DERCO FOODS®

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November 2024 Walnut Report

2024/25 Walnut Supply (inshell tons)

Carry-in from prior season:	94,742
*2024 Estimated Crop Receipts:	600,000
Total available for shipment:	694,742
Less: **Approx shipments to date thru Nov 30:	182,469
Remaining unshipped supply:	512,273
Less: **Approx commitments as of Nov 30:	205,218
Remaining supply available for sale:	307,055

**Estimated 2024 total crop based on 5-year average of 96% received by November 30*
***Estimated inshell equivalent tons using meat yield of 43.0% for calculation purposes*

Receipts

Crop receipts through November 30 are 576,859 inshell tons. This is -244,107 inshell tons (--30%) from the 2023/24 crop of 820,966 inshell tons.

- Harvest is complete in California. The November receipts should be close to the final crop size.
- The 5-year average percent received as of November 30 is 96%. If this holds true, the 2024 crop would be about 600,000 tons.

Shipments

Total season to date shipments through November are about 182,000 inshell equivalent tons.

- Inshell walnut shipments were 35.8 million pounds for the month of November, a decrease of -15.2 million pounds (-30%) compared to November 2023.
- Season to date inshell shipments are 84.7 million pounds through November, a decrease of -17.7 million pounds (-17%) compared to the same period last season.
- Shelled walnut shipments were 54.6 million pounds for the month of November, a decrease of -5.5 million pounds (-9%) compared to November 2023.
- Season to date shelled shipments are 120.5 million pounds through November, a decrease of -26.4 million pounds (-18%) compared to the same period last season.

Purchase Commitments

Future purchase commitments (sold but not yet shipped) as of November 30 were about 205,000 inshell equivalent tons. This is indicative of buyers securing supply for future shipment periods.

Season to date shipments of 182.469 tons plus purchase commitments of 205,000 tons means that 387,469 tons of the 2024/25 crop have been sold. This equates to 65% of the estimated 600,000 ton crop with 9 months to go in the walnut marketing season.

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Shipments by Region

Shipments to North America trail well behind last season. Much of the tonnage is in shelled walnuts where the figures would include the large USDA purchase at the end of the 2022/23 season which carried over into the early months of the 2023/24 walnut season. Overall demand is reported to be steady for new crop walnuts with additional buying expected in the coming months.

	Inshell Pounds			Shelled Pounds		
	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change
USA	5,156,255	4,762,370	-8%	85,656,844	57,360,959	-33%
Canada	1,437,108	1,071,982	-25%	4,431,425	4,294,293	-3%
North America	6,678,863	5,963,352	-11%	90,216,264	62,167,552	-31%

Europe has been the most active market for 2024 crop California walnuts. Markets were largely empty heading into harvest as the carryover was limited in California and buyers were not able to procure their normal volumes from the small Chilean crop. Buyers from Italy, Spain, the Netherlands and Germany have all been active early this season. New business activity has slowed recently but additional buying is expected to cover spring/summer requirements.

	Inshell Pounds			Shelled Pounds		
	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change
Germany	2,854,716	4,430,613	55%	10,639,104	9,125,658	-14%
Italy	21,026,139	24,850,205	18%	1,874,332	3,397,153	81%
Netherlands	1,110,998	1,192,128	7%	2,352,323	2,516,224	7%
Spain	5,786,794	6,433,157	11%	8,579,161	10,909,423	27%
U.K.	6,614	44,092	567%	4,944,463	4,501,920	-9%
Europe	31,490,365	37,258,839	18%	30,041,537	32,694,721	9%

Walnut shipments to Asia are up for inshell given strong demand from India where buyers could not purchase enough to meet demand from Chile this season. Buyers also have the quality of the 2023 California crop fresh in their memories which was among the lightest color crops we have seen. Kernel shipments are stable compared to prior season with increased shipments to Japan being offset by decreased shipments to Australia and Korea. We expect steady demand from these markets going forward and anticipate another round of purchases from India before the 2025 Chilean crop (which will not arrive until July onward).

	Inshell Pounds			Shelled Pounds		
	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change
Australia	0	0	n/a	2,563,181	1,855,619	-28%
India	8,011,083	20,494,802	156%	0	59,683	n/a
Japan	0	0	n/a	4,613,854	6,694,197	45%
Korea	131,615	553,889	321%	8,531,933	7,524,983	-12%
Taiwan	66,138	44,092	-33%	1,656,610	1,523,058	-8%
Vietnam	1,410,944	1,806,030	28%	210,240	0	-100%
Asia / Pacific Rim	10,060,700	23,723,153	136%	19,096,294	19,086,913	0%

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The Middle East and North Africa have turned their walnut demand almost exclusively to Chinese origin this season due to the big price difference and higher meat yields common from China. The 2024 Chinese walnut crop was larger than expected and farmers hungry for cash sold aggressively early. While prices have now moved higher, they are still well below California's levels. There are mixed reviews of the quality being received from early shipments.

	Inshell Pounds			Shelled Pounds		
	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change	Sep 2022 - Nov 2023	Sep 2023 - Nov 2024	% Change
Algeria	1,629,971	661,380	-59%	0	0	n/a
Egypt	1,455,036	507,279	-65%	0	43,098	n/a
Iraq	2,072,324	176,368	-91%	0	0	n/a
Israel	399,114	266,368	-33%	3,020,822	2,955,280	-2%
Jordan	44,092	0	-100%	126,000	84,000	-33%
Lebanon	3,038,637	176,368	-94%	0	0	n/a
Morocco	1,760,593	1,366,852	-22%	0	0	n/a
Pakistan	264,552	88,184	-67%	0	0	n/a
Saudi Arabia	308,644	0	-100%	663,299	83,490	-87%
Turkey	38,296,511	11,237,874	-71%	33,655	0	-100%
UAE	3,747,728	3,081,111	-18%	2,220,034	926,688	-58%
Middle East / Africa	53,105,386	17,561,784	-67%	6,498,306	4,258,414	-34%

Summary

We now have a good idea of the size of the 2024/25 California walnut crop at about 600,000 inshell tons. This is smaller than most in the industry expected and has led many packers to be further sold than they had planned and pushed pricing higher. At the grower level, higher prices are a welcome change from the unsustainable prices we have seen the past few seasons but these gains are being partially offset by lower tonnage.

Sales and shipments so far this season are two very different stories depending on the market. Those markets (Europe, Japan, USA, India) that require and have strong annual demand for California origin walnuts have purchased aggressively despite rising prices. Those markets (Middle East, North Africa) that are more accepting of Chinese origin walnuts have migrated quickly to lower prices and comparatively higher meat yields. The next few months will be interesting to see how demand from some key markets plays out as China is now comfortably sold and pushing prices higher and expectations are for opening pricing from Chile to be aggressive considering current supply and pricing in California. While new business activity has slowed recently, packers are well sold and are busy packing existing orders with little/no concern about the ability to sell and ship remaining volumes.

Looking ahead, we anticipate a tight supply situation and firm pricing throughout the season. Please let us know if our offices in Dubai, India, China, or the US may be of further assistance.

Best regards,
DERCO FOODS