

**Required Report:** Required - Public Distribution

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**Report Name:** Tree Nuts Annual

**Country:** Chile

**Post:** Santiago

**Report Category:** Tree Nuts

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**Report Highlights:**

Post estimates 152,000 MT of walnut production for MY2021/22, a 2.7 percent increase over MY2020/21 following an increase in planted area. Walnut exports are estimated at 150,000 MT in-shell basis, which represents a 3.4 percent increase over MY2020/21. Export estimates assume resolution of the logistical problems and delays observed in MY2020/21. For MY2021/22, Post projects that almond production will total 9,700 MT, a 3.0 percent decrease over MY2020/21, assuming unchanged planted area and relatively lower productivity due to drought. The United States remains Chile's top supplier of almonds. In MY2021/22, almond consumption will rebound and reach 7,900 MT due to the recovery of the Chilean economy which will increase consumer demand for almonds.

## Commodities:

Walnuts, Inshell Basis

**Table 1: Production, Supply and Distribution Data Statistics**

Walnuts, Inshell Basis Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jan 2020		Jan 2021		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Chile						
Area Planted (HA)	0	40801	0	43328	0	45500
Area Harvested (HA)	0	39036	0	42000	0	43800
Bearing Trees (1000 TREES)	0	6500	0	6910	0	7170
Non-Bearing Trees (1000 TREES)	0	1918	0	2118	0	2711
Total Trees (1000 TREES)	0	8418	0	9028	0	9881
Beginning Stocks (MT)	300	300	3200	3200	0	4100
Production (MT)	125000	140405	150000	148000	0	152000
Imports (MT)	600	600	1000	1000	0	1000
Total Supply (MT)	125900	141305	154200	152200	0	157100
Exports (MT)	120000	135405	150100	145000	0	150000
Domestic Consumption (MT)	2700	2700	3100	3100	0	3300
Ending Stocks (MT)	3200	3200	1000	4100	0	3800
Total Distribution (MT)	125900	141305	154200	152200	0	157100

(HA) ,(1000 TREES) ,(MT)

Source: Post estimations

Note: Shelled to In-shell conversion rate = 2.34

## Production:

Walnut planted area grew steadily for the past 10 years reaching 43,328 hectares (ha) in MY2020/21 a 6.2 percent increase over MY2019/20 (see Figure 1). Until MY2020/21, walnut planted area was increasing at 2,500 hectares per year. However, due to a general decrease in revenues for Chilean walnut exporters in MY2020/21, planted area growth slowed. Post estimates planted area to reach 45,500 ha in MY2021/22.

Post projects that walnut productivity in MY2020/21 will decrease due to the drought that is affecting the central regions of the country. Most walnut production occurs in the more temperate, central regions, which account for 85.6 percent of the walnut planted area; specifically, Valparaíso, Metropolitana, O'Higgins and Maule (see Table 2). In August 2021, the Chilean Government [declared all these regions under a state of agricultural emergency](#) due to drought. The declaration will help producers in these regions receive support to incorporate irrigation technology and to construct water reservoirs.

Post estimates walnut production will reach 152,000 MT for MY2021/22, a 2.7 percent increase over MY2020/21. The increase follows the general growth in planted area. The slowdown in production growth is explained by the lower walnut productivity.

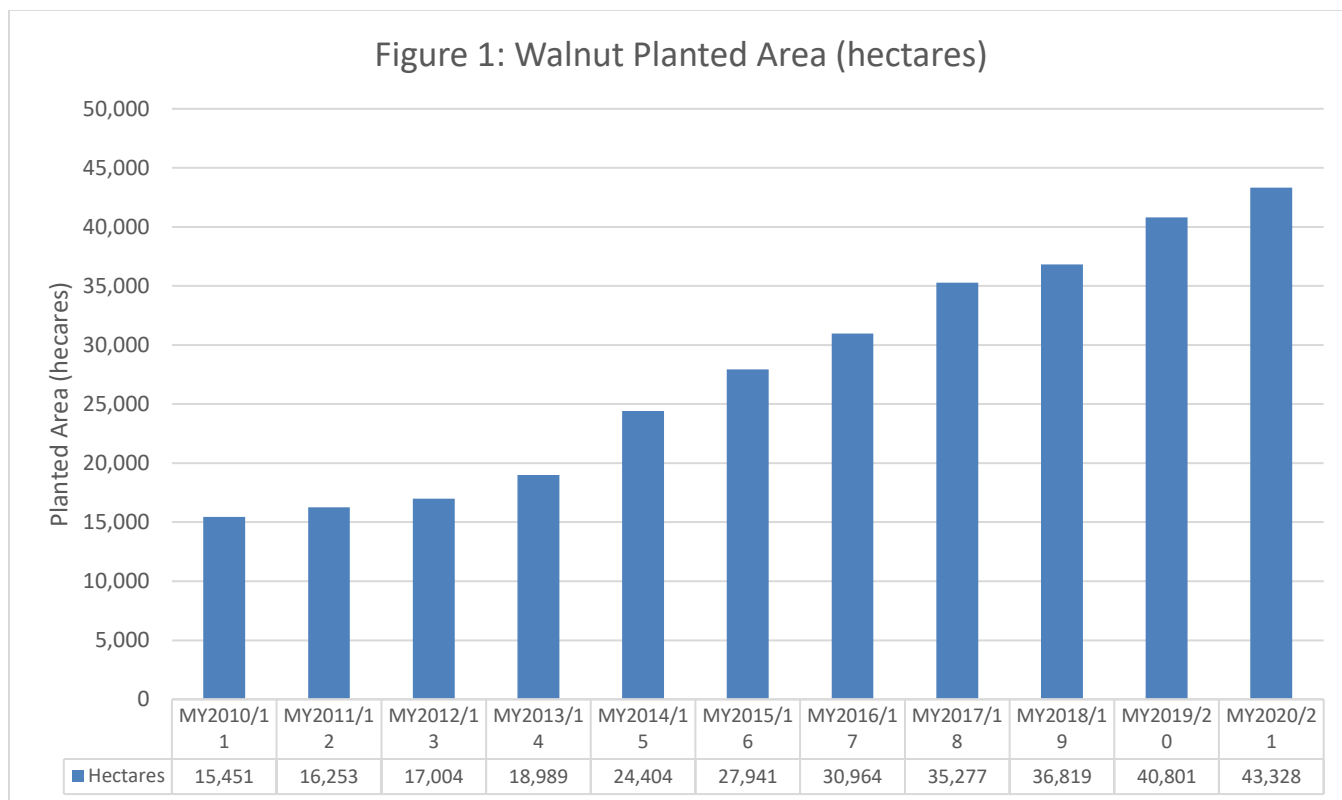
Due to the consequences of the COVID-19 pandemic, such as quarantines and restrictions in mobility, the workforce in agriculture decreased, causing delays and increasing costs of harvest, processing, and packing. In the case of walnuts most of the harvesting is mechanical, thus in MY2020/21 there was a delay in processing and packing. To adapt to this issue and obtain shelled walnuts, producers increased

walnut mechanical processing and minimized manual labor. However, there is consensus among producers that processing costs increased.

**Table 2: Walnut Planted Area by Region MY2019/20 (ha)**

Region	Planted Area (hectares)	Share (%)
Atacama	16	0.0%
Coquimbo	2,501	6.1%
Valparaíso	6,786	16.6%
Metropolitana	14,120	34.6%
O'Higgins	7,022	17.2%
Maule	7,008	17.2%
Ñuble	1,498	3.7%
Biobío	1,426	3.5%
La Araucanía	411	1.0%
Los Ríos	9	0.0%
Los Lagos	3	0.0%
<b>Total</b>	<b>40,801</b>	<b>100.0%</b>

Source: Post estimates



Source: Based in data from ODEPA

**Consumption:**

Post estimates MY2021/22 walnut domestic consumption at 3,300 MT, which represents a 6.5 percent increase over MY2020/21. The increase is based on a recovery of the Chilean economy in MY2021/22 as COVID-19 restrictions ease off.

Domestic consumption of walnuts represents a small share of total production. Chileans consume shelled walnuts as snacks and the confectionary industry uses them as an ingredient in many products such as desserts, pastries, and chocolates. Generally, snacks are higher quality walnuts (size, color, and shape) while confectionary may use chopped walnuts. Whole shelled walnuts require delicate processing and thus cost more than in-shell or chopped walnuts.

**Trade:**

Due to COVID-19, One of the main difficulties exporters have experienced is the delay in freight shipments and a general increase in logistic costs. These logistical issues slowed down export volumes and increased stocks, which is an uncommon situation for Chilean exporters, which usually do not store large quantities of walnuts.

The international demand for walnuts remains strong. For MY2021/22, Post projects 150,000 MT of walnut exports (in-shell basis) which represents a 3.4 percent increase over MY2020/21. This increase in exports follows a projected increase in production and a decrease in walnut stocks, assuming that logistical issues are resolved. In MY2020/21 (January to July data) exports increased by 27.65 percent in volume and 19.5 percent in value over MY2018/19 (see Table 3 and Table 4).

In MY2019/20 Germany, Turkey, Italy, and India were the top markets for Chilean walnuts. Turkey is Chile's top market for in-shell walnuts. Germany has historically been the top market for Chilean shelled walnuts. However, in MY2020/21 (January-July data) exports to Germany decreased by 37.1 percent, totaling 3,900 metric tons. The decrease of exports to Germany was due to reallocation of Chilean exports to other markets such as Italy and, according to Post sources, a slow-down in purchases by retailers. Yet, the decrease in exports to Germany could revert in the upcoming months as delayed shipments start to arrive and purchases resume.

**Marketing:**

The Chilean Association of Walnut Producers and Exporters, [Chilenut](#) organizes marketing promotion campaigns in export markets for the walnut industry. Chilenut with the support of [Prochile](#) is investing US\$ 540,000 in Germany (US\$365,000) and India (US\$175,000). The campaign in Germany started with market research that identified features besides prices, like freshness, that are appealing to German consumers. India is a market that has a large growth potential and the potential demand for walnuts is greater than the Chilean production.

**Stocks:**

In MY2020/21, due to the general delays in shipments, along with the increase in freight costs, walnut stocks increased. In August 2021, there were reports of 20,000 MT of stocks waiting to be shipped to foreign markets, which is highly unusual since most walnuts are exported as soon as possible. However, stocks should decrease as shipments times and cost start to normalize. Post estimates MY2021/22 stocks at 3,800 MT, which is a 7.3 percent decrease over MY2020/21 assuming logistical problems caused by the COVID-19 pandemic, such as delays in shipments and in ports, are resolved.

**Policy:**

In May 2018, Indian authorities increased walnut import tariffs from 30 percent to 100 percent. There are no new developments to this matter to date. The Chilean government keeps engaging with Indian authorities to revert this tariff increase.

**Table 3: Chile Exports to World by Volume****Commodity: 080231, Walnuts, Fresh or Dried, In Shell/Walnuts**

Partner Country	Marketing Year			January-July		
	MY2018/19	MY2019/20	Variation (%)	2020	2021	Variation (%)
_World	147,885	135,405	-8.4%	60,105	76,725	27.7%
Turkey	19,700	13,869	-29.6%	9,591	15,469	61.3%
India	5,599	12,272	119.2%	3,796	10,001	163.5%
Italy	14,687	12,384	-15.7%	6,564	8,498	29.5%
United Arab Emirates	16,110	6,741	-58.2%	2,991	4,749	58.8%
Spain	8,924	8,319	-6.8%	4,131	4,708	14.0%
Germany	20,143	22,005	9.2%	6,198	3,900	-37.1%
Vietnam	5,126	4,645	-9.4%	3,113	3,311	6.4%
Morocco	5,462	4,829	-11.6%	3,678	2,976	-19.1%
Brazil	7,956	7,132	-10.4%	1,793	2,278	27.0%
France	2,880	3,858	34.0%	1,195	2,126	77.9%
Netherlands	3,651	5,138	40.7%	2,027	2,048	1.0%
Ecuador	2,945	2,917	-1.0%	1,062	1,561	47.0%
China	4,225	4,146	-1.9%	2,983	1,281	-57.1%
Belarus	368	3,000	715.2%	906	1,188	31.1%
Russia	3,348	2,152	-35.7%	978	1,086	11.0%
Others	26,761	21,998	-17.8%	9,099	11,545	26.9%

Source of Data: Trade Data Monitor, LLC.

Note: Shelled to in-shell conversion rate = 2.34

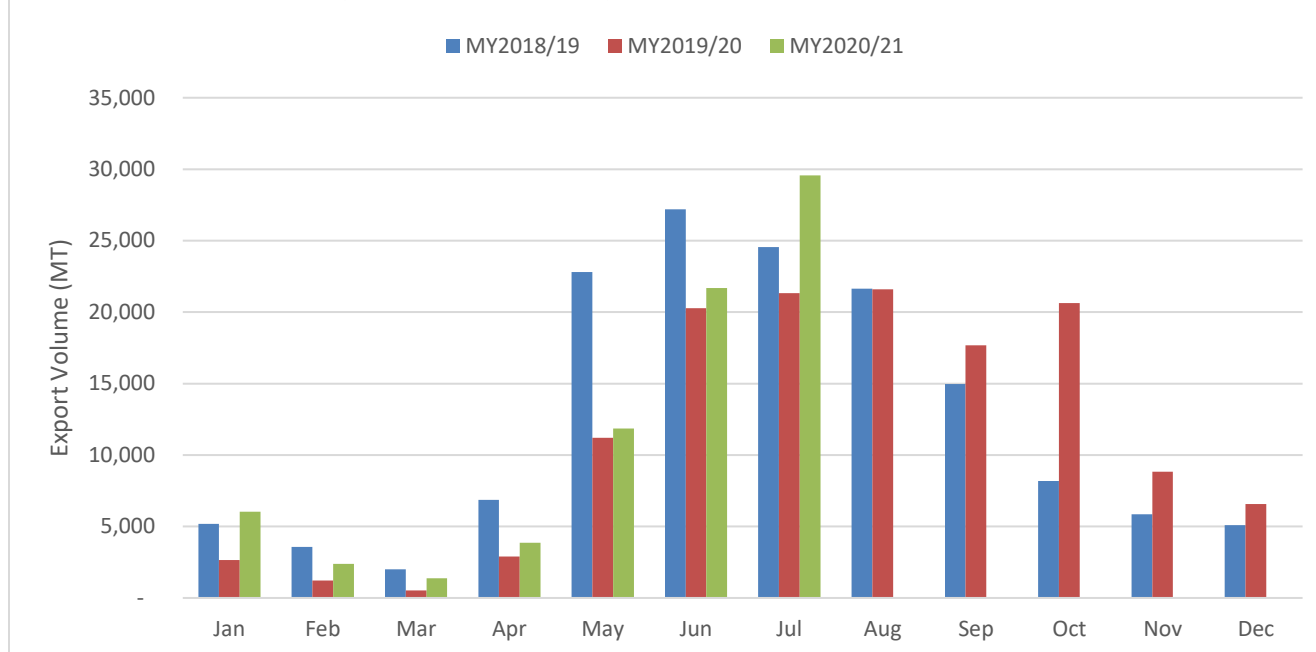
**Table 4: Chile Exports to World by Value****Commodity: 080231, Walnuts, Fresh or Dried, In Shell/Walnuts**

Partner Country	Marketing Year			January-June		
	MY2018/19	MY2019/20	Variation (%)	2020	2021	Variation (%)
_ World	426,434,659	385,139,509	-9.7%	176,505,396	210,975,038	19.5%
Turkey	48,363,772	31,194,606	-35.5%	22,913,408	36,994,758	61.5%
India	16,452,036	33,697,430	104.8%	11,166,451	27,335,637	144.8%
Italy	45,114,626	37,638,134	-16.6%	20,976,011	25,779,015	22.9%
Spain	28,947,746	26,695,059	-7.8%	13,437,529	14,771,338	9.9%
United Arab Emirates	44,767,717	18,657,488	-58.3%	8,569,979	13,495,436	57.5%
Germany	60,189,307	65,442,358	8.7%	19,446,505	12,133,837	-37.6%
Vietnam	13,138,826	10,177,231	-22.5%	6,796,350	8,403,490	23.6%
Morocco	15,249,964	13,775,047	-9.7%	10,799,279	7,904,807	-26.8%
Netherlands	11,801,738	15,927,901	35.0%	6,635,153	6,243,371	-5.9%
France	8,417,587	10,860,696	29.0%	3,701,088	5,354,804	44.7%
Brazil	22,247,292	18,955,981	-14.8%	5,207,356	5,234,526	0.5%
Belarus	1,314,823	10,591,457	705.5%	3,361,049	4,033,700	20.0%
Ecuador	8,281,080	7,583,068	-8.4%	3,139,877	3,706,307	18.0%
Russia	11,734,533	7,716,589	-34.2%	3,581,073	3,656,509	2.1%
China	11,926,736	11,760,330	-1.4%	8,711,493	3,393,950	-61.0%
Others	78,486,876	64,466,134	-17.9%	28,062,795	32,533,553	15.9%

Source of Data: Trade Data Monitor, LLC.

Note: Shelled to in-shell conversion rate = 2.34

Figure 2. Walnut Export Volume by Month (MT)



Source of Data: ODEPA, 2021

Note: Shelled to in-shell conversion rate = 2.34

## Commodities:

Almonds, Shelled Basis

Table 5: Production, Supply and Distribution Data Statistics

Almonds, Shelled Basis Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Chile						
Area Planted (HA)	0	8867	0	9057	0	9050
Area Harvested (HA)	0	8600	0	8650	0	8650
Bearing Trees (1000 TREES)	0	4300	0	4350	0	4380
Non-Bearing Trees (1000 TREES)	0	130	0	120	0	90
Total Trees (1000 TREES)	0	4430	0	4470	0	4470
Beginning Stocks (MT)	500	500	400	450	0	1200
Production (MT)	11500	10173	11000	10000	0	9700
Imports (MT)	3100	3954	3200	4500	0	4000
Total Supply (MT)	15100	14627	14600	14950	0	14900
Exports (MT)	7000	6477	9000	6500	0	6400
Domestic Consumption (MT)	7700	7700	5100	7250	0	7900
Ending Stocks (MT)	400	450	500	1200	0	600
Total Distribution (MT)	15100	14627	14600	14950	0	14900

(HA) ,(1000 TREES) ,(MT)

Note: In-Shell to shelled conversion rate = 0.6

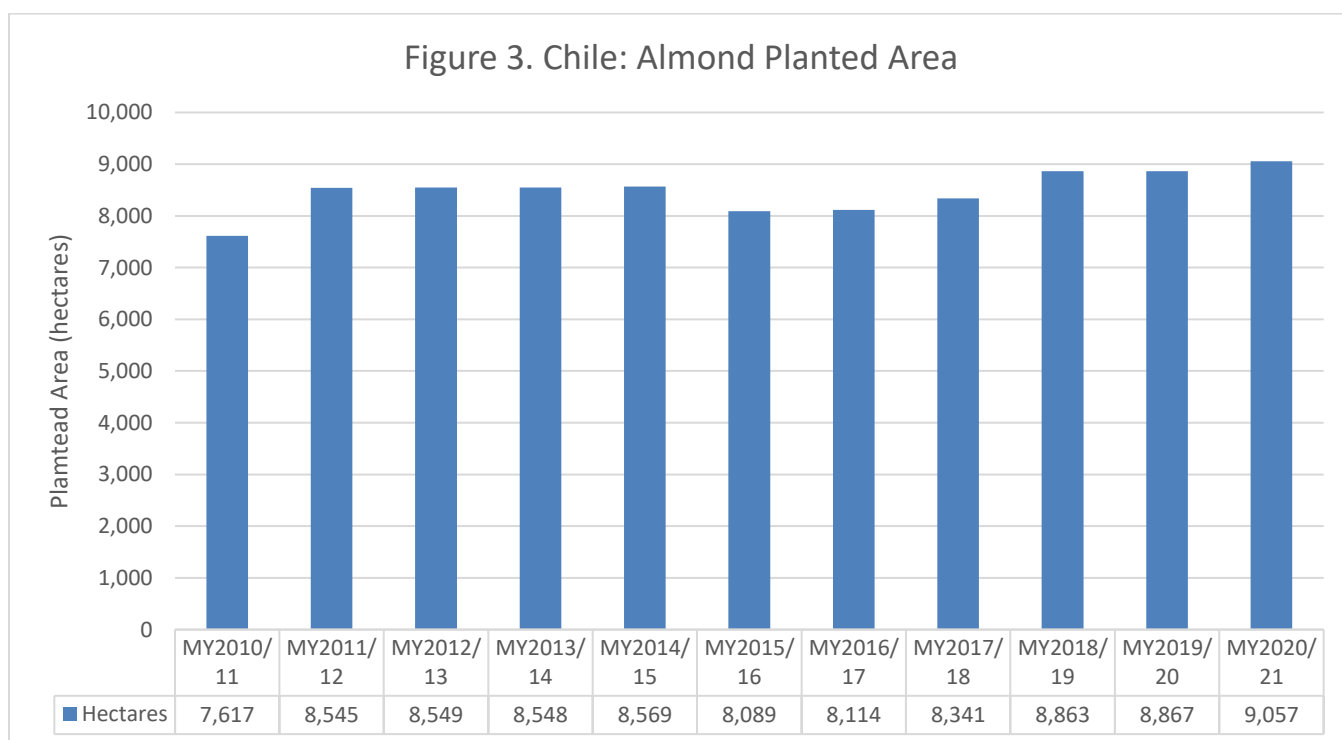
Source: Post estimations

### Production:

Post estimates almond planted area at 9,050 hectares in MY2021/22, nearly unchanged from MY2020/21. Almond planted area remains relatively steady because producers are prioritizing the planting of alternative, more profitable crops such as walnuts, cherries, or avocado (see Figure 3). However, there are reports of new plantations taking place in the southern part of the country, where there is more water for irrigation, but this data is not yet reflected in official sources.

In MY2020/21, Post estimates that production reached 10,000 MT, a 1.7 percent decrease over MY2019/20. The decrease is driven by lower productivity due to the ongoing drought and by the aging of current crops (see Table 5). For MY2021/22, Post projects that production will total 9,700 MT, a 3.0 percent decrease from MY2020/21, assuming unchanged planted area and continued lower productivity due to drought.

Almond planted area is in the central part of the country, specifically in the regions of Metropolitana (39.5 percent of the planted area) and O'Higgins (33.4 percent of the planted area). There are also almonds in Valparaíso and Coquimbo, towards the northern part of the country and which account for 13 percent of the total planted area each (see Table 6). All of these regions have suffered from drought and were also included in the [agricultural emergency declaration](#) by the Chilean government, in order to receive support for the construction of irrigation infrastructure.



Source: based on Odepa



**Table 6: Almond Planted Area by Region MY2019/20 (hectares)**

<b>Region</b>	<b>Planted Area (hectares)</b>	<b>Share (%)</b>
Coquimbo	1,155	13.0%
Valparaíso	1,178	13.3%
Metropolitana	3,505	39.5%
O'Higgins	2,959	33.4%
Maule	63	0.7%
Ñuble	6	0.1%
Los Ríos	1	0.0%
<b>Total</b>	<b>8,866.8</b>	<b>100.0%</b>

Source: Based in Odepa, 2021.

### **Consumption:**

In MY2020/21, Post projects almond consumption to reach 7,900 MT due to the rebound of the Chilean economy which will increase consumer demand for almonds. The domestic market consumes almonds as snacks and in the confectionary industry, mainly to produce chocolates. Domestic consumption of almonds represents a large share of Chilean almond supply. In MY2020/21, Post estimates that domestic consumption was 72.5 percent of the total production, and that this share will increase in to 81.4 percent in MY2021/22 due to the increase in consumer demand for almonds.

### **Stocks:**

Stocks in MY2020/21 increased to 1,200 MT due to the delays in export shipments. Post estimates MY2021/22 stocks at 600 MT, which represents a 50 percent decrease over MY2020/21. This reduction assumes that export companies will adapt and plan accordingly to avoid any issues with logistics and shipments in MY2021/22.

### **Trade:**

Post estimates that total exports of Chilean almonds will reach 6,400 MT in MY2021/22, a 1.5 percent decrease over MY2020/21 due to the lower production volume. Post assumes that some of the decrease in production will be offset by the normalization in shipments and the reduction of the 1,200 MT of almond stocks from MY2020/21.

In MY2020/21 (data until July), Chilean almond exports decreased by 8.3 percent in volume and 24.5 percent in value over MY2019/20 (see Table 7 and 8). The decrease in exports has been attributed to the persistent drought conditions that have affected the almond production area, which has consequences that impact more than one marketing year.

Top markets for Chilean almonds are Russia and Ecuador. Exports to Russia recovered in MY2020/21 and increased by 21.3 percent totaling 866 MT (data until July). Ecuador and Argentina remain top markets for Chilean almonds, although almond export to Argentina decreased by 46.5 percent in MY2020/21.

The United States is the top supplier of almonds to Chile, with a 98.4 percent market share. Imports of almonds grew consistently in MY2019/20 and MY2020/21 as a response to the decline in Chilean

almond production. Post estimates that in MY2021/22 almonds imports will decrease by 11.1 percent to 4,000 MT as consumption pulls from existing stocks.

<b>Table 7: Chile Exports to World by Volume</b>						
<b>Commodity: 080212, Almonds, Fresh or Dried, Shelled</b>						
<b>Partner Country</b>	<b>Marketing Year</b>			<b>January-July</b>		
	<b>MY2018/19</b>	<b>MY2019/20</b>	<b>Variation (%)</b>	<b>2020</b>	<b>2021</b>	<b>Variation (%)</b>
_World	10231	6477	-36.7%	3096	2840	-8.3%
Russia	3623	1325	-63.4%	714	866	21.3%
Ecuador	722	947	31.2%	414	594	43.5%
Argentina	1281	2082	62.5%	982	525	-46.5%
Italy	437	145	-66.8%	87	247	183.9%
Brazil	2154	701	-67.5%	310	173	-44.2%
Uruguay	212	265	25.0%	114	74	-35.1%
Germany	181	120	-33.7%	89	62	-30.3%
Thailand	63	139	120.6%	58	61	5.2%
Peru	420	162	-61.4%	42	56	33.3%
Turkey	200	66	-67.0%	66	52	-21.2%
Belarus	104	48	-53.8%	24	33	37.5%
Netherlands	23	60	160.9%	0	23	
Paraguay	71	61	-14.1%	22	20	-9.1%
Kuwait	35	58	65.7%	40	20	-50.0%
France	56	16	-71.4%	16	12	-25.0%
Others	649	282	-56.5%	118	22	-81.4%

Source of Data: Trade Data Monitor, LLC

Note: In-Shell to shelled conversion rate = 0.6

<b>Table 8: Chile Exports to World by Value</b>						
<b>Commodity: 080212, Almonds, Fresh or Dried, Shelled</b>						
<b>Partner Country</b>	<b>Marketing Year</b>			<b>January-July</b>		
	<b>MY2018/19</b>	<b>MY2019/20</b>	<b>Variation (%)</b>	<b>2020</b>	<b>2021</b>	<b>Variation (%)</b>
_World	74,293,877	42,851,634	-42.3%	22,164,206	16,736,405	-24.5%
Russia	25,667,231	9,049,869	-64.7%	5,008,856	5,104,739	1.9%
Ecuador	5,168,243	6,059,496	17.2%	2,935,373	3,239,207	10.4%
Argentina	9,480,091	13,336,653	40.7%	6,668,322	3,041,378	-54.4%
Italy	3,218,495	909,804	-71.7%	569,604	1,580,825	177.5%
Brazil	15,329,696	4,627,176	-69.8%	2,393,355	967,328	-59.6%
Germany	1,640,344	1,304,169	-20.5%	988,045	484,961	-50.9%
Uruguay	1,573,467	1,627,914	3.5%	790,788	413,020	-47.8%
Thailand	498,010	1,016,950	104.2%	437,152	393,592	-10.0%
Turkey	1,411,175	466,400	-66.9%	466,400	342,320	-26.6%
Peru	3,009,699	844,550	-71.9%	261,899	260,742	-0.4%
Belarus	777,074	343,533	-55.8%	167,792	213,952	27.5%
Paraguay	642,507	523,082	-18.6%	192,872	158,800	-17.7%
Kuwait	266,287	401,968	51.0%	277,380	154,338	-44.4%
Netherlands	126,422	256,717	103.1%	-	121,960	
France	435,388	108,590	-75.1%	108,590	80,233	-26.1%
Others	5,049,748	1,974,763	-60.9%	897,778	179,010	-80.1%

Source of Data: Trade Data Monitor, LLC

Note: In-Shell to shelled conversion rate = 0.6

**Table 9: Chile Imports from World by Volume and Value**

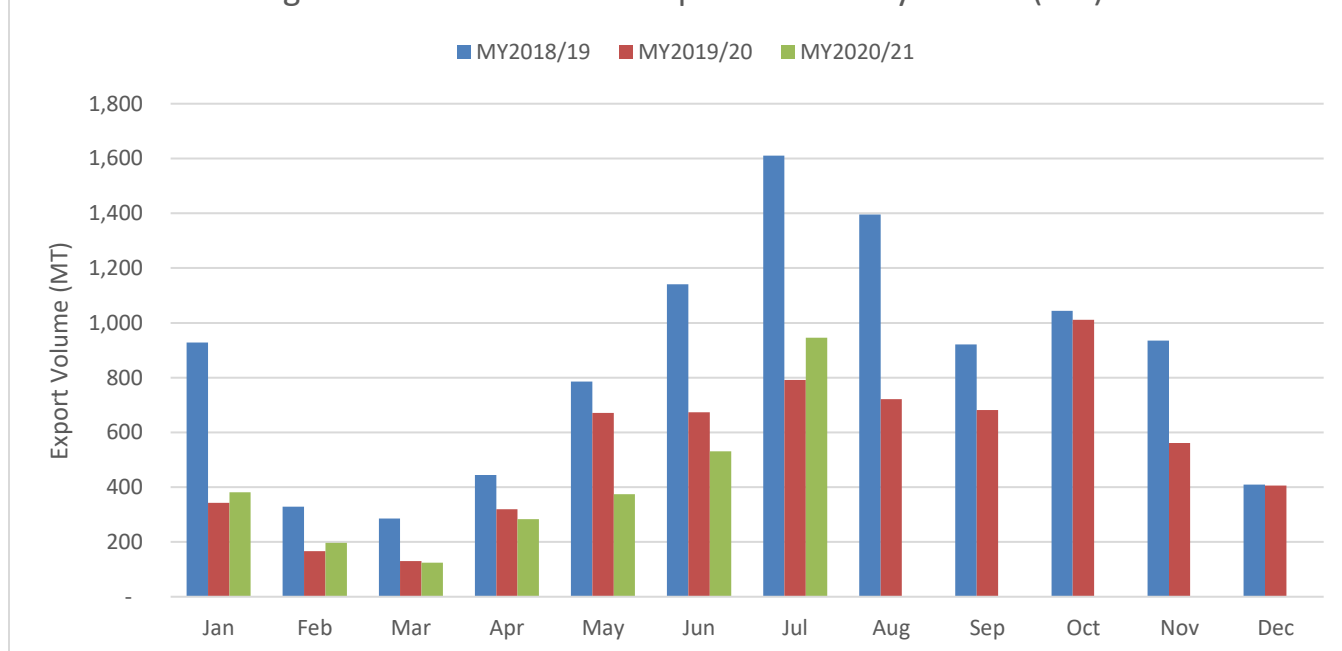
**Commodity: 080212, Almonds, Fresh or Dried, Shelled**

Partner Country	Marketing Year (Volume in MT)			January-July (Volume in MT)		
	MY2018/19	MY2019/20	Variation (%)	2020	2021	Variation (%)
_World	2,566	3,964	54.5%	1,844	2,804	52.1%
United States	2,552	3,945	54.6%	1,844	2,760	49.7%
Spain	14	-	-100.0%	-	43	-
Taiwan	-	-	-	-	1	-
Australia	-	18	-	-	-	-
	Marketing Year (Value in USD)			January-July (Value in USD)		
	MY2018/19	MY2019/20	Variation (%)	2020	2021	Variation (%)
_World	17,259,141	22,882,692	32.6%	12,001,570	13,647,674	13.7%
United States	17,146,632	22,793,765	32.9%	11,999,061	13,309,738	10.9%
Spain	109,098	41	-100.0%	-	333,941	-
Taiwan	-	-	-	-	1,150	-
Australia	-	85,703	-	-	-	-

Source of Data: Trade Data Monitor, LLC

Note: In-Shell to shelled conversion rate = 0.6

**Figure 4: Almond Shelled Export Volume by Month (MT)**



Source: ODEPA, 2021

Note: In-Shell to shelled conversion rate = 0.6

**Attachments:**

No Attachments