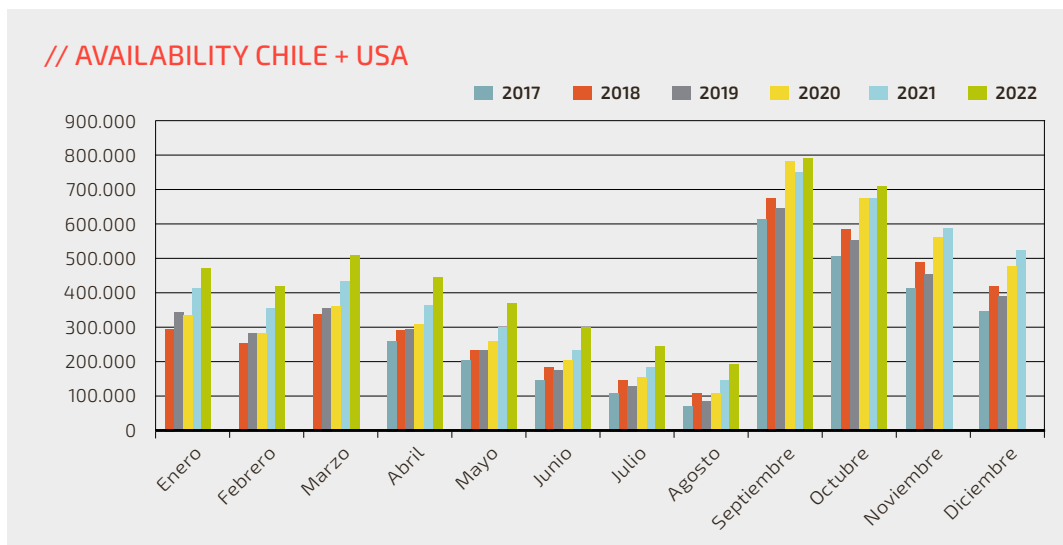




## General supply



Considering only the Chilean and US supply, because it is where we have a more accurate and trusted information, we can see that the total availability of walnuts from these two origins to end of October is of 712.462 Metric tons which means 5,93% more than same time last year. The gap of an oversupply or lower demand has been reduced.

For Chile, according to the estimated crop and custom data, the stock to be shipped after October 31st should be nearly 30.000 MT which is only 6.000 MT above what was shipped last year since end of October.

The quality of the Chilean stock left is still good, and processors will continue with their operations until end of year.

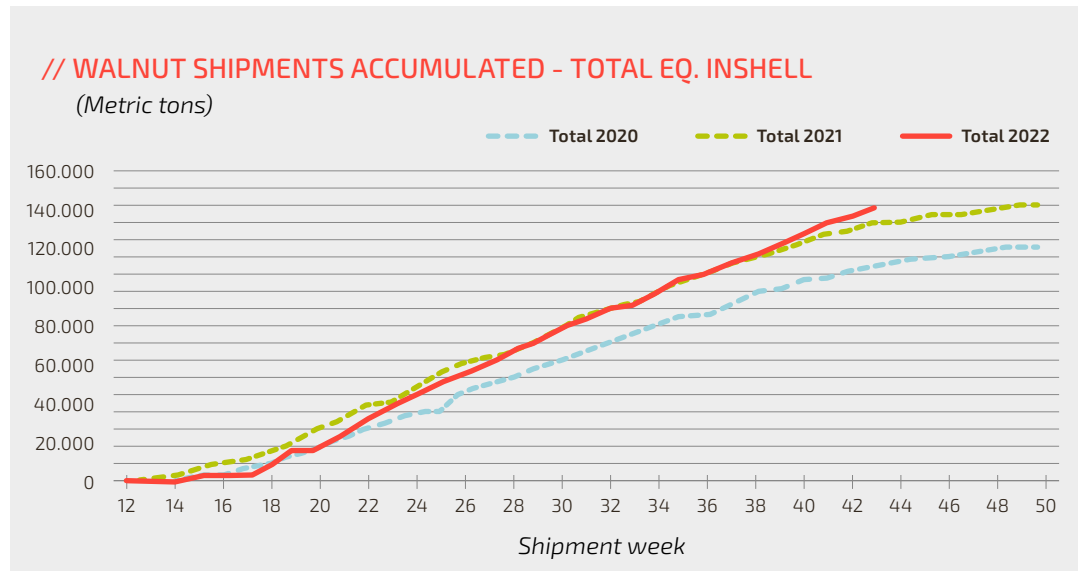


## Some good news

### Chilean shipments

According to Chilenut, based on custom data, slightly above 140.000 MT has been shipped by October 31st, what means 83% of the total estimated Chilean crop has already been shipped.

Accumulated shipments are 5% above last year and it is expected that during November and December most of the remaining volume should be shipped. October shown 40% increase in shipments and November will most likely be similar or even higher



**Exchange rate**

After a long period of appreciation of the USD against most of the currencies, during the last month it has shown a opposite trend thanks to lower levels of Inflation within the US and a possible relaxation of the monetary policy. Saying this we can see that the EURO has appreciated over 5% in that last 30 days going from 0,95 up to 1,04 USD per EURO.

**Freight rates**

Although they haven't come back to level before the pandemic the transport cost has been reduced around 50% from its maximum values faced in the period May – July this year. This mainly for DRY containers. Reefer containers also adjusted down but



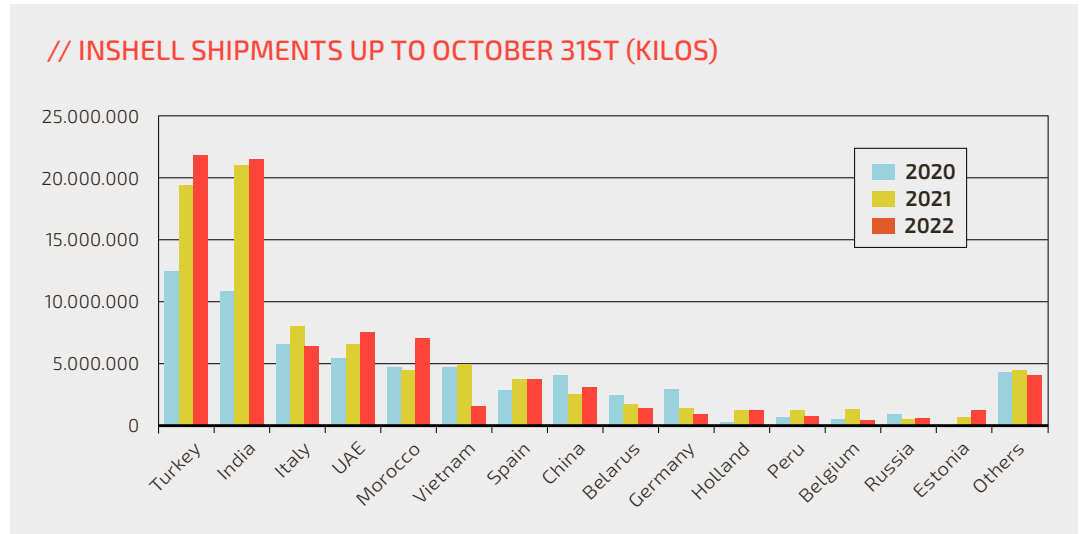
**Markets**

Something interesting has been happening in the walnut industry. The Inshell market has been behaving as a fresh fruit market where customers value timing, freshness and quality, and the kernel market has been treated as a commodity where it is hard to get a premium for a better quality.

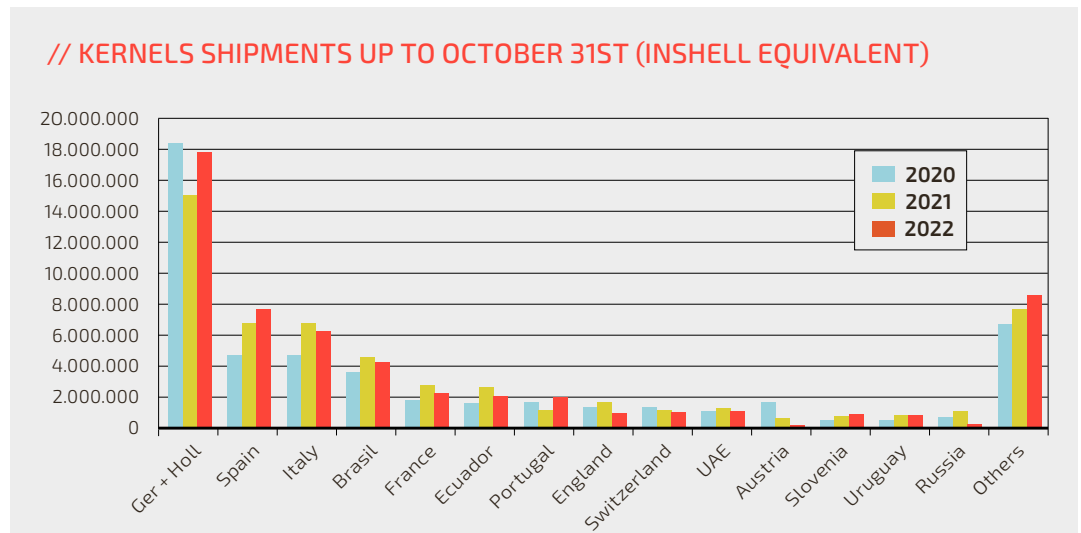
**Inshell Market**

October shipments were up 94% and the accumulated is up by 4% compared to 2021.

By country of destination, the main markets are showing a good performance. Turkey, leading as a destination market with already almost 22.000 MT, followed closely by India with 21.500 MT. Italy is behind, what can be explained by their position on US walnuts early this year, and Vietnam reduced their operation due to the high transport cost faced during the year.



Kernel exports were up by 17% in October with an accumulated 7% increase comparing to 2021.



We consider Germany plus Holland as many of the buyers in Germany are getting their cargo in Holland and customs is reflecting it as the final destination. Chile continues growing in their exports of kernels and gaining presence in most relevant markets. Most of the exports are of Machine cracked kernels while Hand cracked has remained as a niche.



## Prices

Prices decreased by 30% during the year, going far below sustainable levels for growers. An over reaction on the market took place and it continues till today. A new adjustment is expected as opportunistic customers are taking position and growers with lower yields per hectare start taking out trees.

As inshell availability is low in Chile and US quality seems to be not good, later demand for good quality inshell has raised. Customers are buying expecting demand to supply Ramadan and trying to secure the volume left in Chile.

Kernel prices has remained at low levels as most companies are trying to finish with their stocks before end of year, assuming already a low grower price. If demand increase, there might be the possibility of some sense of scarcity of light and extra light product considering the colour of California walnuts is declared to be much darker due to sunburnt.

### // CHANDLER INSHELL PRICE PER KILO FOB

	30 - 34mm	34 - 36mm	36mm+
February	2,50 - 2,60	3,10 - 3,20	3,40 - 3,50
March	2,55 - 2,70	3,20 - 3,30	3,50 - 3,60
April	2,60 - 2,70	3,20 - 3,30	3,60 - 3,70
May	2,60 - 2,70	3,20 - 3,30	3,60 - 3,75
June	2,55 - 2,70	3,10 - 3,30	3,50 - 3,75
July	2,40 - 2,50	3,00 - 3,10	3,40 - 3,50
August	2,30 - 2,50	2,90 - 3,10	3,30 - 3,50
September	2,10 - 2,40	2,60 - 3,00	3,10 - 3,50
October	1,85 - 2,00	2,60 - 2,85	3,00 - 3,10
November	1,85 - 2,10	2,60 - 2,95	3,00 - 3,20

### // KERNELS, PRICE PER KILO FOB

	LHP80	LHP40	Large Pieces
February	7,40 - 7,60	6,50 - 6,70	5,50 - 5,80
March	7,60 - 7,80	6,50 - 6,70	5,50 - 5,80
April	7,60 - 7,80	6,50 - 6,70	5,50 - 5,80
May	7,60 - 7,80	6,50 - 6,70	5,50 - 5,80
June	7,50 - 7,80	6,50 - 6,70	5,50 - 5,80
July	7,00 - 7,10	6,00 - 6,10	5,10 - 5,20
August	6,20 - 6,50	5,50 - 5,80	4,70 - 4,90
September	5,70 - 6,00	5,00 - 5,30	4,30 - 4,60
October	5,00 - 5,50	4,50 - 4,80	3,50 - 4,00
November	5,30 - 5,50	4,50 - 4,80	3,50 - 4,00

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

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