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Chile

Canned Deciduous Fruit

Canned Peaches Forecast to Fall

2000

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Report Highlights:

Production of canned peaches is forecast to decline due to adverse weather. In light of increased world supplies, Chile's industry also expects lower prices and exports. (Note: The date for this annual report has been changed from April to October).

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

Executive Summary	Page 1
PS&D Table - Canned Peaches	Page 2
Production	Page 2
Consumption	Page 3
Trade	Page 3
Stocks	Page 4
Policy	Page 4
Export Trade Matrix - Canned Peaches	Page 4
Import Trade Matrix - Canned Peaches	Page 5

Executive Summary

The initial forecast of Chilean canned peach production in marketing year 2000 (Jan-Dec 2001) is significantly lower than the previous year based on critically-poor weather and lower demand. The MY 1999 estimate has been raised since our March forecast (CI9010).

Exports of canned peaches will end sharply lower in MY 1999, reflecting the fall in production and a weaker international demand. Producer prices from by canners are down 20 percent from last season. As output will be lower in MY2000, exports are also expected to be lower.

The total area devoted to canning peaches is expected to remain relatively stable in the medium term.

PS&D Table - Canned Peaches

PSD Table						
Country	Chile					
Commodity	Canned Peaches				(MT)(MT, Net Weight)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Deliv. To Processors	77500	77500	65000	65000	0	55000
Beginning Stocks	102	102	402	278	0	288
Production	50000	50000	36000	42000	0	36000
Imports	0	376	0	10	0	0
TOTAL SUPPLY	50102	50478	36402	42288	0	36288
Exports	42200	42200	27500	34000	0	28000
Domestic Consumption	7500	8000	7500	8000	0	8000
Ending Stocks	402	278	1402	288	0	288
TOTAL DISTRIBUTION	50102	50478	36402	42288	0	36288

Production

The production forecast for MY2000 (Jan-Dec 2001) indicates a lower than last years output. Recent rains and hail in the Metropolitan and Sixth Regions will have a negative effect on the upcoming production. Most of the peach orchards in those two regions, which represent almost 50 percent of total planted area, were in bloom. It is still early to quantify the damage, but industry sources have indicated that production could fall around 15 percent when compared to the previous season.

Our new MY1999 (Jan-Dec 2000) production estimates show a larger than previously reported output but smaller than the previous year. Although most peach areas were affected by unfavorable weather conditions last spring and early summer, output of canned peaches rose as canners increased the percentage of fruit suitable for canning beyond the previous estimates.

Chilean peach producers deliver all fresh peaches to canneries without any pre-selection. As a result, a certain percentage of the fruit is rejected immediately before being processed. The difference between the figure for production and deliveries includes canning rejects, which are either processed as juice or pulp, or totally discarded as waste. The pulp is used for a variety of products, including jams and confectionary products.

Somewhat over 4,000 hectares are estimated to be planted to peach varieties for canning purposes. Approximately 1,660 hectares are planted north of Santiago in the Region V (San Felipe-Los Andes). In the Santiago Metropolitan Region there are 1,422 hectares. The remainder is mostly planted south of Santiago in the Region VI (Rancagua). Official data do not break out planted area for fresh peaches versus peaches for canning. Industry contacts indicate that some replanting with improved varieties continues to take place, but they do not foresee any significant expansion in either total area planted or production.

Peaches are canned only during the principal harvest season, which runs from December through April. Some canneries, but not all, can process other types of fruit (pears) or vegetables.

Prices offered to farmers for peaches for canning fell significantly this season reflecting the expected fall in demand and the dramatic fall of international prices for canned peaches.

Farm Prices for Peaches for Canning Purposes		
Year	Chilean Pesos per MT	U.S. Dollars per MT
1996	80,000	195.00
1997	110,000	265.00
1998	145,000	322.00
1999	157,000	315.00
2000	126,250	250.00
Note: Chile's 1999 inflation rate was 2.3 percent, down from 4.7 percent a year earlier.		

Consumption

No official statistics are kept in Chile on canned peach consumption, production and ending stocks. These figures are derived from the only known data, i.e., the export figures. As a result, consumption figures could vary from report to report. In general, however, demand for canned peaches in Chile is relatively stagnant which is partly the result of increased competition from alternative products, particularly ice cream and yogurt. Small profit margins do not permit canneries to advertise their products in the domestic market because potential advertising benefits are not justified by the high cost.

Trade

For MY1999 (Jan-Dec 2000), exports of canned peaches will end the year well below the previous year due to significantly weaker demand and lower international prices. A further reduction in exports is expected for MY2000 due to lower Chilean supplies.

Stocks

Since there are no official stock figures available, we can expect that at the end of each marketing year stocks of

canned peaches will increase or decrease as the size of the crop varies. Normally the canning industry hesitates to specify stock size out of fear that large stocks may reflect poor sales and management or adversely affect future prices.

Policy

Chile has no production supports or subsidies for canned peaches.

Export Trade Matrix - Canned Peaches

Export Trade Matrix			
Country	Chile		
Commodity	Canned Peaches		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1998		1999
U.S.	13	U.S.	758
Others		Others	
Mexico	8387	Mexico	19881
Peru	5161	Peru	5023
Colombia	3429	Argentina	3051
Ecuador	2995	Venezuela	2634
Bolivia	2578	Colombia	2592
Argentina	2010	Japan	2583
Japan	1882	Bolivia	1947
Venezuela	1407	Ecuador	1491
Paraguay	820	Paraguay	855
Guatemala	554	Guatemala	392
Total for Others	29223		40449
Others not Listed	1645		993
Grand Total	30881		42200

Import Trade Matrix - Canned Peaches

Import Trade Matrix			
Commodity	Canned Peaches		
Time period	Jan-Dec	Units:	M.T.
Imports for:	1998		1999

U.S.	0	U.S.	0
Others		Others	
Spain	1389	Spain	337
Greece	853	Greece	38
So. Africa	31	Argentina	1
Argentina	7		
Total for Others	2280		376
Others not Listed	0		0
Grand Total	2280		376