

Good morning,

We already have the last report about the American shipments of the last month, MAY 2021.

The **amount of shipments** is 219.41 Mlbs (+ 42.6%), much higher than last May from last year with 153.89 Mlbs. This means that we have another record month. All months of the campaign, except last January, are record figures.

Regarding the **sales of the month** we have 102.90 Mlbs, being 110.90 Mlbs last year, which means **-7.21% of sales in May**.

Export shipments have been 149.51 Mlbs (+ 54.6%), being all months record except last January. The domestic ones have been 69.89 Mlbs (+ 22.3%), being all records except August, January, March and April.

Regarding the **harvest**, we have an input of 3,101.60 Mlbs (+ 22.28%), assuming a total usable (available) harvest of 3,489.69 Mlbs (+ 24.45%).

Regarding what was sold and not shipped, we have a total of 607.75 Mlbs (+ 33.34%). Shelling would be, on domestic, 248.38 Mlbs (+ 0.26%) and exports 359.36 Mlbs (+ 72.74%). These data do not include what was done in the new crop.

Regarding what was sold in the new harvest, we have a total of 231.51 Mlbs (-19.20%) compared to the 286.52 Mlbs of last year. Shelling would be, on domestic, 98.67 Mlbs (-23.16%) and exports 132.83 Mlbs (-15.99%).

With this information, they would have a total of 433.70 Mlbs (+ 30.88%) unsold (inventory). On previous campaign they sold 89.77 Mlbs in June and 74.48 Mlbs in July, a total of 164.25 Mlbs. Therefore, with these reference data, a total of 269.45 Mlbs would remain unsold for August 2021 onwards. In this campaign, 167.12 Mlbs remained unsold for August 2020. With which, we would have to remain unsold this year for the following year + 61.23% compared to the previous one. The reason why there is an interest on recent weeks in giving out the current harvest.

They have approximately 1 Blbs without shipped, if in June and July they shipped around 200/220 Mlbs (in case of this average increase in shipments month by month) they would have around 550/600 Mlbs of carryin for next season, which It has been estimated on begining, less than the 700/750 Mlbs that was estimated at the beginning, with which the carryin has been reduced.

With this information we can see that **they have sold in general 3.06 Blbs, + 23.59%** compared to last year. The total shipped for the entire campaign to date is + 21.39%, lower than the increase in entry harvest that we have seen is + 22.28%, hence, as we have commented, there will be a greater carryin than in the previous harvest (which was 450.12 Mlbs).

Regarding the **destination** of shipments, countries such as Canada, China (very strong increase), Japan, Vietnam (very strong increase), India, France, Italy (very strong increase), the Netherlands (strong increase), United Kingdom, Saudi Arabia stand out. (strong rise), United Arab Emirates (very strong rise), Turkey (strong rise) or Morocco (another very strong rise). On the negative side, few countries of importance appear, an example may be South Korea or

Germany. In Spain the situation has been very positive, with 18.81 Mlbs this month compared to 10.46 Mlbs the previous year (+ 79.83%). In total, 191.05 Mlbs have been exported to Spain, compared to 163.70 Mlbs last year (+ 16.71%). In Europe in general, 56.82 Mlbs this month compared to 41.30 Mlbs the previous year (+ 37.58%). In total, Europe has imported this harvest by + 18% compared to last. A total of 645.26 Mlbs. Bad news for the Spanish almond ...

Therefore, with this information, we find bullish aspects such as good shipments, the most visible, in addition to the good, flawless trajectory that is being followed in a year like this 2021. But some bearish data appears, or at least calming of the euphoria that this data can offer, such as the bad month of sales that this May has been. Another bearish data is that it has been compared to a May 2020 that was very very bad. We can also add that, as we have explained before, they still have enough product to sell, which means that the activity cannot be relaxed. Another bearish data would be that the new crop sales data are worse than last year, in a crop that is supposed to be similar. If it is true that there is a problem with water (upward data) that can affect both this harvest (which is less than expected according to a subjective estimate of 3.20 Blb, as is the opinion of many American operators. Lack of water and its higher cost will mean that not all farmers can dispose of it as it should and would cause the fruit to be affected until its harvest and produce a smaller quantity. We will see above all with the next objective estimate of July 7) as the next, if it is not solved with good coming rainfall.

With this positive information, especially shipments, the normal thing is the increase of prices, as has been done in all the months of good shipments, and an attempt is made to see if demand responds to the rise. In fact, an increase of +0.05 \$ / lb in the offer has already been appreciated. If we look back, during the last month, prices have not varied excessively, especially in the new harvest. Following the publication of the subjective figure, the price fell imminently, but quickly took positions from before publication, especially the new crop, which returned to levels of \$ 1.90 / \$ 1.95 / lb. The current one, for its part, took levels of \$ 1.80 / 1.85 / lb, giving the seller, in this way, an easy exit to the current one than the new one. In fact, with this situation we see the demand a bit disappears. However, we see the buyer somewhat more withdrawn. This one looks for a new crop at the current price, giving an image of quite covered for it. Take as a reference that all commented prices are std 5%.

With all this information, there are many opinions that maintain that the following campaign will be very similar to the present one, in terms of quantity, price levels and market behavior, more focused on long terms because of attractive prices. This opinion supports a possible price range similar to this campaign, between \$ 1.70 / lb (in lower cases) and \$ 2 / lb (in higher cases). Others think that it is possible to go a little further if it is confirmed that the water issue affects more than expected and drastically reduces the availability of harvest. There are also others who think the opposite, that the harvest will be very good and between this and the good data also in Spain and Australia (the other two main origins) it will mean that the almond does not have great upward routes ... so each one adopts what they seems convenient.

On the part of the Spanish company, the lack of activity in the current harvest continues, which makes the carryin of 25,000 tons more and more clear, which is estimated approximately. The supply still does not finish coming out in a clear way and the demand is very much disappeared. However, in the new crop, at current crop price levels, there is a lot of buyer interest and not so

much seller interest. In fact, there have been several operations that have been carried out in this regard, including for fairly long-term deliveries, which makes it clear that there are many buyers taking positions. All the aforementioned, at levels of € 3.40 / 3.45 / kg, if we refer to communal almond.

Therefore, an unknown horizon opens up for the Spanish company with a good harvest (the largest in history), a very high carrying (the largest in history) and a buyer that continues with the dynamics of taking long-term positions (subject to earnings). We will see how this situation is handled. Possibly the solution begins with having a certain common strategy ...

We hope this helps.

Thank you.