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July 2025 Walnut Report

2024/25 Walnut Supply (inshell tons)

Carry-in from prior season:	94,742
<u>2024 Crop Receipts:</u>	<u>606,319</u>
Total available for shipment:	701,061
<u>Less: **Approx shipments to date thru July 31:</u>	<u>584,987</u>
Remaining unshipped supply:	116,074
<u>Less: **Approx commitments as of July 31:</u>	<u>83,772</u>
Remaining supply available for sale:	32,302

**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 July are about 584,987 inshell tons. This is about **-249,000** inshell tons (**-30%**) lower than the same period last season. This is in line with the year-over-year reduction in total supply of about **-260,000** inshell tons (**-27%**).

- Inshell walnut shipments were 4.8 million pounds for the month of July, a decrease of **-3.0** million pounds (**-38%**) compared to July 2024.
- Season to date inshell shipments are 152.1 million pounds through July, a decrease of **-178.2** million pounds (**-54%**) compared to the same period last season.
- Shelled walnut shipments were 26.4 million pounds for the month of July, a decrease of **-10.6** million pounds (**-29%**) compared to July 2024.
- Season to date shelled shipments are 437.7 million pounds through July, a decrease of **-124.4** million pounds (**-22%**) compared to the same period last season.

Given the smaller crop and overall supply from the 2024 crop, season-to-date shipments are inevitably lower to most major markets. The year-over-year decrease is more dramatic for inshell walnuts as buyers in Turkey, the Middle East and North Africa moved almost exclusively to Chinese origin walnuts which were sold at a substantial discount with higher meat yield. The decrease is less noticeable for kernels as packers elected to support that business with long term customers who demanded high quality California product.

	Inshell Pounds			Shelled Pounds		
	Sep 2023 - Mar 2024	Sep 2024 - Mar 2025	% Change	Sep 2023 - Mar 2024	Sep 2024 - Mar 2025	% Change
North America	19,629,882	12,045,418	-39%	255,475,168	187,729,176	-27%
Europe	67,048,356	58,089,719	-13%	166,689,477	147,890,652	-11%
Middle East / Africa	209,087,621	45,534,142	-78%	32,427,802	12,458,940	-62%
Asia / Pacific Rim	31,943,709	35,955,986	13%	97,976,161	83,420,201	-15%
Total	330,249,767	152,072,775	-54%	562,129,057	437,696,494	-22%

Purchase Commitments and Sold Position

Future purchase commitments (sold but not yet shipped) as of July 31 were about 83,000 inshell equivalent tons. This is about **-12,000 inshell tons (-13%)** below July of 2024 and consists primarily of kernel commitments which were inflated last year at this time due to a USDA purchase program.

Season-to-date shipments of 584,987 tons plus purchase commitments of 83,772 tons means that 668,759 tons of the 2024/25 crop have been sold. This equates to 110% of the 606,319 ton crop or 95% of total supply (crop + carry-in) with 1 month to go in the walnut marketing season. Current forecast is for a carryout of around 90,000 inshell tons which is considered manageable heading into the new season.

2025 Chilean Walnuts

The below chart from ChileNut reported that the 2025 Chilean walnut crop was about 71% committed as of July 31st compared to about 81% as of July 31, 2024. This is expected given the slower start to the sales season this year, particularly to India which is among the top inshell shipment destinations.

Markets recently have been sluggish as European kernel buyers are anticipating lower pricing from California and inshell markets in Turkey and the Middle East have already turned their attention to new crop business from China. On the other hand, new business activity to India has increased after early shipments arrived and were quickly sold in the market. With low volume of local inventory available, and an early Diwali season, buyers have moved to secure additional purchases.

Looking ahead, there is some concern that Chilean walnuts will still be available in the market when California and China commence harvest, putting downward pressure on pricing.





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2025 California Walnuts

Current industry estimates for the coming 2025 California walnut crop are in the 700,000 – 725,000 inshell ton range. The USDA Objective Crop estimate is scheduled to be released on September 4th at which time we expect trading activity to pick up pace. Quality is forecast to be very good as the growing region in California has experienced a very mild summer. Growers will watch temperatures closely over the next 30-40 days as the crop is completed and the nuts are vulnerable to high temperatures.

Very little new crop walnut business has taken place as both buyers and sellers are content to wait until closer to harvest. A few prices have been circulating in the market but we're not aware of much business taking place so far.

Some early business from China has taken place with early prices higher than this time last season but still well below target opening prices for California. So far, demand is steady and growers in China are holding pricing firm.

Summary

We are in the midst of the summer lull in activity in the walnut market. Sellers in Chile are working hard to move remaining inventories before harvest commences in the Northern Hemisphere. Growers in California are "cautiously optimistic" that with a good quality crop they will be able to maintain profitability into the coming season. We expect business activity to pick up in the coming weeks as we approach harvest.

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

Best regards,
DERCO FOODS