DERCO FOODS®

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February 2025 Walnut Report

2024/25 Walnut Supply (inshell tons)

Carry-in from prior season:	94,742
2024 Crop Receipts:	598,221
Total available for shipment:	692,963
Less: **Approx shipments to date thru Feb 28:	364,519
Remaining unshipped supply:	328,444
Less: **Approx commitments as of Feb 28:	185,641
Remaining supply available for sale:	142,803

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

Shipments

Total season to date shipments through February are about 364,519 inshell equivalent tons. This is about -135,865 inshell equivalent tons (-27%) lower than the same period last season. Overall shipments are down compared to last season to most major markets. Given the smaller supply, these reductions were necessary.

- Inshell walnut shipments were 6.6 million pounds for the month of February, a decrease of -28.4 million pounds (-81%) compared to February 2024.
- Season to date inshell shipments are 125.0 million pounds through February, a decrease of -121.1 million pounds (-49%) compared to the same period last season.
- Shelled walnut shipments were 45.1 million pounds for the month of February, a decrease of -12.2 million pounds (-21%) compared to February 2024.
- Season to date shelled shipments are 259.7 million pounds through February, a decrease of -57.2 million pounds (-18%) compared to the same period last season.

Purchase Commitments and Sold Position

Future purchase commitments (sold but not yet shipped) as of February 28 were about 185,000 inshell equivalent tons. This is indicative of buyers securing supply for future shipment periods.

Season-to-date shipments of 364,519 tons plus purchase commitments of 185,000 tons means that 549,519 tons of the 2024/25 crop have been sold. This equates to 92% of the 598,221 ton crop or 79% of total supply (crop + carry-in) with 6 months to go in the walnut marketing season.

If shipments the remainder of the marketing season (March – August) are lower than prior season by an average of 30%, the carry-out would be about 78,000 inshell equivalent tons. This would be the lowest carry-out since the 2020/21 season and would be considered essentially “sold out”.

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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. Higher retail pricing is also reflected in these figures.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change
USA	7,594,196	7,569,736	0%	142,181,149	100,976,124	-29%
Canada	1,678,720	1,200,767	-28%	8,310,112	8,296,349	0%
North America	9,358,416	8,899,503	-5%	150,667,866	109,828,293	-27%

Europe has been one of the most active markets for 2024 crop California walnuts but shipments still trail well behind last season overall. Most major markets were empty heading into harvest due to small carryover inventory and a smaller Chilean crop in 2024. New business activity has slowed recently with most buyers reporting to be well covered for the spring and some buyers looking ahead to the coming 2025 Chilean harvest.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change
Germany	6,423,982	7,711,766	20%	42,165,018	37,525,184	-11%
Italy	38,103,205	31,908,815	-16%	5,018,641	5,543,098	10%
Netherlands	1,396,494	1,769,018	27%	11,932,208	10,997,738	-8%
Spain	10,107,797	9,192,557	-9%	18,886,086	21,237,025	12%
U.K.	9,364	88,184	842%	10,542,782	8,669,966	-18%
Europe	57,548,880	50,978,984	-11%	93,940,842	88,119,775	-6%

Walnut shipments to **Asia / Pacific Rim** are up compared to prior season. Inshell shipments are up solely due to strong early demand from India (which has disappeared more recently). Kernel shipments have been strong to Japan and Korea where buyers appear to be locking in supply.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change
Australia	0	0	n/a	5,153,743	4,007,859	-22%
India	20,732,629	28,661,101	38%	1,000	59,683	n/a
Japan	0	0	n/a	15,167,782	17,578,240	16%
Korea	1,589,997	1,013,695	-36%	18,476,275	18,876,613	2%
Taiwan	88,184	66,138	-25%	4,920,271	4,934,913	0%
Vietnam	2,296,165	2,104,333	-8%	632,780	84,260	-87%
Asia / Pacific Rim	26,454,359	33,316,477	26%	47,694,353	48,477,134	2%

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Walnut shipments to the **Middle East and North Africa** are dramatically lower compared to last season. Chinese origin walnuts have essentially taken over these markets with attractive pricing and higher meat yield. Some buyers report being unhappy with the quality and consistency of the product being received from China but given the lower price (compared to US or Chilean origin), demand was strong this season.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change	Sep 2023 - Feb 2024	Sep 2024 - Feb 2025	% Change
Algeria	5,686,251	661,380	-88%	22,500	0	n/a
Egypt	2,424,968	727,739	-70%	210,108	43,098	-79%
Iraq	8,118,438	220,460	-97%	423,750	0	n/a
Israel	421,160	354,552	-16%	6,926,534	6,400,778	-8%
Jordan	396,828	44,092	-89%	2,833,140	84,000	-97%
Lebanon	8,475,456	1,408,739	-83%	147,000	0	n/a
Morocco	4,978,113	1,410,852	-72%	0	0	n/a
Pakistan	1,052,697	88,184	-92%	0	0	n/a
Saudi Arabia	352,736	0	-100%	1,337,251	286,946	-79%
Turkey	96,613,289	22,423,543	-77%	412,083	77,858	-81%
UAE	22,251,352	4,139,155	-81%	7,215,290	2,219,774	-69%
Middle East / Africa	150,903,564	31,522,788	-79%	20,835,426	9,441,684	-55%

Summary

The February California walnut shipment report and the market in general can be interpreted in multiple ways, depending on perspective. On one hand, the industry, as a whole, has already sold 92% of the 2024 crop and we’re only halfway through the marketing year. 2025 crop California walnuts won’t be harvested until October. Many packers report being essentially sold out while others are managing sales at a slow pace so that they will have availability for regular buyers through the spring and summer months. The transition into new crop will be tight in terms of inventory available to meet spring and summer demand.

On the other hand, a good portion of season-to-date shipments are based on early season sales at lower price levels. Demand for new business has been slow over the past 3 months. It is also worth noting that several overseas markets have switched almost entirely to Chinese origin walnuts. Higher pricing from California, as intended, has dampened demand. It remains to be seen whether this change is permanent or just based on the smaller supply from California this season.

The traditional opening of the Chilean walnut season during Gulfood was muted this year due to ongoing tax investigations in India (which is typically an early mover). This is a key market for Chile and while there is demand in India, buyers and sellers are taking a cautious approach. Reports of strong kernel demand from Europe is a good sign for Chile. Expectations are for a good quality crop in the 165-170,000 ton range.

Smaller packers in California are beginning to push to sell remaining inventory before the weather turns warmer (this happens every year at this time). Given the limited inventory remaining available to sell, we anticipate a firm market for the remainder of 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