

## September 2021 Walnut Report

### 2021/22 Walnut Supply (inshell tons)

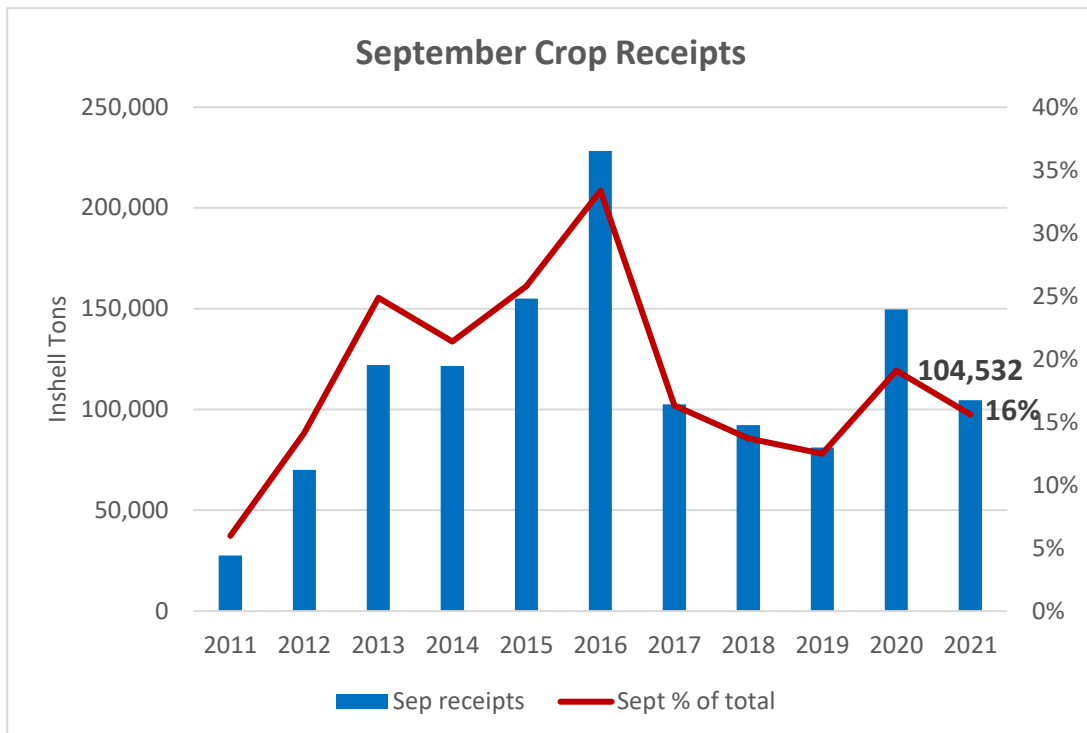
Carry-in from prior season:	98,054
<u>2021 Crop Estimate:</u>	<u>670,000</u>
Total available for shipment:	768,054
<u>Less: Shipments to date thru Sept 30:</u>	<u>33,757</u>
Remaining supply:	734,297

### Shipments

- Walnut receipts for September were 104,532 inshell tons. This is a decrease of **-45,043** inshell tons **(-30%)** from September of 2020.
- Inshell walnut shipments were 6.3 million pounds for the month of September, an increase of 308 thousand pounds (+5%) compared to September 2020.
- Shelled walnut shipments were 26.9 million pounds for the month of September, an increase of 3.6 million pounds (+16%) compared to September 2020.

September marks the official beginning of the 2021/22 crop year but the receipts and shipment numbers provide limited value. Crop receipts are primarily from early season varieties and are influenced by the timing of harvest, which varies depending on crop year and weather. Shipment numbers are comprised largely of prior crop inventory mixed with some of the first shipments of new crop.

We'll have a much better idea of actual crop size after the October shipment report. Below graph illustrates annual September receipts along with the % of the total crop. Based on the 670,000 ton crop estimate, CA is about 16% received as of September 30 which is within range of the 10 year average of 19% received.





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## **Summary**

The 2021/22 crop forecast of 670,000 inshell tons would be **-15%** compared to prior season. Total supply (crop + carry-in) from California is forecast to be **-9%** compared to prior season. Given the smaller supply and the feeling in California that the crop was priced too low last season (resulting in most growers selling out early in the spring), opening prices are noticeably higher than last season at this time.

The more recent attempt to increase “opening” market prices was met with limited interest from buyers in many markets. Several kernel markets were initially active in purchasing to replenish low stocks. Inshell markets have been slow to start. Several notable inshell markets are currently still receiving late shipments from Chile and have been actively buying high yielding walnuts of Chinese origin.

With harvest in California well underway, mixed results are being reported in terms of overall quantity and quality. Early Chandler variety results indicate lower volume and smaller sizing with good overall color and low defect levels. The market is inconsistent at the moment as some growers sold good volume early and are now holding pricing firm while others need to sell and are lowering prices in an effort to stimulate demand.

The other big concern in California is in regard to the inability to secure bookings, containers and vessel space for ocean shipments. The level of congestion at California ports is unprecedented and appears to be getting worse. Ocean vessels are waiting to drop imports and then leaving without taking exports, causing cancellations for California shippers. With no near-term solution in sight, it appears shipping constraints will become the “new normal” for the foreseeable future. We recommend scheduling purchases/shipments ahead of normal to allow extra time for shipment.

Please let us know if we can be of further assistance.

Best regards,  
DERCO FOODS