



PRE-HARVEST REPORT



As we progress into the Southern Hemisphere summer, Gulfood is rapidly approaching, signaling the onset of Chile's walnut trading season. While it is still early—harvest is set to begin in about two months—we can already observe some noteworthy aspects of the upcoming walnut season.





Climate Conditions

This season's climate has been highly favorable for walnut development. The winter was within normal parameters, with sufficient rainfall and adequate snow accumulation in the Andes, ensuring a stable water supply for irrigation, clean soils, and water sources free from salinity issues. Temperatures remained within the expected range, allowing for an adequate accumulation of chill hours, which in turn provided the necessary dormancy for the trees.

// HISTORICAL CHILL HOUR ACCUMULATION BY ZONE

	Central zone	South-central zone	South zone
2021	701	850	1.002
2022	800	1.219	1.022
2023	617	823	800
2024	1.044	1.116	1.140

Source: Own elaboration.

Spring brought mild temperatures, resulting in uniform bud break and flowering, which led to well-balanced orchards, efficient pollination, good fruit set, and a high number of productive centers. This orchard uniformity has contributed to a reduction in size variability, favoring medium and medium-large calibers with a lower presence of small-sized nuts. As a result, a normal size distribution is expected.

Additionally, a greater number of double and even triple productive centers have been observed compared to last season, when they were scarce.



However, in the southern region of the country, there has been a significant presence of bacterial blight and BAN (Brown Apical Necrosis), leading to fruit drop and a considerable reduction in the estimated production volume for that area.



The summer has been warm but remains within normal ranges. Some heat waves have been reported, but they have stayed within expected limits for this time of year, with peak temperatures reaching 33–34°C.

Given these conditions, we anticipate a relatively normal harvest, although it will be crucial to monitor weather conditions during the harvesting period. The nuts have developed well, and most orchards show normal calibers. Kernel filling appears satisfactory, and quality parameters are expected to meet Chilean standards.



Expected Production Volume

Production is forecasted to increase compared to last year, which was particularly poor. However, it is unlikely to reach the record levels of 2022 or 2023, partly due to orchard removals.

2022	187,424 MT
2023	182,289 MT
2024 (est.)	134,576 MT
2025 (est.)	165,000 MT



Market Overview

The walnut market has remained active. The production shortfall in Chile last season, followed by a decline in California's output, has driven prices significantly higher. Chile has been out of the market for the past two to three months, with inventories fully cleared as the industry awaits the new harvest.

California continues to sell, with reported commitments exceeding 80% of its crop, placing the region in a strong position as the Northern Hemisphere season nears its end. Recent trends indicate that significant volumes of California walnuts are still being sold at high prices, with the market remaining firm:

LHP20	USD 3.65 – 3.75 per lb FAS
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LHP40	USD 3.90 – 4.05 per lb FAS
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LHP80	USD 4.00 – 4.20 per lb FAS
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Recent sales to major retailers suggest that California's prices are likely to remain stable until the end of its season, as stocks are depleted.



Chile's Opening Prices

There is considerable anticipation regarding Chile's opening prices for the new walnut harvest. Traditionally, Chile announces its prices in Dubai during the Gulfood trade show. However, given last year's miscalculations in estimates and the fact that the harvest is still two months away, Chilean packers are showing little interest in making offers or commitments at this stage.

Current market conditions, combined with California's high kernel prices, provide incentives for Chilean packers to prioritize nut cracking. Walnuts with a kernel yield of 48% or higher—Chile's main volume, should be cracked.

Taking into account California's current price levels, Chile's Free Trade Agreement (FTA) with Europe (which exempts Chilean walnuts from the 5.1% import tariff imposed on U.S. walnuts), and Chile's recognized freshness and quality, the expected kernel prices should be as follows:

LHP80	USD 10.40 – 10.50 per kg FOB
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LHP40	USD 9.50 – 9.70 per kg FOB
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Quarters	USD 8.50 – 8.60 per kg FOB
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Taking this into account, for in-shell walnuts, converting kernel prices to in-shell equivalents suggests that high-quality fruit with a kernel yield of 48% or higher and a color classification of over 90% extra light + light should be priced at:

Chandler 30–34mm	USD 4.00 – 4.10 per kg FOB
Chandler 34–36mm	USD 4.35 – 4.45 per kg FOB
Chandler 36mm+	USD 4.75 – 4.85 per kg FOB

These values are derived from a straightforward mathematical equivalence between kernel and in-shell prices. If prices were lower than these levels, it would be more profitable to process the nuts rather than sell them as in-shell.

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

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