

April 2013 Walnut Report

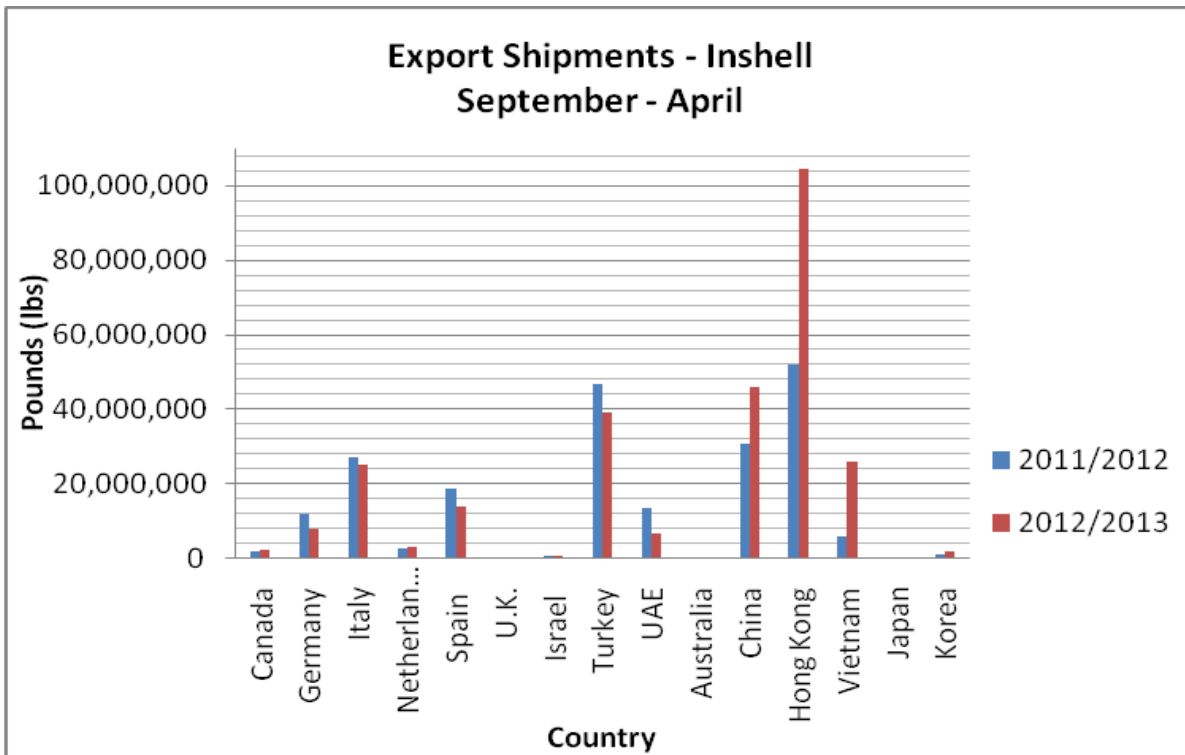
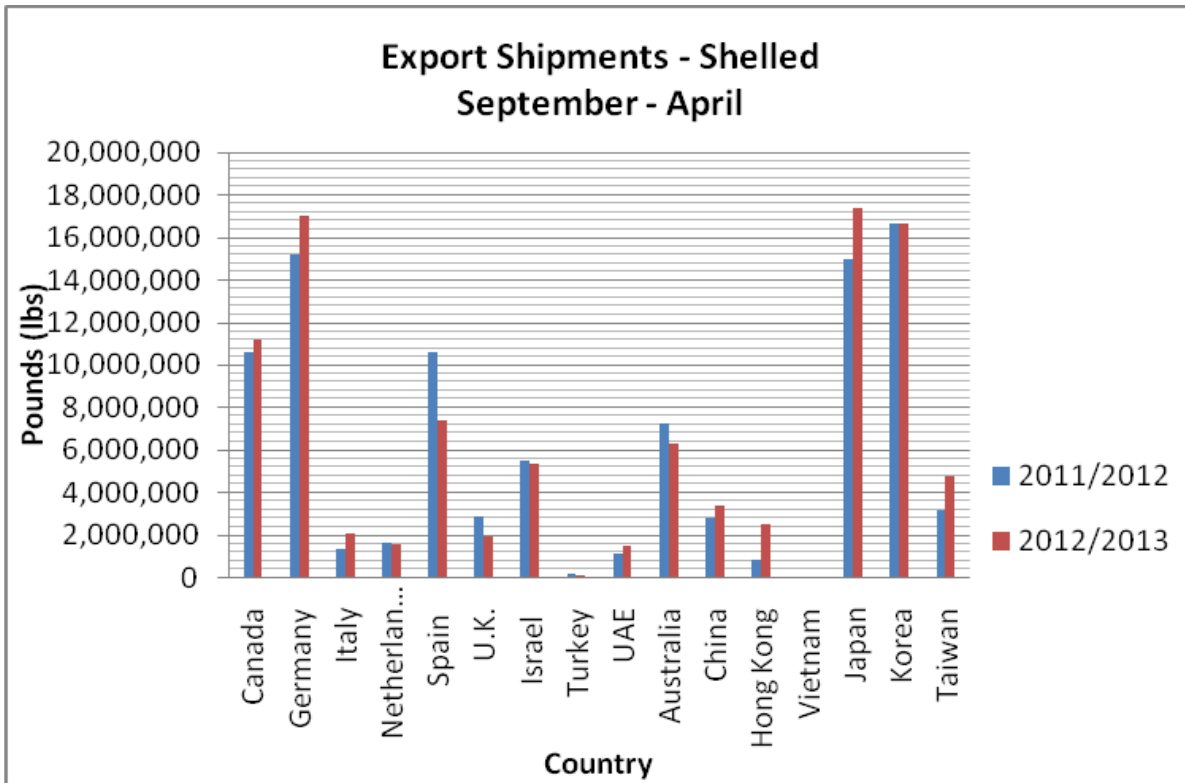
Overall April 2013 shipments were 28,279 inshell equivalent tons compared to 25,119 inshell equivalent tons for April 2012. This is an increase of 13%.

- Inshell shipments were 4.9 million pounds in April 2013 compared to 2.1 million pounds in April 2012, an increase of 133%.
- Shelled shipments were 22.9 million pounds in April 2013 compared to 20.9 million pounds in April 2012, an increase of 10%.
- Season-to-date (September 2012 through April 2013) inshell shipments are up 27% compared to the 2011/12 season.
- Season-to-date (September 2012 through April 2013) shelled shipments are up 2% compared to the 2011/12 season.
- Season-to-date (September 2012 through April 2013) overall shipments are 396,119 inshell short tons, compared to 364,266 inshell short tons shipped last season during the same period. This is an increase of 8.7%.
- Crop receipts of 494,792 inshell short tons are an increase of about 35,000 short tons, or 8% over prior season.

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

Country	Sep 2012 - Apr 2013		Sep 2011 - Apr 2012		% Change	
	Shelled	Inshell	Shelled	Inshell	Shelled	Inshell
USA	109,401,669	17,360,838	111,422,285	16,665,021	-2%	4%
Canada	11,178,784	2,178,796	10,555,744	1,853,310	6%	18%
Germany	17,010,921	7,820,833	15,153,463	11,855,671	12%	-34%
Italy	2,068,783	24,879,735	1,298,099	27,013,829	59%	-8%
Netherlands	1,580,060	2,772,891	1,580,060	2,702,288	0%	3%
Spain	7,372,403	13,604,950	10,553,903	18,477,037	-30%	-26%
U.K.	1,903,741	264,460	2,810,932	352,736	-32%	-25%
Israel	5,343,872	633,730	5,487,078	712,118	-3%	-11%
Turkey	133,760	38,870,860	129,600	46,605,359	3%	-17%
UAE	1,536,153	6,376,368	1,119,907	13,379,137	37%	-52%
Australia	6,274,148	99,069	7,249,707	62,360	-13%	59%
China	3,358,544	45,843,252	2,806,750	30,718,194	20%	49%
Hong Kong	2,512,975	104,230,946	834,408	51,767,817	201%	101%
Vietnam	44,090	25,676,108	0	5,636,117	0%	356%
Japan	17,383,153	0	14,980,757	87,100	16%	0%
Korea	16,637,254	1,937,566	16,641,030	776,623	0%	149%
Taiwan	4,805,647	192,904	3,122,250	48,280	54%	300%

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Here is the updated supply scenario (all figures in inshell short tons):

Carry-in from 2011/12 season:	49,018
<u>2012 crop production (thru Mar 31):</u>	<u>494,792</u>
Total available for shipment:	543,810
<u>Less shipments to date:</u>	<u>396,119</u>
Remaining supply:	147,691

- Shipments are slowing down according to the normal seasonal downturn in demand. April 2013 shipments for inshell and shelled walnuts were well above prior year levels.
- Strong season to date shipments have been driven primarily by robust growth to Asian markets.
 - Season to date inshell walnut shipments to China, Hong Kong and Vietnam have increased by 88 million pounds or 99% over last season.
 - Season to date shelled walnut shipments to Japan have increased by 2.4 million pounds or 16% over last season.
- Season to date shipments to Europe are down by 4.5% from last season. However, shelled walnut shipments to Germany are up by 1.9 million pounds or 12% over last season.
- Season to date inshell shipments to the Middle East are 24% less than last season.
 - Inshell shipments to Turkey are 7.7 million pounds (17%) less than last season.
 - Inshell shipments to U.A.E. are 7.0 million pounds (52%) less than last season.
- Demand for shelled product from Europe and the Middle East has increased. Buyers are covering their needs until the 2013 crop is available for shipment. There are few offers of light product as California growers have little inventory remaining. Light halves are virtually sold out.
- California growers are sold out of good quality and larger size inshell walnuts as well as light halves. Some inventory remains of Light Medium Pieces and Combination Halves and Pieces.
- Assuming May – August shipments are the same as last season (86,251 inshell short tons), the carryout into the 2013 crop will be 61,406 inshell short tons, up 12,388 tons or 25% over last season. Most of this product will not be light material.

Let us know if we may be of further service.

Best regards,
DERCO FOODS