

MARKET REPORT

MARCH 2022



The market for Chilean walnuts is showing dynamism since February at Gulfood. Although it started at a higher level than US prices, demand has been very strong. Commitments are already near 20%, what shows sales are taking place and production of April and May is well covered already.

As usual Inshell market starts early. Markets active on purchases has been India, China, Middle East generally speaking, Morocco and Turkey lately pushing to purchase. Also, some sales in Europe have been taking place and large top-quality buyers have been demanding both inshell and kernels, securing their volumes for the year and concentrating on logistics which seems will be tough and costly.

Prices has been moving accordingly to demand and we can see an increase of about 10 cents per kilo at each grade on inshell Chandler. For SERR it has maybe be even more as there is strong demand from Morocco, Dubai and Turkey for this variety. Customers seems to have short stocks at destination in inshell markets as there has been a lot of demand for April and May shipments.

// INSHELL USD PRICES PER KILO FOB

	30 - 34mm	34 - 36mm	36mm+
February	2,5 - 2,6	3,1 - 3,2	3,4 - 3,5
March	2,6 - 2,7	3,2 - 3,3	3,5 - 3,6

Kernels usually starts later, but we have seen a strong demand for halves 80% and Halves 90% coming from large top-quality buyers, this is draining the market out of halves and pushing prices up on these grades.

If we consider that Chile crack roughly 60.000 tons of inshell walnuts and from that gets about 28.000 tons of kernels, out of it we could consider that around 12.000 tons are halves 80% and the remaining would be large pieces and pieces. Well, there is demand for roughly 6.000 tons of Halves from just few large buyers who looks for top-quality product, so then half of the volume of halves is taken out of the market leaving a constrain on the offer for other customers that also purchase these grades.

// KERNEL USD PRICES PER KILO FOB

	LHP80	LHP40	Large Pieces
February	7,4 - 7,6	6,5 - 6,7	5,5 - 5,8
March	7,6 - 7,8	6,5 - 6,7	5,5 - 5,8

Latest news form California suggest that availability of Chandler kernels is limited, and Halves seems to be scarce. Considering that customers will reasonably have to cover their volumes until December – January due to the current logistic situation there is still a long way to go.