

**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:**

For marketing year (MY) 2022/23, Post estimates 165,000 metric tons (MT) of walnut production, a 7.8 percent increase from MY 2021/22 following an increase in area planted and higher yields. Walnut exports are projected at 162,500 MT in-shell basis, which represents a 7.6 percent increase over MY2021/22. For MY 2022/23, Post projects that almond production will total 11,400 MT, a 3.6 percent increase from MY 2021/22, based on increasing area planted and growing yields. Almond exports will total 8,250 MT, a 3.1 percent increase from MY 2021/22. Chilean almond consumption is expected reach 7,900 metric tons. The United States remains Chile's top supplier of almonds with a 98 percent market share. Post projects that high logistics costs and port delays will persist in MY 2022/23.

## Commodities:

Walnuts, Inshell Basis

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

Walnuts, Inshell Basis Market Year Begins Chile	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	43328	0	43735	0	44500
Area Harvested (HA)	0	42000	0	42400	0	43300
Bearing Trees (1000 TREES)	0	6910	0	7300	0	7800
Non-Bearing Trees (1000 TREES)	0	2118	0	2250	0	2400
Total Trees (1000 TREES)	0	9028	0	9550	0	10200
Beginning Stocks (MT)	3200	3200	4100	3272	0	3072
Production (MT)	148000	161000	152000	153000	0	165000
Imports (MT)	600	600	500	500	0	500
Total Supply (MT)	151800	164800	156600	156772	0	168572
Exports (MT)	145000	158828	150000	151000	0	162500
Domestic Consumption (MT)	2700	2700	2800	2700	0	2750
Ending Stocks (MT)	4100	3272	3800	3072	0	3322
Total Distribution (MT)	151800	164800	156600	156772	0	168572

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

Source: Post estimates

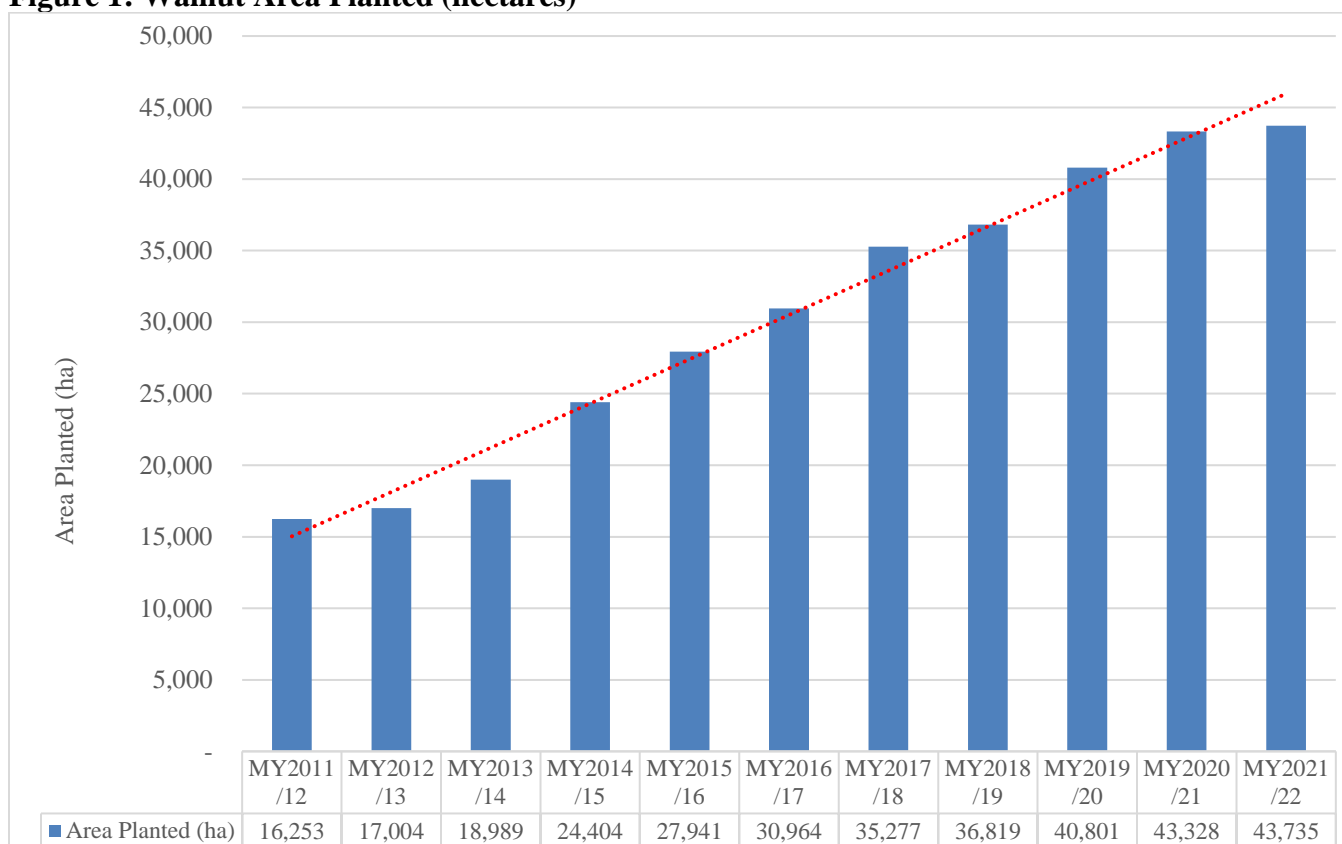
Note: Shelled to in-shell conversion rate = 2.34

## Production:

Post estimates area planted to increase by 1.8 percent in in MY 2022/23 and reach 44,500 ha (see Table 1). Walnut area planted reached 43,375 ha in MY 2021/22 a 0.1 percent increase over MY 2020/21. The expected growth is in line with historic changes, as area planted has grown steadily since MY 2011/12 (see Figure 1). Notably, since MY 2020/21, growth in area planted slowed due to a decrease in revenues for Chilean walnut exporters because of increasing production, processing, and transport costs. Despite the recent decrease in revenues, demand for Chilean walnuts is strong and industry contacts anticipate continued long-term growth.

Walnut area planted is in the central-south part of the country between the *Valparaiso* region and *Maule* regions (see Table 2). The top production region is the *Metropolitana* region, which accounts for 37.6 percent of the area planted. Area planted grew by 16.4 percent during the last three years. Only the *Coquimbo* region, which holds 4.9 percent of the area planted, showed a decrease in the past three marketing years, attributed entirely to drought. Post expects total area planted to continue growing, but possibly at a slower rate than in past marketing years.

Post projects that walnut yields in MY 2022/23 will increase due an improvement in water availability for irrigation in the walnut production area. With increased walnut yields and growing area planted, Post estimates 165,000 MT of walnut production for MY 2022/23, a 7.8 percent increase over MY 2021/22.

**Figure 1: Walnut Area Planted (hectares)**

Source: Based on data from ODEPA

**Table 2: Walnut Planted Area by Region MY 2020/21 (hectares)**

Region	Planted Area (hectares)	Variation in the past three MY (%)	Share (%)
Coquimbo	2,145	-14.2%	4.9%
Valparaíso	7,003	3.2%	16.0%
Metropolitana	16,430	16.4%	37.6%
O'Higgins	7,786	10.9%	17.8%
Maule	7,008	60.5%	16.0%
Ñuble	1,498	31.9%	3.4%
Biobío	1,426	134.3%	3.3%
Others	438		1.0%
<b>Total</b>	<b>43,735</b>	<b>18.8%</b>	<b>100.0%</b>

Source: Based on data from ODEPA

### Consumption:

Post estimates MY 2022/23 walnut domestic consumption at 2,750 MT, which represents a 1.9 percent increase over MY 2021/22. The increase is based on a normalization of the Chilean economy after the COVID-19 pandemic and an expected population growth of 1.6 percent per year.

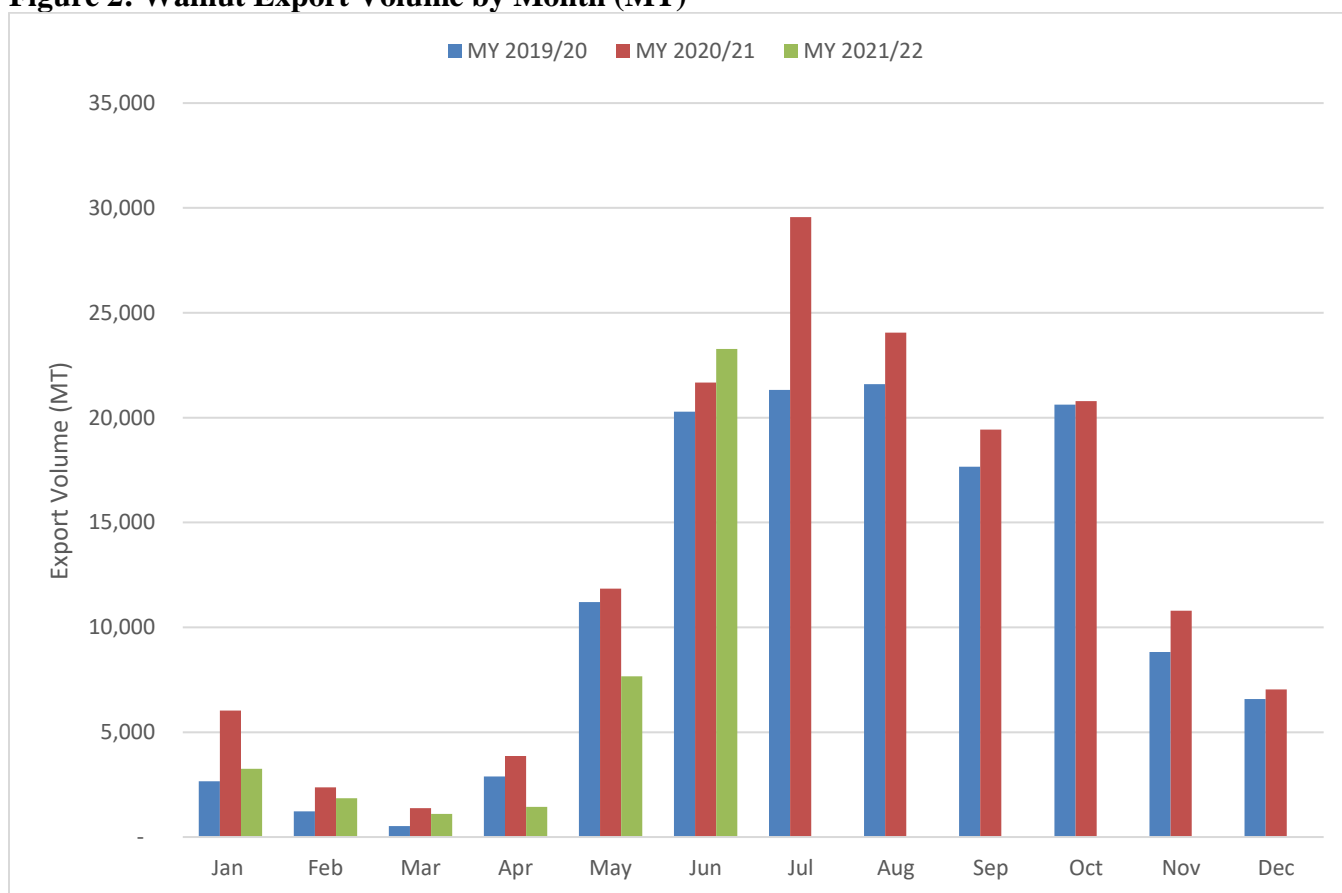
Domestic consumption of walnuts represents a small share of total production, since the Chilean population is relatively small (19.8 million) compared to many export markets such as Turkey or India. Chileans consume shelled walnuts as snacks, and these are generally high quality in terms of color, size, and shape. The confectionary industry uses walnuts as an ingredient in many products such as desserts, pastries, and chocolates. Industry generally purchases chopped walnuts, which tend to be lower cost.

**Trade:**

A difficulty that all Chilean exporters experienced in MY 2021/22 was the general increase in freight costs long port delays, and high demand for logistical services. These logistical issues slowed down export volumes and increased walnut stocks. Logistical issues are expected to persist in MY 2022/23, so exporters are adapting and planning the timing of shipments. International demand for Chilean walnuts remains strong.

Figure 2 shows monthly export volumes of walnuts. In MY 2021/22, there is a delay in export volumes compared to MY 2020/21. Due to logistics constraints, monthly exports in MY 2022/23 were lower in all months except for June, when export volumes surpassed the volume of the two previous marketing years.

**Figure 2: Walnut Export Volume by Month (MT)**



Source: ODEPA

Note: Shelled to in-shell conversion rate = 2.34

For MY 2022/23, Post projects 162,500 MT of walnut exports (in-shell basis) which represents a 7.6 percent increase over MY 2021/22. This increase in exports follows a projected increase in production and a slightly lower increase in domestic consumption.

For MY 2021/22, exports are estimated at 151,000 MT, a 4.9 percent decrease from MY 2020/21. In MY 2021/22 (January to July data) exports decreased by 18.2 percent in volume and 17.5 percent in value (see Table 3 and Table 4). However, Post expects exports to recover in the month of July and August, which are the peak exports months for Chilean walnuts.

In MY 2020/21 Turkey, India, and Italy were the top markets for Chilean walnuts. Turkey is Chile's top market for in-shell walnuts. Germany was the top market for Chilean shelled walnuts in the past; however, since MY 2020/21 exports to Germany decreased due to reallocation of Chilean exports in other markets such as Italy.

**Table 3: Chile Exports to World by Volume (MT)**

**Product Group: PSD-Walnuts, Inshell Basis;**

Partner Country	Marketing Year			Year to Date		
	MY 2019/20 (MT)	MY 2020/21 (MT)	Variation (%)	Jan - Jun 2021 (MT)	Jan - Jun 2022 (MT)	Variation (%)
The World	135,405	158,828	17.3%	47,160	38,570	-18.2%
Turkey	13,869	21,169	52.6%	11,065	6,602	-40.3%
India	12,272	20,899	70.3%	4,738	6,808	43.7%
Italy	12,384	16,616	34.2%	4,911	2,771	-43.6%
Germany	22,005	16,488	-25.1%	2,616	1,470	-43.8%
Spain	8,319	11,257	35.3%	2,656	2,767	4.2%
UAE	6,741	7,894	17.1%	3,163	4,005	26.6%
Brazil	7,132	6,677	-6.4%	1,520	1,733	14.0%
Netherlands	5,138	6,412	24.8%	1,376	803	-41.6%
France	3,858	5,214	35.1%	1,662	1,215	-26.9%
Vietnam	4,645	4,837	4.1%	1,335	120	-91.0%
Morocco	4,829	4,403	-8.8%	2,313	2,994	29.4%
Ecuador	2,917	3,757	28.8%	1,280	1,153	-9.9%
China	4,146	2,472	-40.4%	510	749	46.9%
Russia	2,152	2,455	14.1%	845	291	-65.6%
Belarus	3,000	2,428	-19.1%	706	321	-54.5%
Others	21,998	25,850	17.5%	6,464	4,768	-26.2%

Source: Trade Data Monitor, LLC

Note: Shelled to in-shell conversion rate = 2.34

**Table 4: Chile Exports to the World by Value (USD)****Product Group: PSD-Walnuts, Inshell Basis;**

Partner Country	Marketing year			Year to Date		
	MY 2019/20 (USD)	MY 2020/21 (USD)	Variation (%)	Jan - Jun 2021 (USD)	Jan - Jun 2022 (USD)	Variation (%)
The World	385,139,509	468,020,098	21.5%	125,916,140	103,886,535	-17.5%
India	33,697,430	61,537,986	82.6%	12,481,313	17,872,326	43.2%
Germany	65,442,358	53,595,602	-18.1%	7,801,429	4,726,356	-39.4%
Italy	37,638,134	51,685,625	37.3%	14,685,680	8,061,676	-45.1%
Turkey	31,194,606	50,682,671	62.5%	26,174,017	14,240,283	-45.6%
Spain	26,695,059	36,292,329	36.0%	8,222,394	8,928,270	8.6%
UAE	18,657,488	24,711,625	32.4%	8,503,844	10,251,869	20.6%
Netherlands	15,927,901	20,846,199	30.9%	4,184,062	2,442,553	-41.6%
Brazil	18,955,981	18,776,999	-0.9%	3,208,711	4,375,458	36.4%
France	10,860,696	14,882,819	37.0%	3,889,864	3,177,760	-18.3%
Vietnam	10,177,231	12,605,502	23.9%	3,427,970	312,740	-90.9%
Morocco	13,775,047	11,880,445	-13.8%	6,135,399	7,933,625	29.3%
Ecuador	7,583,068	9,754,268	28.6%	2,943,073	3,124,343	6.2%
Russia	7,716,589	9,103,500	18.0%	2,757,528	1,211,985	-56.0%
Belarus	10,591,457	8,189,530	-22.7%	2,419,030	1,107,029	-54.2%
UK	6,378,044	7,553,155	18.4%	1,173,873	1,134,275	-3.4%
Others	69,848,420	75,921,843	8.7%	17,907,953	14,985,987	-16.3%

Source: Trade Data Monitor, LLC

Note: Shelled to in-shell conversion rate = 2.34

**Stocks:**

Due to logistical issues impacting exports, walnuts stocks increased in MY 2020/21. Chilean walnut exporters do not generally store large quantities of product, but storage facilities do exist, giving exporters the ability to postpone shipments and wait for better market conditions. Post estimates MY 2022/23 stocks at 3,322 MT, which is an 8.1 percent increase over MY 2021/22. This high stock level assumes continued logistical delays and high transport costs.

**Policy:**

In May 2018, Indian authorities increased walnut import tariffs from 30 percent to 100 percent, where they remain today. The Chilean government continues to lobby Indian authorities to decrease the tariff, and the issue remains a priority for Chilean walnut exporters. India is Chile's second largest market after Turkey.

## Commodities:

Almonds, Shelled Basis

**Table 5: Production, Supply and Distribution**

Almonds, Shelled Basis Market Year Begins Chile	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	9057	0	9387	0	9500
Area Harvested (HA)	0	8650	0	8850	0	9000
Bearing Trees (1000 TREES)	0	4350	0	4400	0	4450
Non-Bearing Trees (1000 TREES)	0	120	0	90	0	100
Total Trees (1000 TREES)	0	4470	0	4490	0	4550
Beginning Stocks (MT)	450	450	1200	800	0	1000
Production (MT)	10000	10653	9700	11000	0	11400
Imports (MT)	5000	5000	5500	5000	0	4750
Total Supply (MT)	15450	16103	16400	16800	0	17150
Exports (MT)	6500	7653	6000	8000	0	8250
Domestic Consumption (MT)	7750	7650	9800	7800	0	7900
Ending Stocks (MT)	1200	800	600	1000	0	1000
Total Distribution (MT)	15450	16103	16400	16800	0	17150

(HA) (1000 TREES), (MT)

Note: In-shell to shelled conversion rate = 0.6

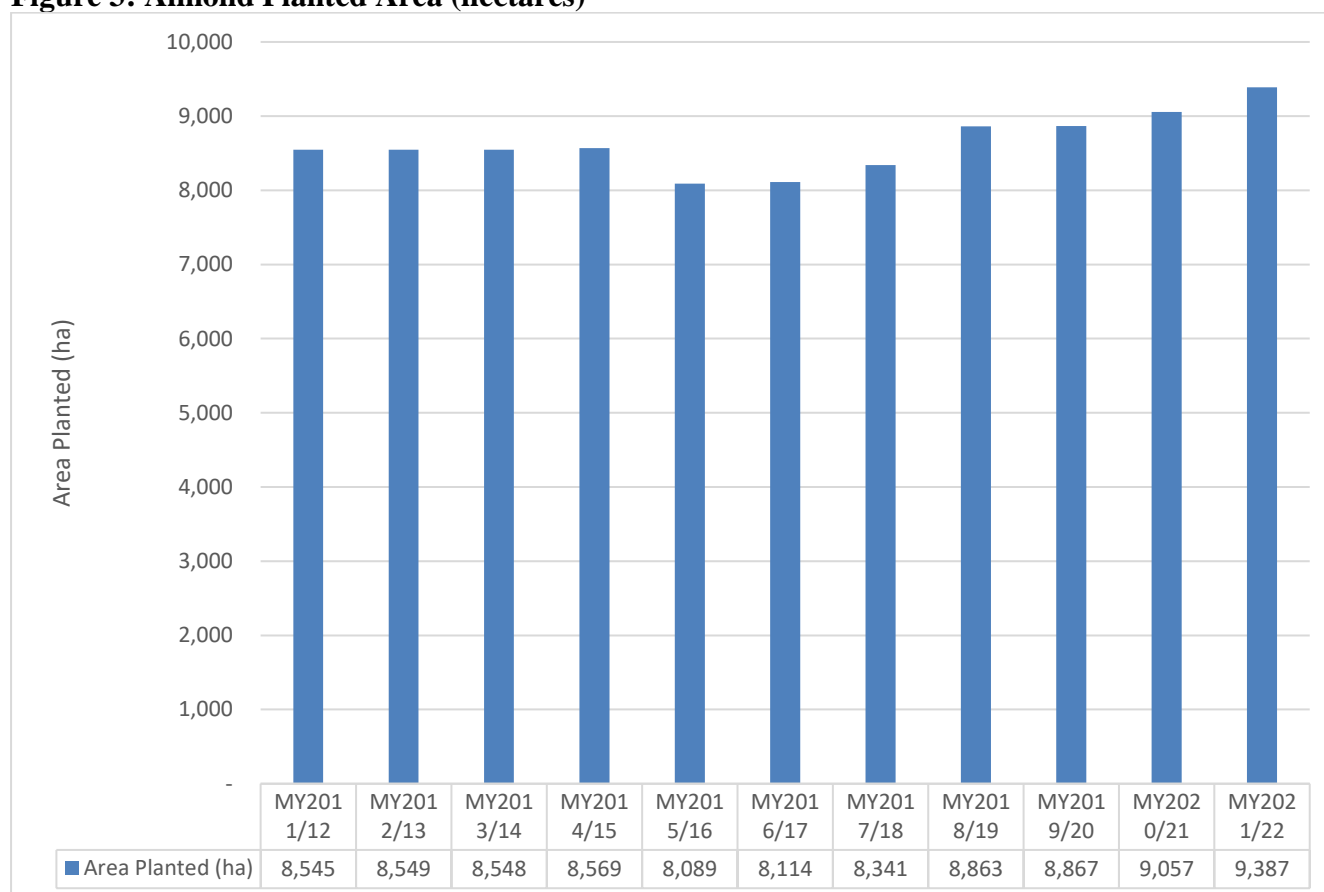
Source: Post estimates

## Production:

For MY 2022/23, Post estimates almond area plated at 9,500 hectares, a 1.2 percent increase over MY 2021/22 (see Table 5). New almond plantations are taking place in the *O'Higgins* region, where producers are expanding because of available water for irrigation. Almond planted area in the *O'Higgins* region grew by 11 percent in the past three marketing years (see Table 6) and now holds 35 percent of the area planted. Almond production remains a relatively profitable alternative to other crops which have grown substantially in area planted, such as cherries, citrus, and walnuts.

For MY 2021/22, Post estimates that production reached 11,000 MT, a 3.3 percent increase over MY 2020/21. This increase is driven by growth in area planted, despite MY 2021/22 being a low yield year due to persistent drought. For MY 2022/23, Post projects that production will total 11,400 MT, a 3.6 percent increase from MY 2021/22, based on an increase in area planted and an increase in yields due to sufficient rainfall during the winter of MY 2022/23.

**Figure 3: Almond Planted Area (hectares)**



Source: Based on ODEPA

Almond area planted remains concentrated in the central part of the country, specifically in the *Metropolitana* region, with 38.5 percent of the area, and the *O'Higgins* region, with 35.0 percent of area planted. Almond area planted in the *Valparaíso* and *Coquimbo* regions also grew, but at a slower rate. Area planted in the *Coquimbo* region, in the northern part of the country, remained relatively stagnant compared to the other regions, due to persistent drought in that area.

**Table 6: Almond Planted Area by Region MY 2020/21 (hectares)**

Region	Planted Area (hectares)	Variation in the past three MY (%)	Share (%)
Coquimbo	1,157	0.2%	12.3%
Valparaíso	1,257	6.7%	13.4%
Metropolitana	3,617	3.2%	38.5%
O'Higgins	3,286	11.1%	35.0%
Others	70		0.7%
<b>Total</b>	<b>9,387</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Based on ODEPA



**Consumption:**

In MY 2022/23, Post projects almond consumption at 7,900 MT a 1.3 percent increase over MY 2021/22 due to steady per capita demand and expected population growth. Unlike most other fruit crops, the domestic market for almonds is attractive due to the competitive prices. For MY 2022/23, Post estimates that domestic consumption will represent 69 percent of the commercial production.

There is also a demand for imported almonds, mainly in the confectionary industry. The domestic market consumes Chilean almonds as snacks since Chilean almonds are high quality in terms of size and color. Imported almonds are used by the confectionary industry, mainly to produce chocolates, since they demand smaller size-flat almonds that are not typical of Chilean production.

**Trade:**

Post estimates that total exports of Chilean almonds will reach 8,250 MT in MY 2022/23, a 3.1 percent increase over MY 2021/22 due to higher production volume. In MY 2021/22 (data until July), Chilean almond exports increased by 23.2 percent in volume and 30.2 percent in value over MY 2020/21 (see Table 7 and 8). This increase in exports follows the observed increase in area planted and production.

Top markets for Chilean almonds are Russia, Argentina and Ecuador. Exports to Russia decreased by 58.1 percent in MY 2021/22 (see Table 7), due to constraints associated with the military actions there. Volumes typically sent to Russia were redirected to Argentina and Brazil, which increased purchases by 148.5 percent and 373.4 percent, respectively. Ecuador and Argentina remain top markets for Chilean almonds, although almond export to Ecuador decreased by 21.3 percent in MY 2021/22.

**Table 7: Chile Exports to World by Volume (MT)****Product Group: PSD-Almonds, Shelled Basis;**

Partner Country	Marketing year			Year to Date		
	MY 2019/20 (MT)	MY 2020/21 (MT)	Variation (%)	Jan - Jun 2021 (MT)	Jan - Jun 2022 (MT)	Variation (%)
The World	6,477	7,653	18.2%	1,894	2,334	23.2%
Russia	1,325	2,298	73.4%	583	244	-58.1%
Argentina	2,082	1,715	-17.6%	365	907	148.5%
Ecuador	947	1,182	24.8%	474	373	-21.3%
Brazil	701	768	9.6%	64	303	373.4%
Italy	145	302	108.3%	158	43	-72.8%
Uruguay	265	220	-17.0%	40	109	172.5%
Peru	162	207	27.8%	16	42	162.5%
Thailand	139	156	12.2%	57	69	21.1%
Germany	120	153	27.5%		81	
Mexico	26	126	384.6%			
Belarus	48	102	112.5%	33	5	-84.8%
Venezuela	101	100	-1.0%	11	10	-9.1%
Kuwait	58	92	58.6%			
Turkey	66	80	21.2%	36	82	127.8%
Paraguay	61	47	-23.0%	9	15	66.7%
United Arab Emirates		29				
Others	231	76	-67.1%	48	51	6.3%

Source: Trade Data Monitor, LLC

Note: In-shell to shelled conversion rate = 0.6

**Table 8: Chile Exports to World by Value (USD)****Product Group: PSD-Almonds, Shelled Basis;**

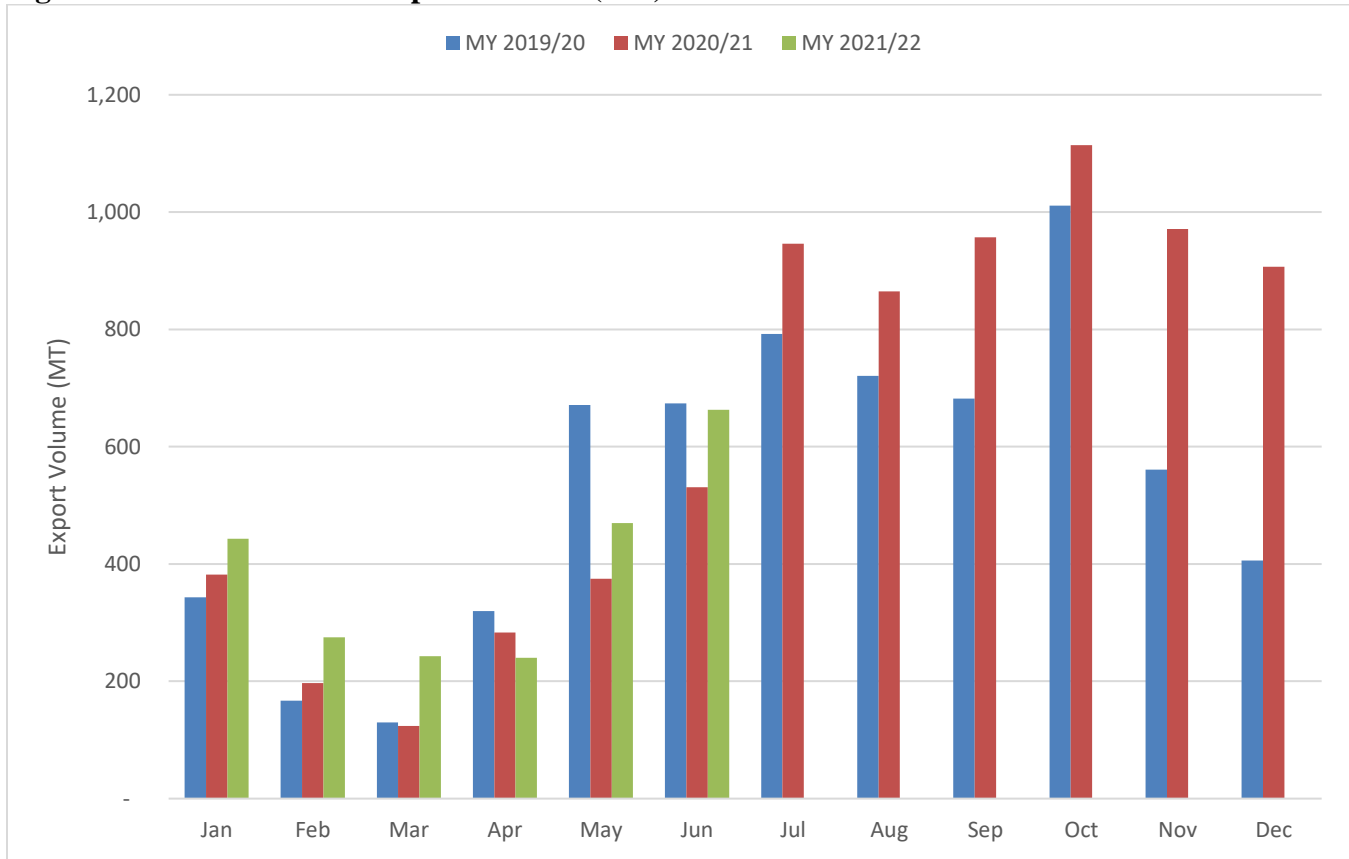
Partner Country	Marketing year			Year to Date		
	MY 2019/20 (USD)	MY 2020/21 (USD)	Variation (%)	Jan - Jun 2021 (USD)	Jan - Jun 2022 (USD)	Variation (%)
The World	42,851,634	46,158,386	7.7%	11,192,436	14,574,720	30.2%
Russia	9,049,869	13,614,486	50.4%	3,528,863	1,505,602	-57.3%
Argentina	13,336,653	10,531,068	-21.0%	2,109,617	5,818,873	175.8%
Ecuador	6,059,496	6,557,386	8.2%	2,570,813	2,107,873	-18.0%
Brazil	4,627,176	4,591,307	-0.8%	376,306	1,801,105	378.6%
Italy	909,804	1,932,338	112.4%	1,025,891	283,762	-72.3%
Uruguay	1,627,914	1,236,186	-24.1%	231,506	646,224	179.1%
Germany	1,304,169	1,197,947	-8.1%		599,370	
Peru	844,550	1,087,431	28.8%	80,242	205,414	156.0%
Thailand	1,016,950	1,014,853	-0.2%	364,632	466,498	27.9%
Mexico	124,834	740,079	492.9%			
Belarus	343,533	718,702	109.2%	213,952	30,688	-85.7%
Venezuela	735,225	671,418	-8.7%	78,689	63,601	-19.2%
Kuwait	401,968	670,802	66.9%			
Turkey	466,400	517,266	10.9%	240,112	541,506	125.5%
Paraguay	523,082	365,279	-30.2%	69,300	111,541	61.0%
Others	1,480,011	711,838	-51.9%	302,513	392,663	29.8%

Source: Trade Data Monitor, LLC

Note: In-shell to shelled conversion rate = 0.6

Figure 4 shows monthly almond exports. Almond exports usually peak between July and October each year since exporters can pack and store until they can allocate exports and maximize sale price. Almond exports in MY 2021/22 show an increase in every month except for April, when Chilean ports were at peak demand.

**Figure 4: Chilean Almond Export Volume (MT)**



Source: ODEPA

Note: In-shell to shelled conversion rate = 0.6

In MY 2020/21, Chile imported 4,994 MT of almonds and 98 percent of that was sourced from the United States. The United States remains the top supplier of almonds to Chile. In MY 2021/22, almond imports declined by 5.5 percent, in response to the higher domestic production volume. Post estimates that in MY 2022/23 almonds imports will decrease by 5.0 percent to 4,750 MT as consumption pulls from the higher domestic production.

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

Chile Imports from the World						
Product Group: PSD-Almonds, Shelled Basis;						
Partner Country	Marketing year			Year to Date		
	MY 2019/20 (MT)	MY 2020/21 (MT)	Variation (%)	Jan - Jun 2021 (MT)	Jan - Jun 2022 (MT)	Variation (%)
The World	3,964	4,994	26.0%	2,403	2,270	-5.5%
United States	3,945	4,911	24.5%	2,372	2,240	-5.6%
Spain	-	45		30	10	-66.7%
Australia	18	36	100.0%	-	-	

Partner Country	Marketing Year			January-June		
	MY 2019/20 (USD)	MY 2020/21 (USD)	Variation (%)	Jan - Jun 2021 (USD)	Jan - Jun 2022 (USD)	Variation (%)
The World	22,882,692	25,512,319	11.5%	11,664,385	12,358,814	6.0%
United States	22,793,765	24,959,473	9.5%	11,455,006	12,171,560	6.3%
Spain	41	375,777	916429.3%	205,441	80,290	-60.9%
Australia	85,703	172,865	101.7%	-	-	

Source: Trade Data Monitor, LLC

Note: In-shell to shelled conversion rate = 0.6

**Stocks:**

Post estimates stocks in MY 2021/22 will increase to 1,000 MT due to delays in export shipments and high costs of transportation. However, unlike fresh fruit exports, most almond exports occur between July and October (see Figure 4). Exporters can store and postpone shipments to optimize logistics and gain a higher price. Post estimates MY 2022/23 stocks at 1,000 MT assuming continued logistics constraints.

**Attachments:**

No Attachments