

June 2019 Walnut Report

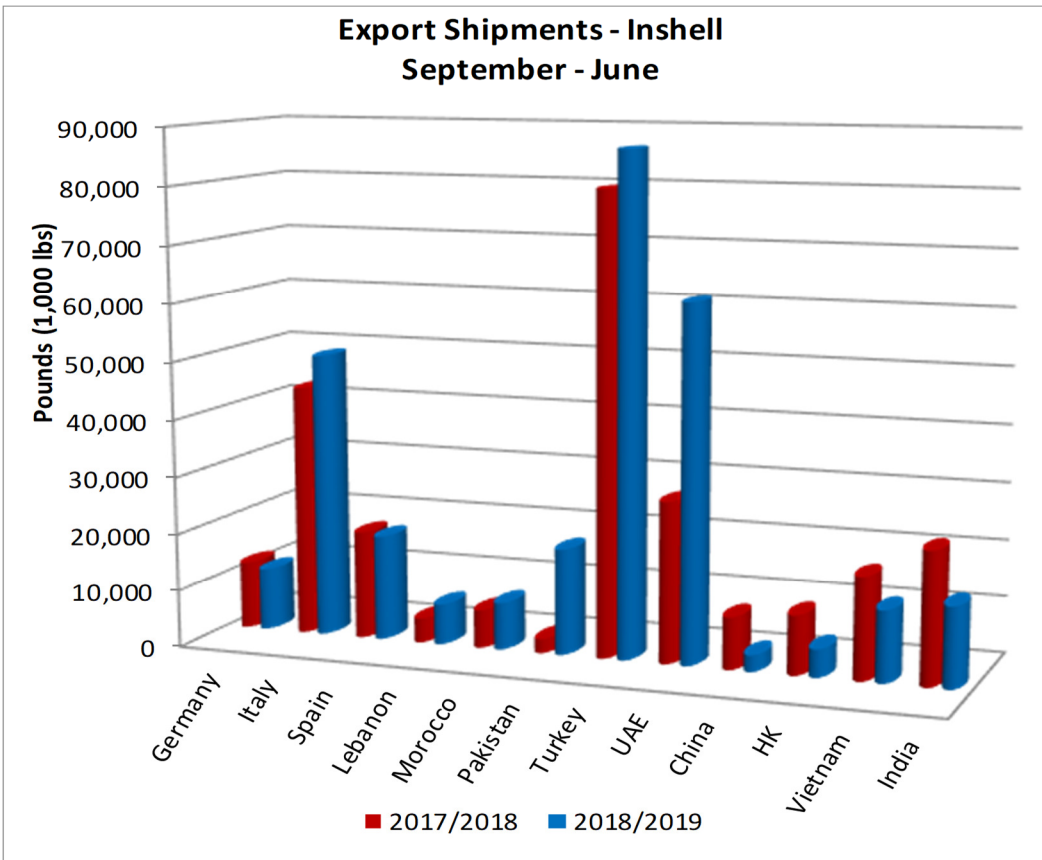
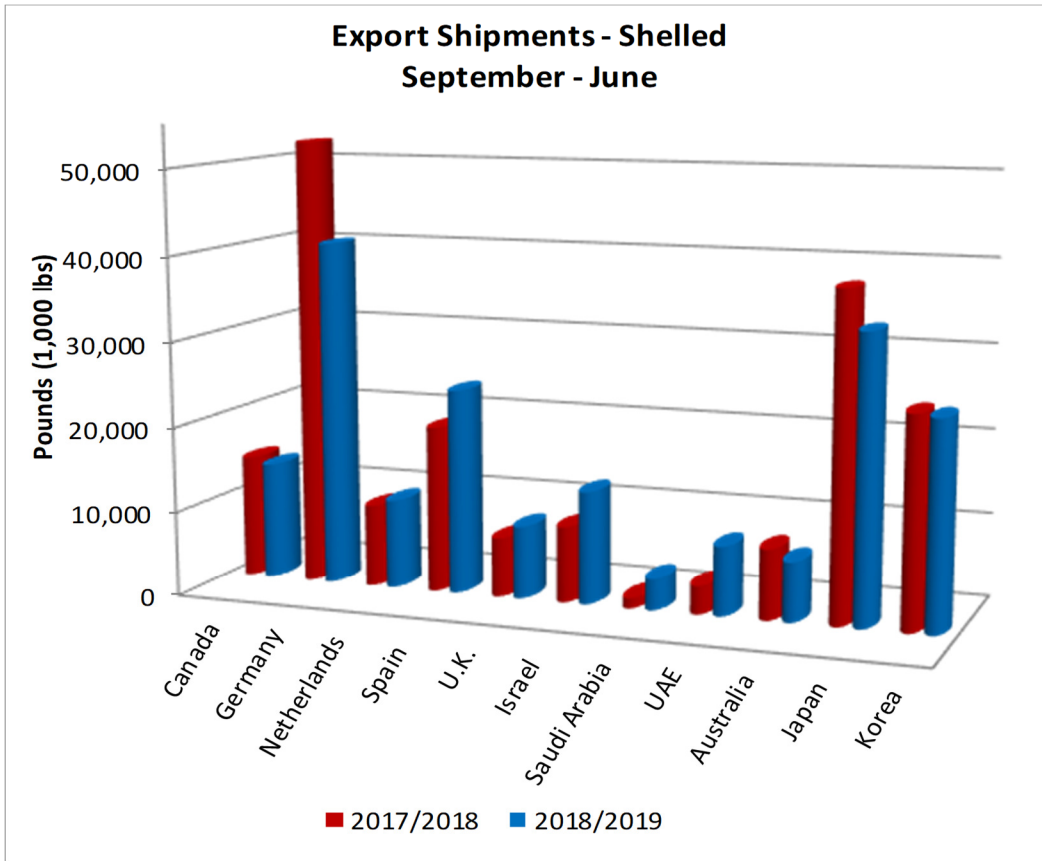
2018/19 Walnut Supply (inshell tons)

Carry-in from prior season:	63,539
<u>2018 Crop Receipts:</u>	<u>672,723</u>
Total available for shipment:	736,262
<u>Less: shipments to date thru June 30:</u>	<u>621,912</u>
Remaining supply:	114,350

- Inshell shipments were 926 thousand pounds for the month of June, an increase of 445 thousand pounds (-62%) compared to June 2018.
- Season to date inshell shipments are 337 million pounds through June, an increase of 39 million pounds (+13%) compared to the same period last season.
- Shelled shipments were 27 million pounds for the month of June, an increase of 1.7 million pounds (+7%) compared to June 2018.
- Season to date shelled shipments are 400 million pounds through June, an increase of 32 million pounds (+9%) compared to the same period last season.

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

	<u>Inshell Pounds</u>			%	<u>Shelled Pounds</u>			%
	Sep 17 - May 18	Sep 18 - May 19	Change		Sep 17 - May 18	Sep 18 - May 19	Change	
USA	19,438,306	16,028,772	-18%	147,713,691	173,957,651	18%		
Canada	2,806,129	3,142,135	12%	14,498,824	13,802,590	-5%		
Germany	11,895,920	10,993,983	-8%	52,654,506	40,842,322	-22%		
Italy	43,977,637	49,839,647	13%	3,973,913	4,938,491	24%		
Netherlands	3,595,314	2,644,087	-26%	9,711,324	10,539,658	9%		
Spain	19,000,429	18,507,662	-3%	19,640,228	24,173,233	23%		
U.K.	1,310,205	280,830	-79%	7,035,617	8,604,004	22%		
Egypt	1,243,822	1,762,802	42%	554,842	1,167,410	110%		
Israel	590,606	1,465,704	148%	9,001,554	13,299,530	48%		
Jordan	484,315	1,824,844	277%	1,260,020	3,499,226	178%		
Lebanon	4,271,612	7,062,896	65%	0	168,046	N/A		
Morocco	6,662,111	8,238,179	24%	0	0	N/A		
Pakistan	2,473,499	18,621,223	653%	0	42,328	N/A		
Saudi Arabia	485,398	1,235,484	155%	1,213,507	3,701,540	205%		
Turkey	80,266,342	86,887,339	8%	1,124,866	251,022	-78%		
UAE	28,130,898	61,912,206	120%	3,343,071	8,175,388	145%		
Australia	30,267	25,463	-16%	8,297,426	7,040,693	-15%		
China	9,069,930	2,884,964	-68%	3,473,630	2,457,280	-29%		
Hong Kong	10,346,030	4,867,349	-53%	1,411,574	1,532,028	9%		
Thailand	0	1,455,036	N/A	497,638	249,490	-50%		
Vietnam	17,854,507	12,423,995	-30%	100,780	192,480	91%		
India	23,078,951	13,975,614	-39%	0	223,740	N/A		
Japan	0	0	N/A	38,116,655	33,413,710	-12%		
Korea	1,340,012	674,857	-50%	24,701,968	24,352,861	-1%		





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

June 2019 walnut shipments from California of 31,599 tons were up 4% from June of 2018. While not a record for the month of June, this is a solid shipment figure at a time of year when many growers are sold out and buyers are beginning to receive shipments from Chile. The majority of remaining inventory in California is committed. Assuming shipments the remainder of the season (July-August) are similar to last season the carryout would be manageable in the 60,000-ton range.

Reports from Chile indicate a 2019 crop smaller than originally expected in the 130,000 metric ton range (about the same as 2018). Markets were active early as California was well committed and opening prices were attractive in comparison to prior seasons. Packers in Chile are well sold and pushing pricing higher for the little unsold inventory remaining. Overseas markets are having mixed reactions with some weakening due to aggressive early season buying. Other markets were waiting for lower prices which never came and are now trying to cover from second hand sellers.

Limited 2019 California walnut crop business is taking place. Current expectations are for a crop of similar size to the 2018 crop (in the range of 675,000 – 700,000 tons). Increasing bearing acreage of Chandler variety should make up for any loss in production from earlier varieties which are sometimes alternate bearing. Buyers looking to lock in early shipments are most active while others are content to wait until we are closer to harvest and see where the market settles. Early crop estimates will begin to circulate in July and August with the USDA Objective Estimate due to be released on August 30th. The 2019/20 marketing year should be another interesting one with tariffs, politics, currencies and weather all contributing.

Please let us know if we can be of service.

Best regards,
DERCO FOODS