

August 2019 Walnut Report

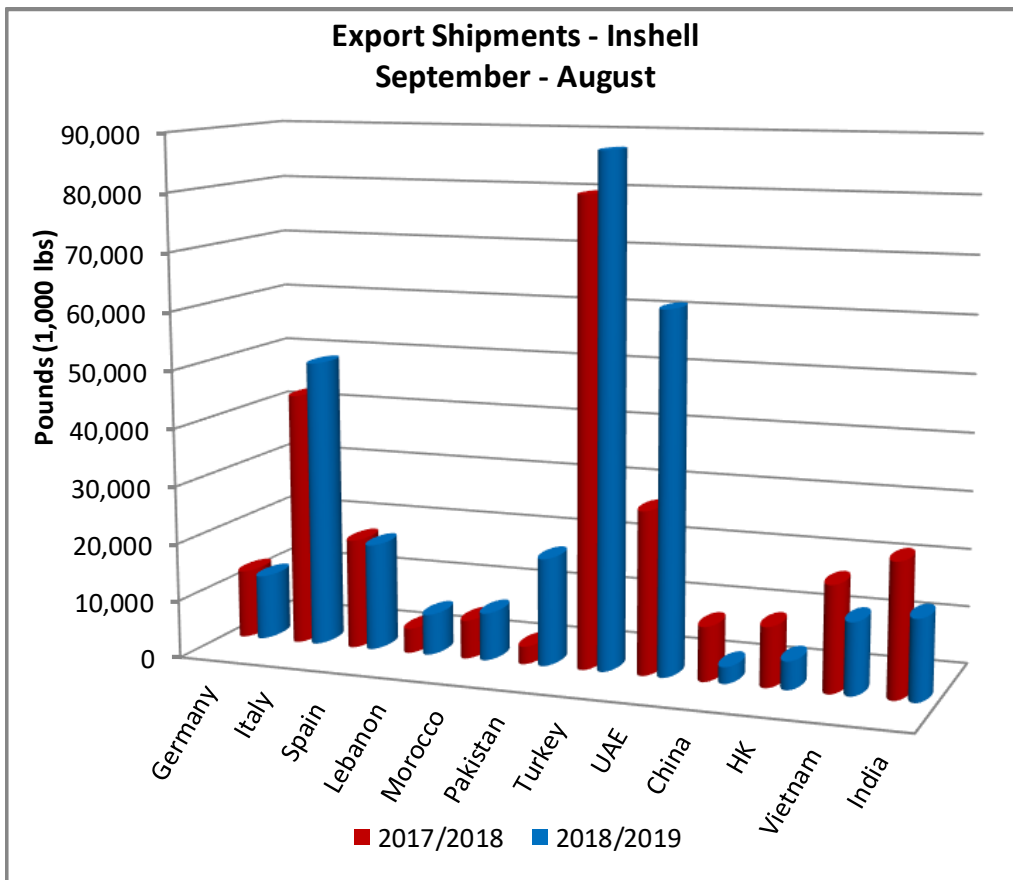
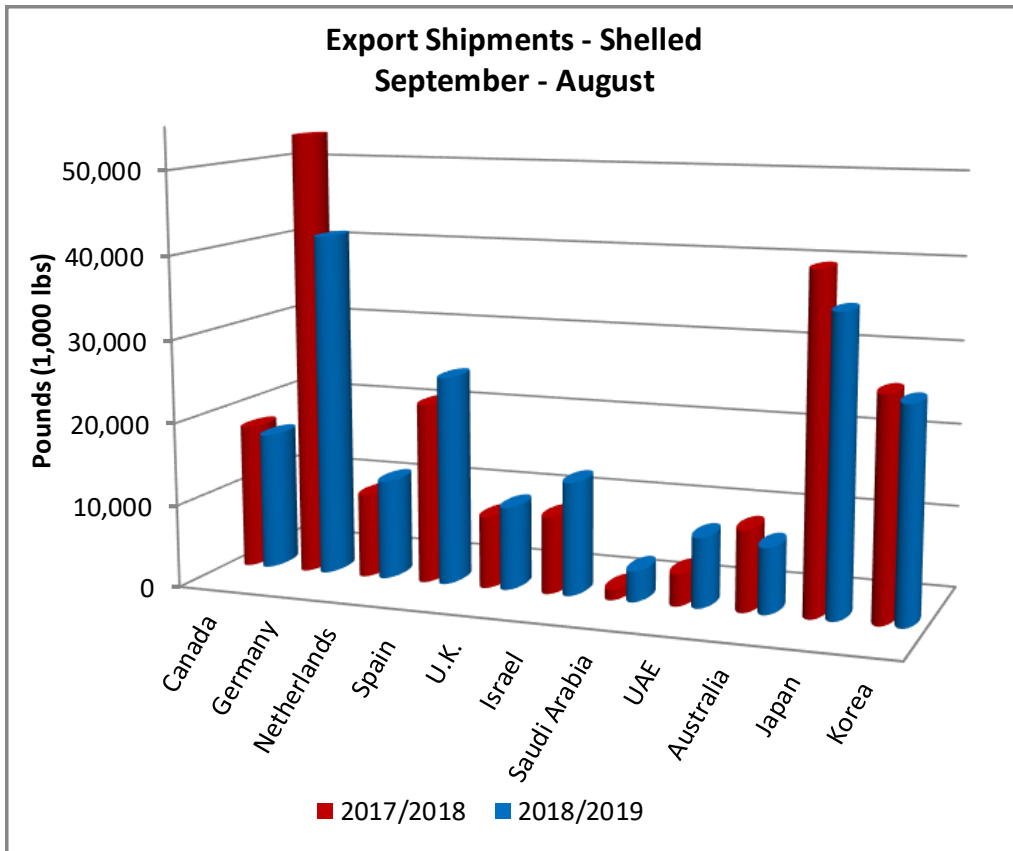
2018/19 Walnut Supply (inshell tons)

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 Aug 31:</u>	<u>677,549</u>
Remaining supply:	58,713

- Inshell shipments were 558 thousand pounds for the month of August, a decrease of 2.8 million pounds (-84%) compared to August 2018.
- Season to date inshell shipments are 339 million pounds through August, an increase of 35 million pounds (+12%) compared to the same period last season.
- Shelled shipments were 24 million pounds for the month of August, an increase of 1.2 million pounds (+5%) compared to August 2018.
- Season to date shelled shipments are 448 million pounds through August, an increase of 34 million pounds (+8%) 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 - Aug 18	Sep 18 - Aug 19	Change		Sep 17 - Aug 18	Sep 18 - Aug 19	Change	
USA	22,565,151	16,401,623	-27%	176,902,122	207,394,928	17%		
Canada	2,847,829	3,239,235	14%	17,516,636	16,678,714	-5%		
Germany	11,895,920	11,257,983	-5%	53,649,620	41,550,802	-23%		
Italy	43,977,637	49,839,647	13%	3,973,913	4,980,491	25%		
Netherlands	3,595,314	2,644,087	-26%	10,167,904	12,039,882	18%		
Spain	19,088,429	18,507,662	-3%	21,833,905	25,240,334	16%		
U.K.	1,310,205	343,111	-74%	8,689,019	10,047,312	16%		
Egypt	1,243,822	1,762,802	42%	554,842	1,182,130	113%		
Israel	590,606	1,465,704	148%	9,300,140	13,666,030	47%		
Jordan	484,315	1,824,844	277%	1,302,020	3,499,226	169%		
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	3,050,001	18,621,223	511%	0	42,328	N/A		
Saudi Arabia	529,490	1,235,484	133%	1,270,707	3,701,540	191%		
Turkey	80,311,536	87,590,605	9%	1,124,866	477,552	-58%		
UAE	28,210,705	62,000,206	120%	3,863,876	8,420,654	118%		
Australia	30,267	25,463	-16%	9,735,552	7,913,641	-19%		
China	9,408,339	2,884,964	-69%	3,574,940	2,709,180	-24%		
Hong Kong	10,346,030	4,867,349	-53%	1,602,744	1,777,908	11%		
Thailand	0	1,455,036	N/A	539,588	397,920	-26%		
Vietnam	18,332,047	12,443,671	-32%	124,655	192,480	54%		
India	23,078,951	13,975,614	-39%	0	223,740	N/A		
Japan	0	0	N/A	40,122,230	35,506,840	-12%		
Korea	1,340,012	674,857	-50%	26,555,493	25,628,821	-3%		





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August 2019 walnut shipments from California were essentially even with August 2018. There is little remaining inventory in California with calculated carryout of under 59,000 inshell tons. The majority of August shipments were to the domestic market.

The 2019 Objective walnut crop estimate was released at 630,000 inshell tons. This was surprisingly low after the earlier Subjective estimate of 691,000 tons. Despite new bearing acreage, lower nut counts across varieties led to a smaller crop forecast. This is the figure the industry will work with until harvest is complete and we have more accurate figures available.

Inventory positions in most major markets are low. Most of the 2018 California crop was sold out long ago and the 2019 Chilean crop was well short of expectations. Buying interest has been good for early shipments particularly for inshell markets. Buyers in major kernel markets are also indicating the need to buy and are competing for early shipments.

Steady demand coupled with the smaller crop has pushed prices higher over the past week. Buyers are hesitant to purchase at the new levels due to concern that the prices may move back to pre-estimate levels in demand is not good. Some buyers may take a cautious approach over the next couple of weeks to see if prices hold but they may be surprised to note the volume of sales already on the books. Many growers have already committed early shipment periods and are looking to move average pricing higher from the levels done to date.

We anticipate the market gaining momentum over the next couple of weeks as we approach harvest and buyers lock in purchases. Once a few major markets become active, the others will follow. This demand is likely to drive good early season shipments which in turn will allow pricing to remain firm.

Current price indications (subject to confirmation):

- Inshell Jumbo/Large Chandler \$1.40/lb
- Inshell Jumbo/Large Howard \$1.30/lb
- Inshell Jumbo Tulare \$1.30/lb
- Inshell Bleached Jumbo Hartley \$1.45/lb
- LHP20 \$3.20/lb
- LHP40 \$3.30/lb
- Chandler LHP20 \$3.30/lb
- Chandler LHP40 \$3.40/lb
- Chandler LH80 \$3.60/lb
- FAS California

Please let us know if we can be of service.

Best regards,
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