INVERNADA CHILE SHIPMENT REPORT

November 2020

Market update

Chilean shipments continued strong during the month of October with another record volume shipment for the month with 12.010 metric tons inshell equivalent.

- Accumulated Walnuts shipments from Chile are **-8%** comparing to last year, but **+7,5%** if we compare with 2018.
- October shipments were **+127% c**omparing to 2019 and **+21,5%** comparing to 2018.

Chile	2017 Ytd	2018 Ytd	2019 Ytd	2020 Ytd	Var (20/19)
Crop volume MT	110.747	129.386	139.226	129.000	-7%
Carry in	0	0	1.609	580	-64%
Exports	97.801	105.627	123.972	113.566	-8%
Available stock MT	**12.946**	**23.759**	**16.863**	**16.014**	**-5%**

**Source: Chilenut.*

The trend of positive shipments continued during October. Actually, if we consider the period May – October, 2020 shows the highest numbers.

Total shipments	2017	2018	2019	2020
May	18.579	17.814	25.618	20.173
June	15.746	18.345	28.515	19.481
July	12.522	18.996	18.997	19.739
August	15.192	14.619	17.338	18.744
September	9.279	13.216	10.015	15.964
October	6.547	9.880	5.280	12.010

In-shell shipments

Inshell shipments were good for the month of October **+230%** comparing to last year, but the YTD it is still **-13,9%**. It is impressive to see the relevance of Asia today and how Middle East has decreased their volume, Europe, in the other hand, steadily continue to grow, understanding that Chilean inshell are crucial to supply Christmas demand properly.

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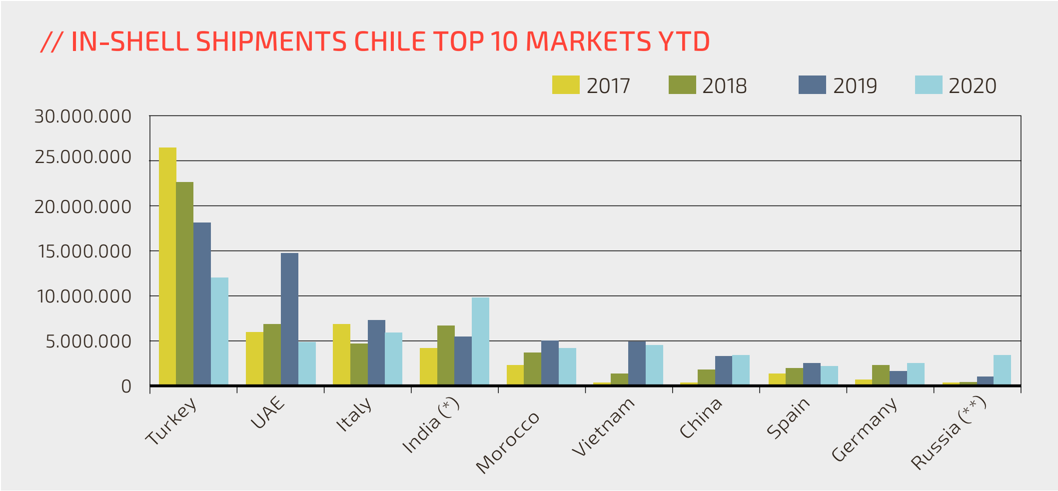
In-shell shipments

In-shell	2017	2018	2019	2020
Middle East & Africa	35.705	35.801	40.457	23.424
Europe	12.055	13.780	15.762	17.163
America	985	1.703	1.452	1.818
Asia / Oceania	5.706	11.878	15.442	20.560
Others	1.196	0	0	0

**Source: Chilenut.*

If we take a look at shipments of main 10 destination countries, we realize the decrease on volume of Turkey and how India, Russia and China are growing to compensate it.



**Source: Chilenut. (*) Consider India + Pakistan; (**) Consider Russia+ Lithuania + Belarus.*

Kernels Shipments

October shipments were very good **+105%** comparing to 2019. And considering Accumulated shipments we are almost even with last year.

Kernel Shipments	2017	2018	2019	2020
October	2.650	3488	2.097	4.314
Acum. October	**21.077**	**20.214**	**24.209**	**23.934**

**Source: Chilenut.*

Chile already have a position within Europe and it's volume is pretty stable which should continue to growth during the coming years. South America is also pretty stable although this year was hardly affected by COVID-19 and the market in Brazil was pretty quiet till very late in the season.

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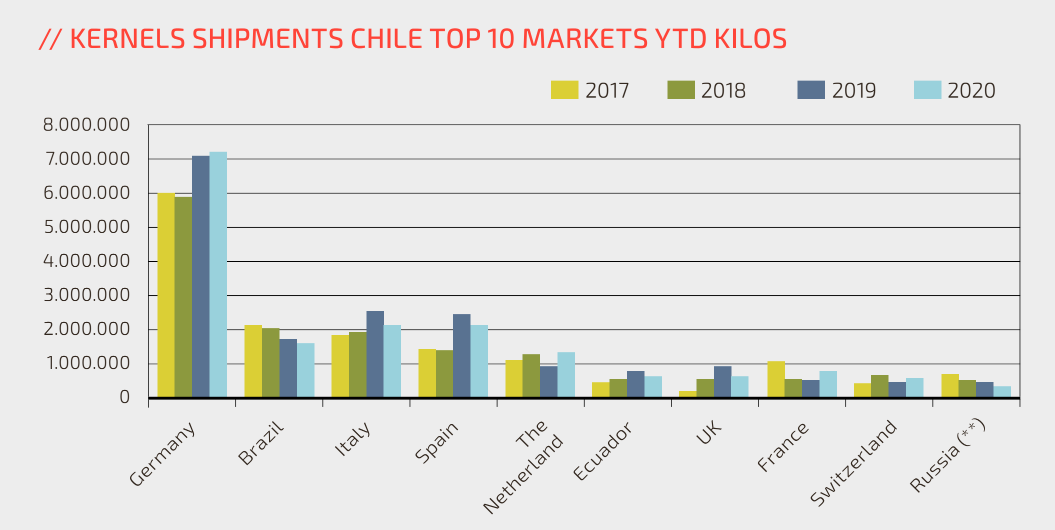
Kernels	2017	2018	2019	2020
Middle East & Africa	1.622	615	1.134	1.335
Europe	14.728	15.541	18.309	18.570
America	2.972	3.182	3.194	2.942
Asia / Oceania	835	876	1.572	1.087
Others	920	0	0	0

**Source: Chilenut.*

Germany is by far the main entrance to Europe for Chilean walnuts although other markets like Italy, Spain, The Netherlands, France and the UK have been gaining importance during the years and it will continue that way.



Source: Chilenut. (**) Russia + Belarus + Lithuania.

Market feeling

Chile is almost sold out and if there is any quality left there is no real volume behind it. Prices decrease materialized months ago and now prices seem to be more stable. There was a pression on prices of companies that were selling the remaining stocks of lower qualities and mixed orders but that is mainly gone.

Chile managed to move the volume and supply the markets during this difficult year which was plenty of uncertainties due to the COVID pandemic.

Many markets reduced their stocks to combine with US new crop walnuts but due to the timing there is a restriction on supply to satisfy demand on time. Hopefully, Californian packers will manage to move their volume with the attractive prices we have seen in the market and we can have a positive and better trend during 2021.

Please feel free to contact us to discuss this report

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