

### May 2021 Walnut Report

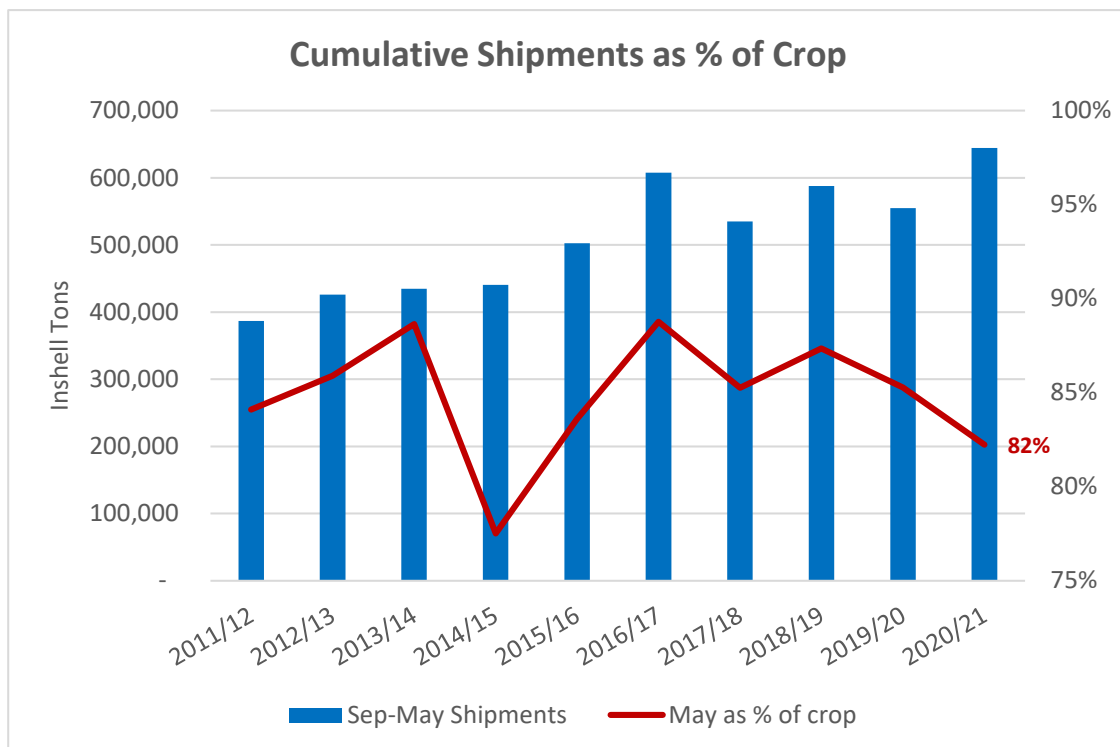
#### 2020/21 Walnut Supply (inshell tons)

Carry-in from prior season:	63,985
<u>2020 Crop Receipts:</u>	<u>783,754</u>
Total available for shipment:	847,739
<u>Less: Shipments to date thru May 31:</u>	<u>648,514</u>
Remaining supply:	199,225
<u>Less: Commitments as of May 31:</u>	<u>112,915</u>
Remaining supply available for sale:	86,310

#### Shipments

- Inshell walnut shipments were 6.3 million pounds for the month of May, an increase of 1.2 million pounds (+23%) compared to May 2020.
- Season to date inshell shipments are 360.3 million pounds through May, an increase of 85.5 million pounds (+31%) compared to the same period last season.
- Shelled walnut shipments were 36.4 million pounds for the month of May, an increase of 6.1 million pounds (+20%) compared to May 2020.
- Season to date shelled shipments are 409.5 million pounds through May, an increase of 50.8 million pounds (+14%) compared to the same period last season.

May 2021 walnut shipments from California were up +18% over May 2020. May was the third consecutive month and the fifth time in seven months of record shipments. Year over year increases were seen in both domestic and export markets and shipments were likely limited by lack of available inventory in California. As of May 31, the California industry had shipped 82% of the 2020 crop which is in line with prior seasons.





2670 West Shaw Lane, Fresno, California 93711 U.S.A.

Telephone (559) 435-2664 • Fax (559) 435-8520 • [www.dercofoods.com](http://www.dercofoods.com) • e-mail: [derco@dercofoods.com](mailto:derco@dercofoods.com)

Commitments (sold but not shipped) as of May 31 were 112,915. When estimated inventory of 199,225 is reduced by forward commitments of 112,915, remaining unsold inventory is about 86,310. If we assume the commitments will be shipped between now and the end of the crop year (August 31), the carryout would be about 86,000 tons if no new sales occur. The California walnut industry is effectively sold out until 2021 crop harvest.

### **Chile**

Harvest in Chile is complete with reports of crop receipts coming in 10-15% lower than anticipated. Quality is reported overall to be good in terms of color, meat yield and nut sizing. Demand has been good from most traditional markets. At this time, inshell walnuts are nearly sold out and kernels also are limited availability. With strong demand and a smaller than expected supply, prices have moved higher in recent weeks.

As for Chilean crop shipments so far this season:

- Season to date inshell shipments are 27,707 metric tons through May, an increase of 6,365 metric tons (+30%) compared to the same period last season.
- Season to date shelled shipments are 2,998 metric tons through May, an increase of 357 metric tons (+14%) compared to the same period last season.
- While shipments through May are strong, they have been limited by congestion at the port and limited availability of containers and bookings with ocean carriers. This problem is causing shipment delays and is being felt across the industry. This is also keeping inventories tight and markets firm in overseas markets where product is needed.

### **Summary**

As of the end of May, California is essentially sold out of walnuts and Chile is very well sold with limited availability remaining. Supply will remain tight for the next several months until 2021 crop availability from California, China and Europe hits the market. Market pricing for available inventory is expected to remain firm for the near future.

Please let us know if we can be of service.

Best regards,  
DERCO FOODS