

ADVANCED MARKET REPORT

JULY 2021



Logistic

It is well known that logistics are disrupted all over the world. Chile is not the exception unfortunately. We have seen issues with:

- Bookings: Impossible to get booking confirmations in advance.
- Loading at port: Cargo has been rolled one or two weeks while at port.
- Itinerary changes, vessels getting delay and other arriving earlier without previous notice.
- Restrictions on allocated space by shipping lines.
- Freight cost increase.
- Scarcity of containers.
- Changes of stacking dates during stacking.
- Longer transit times.
- Long connections in transit ports. 2, 3 or even 4 weeks are becoming the standard.

It is advisable to consider 3 to 4 weeks extra in the logistic lead time.



Market

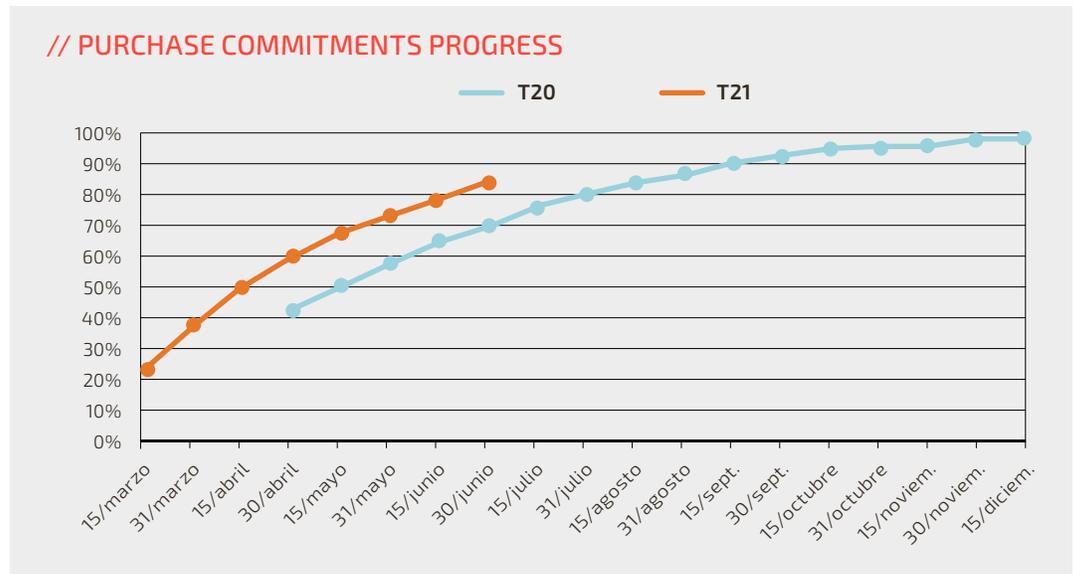
Packers are selling as the processes move forward and there is more clarity of what is left. Demand continues strong and the disruption on logistics is turning many buyers into Chilean walnuts as a safety option to cover Christmas season.

Chilean walnuts have arrived at destination markets and buyers are pleased with the quality, thinking to extend their purchases, as long as they find supply from Chile, this is also bringing additional demand for both inshell and kernels.

Commitments declared continue increasing reaching on June 30th, 83% of the total crop. Inshell availability is almost none. Prices of inshell increased a lot and it is hard to find volume.

Kernels also increase prices as most packers are well committed and now there is a more equivalent situation between inshell and kernel prices.

B O R N I N



Source: Chilenut

As said, we expect that demand will continue strong until end of the year as long as the logistic issues continue and there will be a constriction on the availability of walnuts at destination markets for end of the year sales.



Shipments

Next week, we should see the official numbers of Chilean shipments. According to our information shipments were strong for the month of June with an expected increase of nearly 30%, same as for YTD shipments comparing to 2020. Numbers are impressive and could be better with a normal logistic, this is a clear signal that we will end the season much earlier and without carry over.



Prices

The trend was clear and now prices are reflecting the low inventories unsold in Chile:

USD per kilo	February	March	April	May	June	July
30 - 34mm	2,7	2,75	2,80 - 2,90	3,00 - 3,10	3,00 - 3,10	3,25 - 3,35
34 - 36mm	3,2	3,2	3,30 - 3,40	3,40 - 3,50	3,70 - 3,90	3,85 - 3,95
36mm+	3,4	3,5	3,60 - 3,70	3,80 - 3,90	4,00 - 4,10	4,10 - 4,20

For the kernel market, prices also moved up considerably as stocks are getting short and demand higher. Now prices are comparable with Inshell prices.

USD per kilo	February	March	April	May	June	July
LHP80	7,90 - 8,00	8,00 - 8,10	8,10 - 8,20	8,35 - 8,45	8,60 - 8,70	9,00 - 9,20
LHP40	6,80 - 6,90	6,80 - 6,90	6,80 - 6,90	7,00 - 7,10	7,40 - 7,50	7,90 - 8,00
Large Pieces	5,65 - 5,70	5,70 - 5,75	5,75 - 5,80	5,95 - 6,05	6,10 - 6,20	6,90 - 7,00

If you have any doubt about this report, please don't hesitate to contact us,

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