

March 2014 Walnut Report

March 2014 shipments were 36,842 inshell equivalent short tons. This is 2,978 tons (8.8%) more than March 2013. Season to date shipments through March of 369,934 inshell short tons are essentially the same as last season.

2013 Walnut Supply

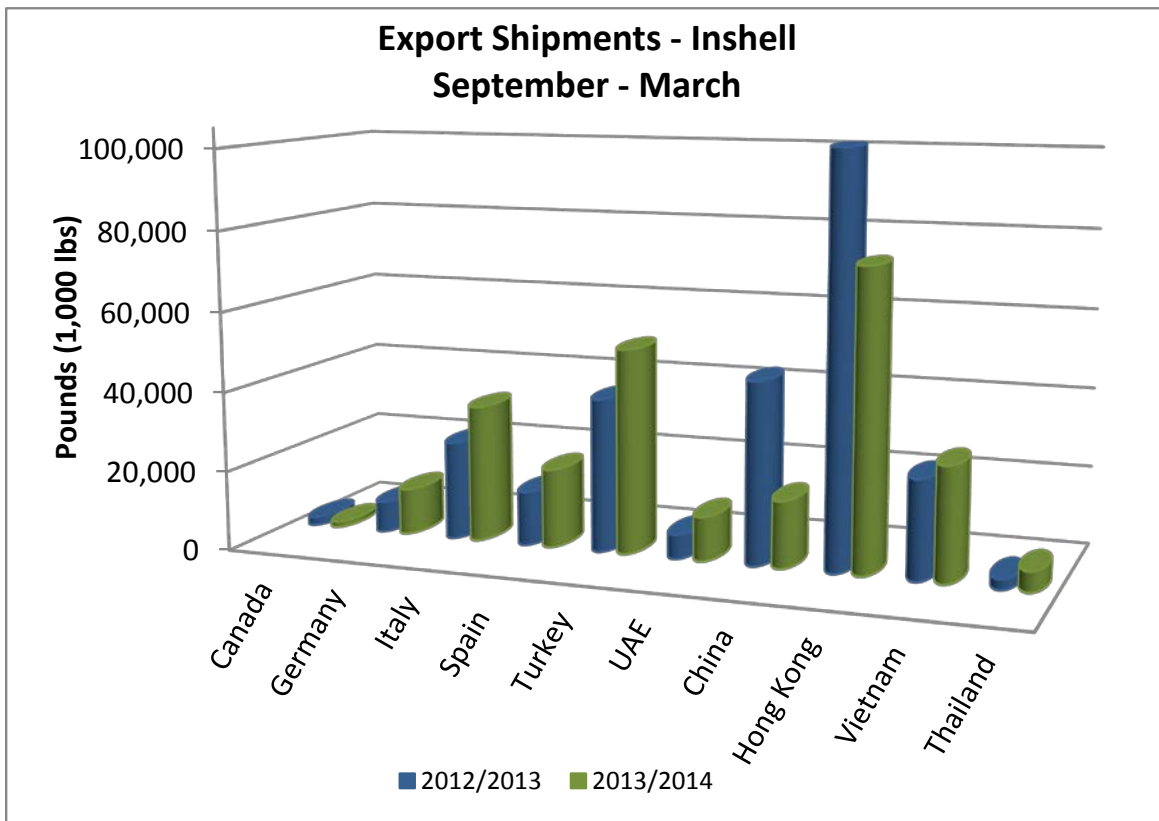
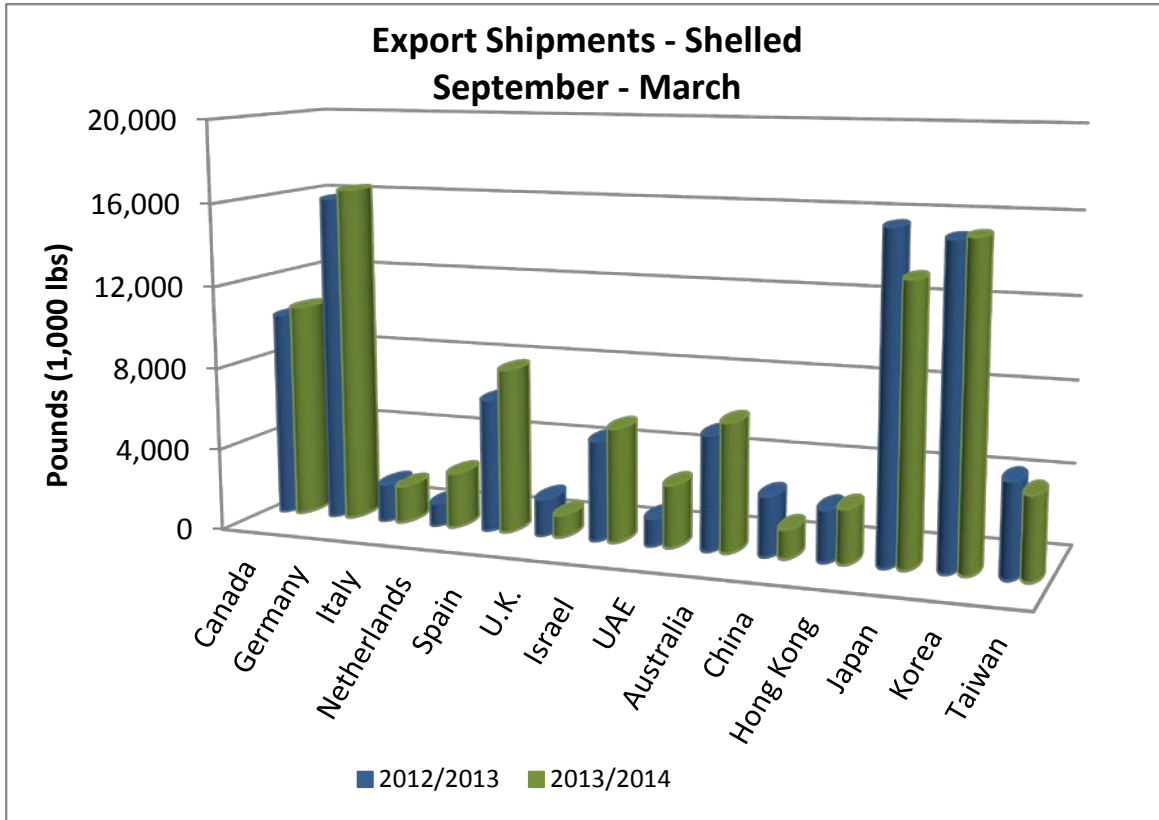
Carry-in from prior season:	45,888
2013 crop receipts to date:	488,965
Total available for shipment:	534,853
Less: shipments to date thru Mar 31:	369,934
Remaining supply:	164,919

- The 2013 crop is 76% shipped as of March 31st. When forward commitments are factored in, the 2013 California crop is nearly fully committed. There is little inventory available in California with 5-6 months until new crop shipments. California needs to ship 8% less each month for the remainder of the season to have a carryout similar to last season.
- Inshell shipments were 9.9 million pounds for the month of March, a decrease of 7.6 million pounds (43%) compared to March of 2013.
- Season to date inshell shipments are 287.8 million pounds through March, a decrease of 10.1 million pounds (3%) compared to the same period last season.
- Shelled shipments were 28.2 million pounds for the month of March, an increase of 5.9 million pounds (27%) compared to March of 2013.
- Season to date shelled shipments are 200.3 million pounds through March, an increase of 5.5 million pounds (3%) compared to the same period last season.

Below are some of the major walnut markets and the relative statistics (in pounds):

Country	<u>Sep 2013 - Mar 2014</u>		<u>Sep 2012 - Mar 2013</u>		% Change Shelled	% Change Inshell
	Shelled	Inshell	Shelled	Inshell		
USA	98,441,194	13,223,497	97,025,649	16,872,777	1%	-22%
Canada	10,534,611	1,424,020	10,083,231	2,102,416	4%	-32%
Germany	16,464,130	11,645,679	16,002,347	7,820,833	3%	49%
Italy	1,831,207	34,538,487	1,856,835	24,791,845	-1%	39%
Netherlands	2,702,136	3,232,661	1,133,850	2,728,799	138%	18%
Spain	8,042,427	19,860,970	6,516,384	13,629,520	23%	46%
U.K.	1,085,204	390,249	1,819,084	132,184	-40%	195%
Israel	5,564,433	2,777,859	4,905,872	633,730	13%	338%
Turkey	105,500	51,383,966	133,760	38,604,584	-21%	33%
UAE	3,035,522	11,128,848	1,355,133	6,111,908	124%	82%
Australia	6,260,771	56,768	5,588,220	99,069	12%	-43%
China	1,400,892	16,785,769	2,899,994	45,622,976	-52%	-63%
Hong Kong	2,623,883	74,539,142	2,512,975	101,792,015	4%	-27%
Vietnam	584,892	28,569,813	44,090	24,837,721	1227%	15%
Thailand	1,126,532	5,113,506	355,040	2,603,138	217%	96%
Japan	13,348,993	0	15,646,470	0	-15%	0%
Korea	15,335,735	858,897	15,212,358	1,937,566	1%	-56%
Taiwan	3,994,783	85,783	4,551,847	192,904	-12%	-56%

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- March shelled walnut shipments were strong to the US domestic market, Germany, Australia and Korea. People who have not yet bought are struggling to find inventory to meet summer demand.
- Season to date shipments to Europe have been strong with inshell shipments up 22 million pounds (46%) over prior season. Shelled shipments are up 3 million pounds (11%). The largest growth has been in Germany, Italy and Spain.
- Season to date shipments to the Middle East have also been strong with inshell shipments up 22 million pounds (44%) and shelled walnut shipments up 2.5 million pounds (29%). The largest growth has been in Turkey, U.A.E., Morocco and Israel. Most markets appear to be covered for Ramadan.
- The large increases in shipments to Europe and the Middle East have been largely offset by lower shipments to Asia.
 - Shipments of inshell walnuts to the Chinese market (including shipments reported to China, Hong Kong, Vietnam and Thailand) are 125 million pounds through March. This is a decrease of 29% (49.8 million pounds) compared to last season.
 - Season to date shipments of shelled walnuts to Korea are essentially the same as last season.
 - Season to date shipments of shelled walnuts to Japan are down 15% (about 2.3 million pounds) versus last season.
- Chilean harvest is well under way for early varieties and Chandler is just getting started. Early reports indicate good quality. With little inventory remaining in California, the Chilean crop will provide good off-season supply to meet demand in the coming months.
- Looking forward to 2014 crop:
 - Weather has been good during the bloom period for the early varieties and is expected to continue through the remainder of bloom.
 - The water shortage in California is not expected to have a significant adverse effect on the 2014 walnut crop.
 - It is too early to forecast the 2014 crop. Factors that could cause damage include June drop, excessive summer heat close to harvest or rain during harvest. Favorable growing conditions so far coupled with continued maturing of young acreage provide the potential for a larger 2014 crop.

Let us know if we may be of further service.

Best regards,
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