

### September 2013 Walnut Report

September 2013 (first month of the new season) shipments were 26,607 inshell equivalent short tons compared to 21,502 inshell equivalent short tons for September 2012. This is an increase of 24%, driven largely by the early harvest.

- Inshell shipments were 14.3 million pounds in September 2013 compared to 5.4 million pounds in September 2012, an increase of 166%.
- Shelled shipments were 17.3 million pounds in September 2013 compared to 16.7 million pounds in September 2012, an increase of 3%.
- Crop receipts of 121,988 inshell short tons are 74% above September 2012. This is driven by the early harvest.

Below are some of the major walnut markets and the relative statistics (in pounds):

Country	Sep-13		Sep-12		% Change	% Change
	Shelled	Inshell	Shelled	Inshell	Shelled	Inshell
USA	12,000,791	225,246	13,313,279	655,726	-10%	-66%
Germany	892,668	2,028,232	253,800	88,184	252%	2200%
Italy	0	2,403,141	44,000	572,644	-100%	320%
Spain	605,125	1,499,212	441,900	572,736	37%	162%
Turkey	0	1,631,129	0	264,270	n/a	517%
China	42,000	835,544	81,000	1,059,188	-48%	-21%
Hong Kong	509,400	3,888,128	0	1,904,919	n/a	104%
Vietnam	43,650	1,193,974	0	88,184	0%	1254%
Japan	243,550	0	305,075	0	-20%	n/a
Korea	708,695	0	487,881	0	45%	n/a

Here is the updated supply scenario (all figures in inshell short tons):

Est. Carry-in from 2012/13 season:	47,020
2013 Objective Crop Estimate:	495,000
Total available for shipment:	542,020
<u>Less shipments to date:</u>	<u>26,607</u>
Remaining supply:	515,413

- With an early start to the 2013 harvest, both receipts and shipments are well above prior year levels. These numbers are not indications of larger crop size or larger demand.
- Word from the field is that yields from early varieties were well below prior year levels. Howard variety is on track or slightly above last year. Chandler harvest is still under way but yields appear to be below prior year, some of which will be offset by young orchards.
- Demand is now coming from multiple markets and prices are firm.

Let us know if we may be of further service.

Best regards,  
DERCO FOODS