



Executive Summary

The Chilean market has been particularly active, primarily due to the limited availability of products, low stock levels ahead of Christmas, Diwali, and other festivities, a significant recovery in consumption, and news regarding California's upcoming harvest, which is expected to see a considerable decrease in volume and rising prices.

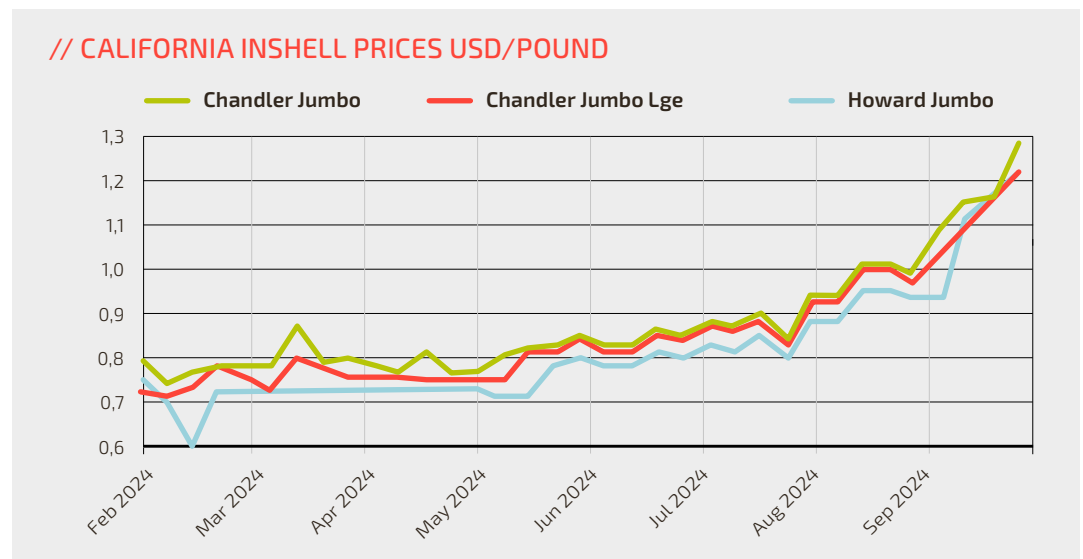
International contingency: Uncertainties are again disrupting the world stability. First, the **tension in the Middle East** might have effects on the trade and consumption in the area. Second, the **strike at US ports** of the East coast may have an impact on the logistics from now to end of the year, and present a challenge to supply destination markets on time for Christmas.



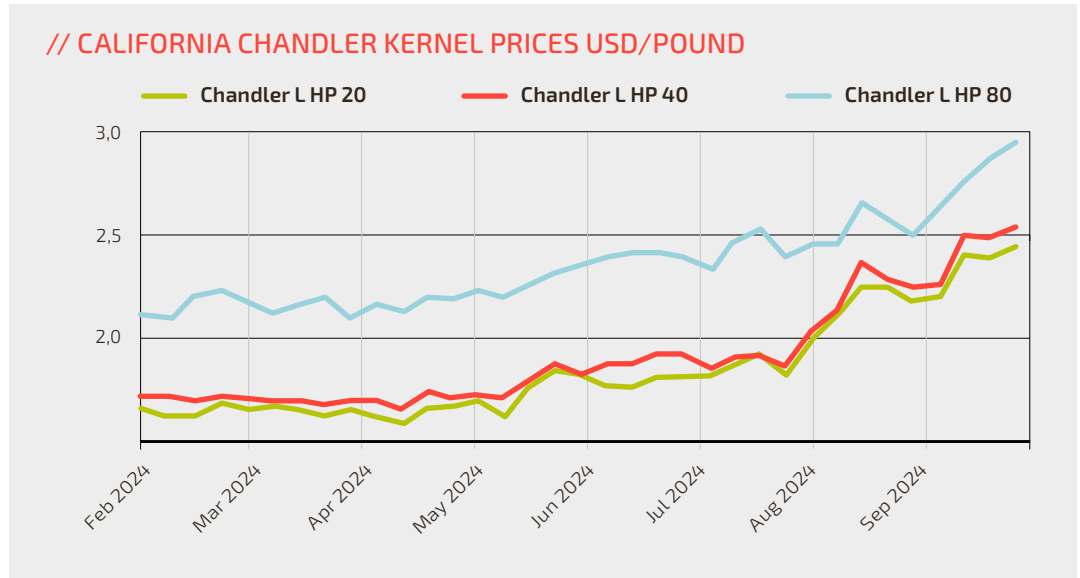
California Market

In brief, without going into too much detail, California is experiencing a situation remarkably similar to what Chile faced last season. A winter with a low accumulation of chill hours, uneven budding, and a very hot summer have resulted in a harvest with lower volumes and seemingly reduced yields of shelled walnuts.

Initially, the estimated drop in volume was around 10%, but the official report surprised with a 19% decline. Early harvests of early-season varieties have raised concerns, and it is now believed that the crop reduction could be even greater, some local packers are already estimating a decrease of 22 to 25% on Chandlers—exactly what happened in Chile earlier this year. Prices have responded to this drop in volume, and as we can see, the trend has been very positive since August, when the official harvest report was released, affecting both in-shell and shelled walnuts.



Source: stratamarkets.com

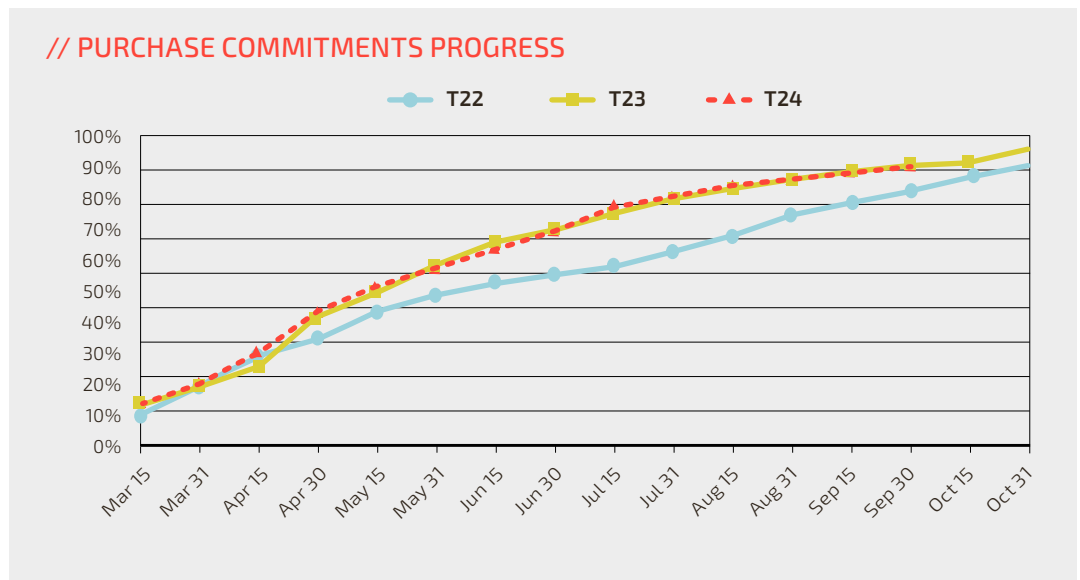


Source: stratamarkets.com



Chilean Market

The season in Chile is already in its final stages. To date, 90% of sales commitments have been fulfilled, according to Chilenut, marking a very positive sales performance.

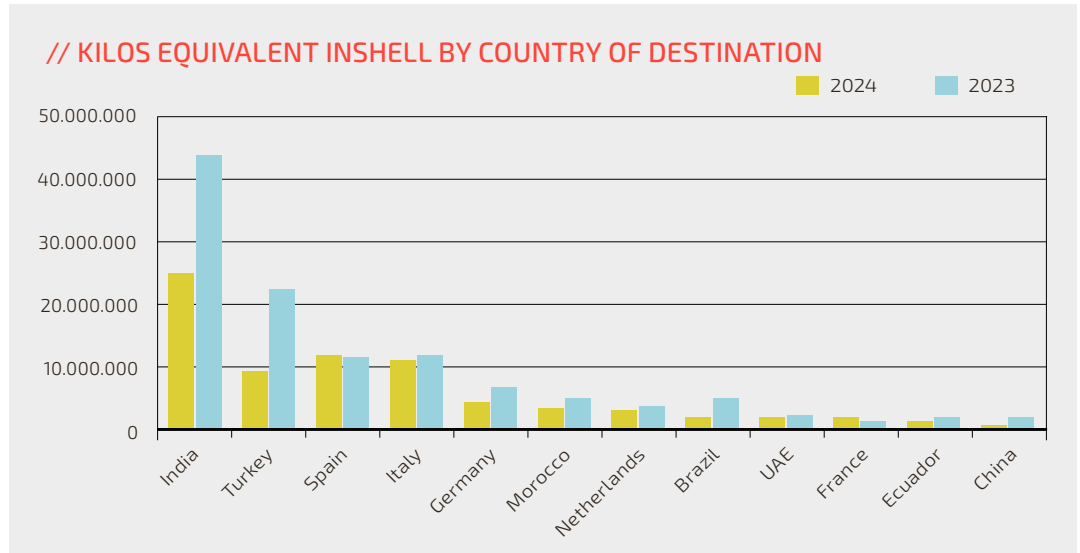


Source: Chilenut

Product availability is now very low, with the remaining stock expected to be sold between October and November.

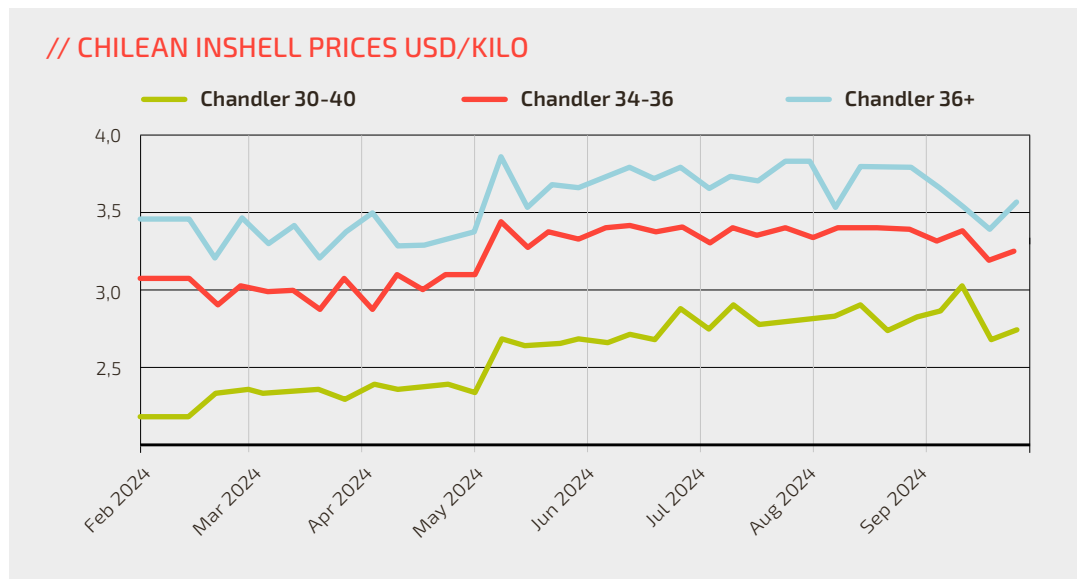
India remains the primary destination for Chilean walnuts, though with a significant decrease compared to last year due to the smaller harvest. In Europe, Spain and Italy stand out, strengthening Chile's off-season positioning in these markets, where there is a preference for fresh walnuts consumed between July and December.

Chile has established itself as the best and most reliable option for securing supply for some of the year's most important celebrations, such as Christmas and the beginning of the European winter, as well as Diwali and the wedding season in India.

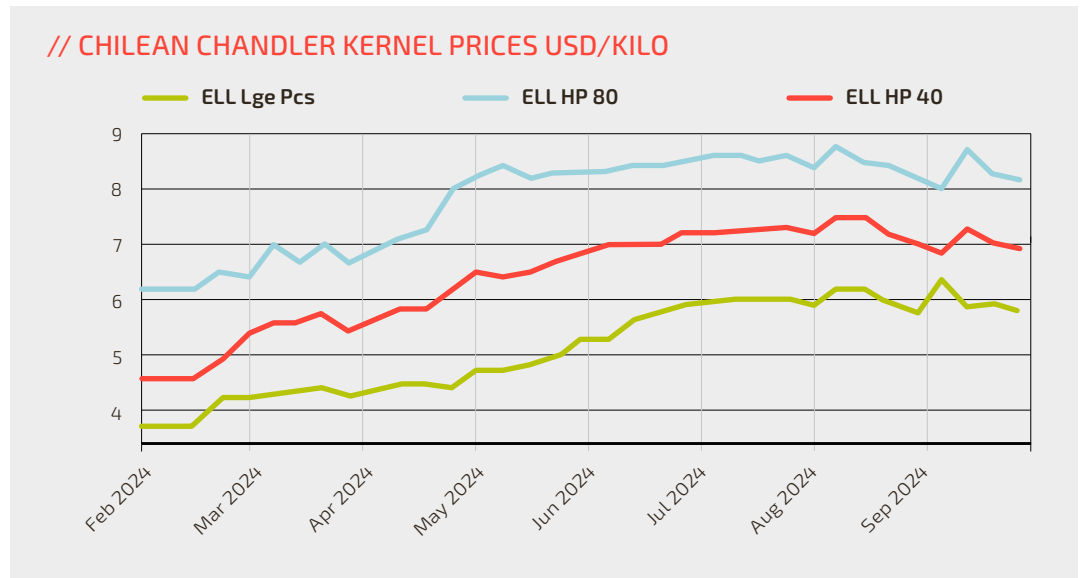


Source: ASOEX, customs data.

Prices for Chilean walnuts have also improved, though as the season draws to a close, stable pricing is expected for the remaining 10% of the crop. Where the local market is also shows performing well



Source: stratamarkets.com



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It is anticipated that prices will remain at these levels if not increase. Demand remains strong, with major retailers and buyers actively seeking alternatives to secure supply and ensure stock levels. Indian buyers are purchasing the remaining high-quality walnuts, as they foresee a challenging situation for sourcing premium products in the medium term.