DERCO FOODS®

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December 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 Dec 31:	246,136
Remaining unshipped supply:	448,606
Less: **Approx commitments as of Dec 31:	193,803
Remaining supply available for sale:	254,803

**Estimated 2024 total crop receipts*
***Estimated inshell equivalent tons using meat yield of 43.0% for calculation purposes*

Receipts

Crop receipts through December 31 are 596,060 inshell tons. This should be close to the final crop receipt figure for the 2024 crop although sometimes a few more pounds are received after the first of the year. We are assuming a crop of 600,000 inshell tons. This is -220,966 inshell tons (--27%) from the 2023/24 crop of 820,966 inshell tons.

Shipments

Total season to date shipments through December are about 246,136 inshell equivalent tons.

- Inshell walnut shipments were 22.6 million pounds for the month of December, a decrease of -36.9 million pounds (-62%) compared to December 2023.
- Season to date inshell shipments are 107.8 million pounds through December, a decrease of -54.1 million pounds (-33%) compared to the same period last season.
- Shelled walnut shipments were 44.8 million pounds for the month of December, a decrease of -10.3 million pounds (-19%) compared to December 2023.
- Season to date shelled shipments are 165.3 million pounds through December, a decrease of -36.6 million pounds (-18%) compared to the same period last season.

Purchase Commitments

Future purchase commitments (sold but not yet shipped) as of December 31 were about 194,000 inshell equivalent tons. This is indicative of buyers securing supply for future shipment periods.

Season to date shipments of 246,136 tons plus purchase commitments of 194,000 tons means that 440,136 tons of the 2024/25 crop have been sold. This equates to 73% of the estimated 600,000 ton crop with 8 months to go in the walnut marketing season.

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Shipments by Region

Shipments to **North America** trail last season for both inshell and shelled walnuts. The shelled figures 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 stable.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change
USA	6,011,468	6,016,695	0%	105,573,808	71,161,616	-33%
Canada	1,662,720	1,146,358	-31%	5,411,977	5,520,353	2%
North America	7,759,688	7,292,053	-6%	111,129,390	77,194,269	-31%

Europe has been the most active market for 2024 crop California walnuts. Shipment figures overall are basically even with prior season although there are shifts within Europe. Markets were 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. New business activity slowed through the holiday season but buyers are now returning to the market to cover spring/summer requirements.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change
Germany	5,145,126	6,060,153	18%	20,864,730	18,099,653	-13%
Italy	29,904,907	28,940,800	-3%	2,962,102	4,369,855	48%
Netherlands	1,192,568	1,405,820	18%	4,934,154	4,194,716	-15%
Spain	7,005,614	7,627,030	9%	11,582,928	14,766,090	27%
U.K.	6,614	44,092	567%	6,723,544	5,665,568	-16%
Europe	44,642,937	44,386,539	-1%	49,694,906	49,882,311	0%

Walnut shipments to **Asia / Pacific Rim** are up for inshell given strong demand from India where buyers could not purchase enough to meet demand from Chile this season. Indian buyers are now looking ahead to the coming Chilean walnut season although opening prices likely be known in February or later. Kernel shipments are stable compared to prior season with increased shipments to Japan being offset by decreased shipments to Australia and Korea.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change	Sep 2023 - Dec 2023	Sep 2024 - Dec 2024	% Change
Australia	0	0	n/a	3,408,314	2,688,699	-21%
India	14,223,496	26,151,293	84%	0	59,683	n/a
Japan	0	0	n/a	7,688,183	10,127,706	32%
Korea	1,459,419	1,139,715	-22%	12,267,148	11,559,792	-6%
Taiwan	88,184	44,092	-50%	2,350,000	2,870,264	22%
Vietnam	132,276	88,184	-33%	159,848	92,990	-42%
Asia / Pacific Rim	17,896,499	30,520,925	71%	28,156,289	29,282,649	4%

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Walnut shipments to the **Middle East and North Africa** are dramatically lower compared to last season. Buyers in this region have focused purchases almost exclusively on Chinese origin due to attractive pricing and higher meat yields. There are mixed reviews of the quality being received from early shipments but given the aggressive pricing and yield, this business is expected to continue growing in future seasons.

	Inshell Pounds			**Shelled Pounds**		
	Sep 2023 - Dec 2023	**Sep 2024 - Dec 2024**	**% Change**	**Sep 2023 - Dec 2023**	**Sep 2024 - Dec 2024**	**% Change**
Algeria	2,644,087	661,380	-75%	0	0	n/a
Egypt	1,675,404	507,279	-70%	168,000	43,098	-74%
Iraq	4,321,016	220,460	-95%	84,000	0	n/a
Israel	399,114	354,552	-11%	4,243,060	4,487,898	6%
Jordan	396,828	44,092	-89%	445,000	42,000	-91%
Lebanon	4,860,096	617,288	-87%	21,000	0	n/a
Morocco	2,862,341	1,410,852	-51%	0	0	n/a
Pakistan	1,008,605	88,184	-91%	0	0	n/a
Saudi Arabia	308,644	0	-100%	873,817	165,418	-81%
Turkey	59,534,074	17,661,615	-70%	159,655	0	-100%
UAE	11,858,980	3,699,015	-69%	3,921,581	1,427,377	-64%
Middle East / Africa	90,001,465	25,264,717	-72%	10,744,543	6,371,249	-41%

Summary

The 2024 crop of about 600,000 inshell tons surprised many buyers and sellers. Markets reacted accordingly with higher pricing to slow sales. While new business activity has slowed over the past month, packers are not concerned about selling remaining inventory. A seasonal lull in new business is normal for this time of season and the crop is already about 73% committed with 8 months left in the 2024/25 marketing year,

Buyers who need to cover spring and summer purchases are likely to do so in the coming months. We also expect to learn more about the 2025 Chilean walnut crop over the next 60 days beginning with MEWA and Gulfood where we typically see the very first Chilean business of the season. Early reports indicate good moisture and chilling hours along with a favorable early growing season which hopefully will lead to a good crop in terms of quality and quantity.

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