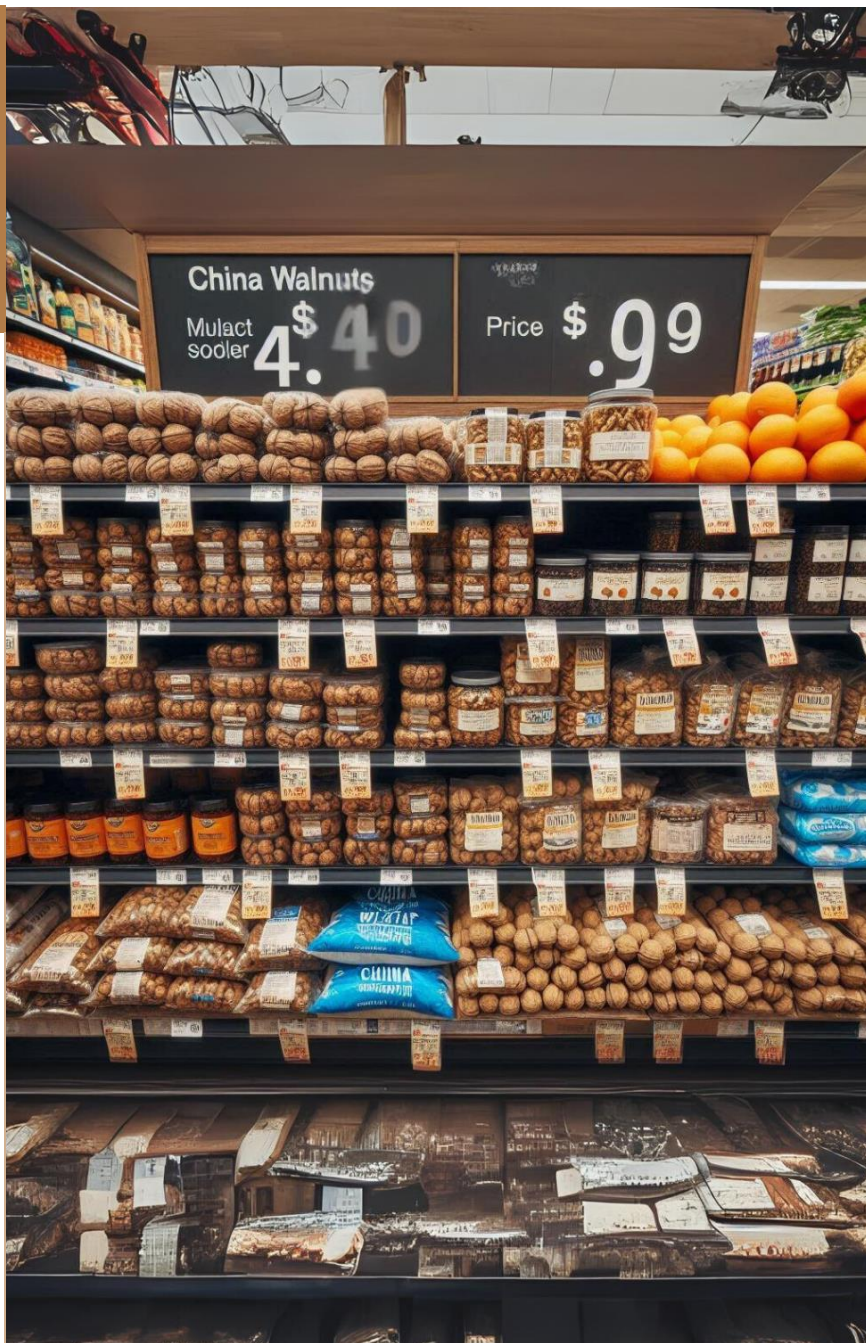


Walnut Market Report

- The latest California Walnut Objective Measurement Report forecasts a 19% drop in 2024 production, driving up prices for American-origin walnuts.
- Increased demand for Chinese walnuts, due to their competitive production advantages, is expected to impact the global walnut market.

14th September, 2024



INSIDE

A. Price

B. Supply

C. Demand

D. Our view

A. Price:

Indicative CNF Jebel Ali Price USD/MTS Carton packing 10kg for China varieties	
Date	13-September-2024
ELH90 185	4550
ELH90 Xin'er	4810
ELH80 Xin'er	4760
LH90 185	4030
185 inshell 32mm+	2100
Offers are subject to reconfirmation and till stocks being sold	
For special tests such as Micro, Mycotoxins, Pesticides please get in touch	

B. Supply Side

- China:

China is currently experiencing a strong walnut harvest, with excellent reports on quantity, size, and quality, including improved kernel color in the early batches. A large volume of walnuts is expected to be available in the market by October.

Due to the increased output, this year's opening market prices are more competitive compared to the same period last year and are significantly lower than California walnut prices.

Additionally, the range of offers is quite diverse, driven by increased competition as new sellers have entered the market. As a result, prices have shown positive signs in recent days.

- US:

The USDA's Objective Measurement Report made waves with its projection of 2024 California walnut production at 670,000 tons—a 19% drop from 2023's 824,000 tons and the lowest in five years.

Bearing acreage also saw at 370,000, a 4% decline from 2023's acres.

Year	Bearing Acres	Trees per Acre	Production per Bearing Acre (Tons)	Total Production (Tons)	Price per Ton (Dollars)	Total Value (1,000 Dollars)
2022	400,000	80.0	1.89	756,000	600	453,600
2023	385,000	81.0	2.14	824,000	840	692,160
2024	370,000	81.6	1.81	670,000	NA	NA

Source: USDA's National Agricultural Statistics Service

The report also highlights a slight decline in the quality and size of walnut in the upcoming crop compared to last year. Concerns are mounting over the California harvest, as the 2024 growing season faced several challenges: lower-than-average chilling hours, heavy spring rains that caused blight in walnut groves, and record-high summer temperatures, with multiple days surpassing 100°F in June, July, and August.

Year	In-shell Weight (grams)	In-shell Size (millimeters)			Kernel Grade – Percent Sound	Nuts per Tree
		Length	Width	Cross-Width		
2022	20.2	37.9	32.4	33.2	98.0	981
2023	21.5	39.1	32.7	33.3	99.2	1,004
2024	21.1	38.4	32.5	33.4	98.1	761

Source: USDA's National Agricultural Statistics Service

In summary, the 2023 crop year started with a record-breaking production of 824,000 tons, alongside a carry-over of 141,000 tons from the previous season. However, the expected end-of-season shipping volume is projected to be significantly lower than last year's.

Opening prices from California are higher than in recent years, driven by strong demand. Additionally, the latest forecast estimates a 19% decline in the U.S. walnut crop which hit a bang to the U.S. walnut market. As a result, most U.S. origin walnut prices have risen in the global market.

- **Chile**

There is a shortage of in-shell walnuts in Chile, with demand greatly exceeding supply.

As of August 15th, Chile had committed 84.3% of its total walnut volume, with the remaining expected to be placed by year-end. With around 5% consumed domestically, actual availability stands at just 10%. Recent reports suggest that the remaining volumes will likely be sold by September and October.

Weather conditions this winter have been anticipated to be more favorable for walnut trees, with ample chill hours, plentiful rainfall, and a strong snowpack. These factors are expected to have a positive impact on Chile's upcoming crop.

C. Demand

With many buyers unable to secure their needs during the summer of 2024 and inventories running low in destination markets, strong demand is expected toward the year-end as the harvest approaches.

In the Asian market, India has been actively purchasing walnuts in preparation for the upcoming Diwali holiday. Meanwhile, importers in the Middle East are showing strong interest in securing nuts to meet demand for the upcoming winter seasons.

With more competitive pricing and higher meat yields, demand for Chinese walnuts has been robust, especially in markets that favor their origin and quality. We anticipate this trend to continue in shelling markets.

D. Our View:

- **The latest California Walnut Objective Measurement Report forecasts a 19% drop in 2024 production, driving up prices for American-origin walnuts.**
- **Increased demand for Chinese walnuts, due to their competitive production advantages, is expected to impact the global walnut market.**

For any questions or comments please feel free to contact our team:

Jasvinder
Ngoc

jasvinder@namagro.com
khanhngoc@namagro.com

