DERCO FOODS®

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March 2025 Walnut Report

2024/25 Walnut Supply (inshell tons)

Carry-in from prior season:	94,742
2024 Crop Receipts:	604,364
Total available for shipment:	699,106
Less: **Approx shipments to date thru Mar 31:	421,642
Remaining unshipped supply:	277,464
Less: **Approx commitments as of Mar 31:	156,771
Remaining supply available for sale:	120,693

**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 March are about 421,642 inshell equivalent tons. This is about -172,553 inshell equivalent tons (-29%) lower than the same period last season.

- Inshell walnut shipments were 3.1 million pounds for the month of March, a decrease of -33.3 million pounds (-91%) compared to March 2024.
- Season to date inshell shipments are 128.2 million pounds through March, a decrease of -154.4 million pounds (-55%) compared to the same period last season.
- Shelled walnut shipments were 47.8 million pounds for the month of March, a decrease of -15.7 million pounds (-25%) compared to March 2024.
- Season to date shelled shipments are 307.5 million pounds through March, a decrease of -72.9 million pounds (-19%) compared to the same period last season.

Shipments from California for the 2024/25 crop are lower than prior season to almost every market. The sharp reduction in shipments was necessary due to the smaller size of the 2024/25 crop in comparison to the record production seen in 2023/24. Shipments of inshell walnuts are down more than kernels as many packers focused production and sales on kernel markets including USA, Europe, Japan and Korea where margins were better. On the other hand, aggressive competition for inshell walnuts was seen to markets such as Turkey and the Middle East where buyers took advantage of low prices and higher meat yield.

Year over year shipments by Region:

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Mar 2024	Sep 2024 - Mar 2025	% Change	Sep 2023 - Mar 2024	Sep 2024 - Mar 2025	% Change
North America	10,767,793	9,314,107	-14%	170,854,282	126,209,319	-26%
Europe	60,885,792	52,217,128	-14%	116,459,253	107,605,256	-8%
Middle East / Africa	179,795,993	32,799,031	-82%	25,912,336	10,853,660	-58%
Asia / Pacific Rim	29,084,923	33,533,533	15%	61,161,203	58,581,470	-4%
Total	282,619,097	128,179,033	-55%	380,424,267	307,494,771	-19%

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Purchase Commitments and Sold Position

Future purchase commitments (sold but not yet shipped) as of March 31 were about 156,000 inshell equivalent tons. This is -56,000 tons less than March of 2024 (-26%) and is indicative of smaller remaining inventory.

Season-to-date shipments of 421,642 tons plus purchase commitments of 156,000 tons means that 577,642 tons of the 2024/25 crop have been sold. This equates to 96% of the 604,364 ton crop or 83% of total supply (crop + carry-in) with 5 months to go in the walnut marketing season.

If shipments the remainder of the marketing season (April – August) are lower than prior season by an average of 30%, the carry-out would be about 85,000 inshell equivalent tons. This would be the lowest carry-out since the 2020/21 season and would be considered essentially "sold out".

2025 Chilean Walnuts

The 2025 Chilean walnut crop harvest is underway. Serr variety harvest is nearly complete with Chandler variety now into full harvest. Industry forecasts are for a total crop of 165,000 inshell tons as orchards have bounced back from the smaller crop last season. Early reports are for good quality in terms of color and yield with few defects. Sizing of nuts is smaller than normal meaning there will be less availability of big sizes (34/36mm and 36mm+). Forecasts indicate good weather for the foreseeable future allowing for an efficient harvest.

The traditional "start" to the Chilean marketing season at Gulfood was quiet this season. In past years, the early markets for Chilean walnuts were Turkey and India (for inshell). This season, both of these markets are slow to begin buying. Turkey is holding good inventory of lower priced Chinese origin walnuts and thus far has not been willing to accept current Chilean price levels. India has been hesitant to buy due to ongoing investigations by tax authorities. There certainly is demand for Chilean walnuts in India but buyers are not willing to risk trouble and are not willing to pay 100% tariffs as they would be at a competitive disadvantage if others find a way to import at a lower cost. There have been rumors of tariff negotiations between India and both the United States and Chile but so far nothing meaningful has been finalized.

Strong demand for walnut kernels from Europe has packers focusing their production and sales on the kernel markets. Packers are making good volume sales at prices that are pushing inshell equivalent pricing above the levels at which buyers are showing interest. We are likely to see a higher overall percentage of the 2025 crop sold as kernels. On the other hand, many smaller packers do not have access to efficient shelling and the industry will need to eventually sell inshell. Packers in Chile are holding tight as they believe inshell buyers will eventually start buying and will have no choice but to pay prices equivalent to the shelled market. Buyers are patiently waiting as they believe Chilean packers will eventually have to reduce inshell prices to spur demand. We'll learn more in the coming months with the big wild card being what happens in India.

Summary

The walnut market in California has been relatively quiet in recent weeks in terms of demand. Buyers are slowly turning their attention to Chile and California is largely sold out of many items. Smaller packers are actively working to sell their few remaining walnuts before they have to pay for cold storage. Larger packers are well committed to existing customers who they will support through the summer months. We anticipate a tight transition to new crop with firm pricing in California. In Chile, we wait to see how the major inshell markets react.

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

Best regards,
DERCO FOODS