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Chile

Stone Fruit

Annual

2006

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Report Highlights:
Chile's production estimates for stone fruits are down again when compared to last year's output. Adverse weather conditions affected all stone fruit output except for cherries. A significant increase in newly planted area starting production will offset the estimated fall due to adverse weather conditions for cherries.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Santiago [CI1]
[CI]

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General Summary

Chilean production of apricots, plums and peaches & nectarines are expected to fall again as large production areas were badly affected by adverse weather. Mild temperatures and limited cold hours affected budding adversely and frost in early spring in important production areas will lower production for a second year in a row. Although these adverse weather conditions also affected cherry production, total output of cherries is estimated to increase as a significant amount of newly planted area is coming into production.

Apricots

Production

Total apricot planted area has remained more or less stable during the last few years. Uprooting of old orchards has been compensated by small increases in planted area. Most new plantings are replacing older orchards or less acceptable varieties with newly developed ones. This trend is expected to continue, as indicated by industry sources, as most varieties planted in Chile (i.e. Tilton, Katy, Dina, Modesto) are not considered to be good for the export market. Most of these varieties have a short shelf live and are not resistant for ocean transport. Most apricots are exported by airfreight and compete for space in airplanes with many other high value products, like salmon. Currently only 10 percent of production is exported fresh. Weather and the alternate bearing effect are important factors that affect yearly output.

This years apricot production was badly affected by adverse weather conditions. Mild temperatures during last winter (May-Aug. 2005) and limited cold hours affected budding adversely and frost in early spring (end of August and September) in some important production areas affected apricot production for a second year in a row.

Consumption

Most (over 50%) fresh apricots are destined for the processing industry (drying, juice and jams). Domestic fresh consumption also takes a large percentage (35%) of the production.

Trade

The US is by far the largest export market for fresh apricots, followed by Mexico and Brazil. No mayor changes are expected in the coming season.

PSD Table							
Country	Chile						
Commodity	Fresh Apricots				(HA)(1000 TREES)(MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	2010	2010	2010	2023	0	2023	(HA)
Area Harvested	1910	1910	1910	1910	0	1915	(HA)
Bearing Trees	718	718	718	718	0	720	(1000 TREES)
Non-Bearing Trees	38	38	38	42	0	40	(1000 TREES)
Total Trees	756	756	756	760	0	760	(1000 TREES)
Commercial Production	27000	26500	26500	25500	0	27000	(MT)
Non-Comm. Production	500	500	500	500	0	500	(MT)
TOTAL Production	27500	27000	27000	26000	0	27500	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	27500	27000	27000	26000	0	27500	(MT)
Domestic Fresh Consump	9800	9800	9600	9600	0	9800	(MT)
Exports, Fresh Only	2900	2495	2800	2000	0	2850	(MT)
For Processing	14800	14705	14600	14400	0	14850	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	27500	27000	27000	26000	0	27500	(MT)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Apricots		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		2005
U.S.	1450	U.S.	1584
Others		Others	
Mexico	786	Mexico	422
Brazil	112	Brazil	142
Argentina	92	Spain	74
Spain	65	France	56
Netherlands	55	Argentina	53
France	29	Italy	42
Italy	28	Peru	33
Ecuador	27	Netherlands	32
Bolivia	23	Costa Rica	8
Peru	14	El Salvador	7
Total for Others	1231		869
Others not Listed	82		42
Grand Total	2763		2495

Fresh Plums

Production

As with apricots, plantings and output of plums are not expected to increase in the coming years. Declining economic returns during the last few years have resulted in uprooting of old low producing orchards. Plum varieties have changed significantly over the last ten years. Over 36 plum varieties are planted in Chile. The Friar, Angelo, Larry Ann, Black Ambar and Laroda are the most popular varieties that cover over 50 percent of the total planted area. As a result of the introduction of new varieties, the harvest and export season have now expanded to include a period of more than six months, compared to only a two-month season in the past. An estimated 57 percent of the total planted area to plums and prunes are the fresh consumption varieties. The remainder is accounted for by varieties suitable only for dried prune production.

Although plums are more resistant to adverse weather than other stone fruits, total output was affected again by adverse climatic conditions. For this season (2006), production is estimated to fall. Mild temperatures during last winter (May-Aug. 2005) and limited cold hours affected budding adversely and frost in early spring (end of August and September) in some important production areas affected plum production for a second year in a row. Exports also are expected to fall accordingly.

Trade

The US is the main export market for fresh plums followed by the EU and China (Hong Kong).

PSD Table							
Country	Chile						
Commodity	Fresh Plums & Prunes				(HA)(1000 TREES)(MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	8300	8300	8250	8250	0	8200	(HA)
Area Harvested	7050	7050	7100	7100	0	7100	(HA)
Bearing Trees	5500	5500	5538	5538	0	5538	(1000 TREES)
Non-Bearing Trees	974	974	897	897	0	858	(1000 TREES)
Total Trees	6474	6474	6435	6435	0	6396	(1000 TREES)
Commercial Production	145000	130500	140000	124000	0	142000	(MT)
Non-Comm. Production	500	500	500	500	0	500	(MT)
TOTAL Production	145500	131000	140500	124500	0	142500	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	145500	131000	140500	124500	0	142500	(MT)
Domestic Fresh Consump	32000	31500	30000	29500	0	31000	(MT)
Exports, Fresh Only	109000	95025	107000	90800	0	108000	(MT)
For Processing	4500	4475	3500	4200	0	3500	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	145500	131000	140500	124500	0	142500	(MT)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Plums & Prunes		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		2005
U.S.	35099	U.S.	38414
Others		Others	
Netherlands	18520	Netherlands	11450
U.K.	11104	U.K.	9150
Hong Kong	7896	Hong Kong	5830
Mexico	6100	Brazil	4883
Brazil	4781	Taiwan	4434
Spain	3499	Mexico	4248
Taiwan	3259	Spain	4005
Peru	1943	Peru	2074
Italy	1310	Italy	1200
Colombia	1212	Colombia	1108
Total for Others	59624		48382
Others not Listed	8468		8229
Grand Total	103191		95025

Fresh Peaches and Nectarines

Production

Total planted area to peaches and nectarines has remained more or less stable during the last few years. New plantings are replacing older orchards and or replacing old, less acceptable varieties with newly developed ones.

There are over 36 varieties of peaches for fresh consumption and another 36 varieties of nectarines grown and exported from Chile. Peach and nectarine varieties often become obsolete because of changing consumer tastes, even sometimes before trees begin bearing fruit. This, together with high fluctuations in prices during the last few seasons and diminishing returns, likely will prevent any increase in total planted area or production in the long term. However, some expansion of output could be expected in the next few years as orchards reach mature stages of production and as new plantings, which replace aging ones, are undertaken with higher yielding varieties.

However, in general output variations are mainly the result of changing weather conditions. Some varieties also are affected by yearly alternate bearing effect.

For this season (2006), production is estimated to fall. Mild temperatures during last winter (May-Aug. 2005) and limited cold hours affected budding adversely and frost in the most important production areas in early spring (end of August and September) is expected to affect production mainly of nectarines, for a second year in a row. Exports also are expected to fall accordingly.

Consumption

A large percentage of the total peach and nectarine production is consumed as fresh fruit (40 %). There is no breakdown on the volume of clingstone versus freestone production or consumption in Chile. Like most fresh fruit consumption in Chile, domestic consumption of peaches and nectarines is mainly lower quality fruit that does not make it to the export market.

Trade

Over 60 percent of Chile's total peach and nectarine exports are bound for the United States. Latin America is the second largest export market. The relatively short shelf life of peaches and nectarines is the major factor influencing the search for nearby markets.

PSD Table							
Country	Chile						
Commodity	Fresh Peaches & Nectarines				(HA)(1000 TREES)(MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	12300	12300	12300	12300	0	12300	(HA)
Area Harvested	8680	8680	8700	8700	0	8750	(HA)
Bearing Trees	5859	5859	5872	5872	0	5906	(1000 TREES)
Non-Bearing Trees	2445	2445	2432	2432	0	2398	(1000 TREES)
Total Trees	8304	8304	8304	8304	0	8304	(1000 TREES)
Commercial Production	195000	187500	190000	168000	0	190000	(MT)
Non-Comm. Production	1000	1000	1000	1000	0	1000	(MT)
TOTAL Production	196000	188500	191000	169000	0	191000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	196000	188500	191000	169000	0	191000	(MT)
Domestic Fresh Consump	77040	77040	74100	72050	0	76000	(MT)
Exports, Fresh Only	117000	109500	115000	95000	0	113000	(MT)
For Processing	1960	1960	1900	1950	0	2000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	196000	188500	191000	169000	0	191000	(MT)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Peaches & Nectarines		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		2005
U.S.	74729	U.S.	69466
Others		Others	
Mexico	14612	Mexico	10859
Netherlands	6628	Netherlands	5430
Taiwan	3405	Brazil	4123
U.K.	3042	Taiwan	3923
Brazil	2350	U.K.	3575
Colombia	2201	Spain	3015
Spain	1548	Colombia	2454
Costa Rica	604	Peru	607
Peru	576	Germany	598
Guatemala	406	Hong Kong	527
Total for Others	35372		35111
Others not Listed	4245		4964
Grand Total	114346		109541

Fresh Cherries

Production

As a result of the introduction of new varieties and the use of better and improved management technologies, cherry production area has expanded significantly both, in the north and the south. Producers, by introducing more weather resistant varieties and planting these further south have expended the production period. Reduced duties as a result of free trade agreements (FTA) and the promise of lower tariffs in Japan as a result of a FTA with that country, all contributed to increase planted area and production. EU tariffs for Chilean cherries will be phased out in 2007. Since more than a third of the total planted area is currently in the forming and incremental stage of production, significant increases in output can be expected in the coming years. Industry sources predict production, and consequently, exports will double or even triple in volume in the next five years.

The main varieties planted continue to be Bing and Early Burlat. Among the main new-planted varieties are Lapins, Van, Stella and Summit. A total of over 70 varieties are planted in Chile.

The mild temperatures last winter and limited cold hours as well as the frost in early spring (end of August and September) that adversely affected other stone fruit production, also affected cherries to some degree. However, as significant areas of newly planted orchards are coming into production, an increase in total output is expected for 2006. Exports also are expected to grow accordingly.

Trade

The US is Chile's main fresh cherry export market. As production expands in the coming years, industry expects the increase to go mainly to the EU and Japan. The EU import duty will fall to zero in 2007 and an agreement with Japan could lower the current 10 percent duty, significantly.

PSD Table							
Country	Chile						
Commodity	Fresh Cherries,(Sweet&Sour)			(HA)(1000 TREES)(MT)			
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	7150	7150	7500	7500	0	7800	(HA)
Area Harvested	3780	3780	3980	3980	0	4170	(HA)
Bearing Trees	2268	2268	2112	2112	0	2213	(1000 TREES)
Non-Bearing Trees	2022	2022	2388	2388	0	2467	(1000 TREES)
Total Trees	4290	4290	4500	4500	0	4680	(1000 TREES)
Commercial Production	30000	33000	35000	36800	0	40000	(MT)
Non-Comm. Production	1000	1000	1000	1000	0	1000	(MT)
TOTAL Production	31000	34000	36000	37800	0	41000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	31000	34000	36000	37800	0	41000	(MT)
Domestic Fresh Consump	10200	10000	11520	11520	0	12000	(MT)
Exports, Fresh Only	14000	17915	16560	18360	0	20000	(MT)
For Processing	6800	6085	7920	7920	0	9000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	31000	34000	36000	37800	0	41000	(MT)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Cherries,(Sweet&Sour)		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		2005
U.S.	5360	U.S.	8852
Others		Others	
Taiwan	1361	Taiwan	2633
Brazil	877	Brazil	1112
U.K.	559	China	1065
Spain	502	U.K.	1027
China	519	Spain	683
Netherlands	437	Ntherlands	558
Mexico	386	France	364
France	219	Italy	312
Italy	217	Mexico	191
Japan	133	Ecuador	151
Total for Others	5210		8096
Others not Listed	738		967
Grand Total	11308		17915