

Required Report: Required - Public Distribution

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Report Name: Avocado Annual

Country: Chile

Post: Santiago

Report Category: Avocado

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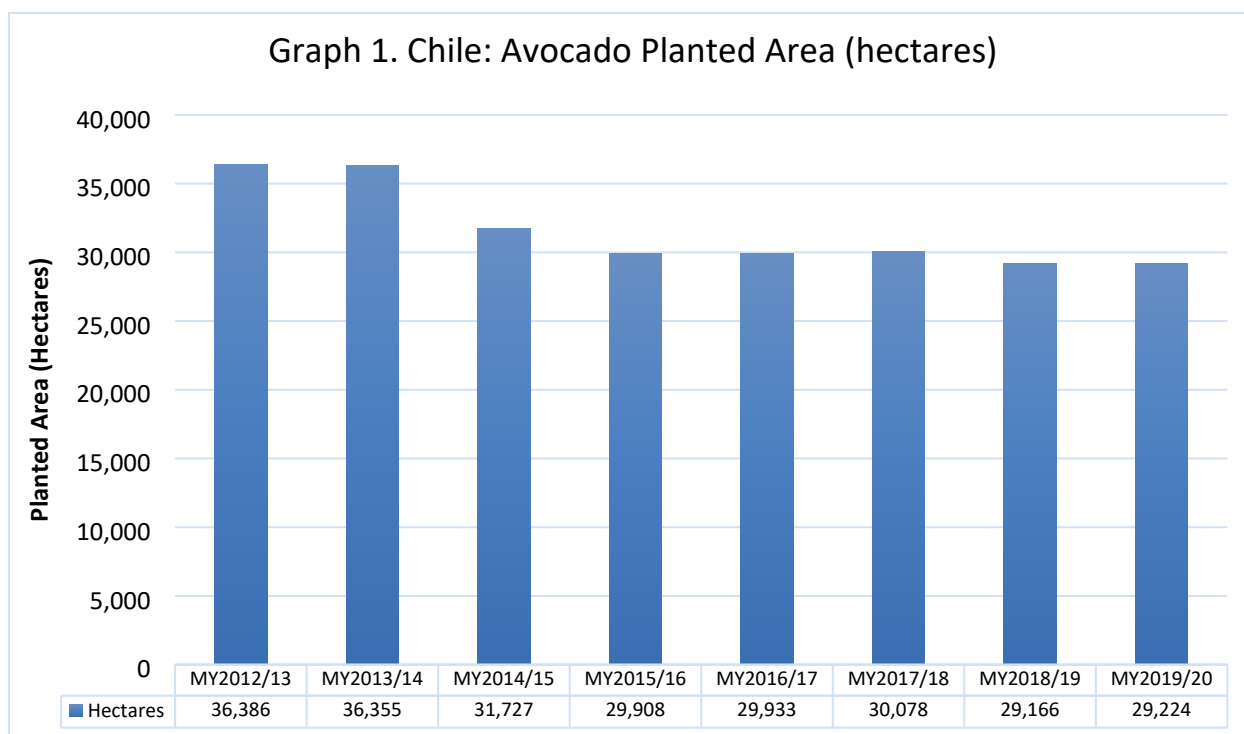
Report Highlights:

For the past two years droughts have impacted Chile's main production region of Valparaiso, limiting the expansion of Chilean avocado production. In marketing year (MY) 2018/19, Chilean avocado production decreased by 6.7 percent totaling 210,000 MT. In MY2019/20, production is expected to bounce back to 2017/18 levels or 225,000 MT, assuming absence of unexpected climatic events such as frosting during harvest.

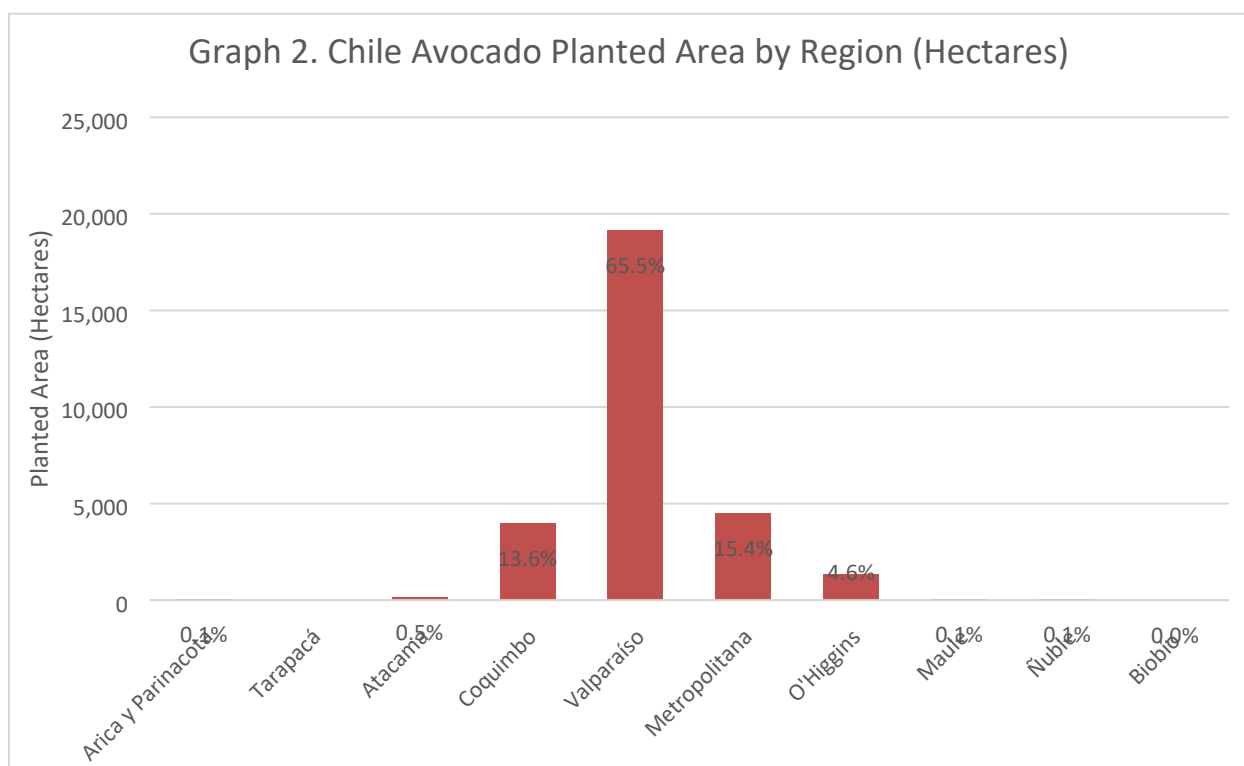
Production:

According to the Chilean Avocado Committee (CAC), avocado production reached 210,000 MT in MY2018/19 (July 2018 to June 2019), which represents a 6.7 percent decrease over the 225,000 MT produced in MY2017/18. The main reasons behind this decrease are droughts, rainfall during the blooming period, and other unexpected climatic events that delayed harvest and decreased fruit caliber. However, production is expected to recover in MY2019/20 and bounce back to production levels of 225,000 MT, due to more favorable climatic conditions, although droughts will still limit avocado production.

Chilean avocado planted area totaled 29,224 hectares (ha) in MY2019/20 (See graph 1). Planted area decreased between MY2013/14 and MY2018/19. *Valparaíso* region holds 65.5% of avocado planted area while *Metropolitana* and *Coquimbo* regions hold 15.4 and 13.6 percent respectively (See graph 2). Avocado planted area in *Valparaíso* region grew 2.9 percent between MY2014/15 and MY2017/18. In contrast, avocado planted area in *Metropolitana* and *Coquimbo* decreased by 8.2 and 20.7 percent respectively. Post expects avocado planted area to remain steady around 29,200 ha in the following two marketing years.



Source: ODEPA, 2019



Source: based in ODEPA/CIREN 2019

Consumption:

Chileans consume avocados all year round. Unlike other fruits produced in Chile, there is a strong domestic demand for avocados that amounts to around 65,000 MT per year, or 30 percent of total production. Additionally, Chile imports avocados between May and June when domestic supply decreases. Most of the imported avocados available in the domestic market arrive from Peru and Mexico, but also from the United States and Argentina.

Trade:

In CY2018, Chilean avocado exports decreased by 25.2 percent in volume over CY2017 totaling 132,525 MT (See table 1). Chilean avocado exports totaled \$274 million in CY2018, a 30 percent decrease over CY2017 (See table 2).

The main export market for Chilean avocado is the Netherlands, which received 41 percent of Chilean avocado exports in CY2018, followed by the United States (19 percent), the United Kingdom (9 percent) and Argentina (9 percent). In CY2018, there was a delay in the avocado harvest, and exports peaked between October and December (See graph 3), however the volume did not achieve export volume levels of CY2017. Chilean avocado producers and exporters try to delay the harvest as much as possible without reducing fruit quality in order to avoid overlapping the Peruvian supply in foreign markets.

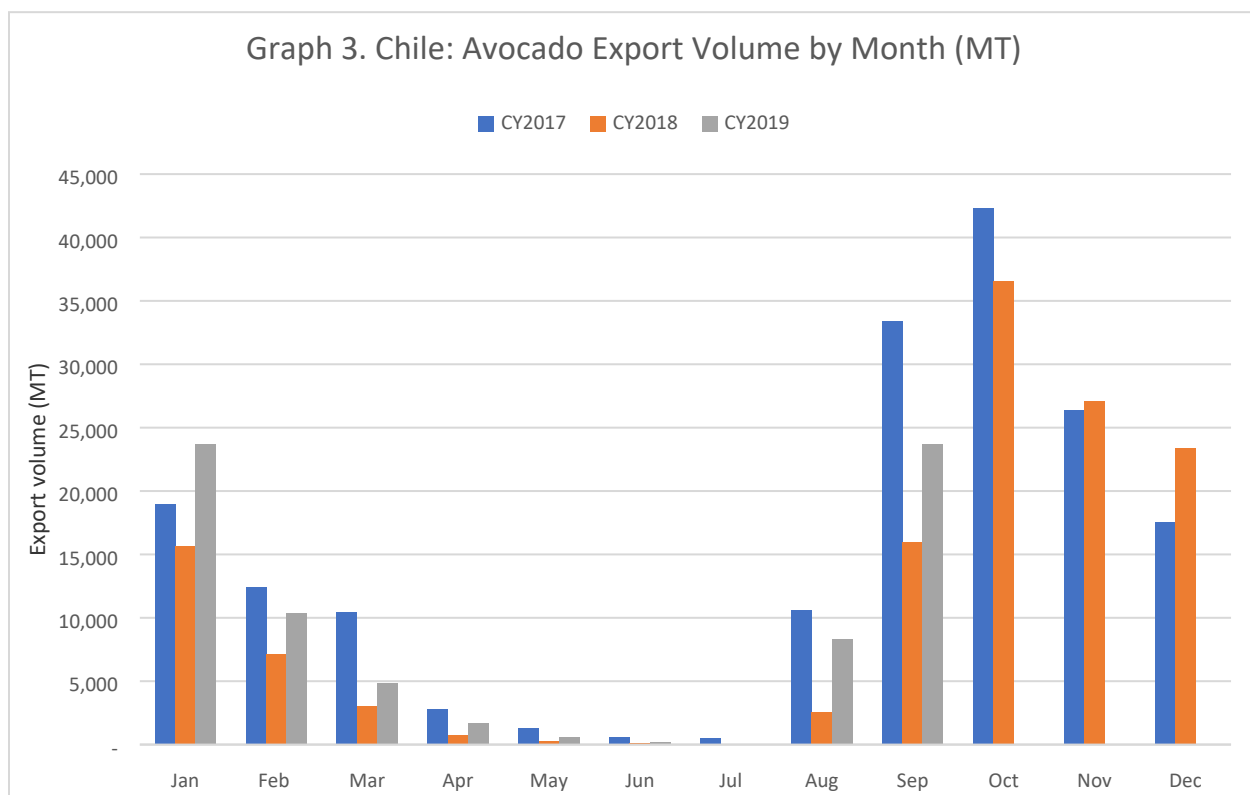
In CY2019 (data available from January to September 2019), Chilean avocado exports have increased by 61.5 percent (see table 1) in volume and 44 percent in value (See table 2). Avocado exports in January 2019 were unusually high reaching 23,717 MT. This is due to the delay in harvest in MY2017/18, which left high stocks for January.

Table 1. Chile: Avocado Export Volume to the World (MT)						
Commodity: 080440, Avocados, Fresh Or Dried						
Partner	Volume (MT)			Volume (MT)		
	CY2017	CY2018	Variation 2018/17	Jan - Sep 2018	Jan - Sep 2019	Variation 2019/18
_ World	177,237	132,525	-25.2%	45,505	73,474	61.5%
Netherlands	65,548	55,341	-15.6%	19,295	32,824	70.1%
United States	36,255	25,780	-28.9%	10,991	10,696	-2.7%
Argentina	17,785	11,786	-33.7%	5,861	8,618	47.0%
United Kingdom	18,164	12,386	-31.8%	1,473	7,248	392.1%
China	16,644	12,199	-26.7%	2,510	5,064	101.8%
Spain	8,354	5,574	-33.3%	954	4,449	366.4%
Germany	2,255	1,465	-35.0%	450	1,152	156.0%
Costa Rica	3,209	2,510	-21.8%	1,833	902	-50.8%
Belgium	2,458	1,452	-40.9%	875	589	-32.7%
Switzerland	1,672	1,140	-31.8%	375	497	32.5%
Uruguay	441	599	35.8%	298	328	10.1%
France	2,738	777	-71.6%	182	266	46.2%
Hong Kong	563	400	-29.0%	220	256	16.4%
Japan	118	99	-16.1%	-	181	-
Brazil	492	391	-20.5%	72	163	126.4%
Others	541	626	15.7%	116	241	107.8%

Source: Trade Data Monitor, LLC

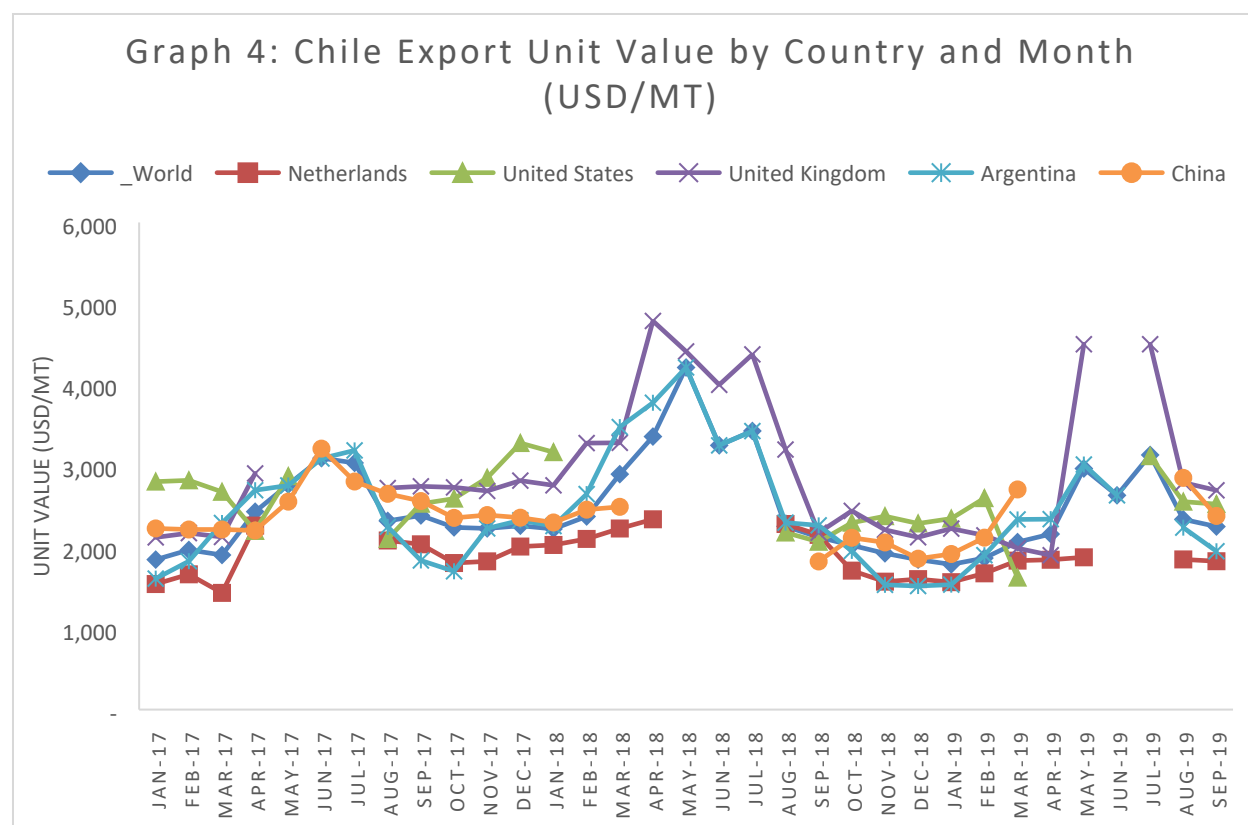
Table 2. Chile: Avocado Export Value to the World (USD)						
Commodity: 080440, Avocados, Fresh Or Dried						
Partner	Value (USD)			Value (USD)		
	CY2017	CY2018	Variation 2018/17	Jan - Sep 2018	Jan - Sep 2019	Variation 2019/18
_ World	391,114,683	273,628,466	-30.0%	104,371,030	150,730,350	44%
Netherlands	119,434,849	99,462,929	-16.7%	40,363,243	55,855,982	38%
United States	94,474,357	57,791,476	-38.8%	23,429,420	26,788,778	14%
United Kingdom	48,371,352	29,233,855	-39.6%	4,025,857	18,263,060	354%
Argentina	38,261,770	26,572,020	-30.6%	16,618,234	17,684,327	6%
China	39,736,905	25,389,704	-36.1%	5,685,921	11,107,665	95%
Spain	21,051,793	11,606,052	-44.9%	2,269,878	9,613,762	324%
Costa Rica	10,000,297	8,413,519	-15.9%	6,372,141	2,766,298	-57%
Germany	3,818,247	3,111,725	-18.5%	948,924	2,494,745	163%
Belgium	3,218,051	2,578,110	-19.9%	1,491,183	1,252,280	-16%
Switzerland	2,782,282	2,486,112	-10.6%	832,496	1,028,085	23%
Uruguay	1,013,267	1,460,720	44.2%	875,340	779,519	-11%
Hong Kong	1,530,819	1,102,645	-28.0%	620,525	753,167	21%
France	4,543,274	1,598,532	-64.8%	349,602	636,426	82%
Japan	289,966	98,560	-66.0%	-	540,395	
United Arab Emirates	710,400	1,672,098	135.4%	227,051	464,556	105%
Others	1,877,054	1,050,409	-44.0%	261,215	701,305	168.5%

Source: Trade Data Monitor, LLC



Source: Trade Data Monitor, LLC

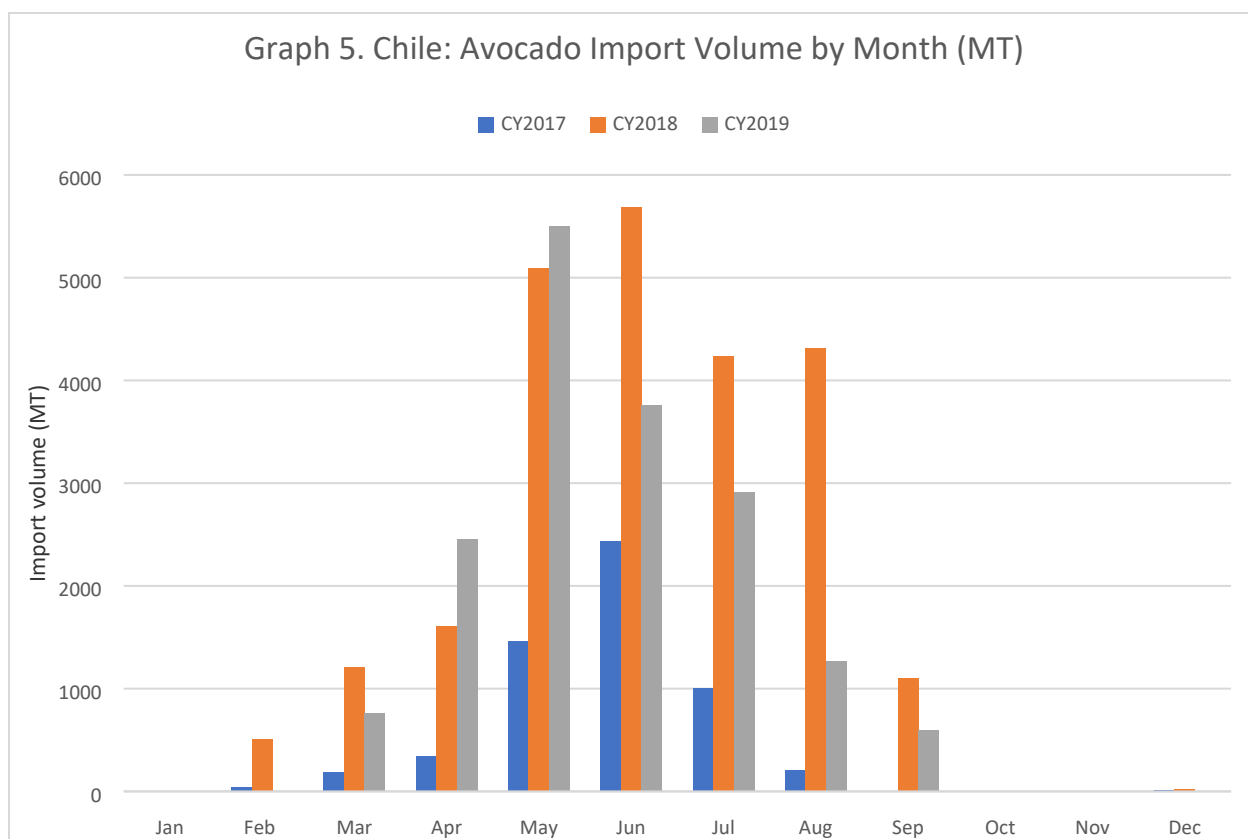
Graph 4 shows the average unit value (\$/MT) for Chilean avocados in the top export destinations and how it fluctuates throughout the year. The unit value increases when the supply decreases, which usually happens between May and June. In addition, the unit value fluctuates according to the destination market. Unit values in United Kingdom are higher compared to the overall average unit value and are lower in the Netherlands.



Source: Trade Data Monitor, LLC

Chile imports avocados from Peru, Mexico, Argentina, and the United States during the production counter-season (April- August) in order to cover domestic consumption needs.

In MY2017/18 imports increased by 318 percent, due to the low domestic supply (see table 4). In contrast, from January to September 2019, imports decreased by 27 percent in volume over the same period in 2018 because of a higher domestic supply available. Imports were remarkably high compared to previous years during April 2019, surpassing 5,000 MT (See graph 5).



Source: Trade Data Monitor, LLC

Table 4. Chile: Avocado Import Volume from the World (MT)						
Commodity: 080440, Avocados, Fresh Or Dried						
Partner	Volume (MT)			Volume (MT)		
	CY2017	CY2018	Variation 2018/17	Jan - Sep 2018	Jan - Sep 2019	Variation 2019/18
_World	5,700	23,801	318%	23,776	17,263	-27%
Peru	5,409	19,736	265%	19,711	15,636	-21%
Mexico	283	3,786	1238%	3,786	1,595	-58%
Argentina	-	229		229	-	-100%
United States	-	50		50	-	-100%
Others	8	-		-	32	
Chile	-	-		-	22	0
Israel	8	-		-	10	0

Source: Trade Data Monitor, LLC

Table 5. Chile: Avocado Import Value from the World (USD)						
Commodity: 080440, Avocados, Fresh Or Dried						
Partner	Value (USD)			Value (USD)		
	CY2017	CY2018	Variation 2018/17	Jan - Sep 2018	Jan - Sep 2019	Variation 2019/18
_World	10,534,947	41,104,778	290%	41,035,434	27,496,856	-33%
Peru	9,747,348	33,743,664	246%	33,722,569	24,382,136	-28%
Mexico	533,874	6,683,417	1152%	6,683,417	2,756,404	-59%
Argentina	-	497,631		497,631	-	-100%
United States	-	131,816		131,816	-	-100%
Others	253,725	48,250	-81%	-	358,316	
Israel	253,725	48,250	-81%	-	303,775	
Chile	-	-		-	54,541	

Source: Trade Data Monitor, LLC

Policy:

Chile has free trade agreements with the United States, China, and the European Union (EU), which allows for zero export tariffs for Chilean avocados.

In September 2019, Chilean Minister of Agriculture, Antonio Walker, [announced](#) that after seven years of negotiations, India allowed market access for Chilean avocados using “systems approach.” This allows entrance of Chilean avocados without the use of methyl bromide fumigation.

Attachments:

No Attachments