

MEWA AND GULFOOD 2024 REPORT

February 2024



Various factors have intervened in determining the level of opening prices for Chilean walnuts. On the one hand, California has reported historically high shipments with fruit of excellent quality. It has managed to significantly reduce its inventories, yet it has been unable to raise prices, which remain well below the productive equilibrium level. Commitments have already reached 75%, leaving approximately 200,000 tons to be sold—a perfectly manageable volume.

On the other hand, China appears to be considerably sold out, and offers are scarce. Alternatively, emphasis is placed on the local market, where prices are on the rise.

Another relevant factor is the anticipation of a 10% decrease in the Chilean harvest, accompanied by very good quality and larger sizes.

While a significant portion of the markets is adequately supplied, there is a noticeable increase in consumption in many of them. Coupled with the upcoming Ramadan, this leads us to foresee that inventories will be depleted by the time Chilean walnuts start reaching their destination between June and July.

Gulfood has become the commencement of the Chilean walnut season. This year, MEWA was added, an event held in New Delhi a few days before Gulfood, bringing together a significant part of the nut and dried fruit industry in India. There was great anticipation regarding how the market would react and at what level Chile would open, given the low prices observed from California.

In MEWA, price expectations from buyers were, as usual, lower than packer's expectations. By Gulfood prices settled and established at same levels than same time last year.

// INSHELL WALNUTS

Chandler 30 - 34mm	Chandler 34 - 36mm	Chandler 36mm+
USD 2.30 – 2.40 per kilogram FOB	USD 2.90 – 3.00 per kilogram FOB	USD 3.20 – 3.35 per kilogram FOB

// KERNEL WALNUTS

LHP80	LHP40	Large pieces
USD 6.40 – 6.50 per kilogram FOB	USD 5.40 - 5.50 per kilogram FOB	USD 4.25 – 4.35 per kilogram FOB

The market's reaction was very positive, and many deals were closed. It is estimated that between 10% and 15% of the estimated harvest was placed during Gulfood, covering shipments for April, May, and even part of June, leaving the industry in a very favorable position for the upcoming harvest.

A decline in sales is expected in the coming weeks, as both buyers and exporters have already taken a relatively significant position ahead of the harvest.

Most of the demand at this time of the year is for in-shell walnuts, with notable interest from India, Turkey, Morocco, Russia, and the Middle East in general.

For kernels, the volume is still smaller, although some deals have already been reported, and interest is growing. It is noteworthy that while Europe remains the primary destination, destinations such as India, Turkey, Israel, the Far East, and South America are continuing to grow.

It is expected that some customers will meet part of their needs with the remaining fruit from California, either with the remaining in-shell walnuts or with shelled walnuts, which, at the offered prices, are very attractive.



MEWA.



Gulfood.