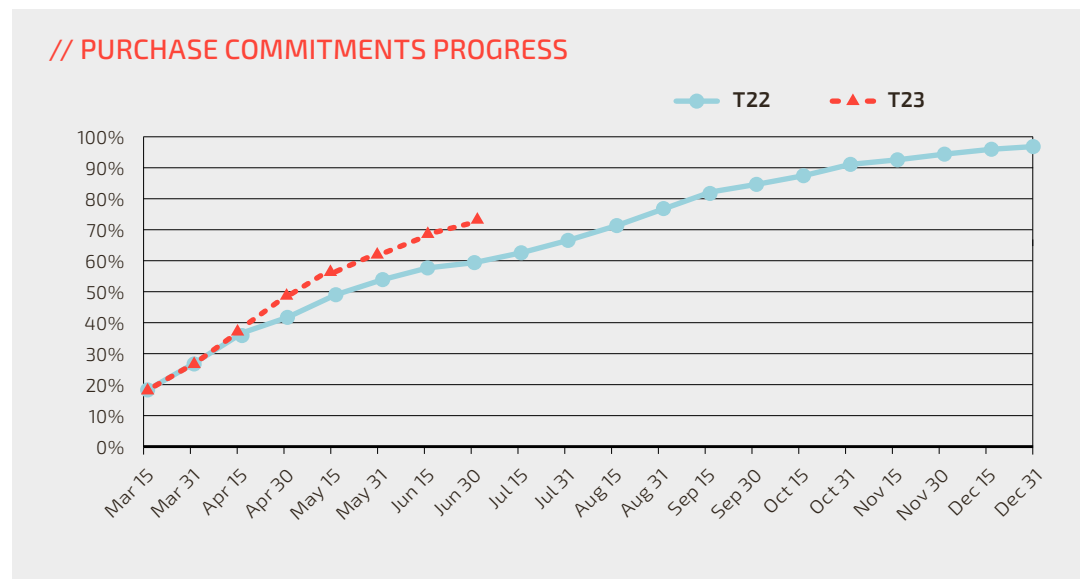




Commitments

The demand has been robust, with India taking the lead in purchasing from Chile, absorbing a substantial volume of the entire harvest, as the market was devoid and eager for high-quality, fresh walnuts.

The commitments have continued on a positive and healthy trajectory, reaching 72.4% as of June 30th, which is approximately 12 points higher than the same period last year. As the market gained momentum towards the end of June, we should anticipate this percentage to further increase during July, and there is already a perception of scarcity surrounding certain products.



Source: Chilenut



Shipments

The shipments out of Chile are showing a favorable trend and progress. By the end of June, they had risen by 22% compared to 2022, with inshell walnuts leading the way in deliveries. The 63,268 metric tons of inshell equivalent walnuts that have already been shipped represent 37% of the estimated total volume, which can be compared to a 28% advancement during the same period last year.



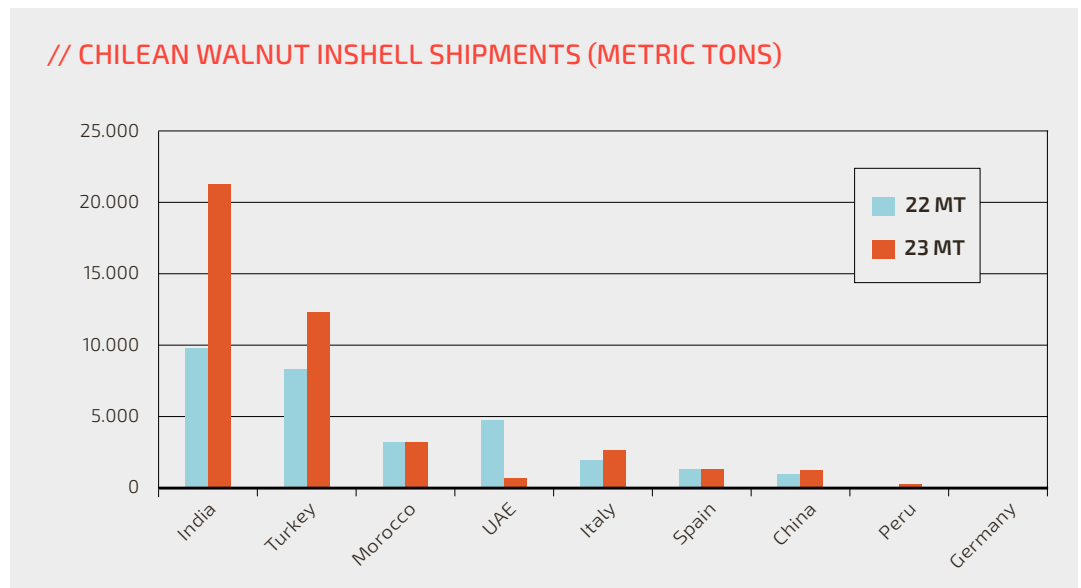
Market

INSHELL MARKET

The sales and shipments of inshell walnuts have propelled the market upward. Inshell shipments have reached 49,691 metric tons (+32%).

India, as a solitary market, has already acquired 22,000 metric tons (+111%). Turkey has also experienced growth, reaching nearly 13,000 metric tons (+46%), while Italy has returned to its historical figures, having already achieved 3,183 metric tons (+32%). In the Far East, China is exhibiting considerable dynamism with 1,655 metric tons (24%).

When considering the primary destination markets for Chilean inshell walnuts, we observe that the UAE is the only one lagging behind last year. As we have been informed, this is due to their significant inventory of US and Chinese products. Hopefully, they will catch up in the coming months to enter a positive trajectory.



Source: Chilenut, ASOEX custom data.

KERNEL MARKET

As expected, the kernel market has been slower than last year, with 6,313 metric tons of kernels (-6.2%). This can be attributed to a crop that is approximately two weeks later, a significantly more favorable market for inshell walnuts compared to kernels, and a more fragile kernel that poses challenges in obtaining halves during processing.

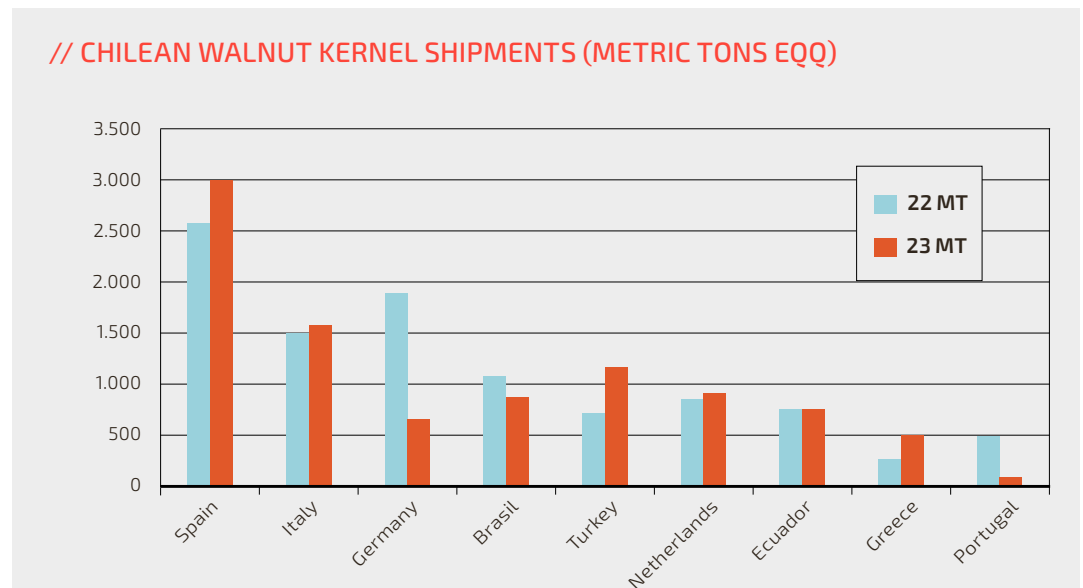
It is highly likely that Chile will process a smaller quantity and a lower percentage of the total crop, prioritizing the inshell demand as it proves to be a more profitable venture for the growers. Germany (-61%) draws attention, as they have been decreasing their volume over the years, focusing on price rather than quality and freshness, which, in our opinion, will result in a decline in overall consumption.

On the other hand, Spain (+15%) has become the primary destination for Chilean kernels, following a clear strategy of switching between the southern and northern hemispheres to provide their consumers with a fresher and higher-quality product throughout the year.

As mentioned, obtaining halves has become challenging, with processors reporting a decrease of 10 to 15 points in the availability of halves from their cracking operations. Currently, regardless of price, it is difficult to offer a substantial supply of halves.

Remarkable, is an increase on Indian demand for kernels which can also develop an alternative destination for Chilean kernels.

In the other hand, large pieces have been selling well, with prices remaining low, which is aiding the continuation of demand. As availability dwindles, an increase in prices may be expected.



Source: Chilenut, ASOEX custom data.



Price Evolution

Prices have remained stable for a considerable period, and we believe they will continue to do so. There appears to be a short supply of walnuts until connecting with new US crop.

// PRICE PER KILO FOB

Inshell	March	April	May	June
Chandler 26 - 30mm		USD 1.85 - 1.95	USD 1.85 - 1.95	USD 1.85 - 1.95
Chandler 30 - 34mm	USD 2.30 - 2.40	USD 2.30 - 2.40	USD 2.45 - 2.60	USD 2.45 - 2.60
Chandler 34 - 36mm	USD 2.80 - 2.90	USD 2.90 - 3.00	USD 3.25 - 3.50	USD 3.25 - 3.50
Chandler 36mm+	USD 3.20 - 3.30	USD 3.40 - 3.50	USD 3.70 - 4.00	USD 3.70 - 4.00

Kernels	March	April	May	June
ELLHP80	USD 5.90 - 6.20	USD 6.00 - 6.40	USD 7.00 - 7.30	USD 7.00 - 7.30
ELLHP40	USD 4.90 - 5.20	USD 4.90 - 5.20	USD 5.80 - 6.10	USD 5.80 - 6.10
ELLP	USD 4,00 - 4,40	USD 4,00 - 4,30	USD 4,20 - 4,50	USD 4,20 - 4,50

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

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