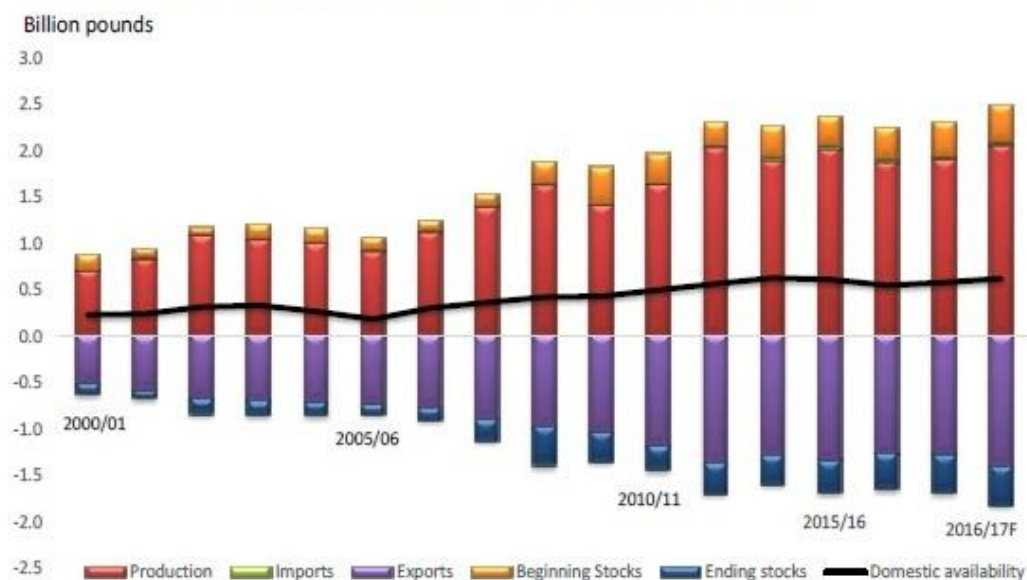


Largest Almond Crop Expected in 2016/17 Season

Expanded bearing acreage and higher yields are behind the larger almond crop in California during the 2016/17 marketing season (August-July). NASS forecast production at an estimated 2.05 billion shelled pounds, up 8 percent from the 2015/16 harvest total. If realized, this will be the largest crop on record, about 1 percent higher than the previous record, achieved in 2011/12. The current season's record-large production overlaps with huge beginning stocks (fig. 11), likely keeping downward pressure on 2016/17 almond prices.

The first estimate for the 2016/17 season-average grower price for California almonds will be available on June 27, 2016 when NASS releases the *Noncitrus Fruit and Nuts 2016 Summary* report. BLS producer price index (PPI) data for almonds indicate current-season grower prices have remained below previous-year levels, with the PPI down by an average 19 percent from the previous year for August 2016 through February 2017. Following 6 consecutive years of increasing prices, the season-average grower price declined from a record-high of \$400 per pound in 2014/15 to \$284 in 2015/16 on large domestic supplies and back-to-back years of sluggish demand. Slowed movement to domestic and international markets in 2014/15 and continued lackluster exports in 2015/16 drove ending stocks higher during both years, with ending stocks reaching a near-record total of 412.0 million pounds in 2015/16—the largest ending stocks during the past 6 years. California almonds are a heavily export-oriented crop with about two-thirds of production destined for international markets.

Figure 11
Record production and huge beginning stocks boost U.S. almond supplies in 2016/17



F = Forecast.

Source: USDA, Economic Research Service calculations based on total production estimates from the USDA National Agricultural Statistics Service, *Crop Production* (released March 9, 2016), U.S. trade data compiled from U.S. Department of Commerce, U.S. Census Bureau, and stocks data from the Almond Board of California.

Almond Board of California data indicate higher shipments to domestic and export markets in 2016/17 through February, with increases of 13 percent and 35 percent, respectively, from the same period in 2015/16. Exports are up to almost all regional partners. While stocks remain high, improved overall demand for California almonds should help mitigate any buildup in ending stocks this season.

