

September 2014 Walnut Report

September 2014 shipments were 26,754 inshell equivalent short tons. This is 246 tons (-1%) less than September 2013.

2014 Walnut Supply

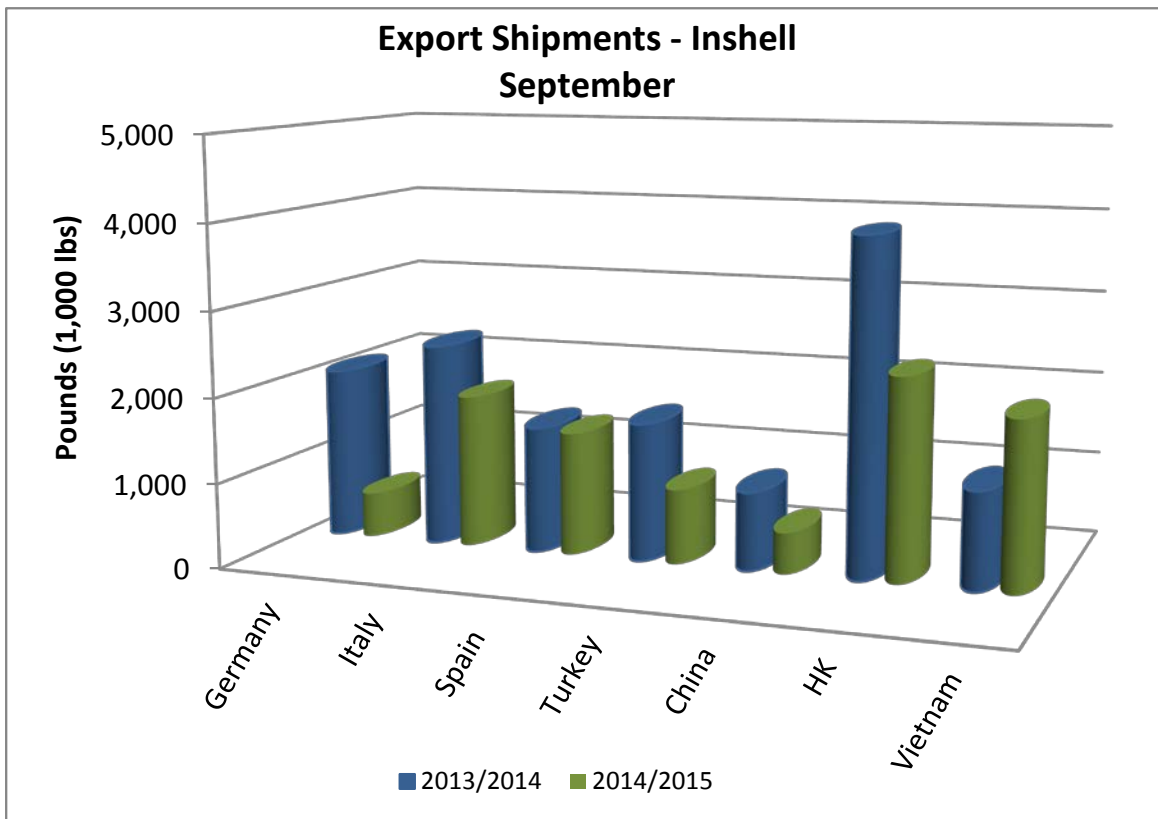
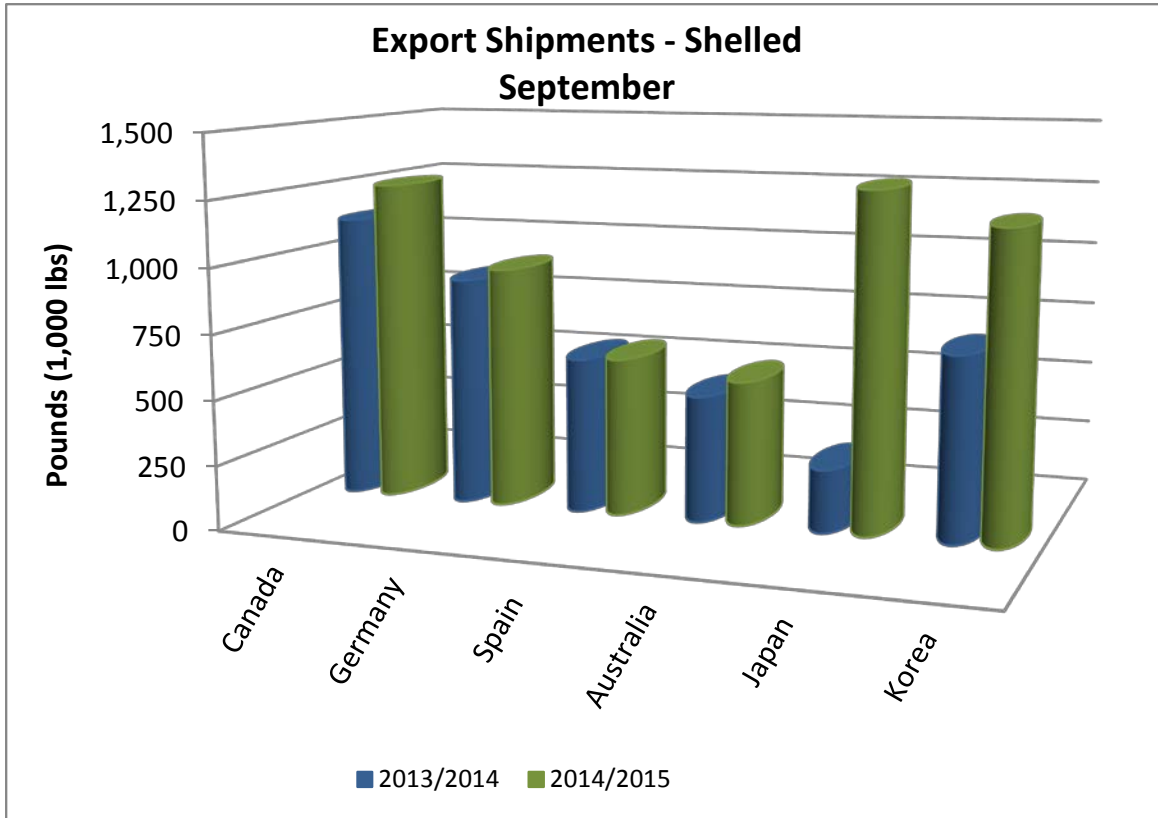
Carry-in from prior season:	40,707
2014 Objective Crop Estimate:	545,000
Total available for shipment:	585,707
Less: shipments to date thru Sept 30:	26,754
Remaining supply:	558,953

- 2014 crop receipts through September 30th of 121,578 inshell short tons are nearly identical to crop receipts through September of 2013. The early harvest that was expected did not materialize. It is too early to know if the 2014 crop will meet or exceed the objective crop estimate of 545,000 tons.
- Inshell shipments for September were 10.9 million pounds. This is 3.7 million pounds (-26%) less than September 2013.
- Shelled shipments for September were 18.7 million pounds. This is 1.3 million pounds (+7%) more than September 2013.
- Total shipments for September were 26.7 million pounds. This is the same as September 2013.

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

Country	Sep-14		Sep-13		% Change	
	Shelled	Inshell	Shelled	Inshell	Shelled	Inshell
USA	12,316,398	894,581	12,231,404	580,306	1%	54%
Canada	1,257,134	113,050	1,115,105	54,000	13%	109%
Germany	940,750	529,104	892,668	2,027,846	5%	-74%
Italy	0	1,807,992	0	2,402,590	0%	-25%
Netherlands	0	0	42,000	0	-100%	0%
Spain	613,900	1,455,045	605,125	1,498,925	1%	-3%
U.K.	210,000	0	0	0	0%	0%
Israel	42,000	0	0	43,706	0%	-100%
Turkey	0	881,088	0	1,631,129	0%	-46%
UAE	0	84,000	0	44,000	0%	91%
Australia	557,000	0	489,350	56,768	14%	-100%
China	0	484,828	42,000	923,728	-100%	-48%
Hong Kong	0	2,371,968	509,400	3,932,220	-100%	-40%
Vietnam	0	1,982,992	43,650	1,149,882	-100%	72%
Thailand	83,126	0	42,000	132,584	98%	-100%
Japan	1,298,852	0	243,550	0	433%	0%
Korea	1,180,208	0	708,695	0	67%	0%
Taiwan	125,450	0	190,200	0	-34%	0%

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



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 2013 California walnut crop was sold out with little product remaining for carry-in to the new season.
- With inventory low around the world, buyers came to market early to secure first shipments of 2014 crop. This led to prices being bid up ahead of harvest as growers competed for limited offers in the market.
- The 2014 Objective Crop Estimate is 545,000 inshell short tons. This would represent an increase of over 56,000 tons (11%) from the 2013 crop.
- It is too early to know the actual size of the 2014 California walnut crop. The October shipment/receipt report will shed additional light. Reports from the field are mixed.
- Reports from China indicate a record crop with good quality from most regions. With a larger than expected crop, growers have discounted prices below California levels. Buyers in China have been focusing their attention on domestic crop as it provides greater value at this time.
- September shipment numbers provide limited information as they are influenced by the amount of prior year crop remaining in inventory and the timing of new crop harvest.
 - September shipments were exceptionally strong to Japan and Korea where buyers have been starved for product for several months and demand is being driven by the health benefits of walnuts.
 - September shipments to China, Turkey and Western Europe were behind last season's pace. It is too early to know if this trend will continue.
- Over the past two weeks, new sales activity has slowed. More offers are available in the market as harvest progresses. Buyers are anxious to see if California growers will hold prices at current levels in light of a large harvest.

Let us know if we may be of further service.

Best regards,
DERCO FOODS