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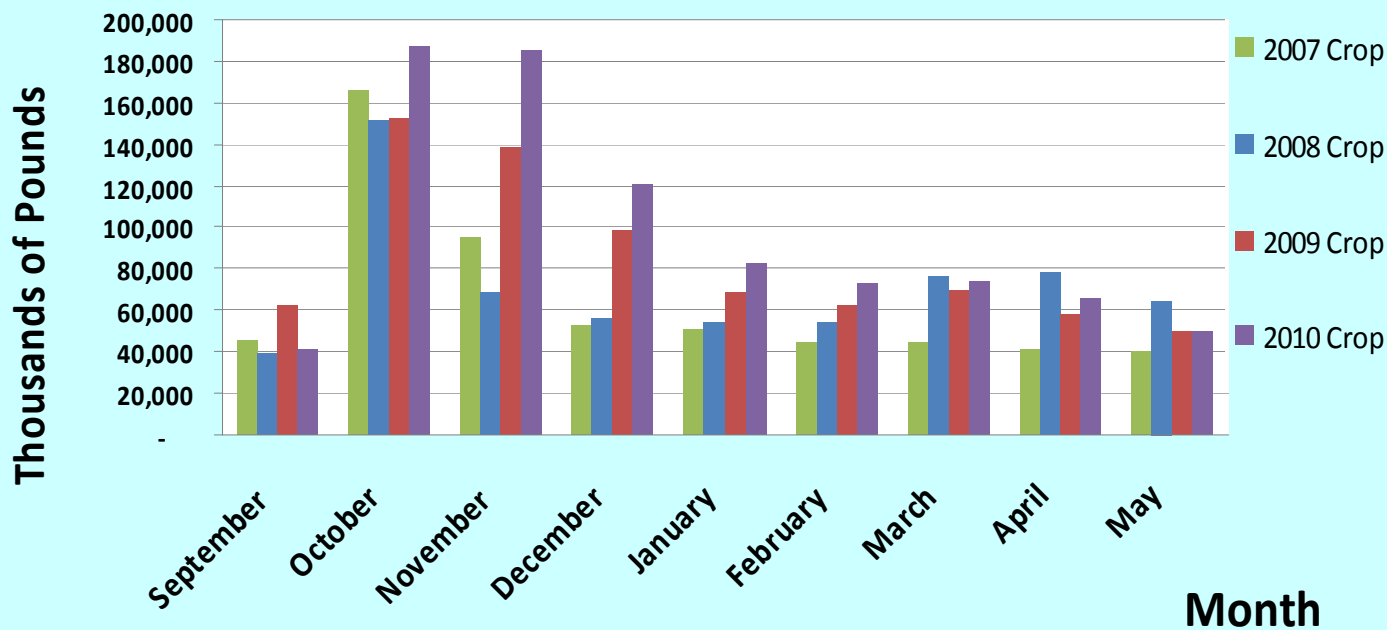
California English Walnut Market Update

June 22, 2011

The California Walnut Board announced the May 2011 shipment numbers last week and as expected, shipment volume is slowing from the earlier pace. Total May shipments are still up slightly over last year, but in-shell shipment volume dropped while kernels remained stronger than during the same period last year. The drop in shipments is directly related to a shortage of key items.

Walnut shipments YTD are up 13% from the same period last year at 441,315 in-shell tons equivalent versus 391,534 tons last year. Total remaining inventory as of June 1st was 102,862 tons and with demand remaining reasonable, it is likely that the carry-over will be slightly below last years' 42,177 ton carry-over. Generally, the walnut industry needs a carry-over of 65-70,000 tons to keep the market adequately supplied and to smoothly transition into a new crop marketing year. Though the industry is losing some possible sales, the shorter supply should keep the market firm as we transition to the new crop.

**Walnut Shipments
 by Month**



If you know anyone who would be interested in receiving this information, please let us know. If you have any questions please call us!