

INVERNADA CHILE SHIPMENT REPORT

December 2020



Market update

Chilean shipments continued with records shipments during November but slowing down as the volume is finishing. By looking at the numbers of shipments and the availability of fruit, it seems that the corrected estimation of the crop at 129.000 MT was indeed adjusted to reality.

Most interested to see here is the balance available at end of November which is **-16%** comparing to last year availability. The carryover is estimated to be none for next season.

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	102.667	112.021	129.984	120.423	-7%
Available stock MT	8.080	17.365	10.851	9.157	-16%

*Source: Chilenut.

Shipments during the year were good and Chile was able to move the volume in a normal way. Considering the COVID situation, logistics disruption and price reduction, we can say that the market absorb well the volume and today most of the customers have little or no stock at destination with a lot of demand for Spot cargo before Christmas until US walnuts floods the markets.



In-shell shipments

Changes by regions at this stage are irrelevant but anyway what is remarkable is the growth of Asia led by India and the constant growth of Europe over the years. These zones are meant to become leaders and equal to a historic Middle East area which use to dominate the purchases in Chile.

In-shell	2017	2018	2019	2020
Middle East & Africa	35.762	36.201	40.678	23.970
Europe	12.189	14.230	15.875	17.737
America	1.179	2.042	1.629	1.886
Asia / Oceania	5.745	11.975	15.563	21.044
Others	1.195	0	0	0

*Source: Chilenut.

BORN IN

Main markets show the same. The decrease in Middle east area with Turkey reducing their volume and UAE eventually affected by the direct imports of India.



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



Kernels Shipments

November shipments start to slow down as the crop ends. Later shipments are related to long term programs or the remaining stocks at the warehouses. Usually, many mix loads with different products are taken based on availability and opportunistic purchases take place in order to clean up the warehouses.

Kernel Shipments	2017	2018	2019	2020
November	2.221	2431	2.561	2.453
Acum September	23.298	22.644	26.770	26.387

*Source: Chilenut.

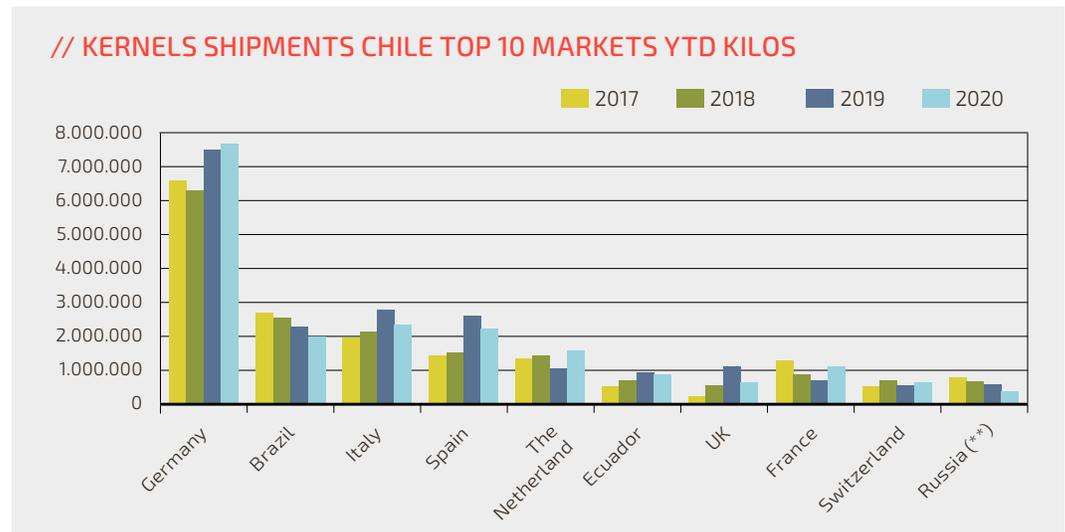
The numbers show a pretty stable market for Chile where Europe dominate the purchases of kernels. Interesting to see the latest purchases of kernels by Turkey taking advantage of low prices, remaining volumes of mixed containers and lower qualities too.

Kernels	2017	2018	2019	2020
Middle East & Africa	1.672	847	1.235	1.541
Europe	16.131	17.038	19.803	19.942
America	3.558	3.791	4.053	3.700
Asia / Oceania	891	968	1.680	1.204
Others	1.046	0	0	0

*Source: Chilenut.

Germany and Europe in general has shown stable numbers, this reflects a consolidation of the Chilean option as a counter season supplier, where freshness really matter.

Brazil was slower in their purchases and finally their volumes are lower for the year. Considering the COVID situation and how it has affected the region we can be glad of the resilience of the market and Ecuador continue as an important destination.



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



Market feeling

Now the eyes are at the Northern Hemisphere with the US, Chinese and European crops getting available. Chilean walnuts seemed to have gained some room to cover Christmas season as US crop is not getting in time to do so and playing that game is risky for one of the most important selling times of the year in Europe.

India is raising as one of the main markets for Chilean walnuts. Numbers and trend are promising and due to the counter season Chile works as a perfect complement as well as a great alternative to supply the festivities of Diwali.

Markets reacted to lower prices and demand got stronger. The sensation at destination markets is the one of scarcity, what is a good sign, as importers were able to sell their stocks, reducing inventories and now can fill up the warehouses again with other crops.

Although the markets in the EU are getting restrictions due to the Covid, the later announcements of an effective vaccine bring hope to return to certain normality soon.



New Crop 2021

Chile had enough rain and snow accumulation during the winter. Although the draught is not over, this winter brought a relief to the Chilean agriculture in terms of water availability.

So far orchards look good, there were no severe frost damages reported and conditions during spring were good.

We expect, if nothing happens in between, an important growth in terms of volume and quality for 2021.

**Please feel free
to contact us to
discuss this report**

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