DERCO FOODS®

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March 2024 Walnut Report

2023/24 Walnut Supply (inshell tons)

Carry-in from prior season:	140,805
2023 Crop Receipts:	823,549
Total available for shipment:	964,354
Less: *Approx shipments to date thru Mar 31:	581,020
Remaining unshipped supply:	383,334
Less: *Approx commitments as of Mar 31:	212,000
Remaining supply available for sale:	171,334

**Estimated inshell equivalent tons using meat yield of 43.0% for calculation purposes*

Shipments

- Inshell walnut shipments were 36.4 million pounds for the month of March, an increase of +14.4 million pounds (+65%) compared to March 2023.
- Season to date inshell shipments are 279.4 million pounds through March, an increase of +76.0 million pounds (+37%) compared to the same period last season.
- Shelled walnut shipments were 63.3 million pounds for the month of March, an increase of +4.5 million pounds (+8%) compared to March 2023.
- Season to date shelled shipments are 379.6 million pounds through March, an increase of +62.0 million pounds (+20%) compared to the same period last season.

Total season to date shipments through March are about 581,000 inshell equivalent tons, an increase of 118,000 tons (+26%) compared to the same period last season.

- Season to date shipments are 71% of the 2023 crop or 60% of total supply (carry-in + 2023 crop).

Purchase Commitments

Future purchase commitments (sold but not yet shipped) as of March 31 were about 212,000 inshell equivalent tons. This is indicative of buyers locking in attractive pricing for future shipment periods.

- Adding season to date shipments of 581,000 tons + purchase commitments of 212,000 tons, the 2023 crop is 97% committed and the 2023 total supply is 82% committed.
- Assuming shipments for the remaining five months of this marketing season are equal to those of the same months last season, the carryout would be reduced to a more manageable level of about 110,000 inshell equivalent tons.

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Summary

March 2024 was the fourth consecutive month of record monthly walnut shipments from California. Inshell shipments were strong to Europe (+70%), Middle East (+59%), and Asia (+66%). Buyers were actively buying inshell at and around the time of Gulfood as California origin product was priced at a discount to opening Chilean prices and product quality from California this season was good. Kernel shipments are strong to most markets as consumer demand is growing at current price levels.

Overall, California is in a comfortable committed position with 5 months remaining in the marketing year. Both inshell and shelled walnuts are still available for purchase in California but in limited volumes. Market prices are stable. New purchase activity has slowed seasonally as some markets are now moving to Chilean origin product to cover summer shipments.

Harvest in Chile has started but is progressing slower than normal as weather in the growing region has been dry and the nuts are not yet ready to drop from the trees. Early receipts are showing good color but meat yield is lower than normal by 1-2 percentage points. We expect higher volumes of product to be received over the next couple of weeks at which time we will have a better feel for overall quantity and quality of this season's Chilean crop. Early sales activity has been good to India and Europe and we expect demand to pick up as harvest progresses.

Please let us know if our offices in Dubai, India, China, or the US may be of further assistance.

Best regards,
DERCO FOODS