

April 2014 Walnut Report

April 2014 shipments were 34,758 inshell equivalent short tons. This is 6,419 tons (23%) more than April 2013. Season to date shipments through April of 404,772 inshell short tons are 8,101 tons (2%) more than last season.

2013 Walnut Supply

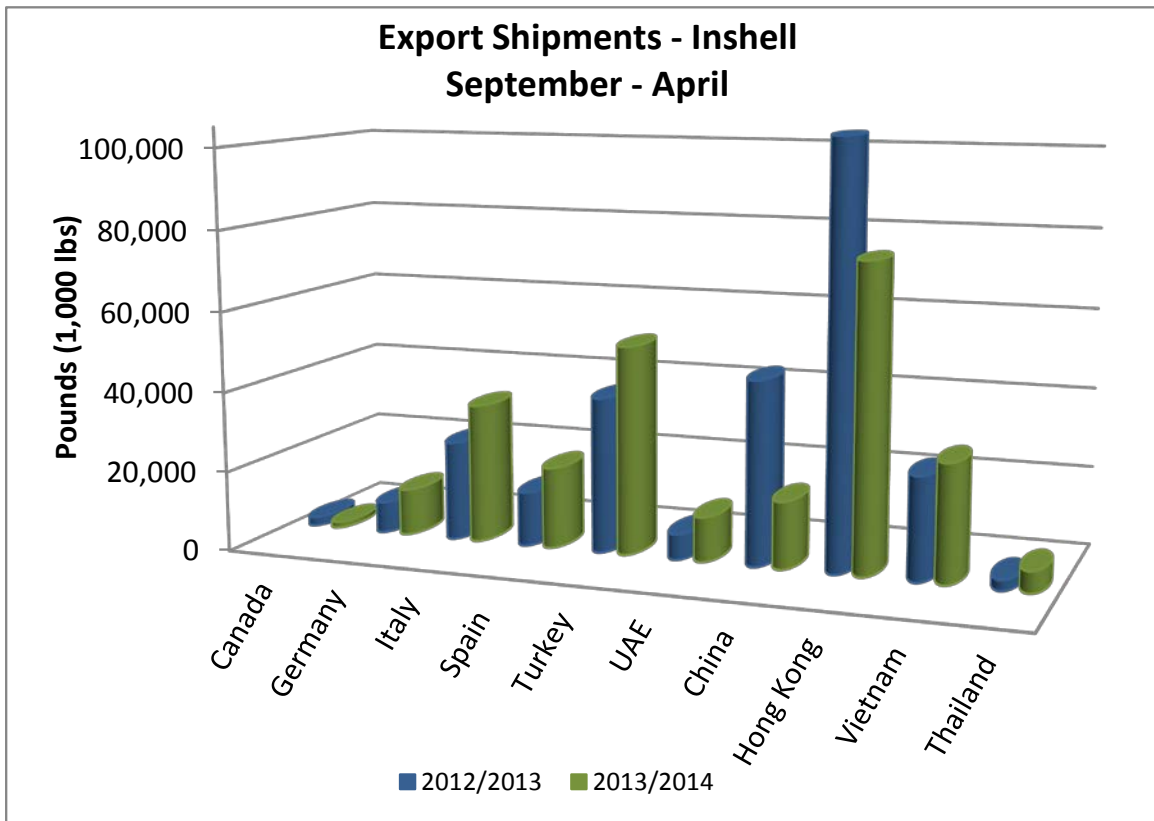
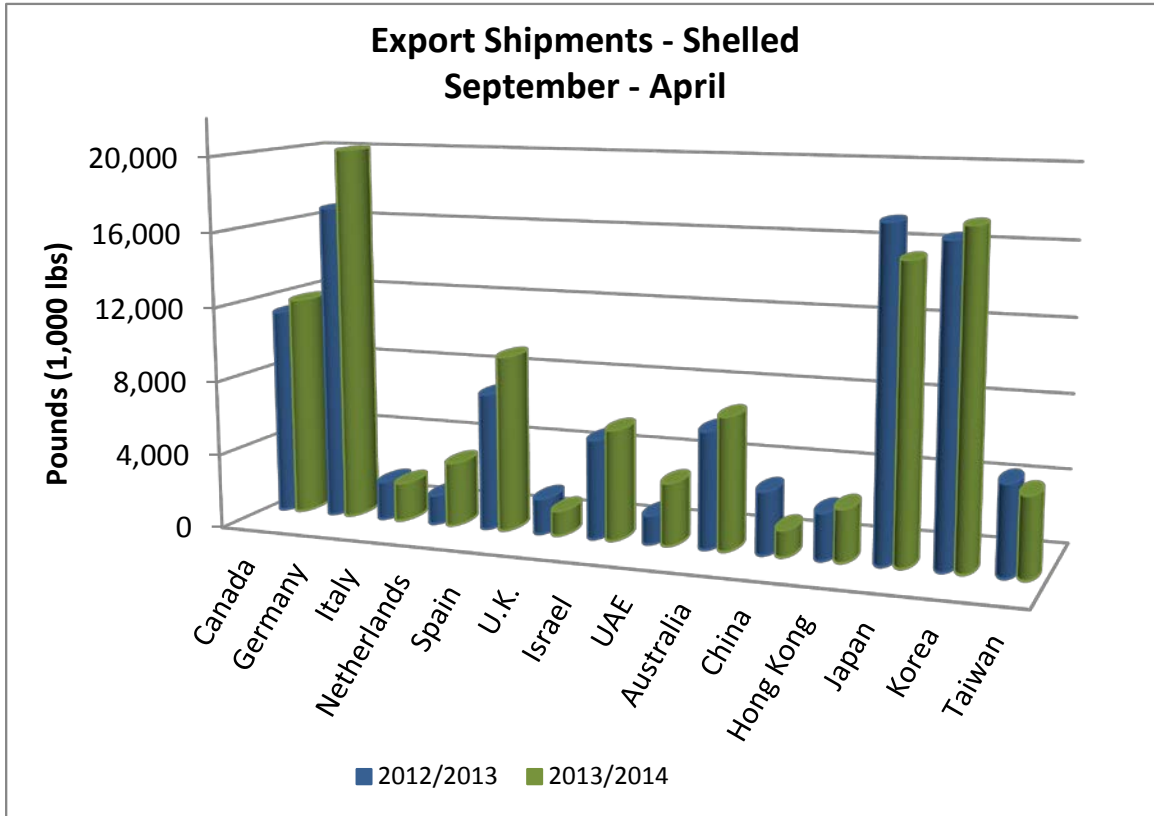
Carry-in from prior season:	45,888
2013 crop receipts to date:	488,971
Total available for shipment:	534,859
Less: shipments to date thru Mar 31:	404,772
Remaining supply:	130,087

- Computed inventory of 130,087 inshell short tons as of April 30th is 17,604 tons (-12%) less than April 30th 2013. In order to have the same carryout as last season, California needs to ship 16% less for the period of May-August.
- Inshell shipments were 3.6 million pounds for the month of April, a decrease of 1.2 million pounds (25%) compared to April of 2013. This decrease is expected due to lack of inventory in California.
- Season to date inshell shipments are 291.6 million pounds through April, a decrease of 11.2 million pounds (-4%) compared to the same period last season.
- Shelled shipments were 29.2 million pounds for the month of April, an increase of 6.2 million pounds (27%) compared to April of 2013.
- Season to date shelled shipments are 229.5 million pounds through April, an increase of 11.7 million pounds (5%) 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 - Apr 2014</u>		<u>Sep 2012 - Apr 2013</u>		% Change Shelled	% Change Inshell
	Shelled	Inshell	Shelled	Inshell		
USA	112,081,940	13,334,269	109,402,919	17,360,838	2%	-23%
Canada	11,900,172	1,445,630	11,178,784	2,178,796	6%	-34%
Germany	20,178,391	11,645,293	17,010,921	7,820,833	19%	49%
Italy	2,077,064	34,802,304	2,068,783	24,879,735	0%	40%
Netherlands	3,455,456	3,232,661	1,580,060	2,772,891	119%	17%
Spain	9,461,411	20,346,515	7,372,403	13,604,950	28%	50%
U.K.	1,337,444	390,249	1,903,741	264,460	-30%	48%
Israel	5,948,333	2,910,051	5,343,872	633,730	11%	359%
Turkey	149,500	52,089,438	133,760	38,870,860	12%	34%
UAE	3,362,538	11,172,848	1,536,153	6,376,368	119%	75%
Australia	7,109,656	78,768	6,274,148	99,069	13%	-20%
China	1,424,142	16,741,676	3,358,544	45,843,252	-58%	-63%
Hong Kong	2,800,853	75,599,177	2,512,975	104,230,946	11%	-27%
Vietnam	626,892	29,279,317	44,090	25,676,108	1322%	14%
Thailand	1,294,508	5,333,967	697,362	2,625,184	86%	103%
Japan	15,568,168	0	17,383,153	0	-10%	0%
Korea	17,374,325	858,897	16,637,254	1,937,566	4%	-56%
Taiwan	4,289,765	85,783	4,805,647	192,904	-11%	-56%

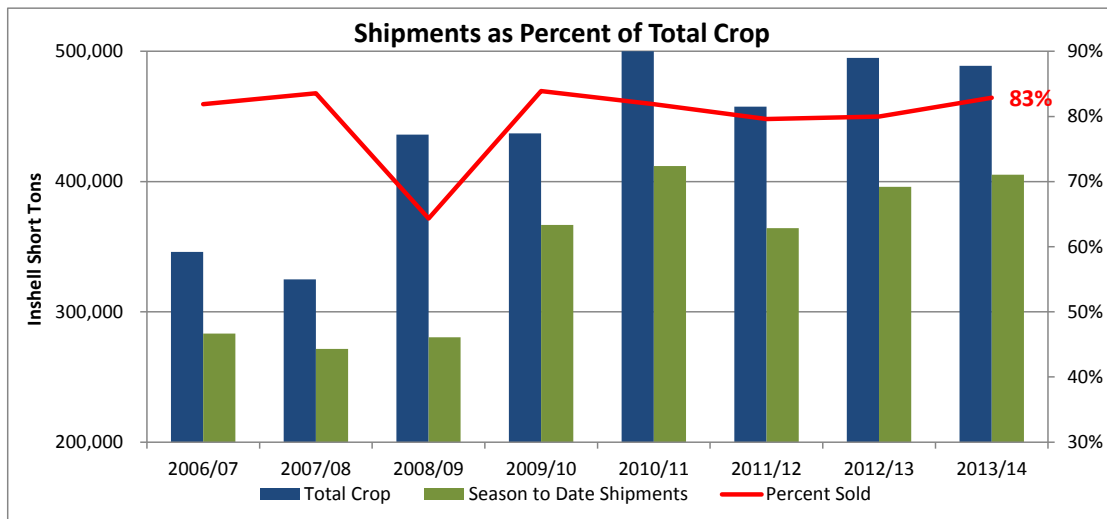
2670 West Shaw Lane, Fresno, California 93711 U.S.A.
 Telephone (559) 435-2664 • Fax (559) 435-8520 • www.dercofoods.com • e-mail: derco@dercofoods.com



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- April shelled walnut shipments were strong to the US domestic market, Western Europe (Germany +268%, Netherlands +69%, Spain +66%), Japan and Korea. People who have not yet bought are struggling to find inventory to meet summer demand.
- Europe continues to be a strong market for California walnuts. April 2014 shelled shipments were up 3.8 million pounds compared to April 2013. Season to date inshell shipments are up 23 million pounds (46%) over prior season while shelled shipments are up 7 million pounds (22%). The largest growth has been in Germany, Italy, the Netherlands and Spain.
- April shipments to the Middle East were slow due to seasonal dip in demand. Shipments of inshell walnuts to Turkey are the only increase of substance with shipments up 165% for the month. Season to date shipments to the Middle East have been strong with inshell shipments up 22 million pounds (45%) and shelled walnut shipments up 2.5 million pounds (26%). The largest growth has been in Turkey, U.A.E., Morocco and Israel.
- Shipments of inshell walnuts to the Chinese market (including shipments reported to China, Hong Kong, Vietnam and Thailand) are 51 million pounds (29%) less than the same period last season. The substantial increases to Europe and the Middle East have offset this year over year decrease.
- April 2014 shelled walnut shipments to Korea were 613,694 pounds (43%) more than April 2013. This growth puts season to date shipments in line with last season, up 4% for the year.
- April 2014 shelled walnut shipments to Japan were 482,492 pounds (28%) more than April 2013. Despite the strong April numbers, season to date shipments are down 10% (about 1.8 million pounds) versus last season.
- The following chart illustrates the shipped position as of the end of April for each of the past 8 seasons. When carryout and estimated forward commitments are factored in, California is essentially sold out until new crop.



- Chilean harvest is progressing well with the first shipments about to reach their destinations. Reports from the Middle East indicate good demand for Chilean walnuts with little inventory of California walnuts remaining.
- Looking forward to the 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.
 - With additional acreage coming into production and well-rested orchards in California, the potential exists for a larger 2014 crop. This would be welcome news to California growers who have been sold out since March and not able to fill demand for spring/summer shipments.

Let us know if we may be of further service.

Best regards,
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