

ADVANCED MARKET REPORT

SEPTEMBER 2021



Logistic

During August we faced bad weather conditions which affected the shipments. Several vessels skipped Chilean ports and cargo was rolled, producing a long queue of containers waiting to be shipped.

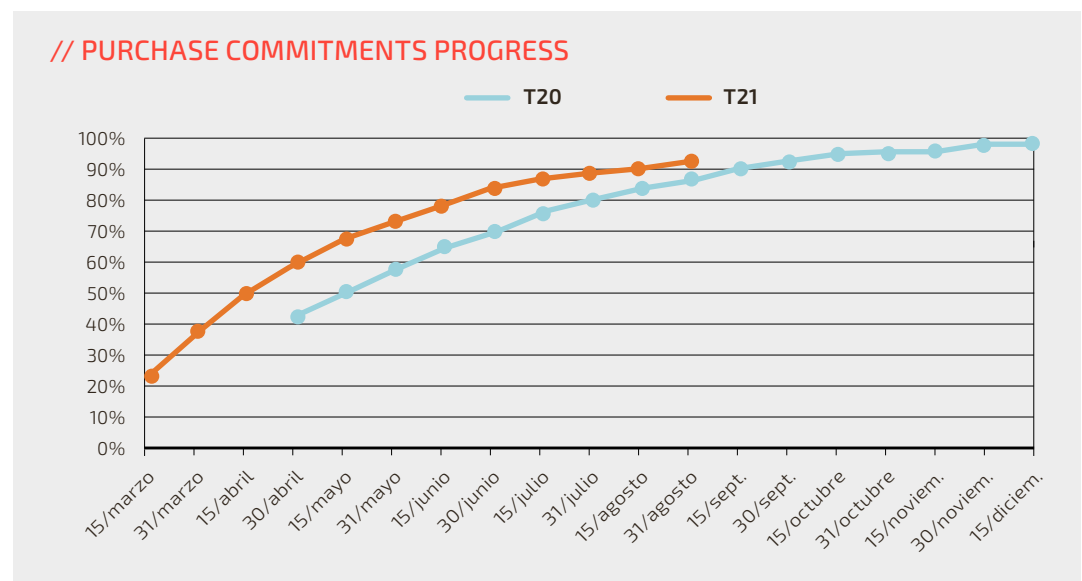
Freight prices have increased by 3 times compared to their regular rates with a resultant of 15 to 20 cents cost increasing per kilo.



Market

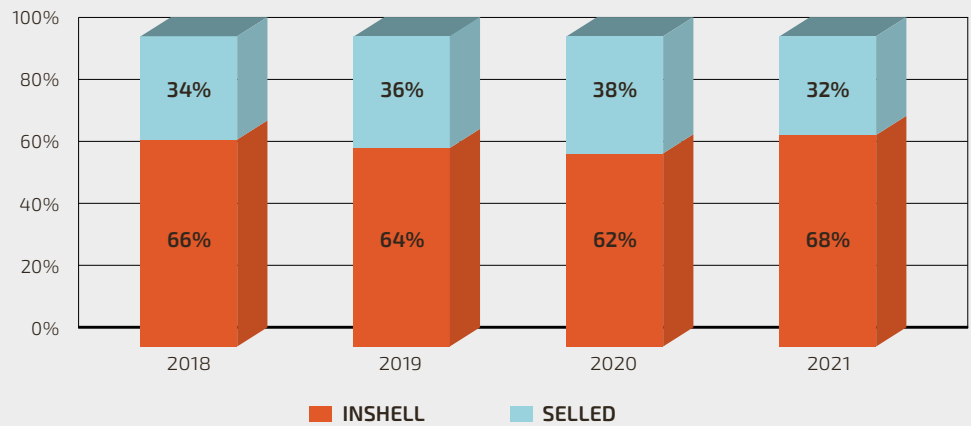
August, as usual was a slow month as packers wanted to move forward with the processing and shipments and buyers on holidays or waiting for news from California about the new crop. Prices remained stable as commitments in Chile reached 92% of the total crop.

Inshell, are basically sold out and the remaining inventory of kernels will be sold during September. The main challenge has been to keep the factories running due to the lack of workers what has delayed processing.



Source: Chilenut

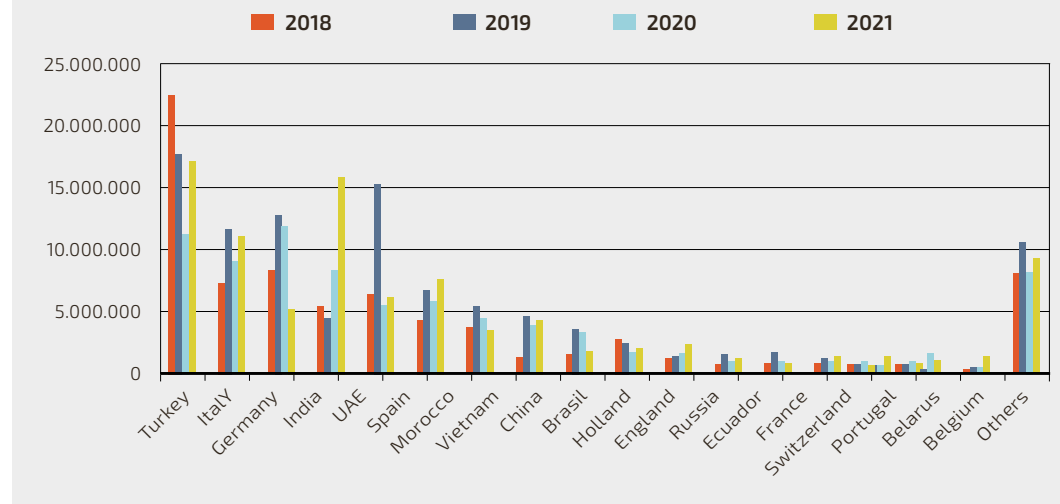
// SHIPMENTS BY TYPE (VOLUME INSHELL BASIS EQUIVALENT)



Source: Invernada based on Custom data of ASOEX.

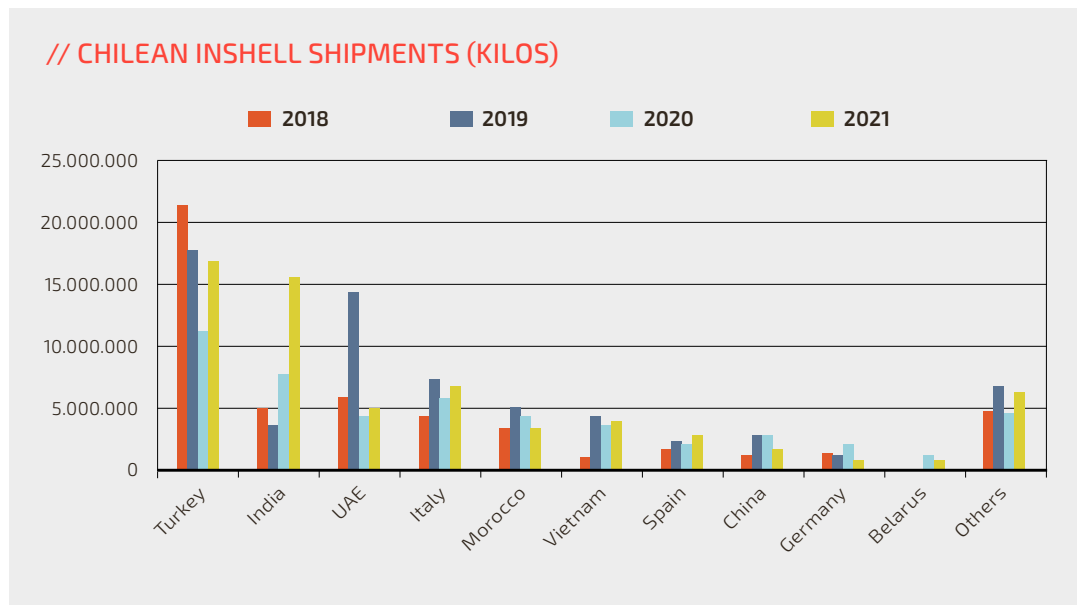
It is interesting to see the main destination markets for Chilean walnuts what is a reflexion of the dynamism of the season. India and Turkey led in terms of volume, Italy and Spain has been leading in Europe while Germany was slow in their purchases early in the season and so it is shown in shipments now.

// CHILEAN WALNUTS SHIPMENTS (KILOS INSHELL BASIS)



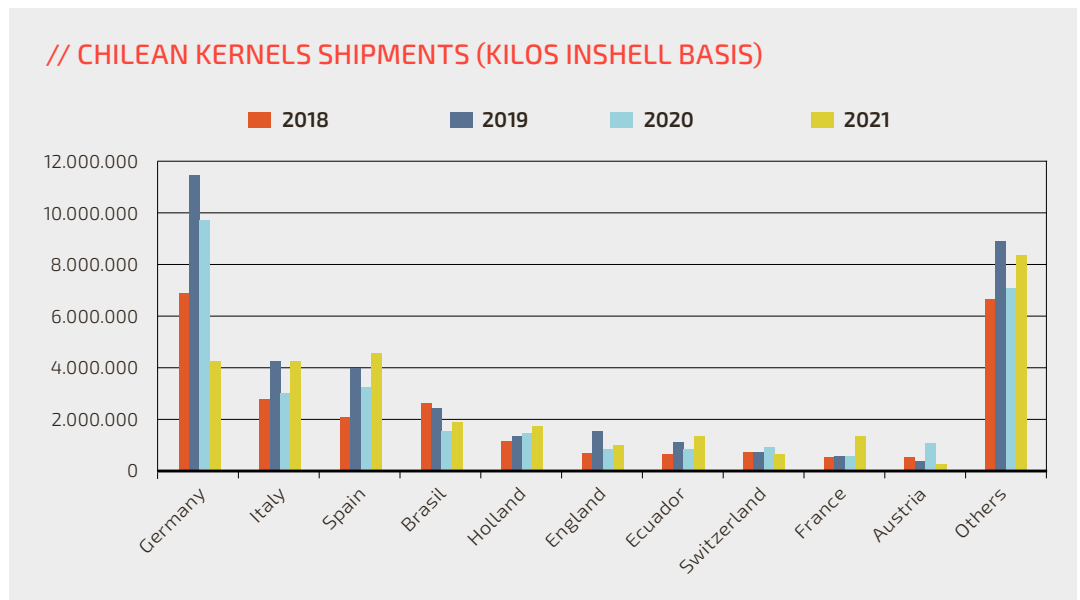
Source: Invernada based on Custom data of ASOEX.

Now, if we take a look at inshell shipments only we realize that the biggest inshell markets were very active, only Morocco shows a considerably decrease but it is because they focused on SERR variety which has reduced the volume produced in Chile during recent years.



Source: Invernada based on Custom data of ASOEX.

When we see the shipments of walnut kernels, we realize the decrease of Germany as a destination market in 2021 and how other markets were absorbing that volume. Europe remain as the main destination for kernels but very well diversified. In Latin America Brazil and Ecuador are the main markets and has shown a recovery from a slow 2020.



Source: Invernada based on Custom data of ASOEX.

It looks like the confidence on the market has returned and we are all learning to live with Covid. Consumption of walnuts has increased, and logistics has not been able to keep the pace for a regular and on time supply. Consumers are seeing in walnut a source of healthy food to boost immunity.



Prices

Inshells prices has remained stable, and we don't expect much increase as there is not much availability left. We should expect similar prices in September than the ones we saw in August.

USD per kilo	Feb.	March	April	May	June	July	August
30 - 34mm	2,7	2,75	2,80-2,90	3,00-3,10	3,00-3,10	3,25-3,35	3,50-3,60
34 - 36mm	3,2	3,2	3,30-3,40	3,40-3,50	3,70-3,90	3,85-3,95	4,05-4,15
36mm+	3,4	3,5	3,60-3,70	3,80-3,90	4,00-4,10	4,10-4,20	4,30-4,40

Kernel prices remained stable during August, and we expect them to remain firm or increase a bit in September due to the lower estimation of the US crop. We have noticed a further demand from Europe for Chilean kernels to arrive before Christmas.

USD per kilo	February	March	April	May	June	July	August
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	9,40-9,60
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	8,40-8,60
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	7,40-7,50

Lately, we have noticed that prices at destination are even cheaper than at origin. A situation that we expect to be adjusted soon due to the lack of product availability.

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

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