

April 2015 Walnut Report

April 2015 shipments were 39,732 inshell equivalent short tons. This is 4,826 tons (+14%) more than April 2014 and represents record high shipments for the month of April.

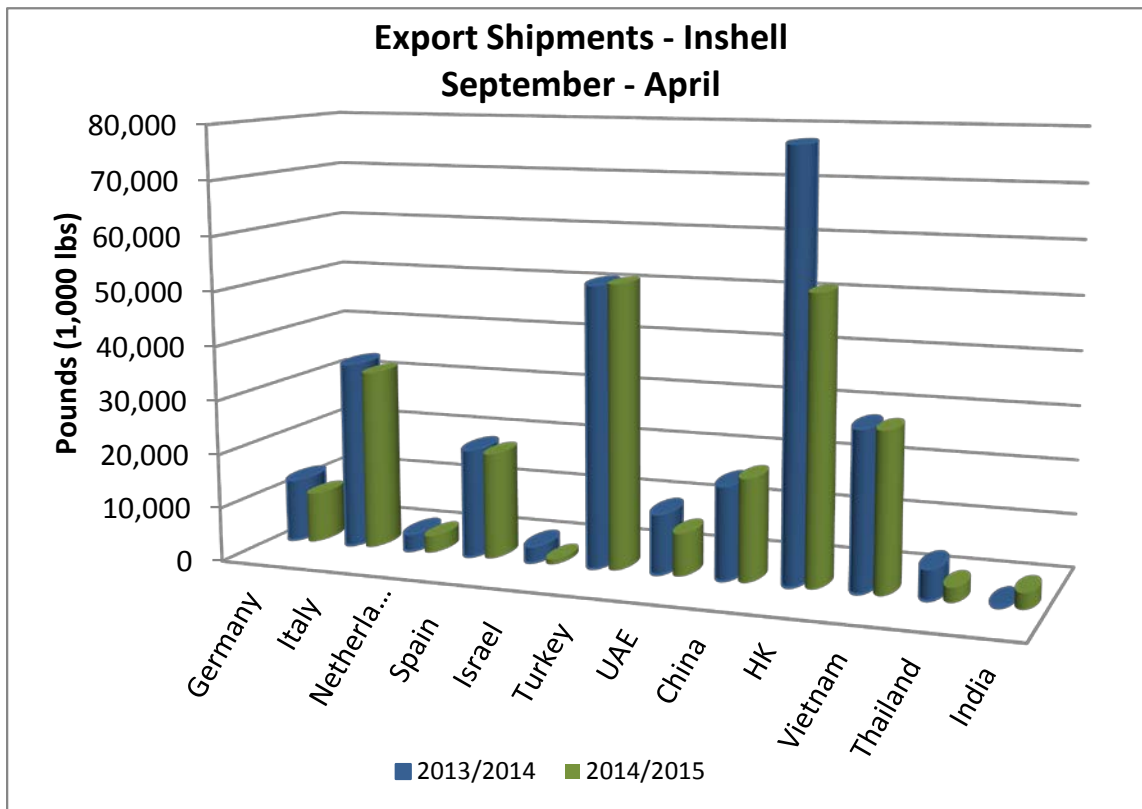
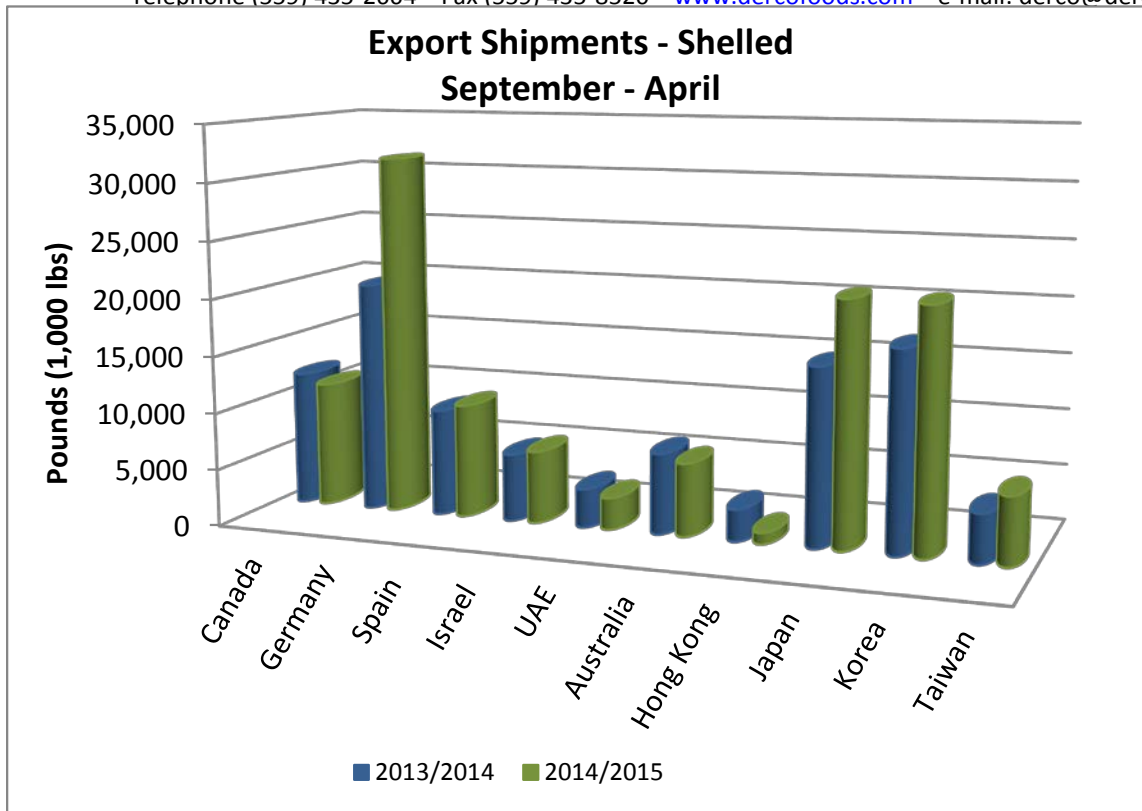
2014 Walnut Supply

Carry-in from prior season:	38,568
2014 Crop Receipts (through Apr 30):	562,504
Total available for shipment:	601,072
Less: shipments to date thru Apr 30:	412,196
Remaining supply:	188,876

- Inshell shipments were 9.5 million pounds for the month of April, an increase of 6 million pounds (+160%) compared to April of 2014.
- Season to date inshell shipments are 261 million pounds through April, a decrease of 35 million pounds (-12%) compared to the same period last season.
- Shelled shipments were 31 million pounds for the month of April, an increase of 1.4 million pounds (+5%) compared to April of 2014.
- Season to date shelled shipments are 248 million pounds through April, an increase of 17 million pounds (+7%) compared to the same period last season.

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

Country	Sep 2014 - Apr 2015		Sep 2013 - Apr 2014		% Change	% Change
	Shelled	Inshell	Shelled	Inshell	Shelled	Inshell
USA	109,866,988	15,353,876	113,603,634	14,661,744	-3%	5%
Canada	11,060,473	1,823,759	11,900,172	1,804,910	-7%	1%
Germany	31,657,485	9,287,168	20,347,341	11,733,477	56%	-21%
Italy	1,894,750	33,341,533	2,077,064	34,802,304	-9%	-4%
Netherlands	2,912,697	3,128,637	3,497,456	3,232,661	-17%	-3%
Spain	10,026,445	19,663,809	9,419,411	20,212,167	6%	-3%
U.K.	2,351,974	565,968	1,337,444	390,249	76%	45%
Israel	6,389,806	904,478	5,973,333	2,998,235	7%	-70%
Turkey	304,660	52,250,733	149,500	51,957,162	104%	1%
UAE	2,807,617	7,857,693	3,404,558	11,172,848	-18%	-30%
Australia	6,419,360	22,046	7,109,656	78,768	-10%	-72%
China	1,264,550	18,848,875	1,424,142	17,313,676	-11%	9%
Hong Kong	990,378	52,410,988	2,800,853	77,755,269	-65%	-33%
Vietnam	0	29,210,668	626,892	29,323,317	-100%	0%
Thailand	216,149	2,659,167	1,294,508	5,642,427	-83%	-53%
India	77,520	2,925,814	10	221,368	775100%	1222%
Japan	21,316,155	0	15,568,168	0	37%	0%
Korea	21,180,513	986,567	17,474,325	858,897	21%	15%
Taiwan	5,951,970	101,138	4,289,765	85,783	39%	18%





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Calculated inventory (see page 1) in California as of April 30th of 188,876 inshell equivalent short tons is 58,789 tons (+45%) greater than a year ago.

- If shipments for the remainder of the season (May – August) match shipments from a year ago, the carryout will be about 102,000 tons. This would be an increase of about 164% over last season.
- If shipments from California for the remainder of the season are 10% more than last season, the carryout would be about 84,000 tons. This would be an increase of about 118% over last season.
- Despite the large inventory position, good quality light kernels are becoming difficult to find. Many smaller growers are sold out and prices for light color have been relatively stable in recent weeks.
- Larger inventories of light amber and amber colored kernels are more readily available. Prices for light amber have also stabilized on increased demand from the domestic market but the price difference between light and light amber remains large.

Shipments during April 2015 of 39,732 inshell equivalent short tons is a record high figure for the month of April.

- Inshell walnut shipments to China, Hong Kong and Vietnam were 5,373,094 pounds. This represents an increase of 3.5 million pounds (+196%) versus April 2014. This large shipment number is surprising in light slow demand and recent unrest in the import channels.
- Kernel shipments to Japan of 3.9 million pounds are up 77% versus April of 2014. Good demand for new sales has recently been reported from Japan. This remains one of the bright spots for California walnut shipments and illustrates impressive growth for a market that is often thought to be "mature".
- Kernel shipments to Korea are up 21% versus April of 2014. New business has been slower in this market as large inventories are reported and California growers are now competing with product from Chile.
- Kernel shipments to Western Europe were 7% below April of 2014 but impressive growth was seen in kernel shipments to Germany which were up 19%. Most of these shipments are from contracts signed much earlier in the season with limited new business being reported.
- The Middle East/North Africa showed impressive shipment numbers for inshell and kernels. Inshell shipments were up 132% led by Turkey and U.A.E. Kernel shipments were up 20% led by Israel and U.A.E. Buyers in this region have recently been focusing on Chilean origin walnuts for new purchases.

The weather in California during the 2015 crop bloom was good. It is still much too early to know anything about the size of the upcoming crop. Water (or lack of water) will slowly begin to limit walnut production as we've seen in almonds. However, with most walnuts in California planted in areas with better access to water, walnuts are less likely to be impacted in the near future. As additional young acreage begins to bear each season, we anticipate crops continuing to get bigger.

Let us know if we may be of further service.

Best regards,
DERCO FOODS