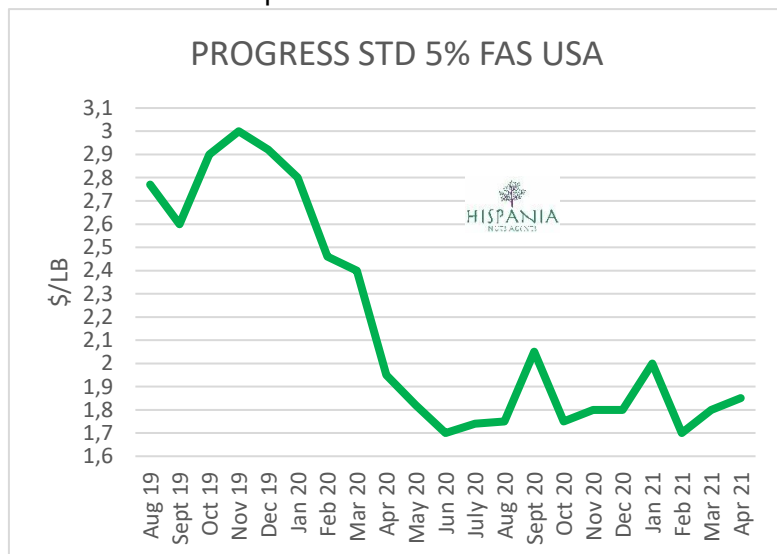
Unlike previous months, where good shipments moved the price up to quickly retreat and return to initial values of \$ 1.75 / 1.80 / lb, we see that this time the price is holding and it is costing it to retreat, being this decrease mentioned before is not agreed by all sellers, despite of the fact that the activity in

ALMOND PRICES HISPANIA NUTS AGENTS			
Evolución de precio STD 5% (Abril 2021)			
Semana 14	\$1,81/lbs	alcista	ante previsión buena de embarques sube la std 5%. Finalmente embarques de +28,1% (embarques) + 9,8% ventas. Se prevé subida de +0,05 cents.
Semana 15	\$1,90/lbs	alcista	después de embarques sube +0,05, tras estimación TNT la oferta sube el precio a \$1,90/lbs
Semana 16	\$1,90/lbs	bajista	no cambia pese a que la estimación de los acres de la USDA podría situar una cosecha en 2,90. Parece un poco al alza la cosecha nueva.
Semana 17	\$1,86/lbs	bajista	va cediendo poco a poco el precio tras dos estimaciones de acres superiores a las de TNT

general has decreased. The offer looks like stablish in front of these prices and the demand is waiting for a possible drop to previous levels of shipments.

On the following graphs that appear on the right you can see the evolution of the price of the American almond both in the month of April and since the 2019 campaign.

The new shipment data for the month of April 2021 that will come out on 11<sup>th</sup> of May, which is expected to be quite good, and especially the subjective estimate of the farmers on 12<sup>th</sup> of May, are awaited with great interest. Probably, this data is a key for the future of the market at least until 7<sup>th</sup> of July, when we would know an objective estimate.



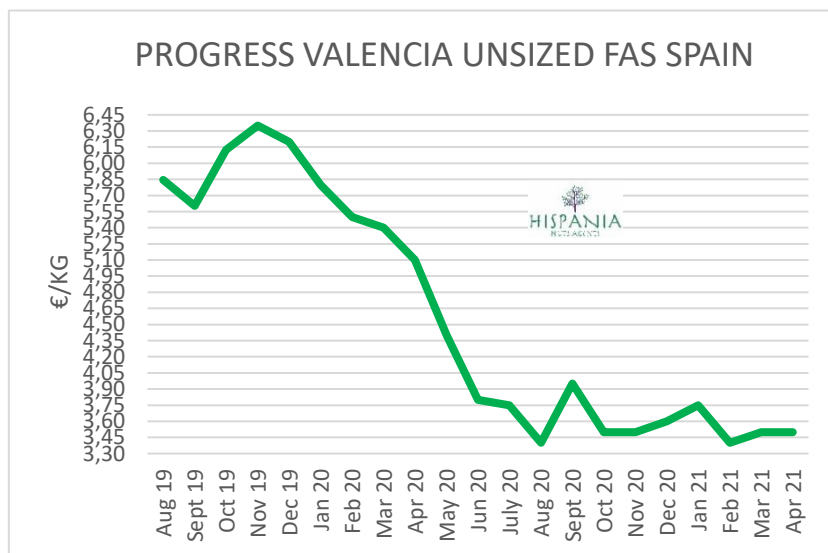
Spanish almond has been practically no change under all the events mentioned before. When the American almond had a small rebound, the Spanish one also tried, from a poor offer, to follow this rise on price without much success.

The supply pressure was very low and demand, as the American one, did not follow this rise, which meant that there was practically no need to speak of an increase on price. It was a hint of a climb that finally came to nothing.

And so that is how weeks have passed until now, with very low activity. An offer that has disappeared due to a lack of activity in shelled almonds that are not very happy with current prices and are still holding out, but is difficult, a possibility of a possible rebound in price. On the demand side, it maintains the dynamics of the last months, giving an image of being sufficiently supplied, little needy and listening only to low prices and new harvest.

With this, we can say that the price has not changed from € 3.50 / kg if we talk about the Valencia unsized. We can see in the graph how the price has progress since the last 2019 campaign.

It is true that it is quite difficult to understand how the American almond can be at some levels and the Spanish at others with a significant downward differential. The answer is that at somewhat higher

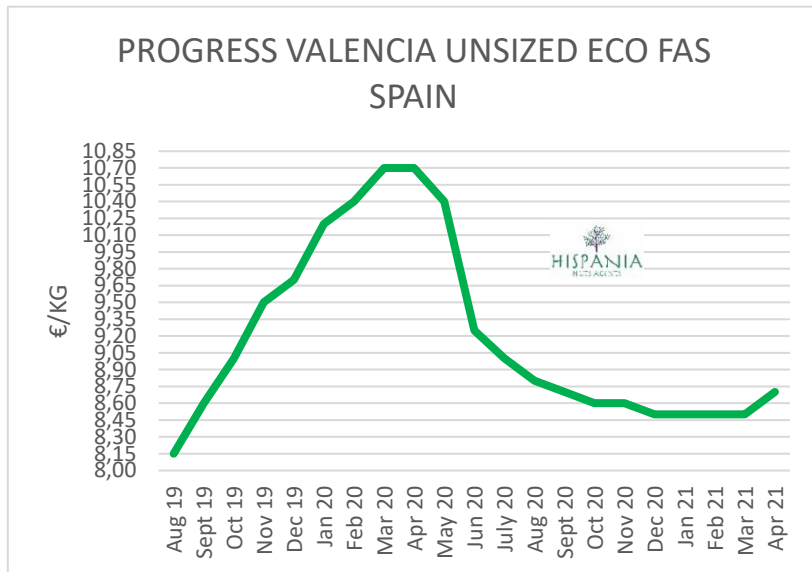


levels than the American, as we have spoken, the market where the Spanish operates, does not accept them either. Consequently, it does not accept if we raise Spanish prices, giving an image, the demand, of little need and nervousness, as we have commented.

This lack of activity in general is quite worrying because it will produce an accumulated for the campaign that is quite high, something that is almost a fact unless something unexpected happens.

If there is no surprise from some of the previously American estimations mentioned before, it looks like we can have a season very similar to the present one, not only in the quantity of almonds, but also in prices. At least, that's what seems most likely.

For bio almonds, given the situation of the frosts that mainly affected the area where it produces, it has caused uncertainty in the market and a situation of rising prices. We do not know exactly the magnitude of the loss or where the



price will finally be, but we do know that the offer is very scarce or almost disappeared until we see the result. Therefore, we have seen a price that does tend to rise, as can be seen in the graph to the right.

We hope this information would be helpful.

Thank you.