

## December 2013 Walnut Report

December 2013 shipments were 51,779 inshell equivalent short tons compared to 47,849 inshell equivalent short tons for December 2012. This is an increase of 8%.

### 2013 Walnut Supply

Carry-in from prior season:	45,888
2013 crop receipts to date:	487,963
Total available for shipment:	533,851
<b>Less: shipments to date thru Dec 31:</b>	<b>259,784</b>
Remaining supply:	274,067

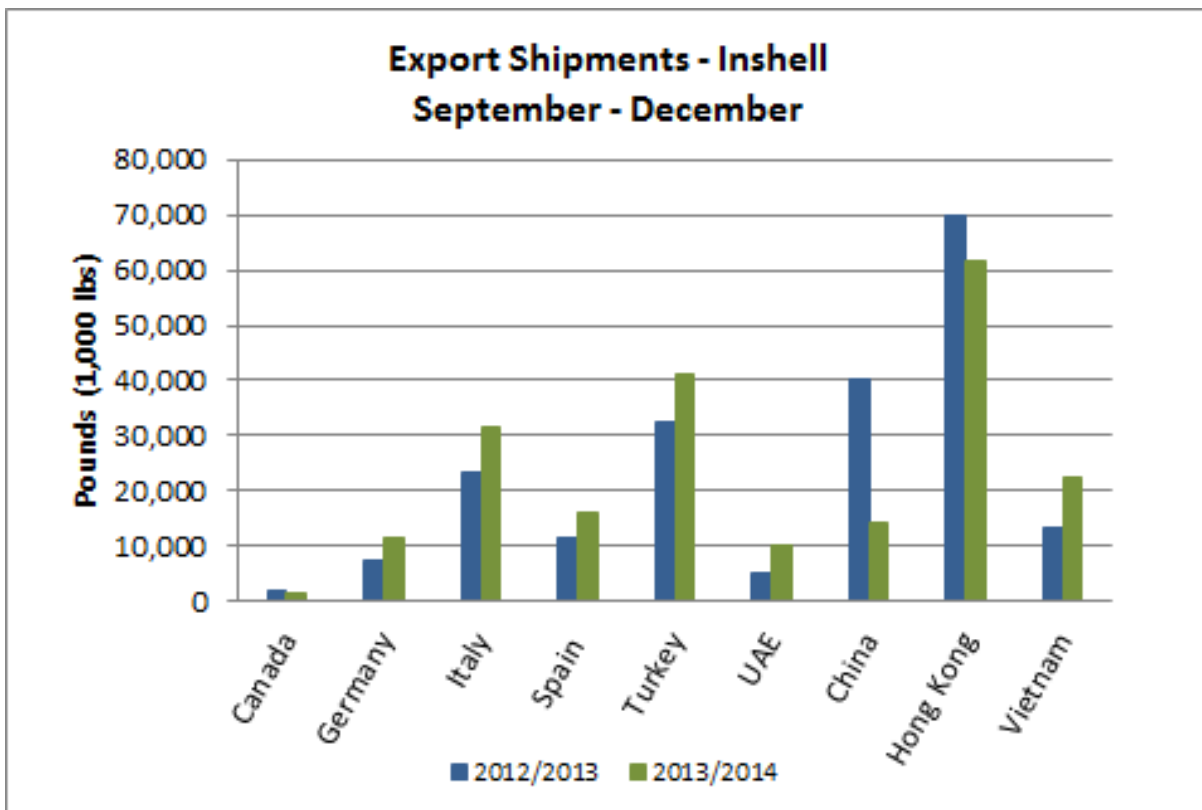
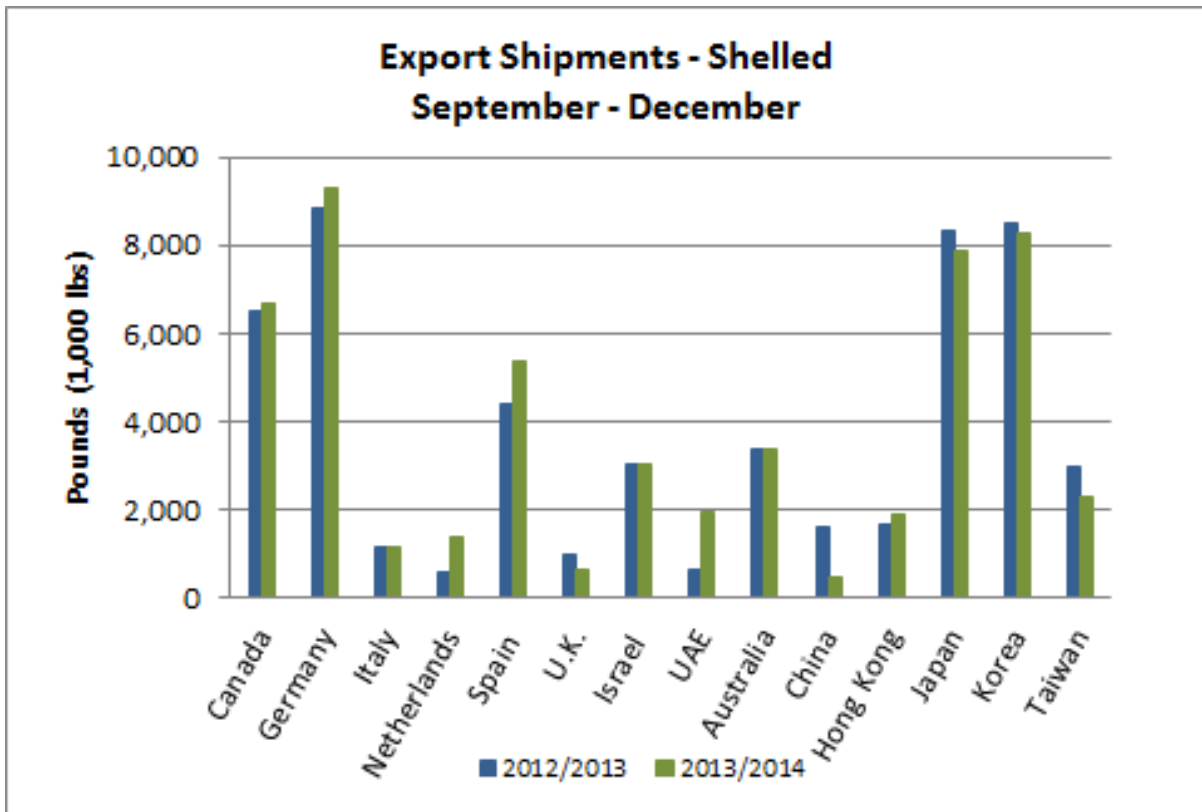
- Crop receipts through December 31 are 487,963 inshell short tons. This is 9,037 inshell short tons or 2% below total 2012 receipts.
- Assuming a final crop size of 487,963 inshell short tons, the 2013 crop is 53% shipped as of December 31<sup>st</sup>. Over the past 10 seasons, the crop has been between 52% and 55% shipped as of December 31<sup>st</sup> each year except 2008/09 when the crop was only 35% shipped.

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total crop	346,000	325,000	436,000	437,000	503,000	457,515	495,045	487,963
Season to date shipments	179,349	181,028	152,741	236,702	265,028	244,823	252,212	260,212
% shipped to date	52%	56%	35%	54%	53%	54%	51%	53%
Remaining supply	166,651	143,972	283,259	200,298	237,972	212,692	242,833	227,751
% remaining to ship	48%	44%	65%	46%	47%	46%	49%	47%

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

Country	Sep 2013 - Dec 2013		Sep 2012 - Dec 2012		% Change	% Change
	Shelled	Inshell	Shelled	Inshell	Shelled	Inshell
USA	64,651,927	13,106,991	66,044,654	11,679,027	-2%	12%
Canada	6,689,292	1,260,734	6,482,109	1,919,746	3%	-34%
Germany	9,310,389	11,381,127	8,836,305	7,622,419	5%	49%
Italy	1,127,566	31,737,188	1,177,519	23,401,471	-4%	36%
Netherlands	1,404,651	2,439,005	594,929	2,728,799	136%	-11%
Spain	5,389,442	16,292,155	4,405,414	11,736,970	22%	39%
U.K.	636,064	390,249	983,422	132,184	-35%	195%
Israel	3,021,059	1,542,931	3,007,229	523,500	0%	195%
Turkey	23,100	41,360,320	133,760	32,519,507	-83%	27%
UAE	1,926,375	10,247,846	665,267	4,937,292	190%	108%
Australia	3,364,503	56,768	3,394,014	55,069	-1%	3%
China	458,792	14,367,251	1,627,941	40,039,529	-72%	-64%
Hong Kong	1,879,343	61,864,272	1,643,552	69,947,666	14%	-12%
Vietnam	289,650	22,333,720	2,090	13,324,859	13759%	68%
Japan	7,858,323	0	8,349,434	0	-6%	0%
Korea	8,266,618	665,993	8,519,974	1,111,614	-3%	-40%
Taiwan	2,305,970	68,147	2,952,090	104,720	-22%	-35%

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- Inshell shipments were 36.7 million pounds for the month of December, an increase of 3.4 million pounds (10%) over December of 2012.
- Season to date inshell shipments are 241.5 million pounds through December, an increase of 14.0 million pounds (6%) over the same period last season.
- Shelled shipments were 29.6 million pounds for the month of December, an increase of 1.9 million pounds (7%) over December of 2012.
- Season to date shelled shipments are 123.2 million pounds through December, equal to the same period last season.
- Shipments of inshell walnuts to the Chinese Marketplace (including shipments reported to China, Hong Kong, Vietnam and Thailand) are 102.9 million pounds through December 31<sup>st</sup>. This is a decrease of 20.7 million pounds or 17% for this region compared to last season.
  - As Chinese New Year approaches, reports from China indicate slow sales of all nuts and dozens of abandoned containers at the ports. The slowing Chinese economy, crackdown on lavish government spending and tight credit markets are taking their toll on shipments to this region. Higher opening prices have also hurt shipments to this emerging and price sensitive market.
  - Last season, from January to August, total shipments to the Chinese Marketplace were 59.5 million inshell equivalent pounds. With season to date shipments down versus last year, it will be interesting to see how strong post Chinese New Year shipments are this season.
- Shipments to Europe are 71.9 million inshell equivalent pounds through December 31<sup>st</sup>. This is an increase of 18.9 million pounds (35%) for this region compared to last season. The increase is driven by strong year over year shipment increases to Germany, Italy and Spain. A smaller than anticipated crop in Eastern Europe and strengthening Euro/Dollar exchange rate have aided shipments.
- Shipments to the Middle East are 59.2 million inshell equivalent pounds through December 31<sup>st</sup>. This is an increase of 16.4 million pounds (38%) for this region compared to last season. The increase is driven by strong shipment increases to Turkey and U.A.E. Shipments to Israel and Morocco also show impressive gains despite difficult economic and political roadblocks. This indicates that these markets may not be as price sensitive as once thought. Good demand from this region can be anticipated for the coming months as buyers prepare for Ramadan.
- California growers remain confident with season to date shipments up and the crop slightly down versus last year. Some smaller packers have the end of their packing/shipping season in sight. Good quality inshell walnuts are becoming difficult to find. The larger packers will look to hold prices at current levels or slowly increase to cover financing and cold storage costs for spring and summer shipments.

Let us know if we may be of further service.

Best regards,  
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