

HARVEST REPORT

April 2024



Harvest

This year, we are experiencing a 10-day delay in the commencement of the walnut harvest, which aligns with what occurred in California during its last harvest. In our case, the Serr variety, usually harvested from March 20th onwards, would officially begin its harvest today, April 1st. As for the Chandler variety, which typically starts its harvest on April 1st, it is expected that this season it will not begin before April 8th, and possibly later. The good news is that this delay in the start of the harvest will not have a negative effect on the expected quality, as the weather forecast for the next 3-4 weeks is very favorable throughout the country, notably the absence of rainfall throughout April. Temperatures over the past weeks have been slightly lower than last year, and a rather cold climate is expected during the harvest weeks, which should result in walnuts of very good color.

Regarding volume, a 25% decrease is expected for the Serr variety compared to last year. For the Chandler variety, a 10% decrease is anticipated. These reductions are due to climatic factors that reduced production per hectare, rather than a decrease in total productive area. This decrease in production per hectare will imply a better distribution of the size curve, with a greater availability of large sizes compared to recent years. We expect a sizing curve similar to that of 2019 and 2020.



Market

The market for in-shell walnuts has been quite active. Initially, at Gulfood and in the subsequent weeks, demand was strongly led by India, but as the weeks passed, Turkey, Europe, Russia, the rest of the Middle East, and China in recent weeks have taken the lead, bringing declared commitments to approach 30% prior to harvest. A decline in demand was expected during this period, as India has already taken a position and should wait for shipments to begin before resuming purchases, but the rest of the world has maintained unexpectedly high demand, which has provided reassurance and led to a slight increase in prices.

// PRICE USD FOB / KILO

Inshell	February	March
30 - 34mm	USD 2,25 - 2,35	USD 2,35 - 2,45
32 - 34mm	USD 2,50 - 2,60	USD 2,55 - 2,70
34 - 36mm	USD 2,80 - 3,00	USD 3,00 - 3,20
36mm+	USD 3,20 - 3,30	USD 3,30 - 3,50

A lower production of kernel walnuts is expected, as the return on this product has been considerably lower than that of in-shell walnuts over the past 4-5 years, leading most producers and exporters to prioritize in-shell business. On the other hand, the market was quite dynamic after Gulfood, which was quite unusual for that time of year. Some initial offers to kick-start the market were quickly taken up by buyers, leading to prices quickly adjusting upwards until reaching current values. There is a greater observed dynamism from Europe and a considerable decrease in US stocks, where 80/20 halves seem to be already scarce. The major buyers of kernel walnuts have not yet taken a position, and Chile has shown in recent years to be able to move the volume, so a lower availability should be manageable.

It is industry consensus that prices will either remain stable or tend to increase due to the decrease in supply from both Chile and the US and the increased dynamism in consumption, where concerns about the economy tend to dissipate and greater stability is expected.

// PRICE USD FOB / KILO

Kernels	February	March
LHP80	6,50 - 6,85	7,00 - 7,25
LHP40	5,50 - 5,60	5,80 - 6,00
Large Pieces	4,25 - 4,35	4,35 - 4,50
Medium pieces	4,00 - 4,10	4,20 - 4,30



SERR.