

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

The 2014 California walnut production is forecast at 545,000 inshell short tons, up 11% from the 2013 production of 492,000 inshell short tons.

Some noteworthy points to review:

PRODUCTION

- The average production per bearing acre for the 2014 crop is 1.88 inshell short tons, up from 2013's 1.76 tons.
- The 2014 bearing acres are estimated at 290,000, up 4% from the 2013 bearing acres at 280,000.
- Survey data indicates an average nut set of 1,372 per tree, up 11% from 2013's record low average of 1,239 nuts per tree.
- Favorable weather conditions during the growing season attributed to excellent crop quality with low disease and insect pressures.
- Percentage of sound kernels is healthy at 98.7% statewide.

SIZING

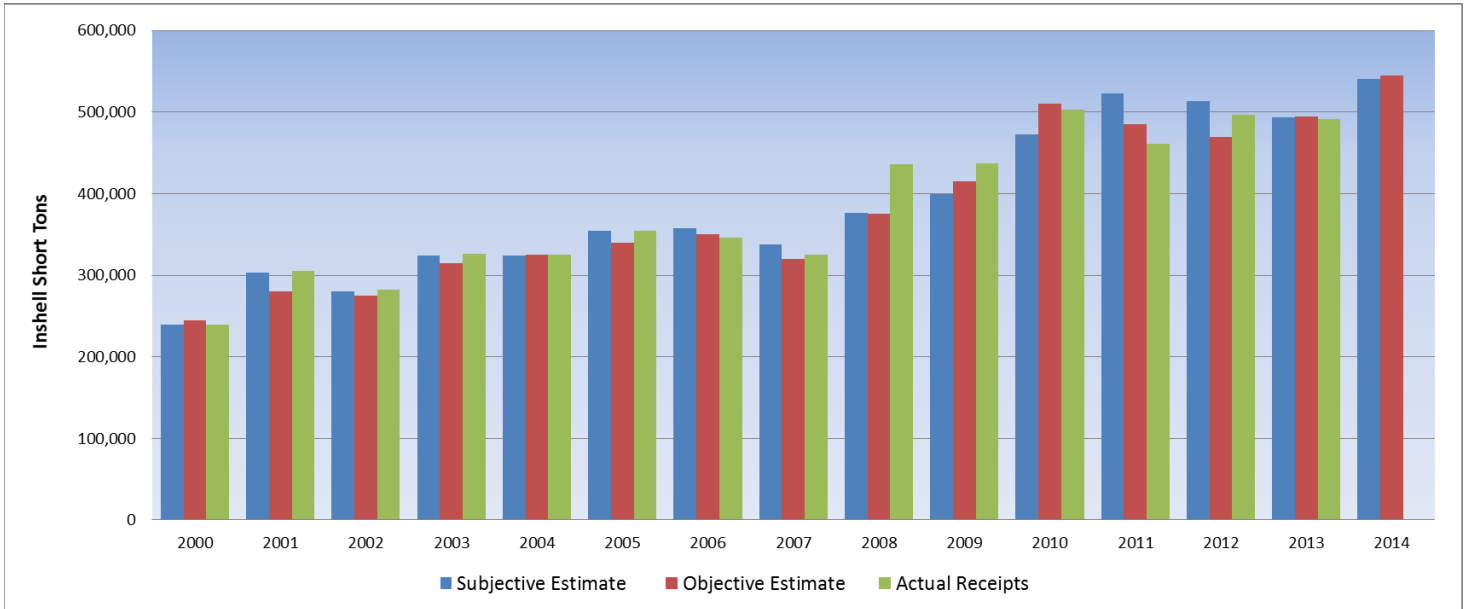
- Jumbo size in Chandler variety for the 2014 crop is estimated to be 63%, down from a five year high of 69% in 2013. Chandler nut set per tree is 1,338, a 9% increase over the prior year.
- Jumbo size in Hartley variety for the 2014 crop is estimated to be 80%, down from 81% in 2013. Hartley nut set per tree is 1,615, a 6% increase over the prior year.
- Jumbo size in Howard variety for the 2014 crop is estimated to be 65%, down from a five year high of 76% in 2013. Howard nut set per tree is 1,137, a 5% decrease over the prior year.
- Jumbo size in Tulare variety for the 2014 crop is estimated to be 76%, down from 81% in 2013. Tulare nut set per tree is 1,054, a 16% increase over the prior year.

SHIPMENTS

- Through July 2014, shipments of California walnuts (inshell basis) totaled 477,615 tons, 1,619 tons less than last season.
- The 2013 California walnut crop has been sold out. At the end of July 2014, the estimated remaining supply was 57,266 tons. The expected carryout of less than 40,000 inshell tons will consist primarily of small lots and lower quality material.
- Walnut inventory is nearly non-existent in most markets. Buyers from several different countries have been competing for early shipments from California.
 - Inshell demand is from China and the Middle East, with Turkey yet to come into the market.
 - Kernel demand is from Europe, Japan and Korea.
- Early varieties are ready to begin harvest with bigger volume to follow in late September and October.

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The following is a comparison of the subjective estimate, objective estimate and final crop receipts since the 2000/2001 season. Since the 2000/2001 season, the subjective estimate has been more accurate than the objective estimate eight of the past fourteen seasons, excluding the 2014/2015 season.



There has been limited selling interest and offers from California as most growers were waiting for the release of the objective estimate. With the release of the estimate, we anticipate selling interest to increase as growers have added clarity on supply and the global market.

Let us know if we may be of further service.

Best regards,
 DERCO FOODS