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Chile

Planting Seeds

Seeds Annual

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Report Highlights:

Another increase in planted area, production, and exports are expected in 2003/4, as bad weather has affected seed production, mainly in European countries, significantly.

Includes PSD Changes: No
Includes Trade Matrix: No
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Santiago [CI1]
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General

Chile has very favorable conditions for successful commercial seed production. Consistently excellent climatic conditions, a high educational level of farmers and the absence of diseases and insects are among the factors that have expanded seed production over the last two 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. 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. Latin American and Asian markets have also developed in the last few years. Most large multinational seed companies are present in Chile, producing seeds for both the domestic market and for export markets. They market the product through their own channel of distribution.

Policy

General Agricultural Policy

Chile's open market economy encourages investment by local and international seed companies. The Ministry of Agriculture enforces very strict phytosanitary regulations in order to maintain an environment relatively free of plant pests and diseases and to facilitate the multiplication of seeds. In general, the government views the seed industry as a one of the country's modern, competitive, export-oriented industries. The 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 Servicio Agrícola y Ganadero (SAG), Chile's animal and plant protection agency, 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. In making its evaluation, SAG receives advice from the Advisory Committee for the Release of Transgenic, which is composed of a diverse group of scientific specialists. 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. However, the seed industry expects this to change in the near future.

During 2002, a national commission was created to review all aspects of Biotechnology. In reference to seed production, the commission report recommended that a legal framework should be established for the production, distribution and use of transgenic products. A transparent procedure should be established to allow all interested parties to participate. The regulation should include the risk evaluation criteria, which should be based on sound

scientific principles. The commission proposed the following steps for the release of transgenic organisms (seeds):

- Production in enclosed, secured green houses;
- Release for field trials or multiplication for export (no domestic distribution), and lastly,

Release of modified organisms for distribution in 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, which require others a certificate and a specific treatment with fungicides and fumigants.

Seed Certification

No changes since our last report to the seed certification process. Chile's system was accepted by the OECD certification scheme in 1972 and became effective in 1977. Later in 1980, the certification scheme was accepted as equivalent to the EEC certification regime.

Plant Variety Protection

Chile is a member of U.P.O.V., and there have been no changes since our last report. 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

There are no changes since our last report on variety approval. The variety approval system was last modified by Law # 19.342, which was published in November of 1994.

Tariffs

The general import duty for seeds is 6 percent, plus an 18 percent value-added tax also is charged on all consumer items, regardless origin. However, as a result of the US-Chile Free Trade Agreement, the duty rate on almost all US seeds fell to zero as of January 1, 2004.

Production

Production Chile is a major producer of hybrid corn seeds, vegetable seeds and to a lesser extent forage seeds for export. Production is concentrated south of Santiago in Region VI. Although there is no official figures on Chile's total seed production, the Seed Producers' Association reports that, good weather conditions during the planting season mainly for corn, sunflower, beans and some vegetables resulted in an increase of total output of seeds in 2002/03. Official export figures also reflect this increase for the same period. The largest increase was in vegetable seed production and exports, followed by corn seed. Seed production and exports for 2003/04 are expected to increase further, as production mainly in European countries was affected by abnormal weather conditions. Industry sources

indicated that yields of the main seed varieties were affected as much as 25 percent. Normally over 60 percent of total Chilean seed production is exported.

An estimated 20,000 hectares were planted for seed production in 2002/03. Out of this total close to 12,000 were planted to transgenic corn seed production.

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 33 percent of total exports. Total seed exports rose from US\$122.9 million in 2001/02 to US\$140.9 million in 2002/03, whereas seed imports only rose marginally last year from US\$19.1 million in 2001/02 to US\$19.2 million in 2002/03. Most seeds are imported for further multiplication and then re-exported.

The United States and various European countries are Chile's main export markets. Close to 55 percent of total exports go to the United States, which is the primary market for corn seed. However as corn seed already entered the US market with a zero duty before the US-Chile Free Trade Agreement, the agreement is expected to have only a modest effect on total Chilean seed exports.

TABLE - CHILE: Total Seed Imports and Exports					
(July 2002 through June 2003)					
Volume in Kg. and Value in thous. US dollars					
	Exports			Imports	
	2002/03			2002/03	
Field Crops			Field Crops		
Corn	Vol.	Val.	Corn	Vol.	Val.
U.S.	46,505,146	56,250	Argentina	5,531,998	774
France	4,998,352	5,741	U.S.	989,401	3,941
Netherlands	1,919,522	2,688	France	183,051	627
Germany	963,466	1,390	Germany	16,206	75
Canada	233,558	295	Netherlands	12,549	105
Japan	144,562	216	Brazil	5,660	64
Argentina	140,133	119	Italy	2,538	19
Hungary	51,267	87	Canada	1,799	4
Spain	36,270	37	Austria	481	8
Austria	5,571	24	Spain	172	1
N.Zealand	2,509	3	South Africa	97	1
China	684	1	Japan	26	1
Uruguay	250	3	Other	277,121	1,853
Brit.Virg.Isl.	100	1			
TOTAL	55,001,398	66,854	TOTAL	7,021,011	7,471
Sunflower			Sunflower		
Argentina	2,018,660	2,244	Argentina	840,694	253
U.S.	608,944	1,583	Netherlands	7,661	11
France	323,474	894	U.S.	3,185	6
Spain	208,899	393	France	1,388	10
Japan	5,312	94	Australia	300	7
Denmark	1,400	22	Spain	22	1
Bolivia	1,049	3	Israel	14	2
TOTAL	3,167,958	5,233	TOTAL	854,818	290
Sugar beet			Sugar beet		

Belgium	324,808	1,033	Belgium	50,320	1,101
Germany	43,952	251	Denmark	18,925	854
U.S.	40,781	130	Germany	10,405	446
Netherlands	10,060	32	Netherlands	748	11
TOTAL	419,601	1,447	U.S.	139	1
			France	61	1
			TOTAL	80,598	2,414
Beans			Beans		
Netherlands	988,890	1,472	U.S.	203,389	432
Italy	840,112	1,031	N. Zealand	60,000	49
U.S.	515,307	1,190	Netherlands	33,735	44
U.K.	245,760	470	France	5,530	13
Spain	190,309	345	Italy	4,806	6
Japan	45,957	137	Spain	14	1
Egypt	40,000	81	Other	1,800	4
Germany	30,656	55	TOTAL	309,274	548
Turkey	16,600	33			
TOTAL	2,913,591	4,816			
Alfalfa			Alfalfa		
Peru	91,600	330	U.S.	53,071	184
So. Africa	72,000	201	Australia	6,700	17
Argentina	48,000	121	Spain	50	1
Brazil	26,875	106	TOTAL	59,771	201
TOTAL	220,475	708			
Clover			Clover		
Argentina	474,275	719	N.Zealand	59,016	169
Canada	437,000	531	Australia	20,730	43
U.S.	122,368	132	Uruguay	15,125	2
Italy	75,325	68	U.S.	8,135	17
Peru	24,300	43	Argentina	6,000	12
Germany	20,000	30	Denmark	1,488	4
So. Africa	13,000	21	TOTAL	110,494	247
Colombia	11,250	19			
Austria	10,000	16			

TOTAL	1,187,518	1,578			
Fescue			Fescue		
Peru	1,000	2	U.S.	120,757	161
TOTAL	1,000	2	Netherlands	15,625	41
			Denmark	3,968	5
			TOTAL	140,350	207
			Bluegrass, Kentucky		
			U.S.	18,720	46
			Denmark	3,472	6
			TOTAL	22,192	52
Ryegrass			Ryegrass		
Argentina	358,000	286	N.Zealand	401,116	609
Austria	70,020	77	Netherlands	94,846	133
Peru	28,925	34	Argentina	85,000	52
Uruguay	20,000	24	Denmark	83,971	103
TOTAL	477,045	421	U.S.	65,521	103
			Czech Rep.	9,500	14
			France	90	1
			TOTAL	689,968	953
Other Forages			Other Forages		
Japan	1,581,500	661	U.S.	111,106	269
Canada	139,006	243	N.Zealand	32,672	107
Colombia	20,000	13	Denmark	16,193	31
U.S.	16,960	17	Australia	14,991	45
Ecuador	12,500	5	Uruguay	3,000	7
Peru	9,950	27	Germany	270	7
Germany	9,806	12	TOTAL	178,232	466
TOTAL	1,789,722	977			
Flowers			Flowers		
Netherlands	25,857	2,133	Netherlands	6,490	171
Japan	6,387	6,141	France	4,658	62
U.S.	4,675	2,840	N.Zealand	2,732	262

Germany	1,802	696	U.S.	315	82
Denmark	1,628	500	Spain	302	18
U.K.	1,254	447	Costa Rica	109	1
Italy	48	45	Japan	52	32
Brazil	17	4	U.K.	24	3
Guatemala	9	2	Germany	4	6
So. Africa	7	21	Other	17	1
TOTAL	41,680	12,817	TOTAL	14,703	541
Vegetables			Vegetables		
Tomato			Tomato		
U.S.	9,692	2,084	U.S.	16,353	842
Netherlands	5,006	2,224	France	423	453
Colombia	1,186	54	Netherlands	254	537
Bolivia	1,172	49	China	170	108
Argentina	1,043	95	Bolivia	168	67
Brazil	861	191	Israel	104	617
France	670	510	Peru	92	53
Peru	435	21	Brazil	23	127
Ecuador	320	10	Philippines	18	12
Venezuela	260	11	Spain	15	19
Japan	163	50	Thailand	7	32
Paraguay	27	1	Denmark	3	4
Uruguay	15	1	Italy	1	1
Italy	6	2	Other	25	136
Germany	2	1	TOTAL	17,657	3,007
TOTAL	21,024	5,414			
Watermelons, Melons			Watermelons, Melons		
U.S.	25,635	2,478	Ecuador	4,081	67
Netherlands	11,686	1,583	U.S.	2,864	292
Venezuela	5,160	87	Peru	575	30
Brazil	3,548	471	France	173	1
Japan	1,310	183	Netherlands	61	11
France	1,167	286	Thailand	50	16
Jordan	656	93	Israel	39	15

Colombia	614	17	Brazil	28	7
Argentina	581	64	Taiwan	16	4
Ecuador	502	9	Japan	13	5
Costa Rica	463	72	China	3	1
So. Korea	267	55	Italy	2	1
Spain	233	47	Spain	2	1
Bolivia	227	3	TOTAL	7,907	437
Uruguay	159	7			
Guatemala	80	22			
Paraguay	23	1			
Israel	10	8			
Peru	9	6			
Italy	4	2			
TOTAL	52,334	5,495			
Other Vegetables			Other Vegetable		
Japan	363,078	6,075	U.S.	205,045	1,038
U.S.	318,686	10,444	Netherlands	6,892	256
France	108,916	1,493	Argentina	6,313	126
Italy	97,034	597	France	4,640	230
Netherlands	77,942	5,937	Spain	3,814	33
Brazil	39,581	272	Japan	3,046	190
Venezuela	10,406	8,528	Germany	2,674	3
Germany	9,970	99	Denmark	2,468	48
Argentina	9,181	157	Peru	1,542	43
Colombia	6,781	229	Israel	1,516	57
Ecuador	6,567	616	Brazil	1,059	74
Canada	5,986	6	Italy	929	35
Spain	4,593	423	N.Zealand	698	44
Peru	3,029	102	Australia	330	25
Bolivia	2,324	55	U.K.	145	2
Brit.Virg.Isl.	1,800	1	Thailand	124	13
Czech Rep.	951	12	Austria	50	1
India	800	24	Belgium	45	1
So. Africa	800	9	China	29	15
So. Korea	665	5	So. Africa	18	3
Denmark	505	5	Vietnam	14	9

Uruguay	254	18	Mexico	10	1
U.K.	71	11	Taiwan	10	11
Paraguay	71	1	So. Korea	4	1
TOTAL	1,070,000	35,122	India	2	1
			TOTAL	241,418	2,258