

# ADVANCED MARKET REPORT

May 2021



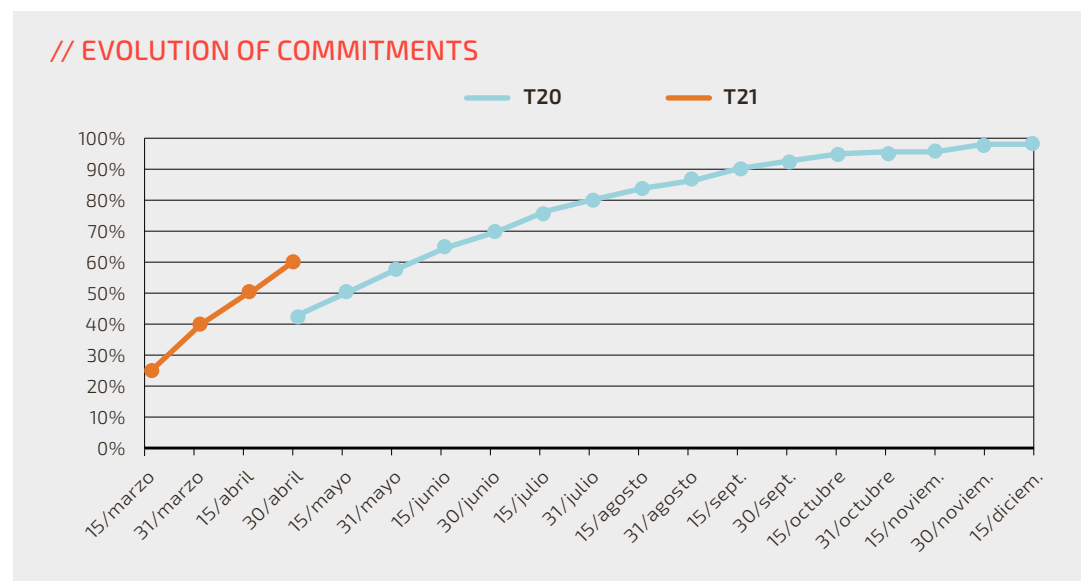
## Crop

Harvest is over and with receptions around 95% of the total. We can notice a decrease of between 10% to 15% on the volume compared to what was originally estimated, saying this the total volume of the crop should be very similar to last year volume only.



## Market

The walnut market has been very active lately. In one hand demand has been particularly strong for both, inshell and kernels. If we take a look at the evolution of commitments declared the advance in notorious. With a 59,9% of commitments at April 30th 2021 against around 40% in 2020 at the same time, in fact the percentage is already higher that what was declared in May 31st 2020.



Inshell demand has been coming from different areas at different times, India, Morocco, Turkey and Dubai were demanding early in February and March, Europe demanded later March and in April and now demand is coming from all mayor inshell markets, India, Turkey, Dubai, Italy, Spain together with many others which moves smaller volumes. Although there is no specific number regarding commitments of inshell and kernels separately, it is reasonable to assume that inshell commitments can be much higher (Higher than 80% according to our estimations) and actually, we can feel some scarcity of it in the market specially I good quality and bigger sizes.

Kernel demand usually starts later but this year we have faced good demand and well spread in the world. Europe as the main destination that concentrate historically 70% of Chilean volume has been actively purchasing kernels. Also, south America that usually takes what was left from previous season at beginning of the year is again purchasing, this is a really good sign of a healthier market in terms of available stocks at importers warehouses. Asia is another area that has been buying kernels and can represent the start of a higher interest for the future. Now, that importers are realizing the shorter crop and availability, demand start to rise as importers start taking longer positions in their stocks.

All together the market seems healthy and active.



## Prices

Because of these two facts together, high demand and a shorter crop than estimated, prices has been moving up in a clear and accelerated trend.

Inshell market has been remarkable strong. Prices started to increase the second half of April as packers started to realize a shorter crop and that their commitments were higher than usual for the time being. This trend continues in May with further increases in prices.

USD per kilo	February	March	April	May
<b>30 - 34mm</b>	2,7	2,75	2,80 - 2,90	3,00 - 3,10
<b>34 - 36mm</b>	3,2	3,2	3,30 - 3,40	3,40 - 3,50
<b>36mm+</b>	3,4	3,5	3,60 - 3,70	3,80 - 3,90

For the kernel market the trend is similar although the effects have been a bit more moderate than for inshell. It is understandable as the market for kernel moves later and for a longer period of time.

USD per kilo	February	March	April	May
<b>LHP80</b>	7,90 - 8,00	8,00 - 8,10	8,10 - 8,20	8,35 - 8,45
<b>LHP40</b>	6,80 - 6,90	6,80 - 6,90	6,80 - 6,90	7,00 - 7,10
<b>Large Pieces</b>	5,65 - 5,70	5,70 - 5,75	5,75 - 5,80	5,95 - 6,05

Presumably, more adjustments might take place later, depending on demand of course.

**Any doubts about this report, don't hesitate to contact us,**

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