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Chile

Planting Seeds

Annual

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Report Highlights:

Another increase in planted area, production, and exports are expected in 2006/7, as large multinational seed companies increase contracts in response to an increased demand.

Includes PSD Changes: No
Includes Trade Matrix: No
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General

Chile has very good conditions for commercial seed production. Consistently good climatic conditions, farmers with a generally high education level and the absence of diseases and insects are among the factors that have expanded seed production over the last couple decades. A Mediterranean-type climate with mild winters and dry summers covers a great part of central Chile's seed growing areas. Almost all crops and plants grown in temperate climates can be found in this growing area. Chile's geographic isolation has prevented the development of major plant diseases and kept most harmful insects away. Its counter seasonal production with respect to the Northern Hemisphere has helped the country develop a successful commercial seed industry to supply those markets. Seed exports in Chile have grown from US\$70 million in 1995 to over US\$180 million in 2006 and is expected to exceed US\$200 million by 2008. The seed industry benefits from its southern hemisphere location which permits the harvesting and conditioning of seeds and their rapid export to the Northern Hemisphere in time for spring planting, thereby enhancing the quality of germination. Most large multinational seed companies are present in Chile, producing seeds for both the domestic and export markets. They market their products through their own channels of distribution.

Policy

General Agricultural Policy

The Ministry of Agriculture enforces strict phytosanitary regulations in order to maintain an environment relatively free of plant pests and diseases, which facilitates the multiplication of seeds. The Chilean government does not subsidize the planting seed industry.

Planting Seed Production Policy

Under a 1991 regulation, the Government of Chile permits imports of genetically modified (GM) seeds for multiplication by the seed industry. When seed companies request an import permit from the Ministry of Agriculture's Agriculture and Livestock Service (SAG), they must provide information about the type of material, the genetic modification incorporated in the material, the quantity, the type of packaging, country of origin, port of entry, commercial use, name of farm, address, botanical characteristics, type of pollination, method of propagation, natural predators, parasites, and methods for protecting bio security. SAG evaluates the risk associated with release on a case-by-case basis and may or may not authorize the import. When an import permit is issued, SAG sets the conditions for handling and safeguarding the material in order to prevent its spread outside of the zones of control. In no case does SAG permit the introduction into Chile of a new transgenic product directly from the laboratory to the field. Currently all seeds propagated from imported transgenic seeds must be re-exported. According to the Seed Producers Association an estimated 45 to 50 percent of the total seed exported is transgenic. Chile has still not a framework legislation for commercializing genetically modified seeds within the country.

Plant Health

Chile follows the international phytosanitary regulations dictated by the International Plant Protection Convention (IPPC), the European Union and the International Seed Trade Association. To sell seeds to Chile, exporters must meet Chilean phytosanitary requirements.

Some species are accepted with a phytosanitary certificate, while others require a certificate and a specific treatment with fungicides and fumigants.

Seed Certification

No changes have been made to the seed certification process since our last report. Chile's system was accepted by the OECD certification scheme in 1972 and became effective in 1977. In 1980, Chile's certification scheme was accepted as equivalent to the EEC certification regime. The seed certification process is done by SAG. SAG reports that there are a total of 110 protected varieties registered.

Plant Variety Protection

Chile is a member of U.P.O.V., which stands for Union for the Protection Of new Varieties of plants. The law, which protects varieties, was published in November 1994, allowing Chile to join the U.P.O.V.'s convention of 1978. Variety protection operates through the Registry of Protected Varieties. Varieties created abroad may be registered and enjoy the same rights as Chilean varieties, provided they also have been registered in their country of origin. Acceptance of varieties in the Registry grants the owner the exclusive right to produce and trade the seed.

Variety Approval

Although there are no changes since our last report on variety approval, ANPROS (the Seed Producers Association) and SAG (Animal and Plant Health Authority) are working together to change the varieties approval system regulated by the Law # 19.324, published in 1994. The objective is to increase compliance with the U.P.O.V 91 norms, a compromise Chile took when signing the Free Trade Agreement with the US back in 2002. Changes to the varieties approval system agreed in the FTA have to take place before January 1, 2009.

Tariffs

The import duty for all US seeds is zero since January 2004, as a result of the US-Chile Free Trade Agreement. A 19% value added tax applied to all products (domestic and imported) regardless of origin.

Production

Chile is a major producer of hybrid corn seeds, sunflower seeds, and vegetable seeds and to a lesser extent forage seeds for export. Production is concentrated south of Santiago in Region VI. Industry sources estimate that large multinational companies present in Chile produce over 80 percent of all seeds. There also are some smaller Chilean seed companies producing under contract for other multinationals that are not present in Chile. Most of these smaller seed companies specialize in the production of seeds of new species and/or varieties. Although seed production in Chile normally follows world demand and supply, that is, when the northern hemisphere is affected by adverse conditions and has a fall in production, companies contract more and increase their output in Chile, a constant expansion in production and trade can be observed during the last few years.

Although there are no official figures on Chile's total area planted for seed production, the Seed Producers' Association reports that plantings totaled a little over 36,000 hectares in 2005/06. Good weather conditions during the growing season and at harvest contributed to a larger output than last year. Official export figures also reflect this increase. Seed production and exports for the 2006/07 season are expected to increase further. However competition is developing from other southern hemisphere seed producing countries such as Argentina, Australia and New Zealand, which have been growing in seed production and exports, particularly for a variety of horticultural products. Normally over 60 percent of total Chilean seed production is exported.

Trade

Chile is the fifth largest export in the world, after Netherlands, United States, France, Germany and Canada. For the Southern Hemisphere Chile is by far the largest seed exporter. Although seed production in Chile, which is mainly export oriented and is of significant importance in total Chilean agricultural production, these exports do not represent more than 5 percent of total world seed trade. Corn is the most important seed produced and exported by Chile, followed by flowers and melons. Vegetable seeds as a group are also important in total exports, accounting for 32 percent of total exports. Total seed exports rose from US\$170 million in 2004/05 to US\$185 million in 2005/06. Seed imports also rose last year from US\$26 million in 2004/05 to US\$29 million in 2005/06. Most seeds are imported for further multiplication and then re-exported.

The United States and various European countries are Chile's main export markets. Exports to the United States, totaled US\$111.1 million in 2005/06, up from US\$91.5 in 2004/05. The US is by far the primary market for corn seed exports. France is the second largest export market for Chilean seeds with a total of US\$18 million in 2005/06 season.

TABLE - CHILE: Total Seed Imports and Exports

(July 2005 through June 2006)

Volume in Kgrs. and Value in Thous. US Dollars

Exports			Imports		
2005/06			2005/06		
Field Crops			Field Crops		
Corn	Vol.	Val.	Corn	Vol.	Val.
U.S.	54,479,507	74,393	Argentina	6,178,866	948
France	10,015,617	13,097	U.S.	936,704	5,624
Germany	2,330,439	3,752	France	77,559	638
Italy	1,779,924	1,963	Austria	24,170	98
Netherlands	506,467	693	Germany	17,130	84
Japan	266,756	501	Peru	15,505	17
Spain	180,683	369	Italy	6,712	55
Argentina	53,041	198	Netherlands	5,742	105
Austria	31,163	107	Canada	979	14
Hungary	22,954	119	Turkey	413	5
Switzerland	20,274	54	Switzerland	267	1
Malaysia	14,073	59	China	158	1
Canada	5,822	57	Japan	74	1
Falkland	4,300	2	Spain	40	1
So. Africa	2,347	9	South Africa	10	0
N.Zealand	1,226	2	Australia	3	0
China	946	2	Other	307,928	3,437
Turkey	775	1	TOTAL	7,572,261	11,027
Yugoslavia	460	14			
Uruguay	150	2			
TOTAL	69,848,836	95,609			
Sunflower			Sunflower		
France	1,320,114	3,107	Argentina	297,858	169
U.S.	1,002,417	2,664	U.S.	12,762	45
Argentina	724,458	1,064	France	7,685	87
Pakistan	90,480	199	Spain	606	13
Spain	76,928	100	Australia	435	6
Turkey	55,296	117	Japan	78	1
Japan	16,842	343	Israel	22	3
Netherlands	2,395	90	Rumania	1	0
TOTAL	3,347,043	7,701	TOTAL	344,573	356

Sugar beet

Sugar beet			Sugar beet		
Germany	67,911	307	France	18,501	649
Belgium	61,204	200	Italy	6,573	177
U.S.	25,822	83	Netherlands	1,189	14
TOTAL	154,937	590	Germany	1,047	25
			Belgium	33	0
			U.S.	30	1
			Denmark	12	0
			Spain	7	0
			TOTAL	27,392	867

Beans

Beans			Beans		
U.S.	808,635	1,279	U.S.	167,364	352
Italy	558,540	730	France	18,713	56
Netherlands	532,050	942	Netherlands	8,619	35
France	527,826	919	China	8,000	11
Hungary	154,628	342	Italy	475	3
Spain	60,770	123	Germany	250	1
Kenya	38,928	73	Other	4,315	7
Belgium	34,145	63	TOTAL	207,736	464
Germany	26,567	36			
Peru	16,350	17			
Argentina	922	2			
TOTAL	2,760,006	4,527			

Alfalfa

Alfalfa			Alfalfa		
Peru	286,500	1,209	U.S.	206,697	762
Brazil	27,595	121	Australia	20,646	79
Falkland	4,680	2	TOTAL	232,343	856
TOTAL	318,775	1,332			

Clover

Clover			Clover		
Uruguay	539,000	1,192	N.Zealand	88,287	437
Argentina	536,450	1,186	Australia	45,350	165
Canada	152,000	324	Egypt	25,000	33
Italy	108,600	118	U.S.	5,040	27
Colombia	34,500	87	Uruguay	690	4
Peru	22,750	51	Canada	373	4
So. Africa	21,000	51	Argentina	100	0
U.S.	18,275	18	TOTAL	164,840	669
Falkland	250	1			

TOTAL	1,475,630	3,094			
Fescue			Fescue		
Falkland	1,794	5	U.S.	101,189	191
TOTAL	1,794	5	Netherlands	22,129	53
			Denmark	20,996	32
			Canada	7,506	12
			N.Zealand	4,000	15
			France	0	(0)
			TOTAL	175,820	358
			Bluegrass, Kentucky		
			U.S.	17,253	39
			TOTAL	19,278	43
Ryegrass			Ryegrass		
Peru	28,770	36	N.Zealand	790,207	1,960
Uruguay	25,000	24	Netherlands	134,292	244
Netherlands	6,975	9	Denmark	104,400	179
Falkland	975	2	U.S.	49,473	88
TOTAL	84,610	97	Argentina	28,000	33
			France	11,600	27
			TOTAL	1,127,992	2,536
Other Forages			Other Forages		
Colombia	32,000	28	U.S.	100,137	274
Falkland	30,285	18	N.Zealand	51,057	155
Peru	24,550	35	Denmark	19,535	38
Ecuador	12,500	11	Australia	8,555	31
U.K.	2	0	Canada	5,823	11
TOTAL	99,337	91	Netherlands	5,460	9
			Uruguay	10	0
			TOTAL	190,577	519
Flowers			Flowers		
U.S.	158,772	4,348	France	4,295	90
Japan	3,790	2,871	U.S.	3,978	167
Netherlands	3,304	2,254	Japan	1,207	18
Germany	2,253	931	Brazil	665	17
U.K.	766	601	Italy	592	14
France	602	13	Guatemala	500	2

Denmark	161	743	Spain	349	18
Italy	24	35	Netherlands	240	112
TOTAL	169,767	11,799	Denmark	46	36
			Germany	8	10
			Costa Rica	2	0
			U.K.	0	1
			Other	1	0
			TOTAL	11,892	485

Vegetables**Tomato**

Germany	7,913	42	Netherlands	2,183	889
U.S.	2,800	2,126	China	628	461
France	2,213	542	Peru	406	151
Italy	1,847	33	U.S.	404	517
Netherlands	1,167	1,098	France	287	673
Brazil	253	99	Thailand	100	277
Venezuela	165	425	Mexico	74	210
Bolivia	107	19	Israel	57	430
Spain	98	72	Brazil	50	69
Japan	86	44	Bolivia	50	41
Colombia	76	79	Spain	28	56
Argentina	27	63	Philippines	7	5
Israel	20	18	Italy	2	2
Peru	14	29	Other	16	50
Cuba	8	11	TOTAL	4,292	3,829
Ecuador	3	28			
Uruguay	2	13			
TOTAL	16,810	4,757			

Watermelons, Melons

U.S.	30,722	5,450	Peru	3,410	340
Netherlands	6,627	1,354	U.S.	1,296	105
Spain	2,498	390	Mexico	302	105
France	2,238	656	France	203	27
Bolivia	1,302	42	Taiwan	172	120
Brazil	1,285	173	Netherlands	169	79
Argentina	714	266	Thailand	96	53
Japan	474	98	Israel	42	18
Colombia	359	95	Brazil	31	14
Peru	153	50	China	26	13

Israel	139	28	Spain	16	1
Venezuela	126	39	Japan	10	3
Italy	66	1	Italy	1	0
Ecuador	23	7	Other	84	23
TOTAL	46,732	8,651	TOTAL	5,858	899

Other Vegetables

Other Vegetables			Other Vegetable		
U.S.	541,703	20,748	U.S.	126,408	1,587
Netherlands	194,305	10,065	Argentina	83,012	1,214
France	164,453	3,295	Netherlands	39,504	483
Japan	150,263	4,228	China	26,215	70
Italy	148,244	820	N.Zealand	20,770	59
Brazil	99,030	843	U.K.	20,016	30
Guatemala	69,000	37	Italy	18,794	39
Peru	31,360	868	Denmark	16,993	184
Argentina	18,978	331	France	5,147	484
Germany	16,804	161	So. Africa	5,001	59
So. Korea	16,324	219	Japan	3,729	413
Venezuela	15,709	1,940	Israel	2,177	159
Colombia	10,844	704	Belgium	1,770	296
India	8,573	148	Mexico	1,567	253
Spain	6,034	1,052	Spain	874	29
Denmark	4,837	56	Brazil	648	130
Bolivia	2,911	119	Slovenia	569	11
Ecuador	1,947	341	Peru	375	2
U.K.	876	30	Australia	227	11
Australia	544	46	Thailand	100	12
Czech Rep.	359	12	Germany	88	2
New Zealand	322	8	Taiwan	44	1
Turkey	208	8	So. Korea	15	1
Uruguay	132	181	India	1	0
Paraguay	57	6	Other	2,089	165
Hungary	43	27	TOTAL	377,154	5,695
So. Africa	1	0			
TOTAL	1,519,394	46,435			