Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 1/2/2001

GAIN Report #CI1001

Chile

Fresh Deciduous Fruit

Annual

2001

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Report Highlights:
Chile's production of fresh apples, table grapes, pears and apple juice are up again this year due to excellent weather conditions thus far in most growing areas of the country.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Santiago [CI1001], CI

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General Summary

Chilean output of apples, pears, table grapes and apple juice is expected to increase in MY2000 (Jan-Dec 2001) as a result of good weather during most of the growing season.

Fresh apple exports are also expected to expand, but less than the increase in production due to expected problems in some European markets. Apple juice exports will also be up. Likewise, table grape exports are expected to grow significantly due to a larger and good quality crop. A rebound in pear exports is also expected, as production will expand in 2001.

Fresh Apples

Production General

Chile's total apple production for MY1999 (Jan-Dec 2000) finished significantly below the level of the previous year due to unstable weather during the spring which had an adverse effect on yields. The quality of the crop was also affected, which had also a negative impact on exports. For MY2000 (Jan-Dec 2001), excellent weather during blooming, with sufficient precipitation and mild temperatures during most of the growing season, are expected to result in a production rebound. Exports will surely increase as well due to an expected better-quality crop.

Producers continue to diversify their orchards by planting new and more popular varieties, i.e., Fuji, Gala, Jonathan and Braeburn. Traditional varieties, such as Red Delicious and its variations, i.e., Richard Red, Starking, etc., are being uprooted and replanted with these newer varieties. Red apple varieties still constitute about 70 percent of total output and are grown mainly for the European market and the Middle East. The principal green variety, Granny Smith, is used both for fresh export (mainly Europe and the United States) as well as for concentrated apple juice production.

Crop Area

Although many growers mainly in Regions VII (Curico-Talca) and VIII (Chillan) continue to replace and increase their planting densities in old orchards, it appears that increases of total planted area have leveled off. As a result of the still high percentage of non-bearing trees, commercial production should grow to perhaps 1.2 million tons in the next five years.

Consumption

Since there are no official domestic consumption statistics for apples, figures are estimated as a residual of production and exports. Because the residual figure includes apples for fresh domestic consumption and for processing, there is an apparent large variation in domestic fresh consumption in the PS&D tables from year to year.

Trade

In MY1999, exports fell relative to the previous year due to reduced output. Increased exports in MY2000 will depend on the ability of producers and exporters to develop new markets or send increased amounts of apples to other non-European market. Devaluations of the euro against the dollar has made that market totally unattractive. According to the most recent official Chilean trade statistics for the Jan-Oct period of 2000, the U.S. accounted for 11.5 percent of Chile's total apple exports, compared to 8.5 percent for full calendar year 1999.

Red apple varieties account for about two-thirds of exports, but sweet/sour varieties are increasing their share, and Chile's traditional varieties are losing ground. This trend is becoming more evident every year. Production and exports of new varieties, like Fuji, are increasing significantly.

Policy

For 2000/2001, the Chilean fruit sector will maintain its voluntary export quality program for apples, table grapes, stone fruit and kiwis shipped to the United States and Europe. Nearly 80 percent of Chile's exports to these two markets are under the auspices of this quality program. The voluntary minimum standards are similar to those of the previous year. The growers and exporters have agreed to limit the quality control only to fruit maturity. There are no requirements related to the size of the fruit or to the volumes exported.

Marketing

Although Chile is a major producer of table grapes, apples and pears, there are some opportunities for imports, particularly when domestic supplies are low or non-existent in the off-season. A major constraint on demand is price. Consumers are accustomed to low prices for in-season apples. Imports for CY2000 are expected to be smaller than in CY1999 reflecting the devaluation of the Chilean peso and economic recession. In general, the market opportunity for U.S. fresh fruit exports is also limited by the portion of Chile's population, about 10 percent, are willing to pay for higher-priced, off-season fruit.

On the export side, contractual arrangements between producers and exporters vary according to the exporting company. A large portion of Chilean fruit is shipped on a consignment basis. After the exporter sells the fruit in a given market, all marketing and transportation costs are deducted from the sale price. The remaining amount is given to the farmer so that he can pay his production costs and determine his own profit. Some producers now receive a guaranteed minimum price for their fruit from the exporters. In general, some financing is provided to producers during the growing season, which is then deducted from grower receipts at the end of the season.

PS&D Table

PSD Table						
Country	Chile					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	40000	40000	40000	40000	0	40000
Area Harvested	31800	31800	32400	32400	0	34000
Bearing Trees	12858	12858	13100	13100	0	13750
Non-Bearing Trees	3697	3697	3455	3455	0	2805
Total Trees	16555	16555	16555	16555	0	16555
Commercial Production	1000000	1000000	750000	750000	0	990000
Non-Comm. Production	10000	10000	10000	10000	0	10000
TOTAL Production	1010000	1010000	760000	760000	0	1000000
TOTAL Imports	203	203	200	150	0	100
TOTAL SUPPLY	1010203	1010203	760200	760150	0	1000100
Domestic Fresh Consump	100000	100000	95100	98050	0	115000
Exports, Fresh Only	522000	522000	400000	415000	0	520100
For Processing	388203	388203	265100	247100	0	365000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	1010203	1010203	760200	760150	0	1000100

Export Trade Matrix

(Year 2000 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	44100	U.S.	43631
Others		Others	
Netherlands	77347	Saudi Arabia	42799
Colombia	47156	Colombia	34472
Saudi Arabia	36679	Netherlands	30490
Mexico	35009	Venezuela	26877
Spain	32735	Mexico	22013
Venezuela	27874	Spain	19328
U.K.	26111	U.K.	17422
Peru	24678	Ecuador	14097
Ecuador	18538	Peru	14094
Italy	13320	Russia	13292
Total for Others	339447		234884
Others not Listed	138168		100304
Grand Total	521715		378819

Source: Central Bank of Chile

Import Trade Matrix
(Year 2000 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	M.T.
Imports for:	1999		2000
U.S.	203	U.S.	133
Others		Others	
Total for Others	0		0
Others not Listed			
Grand Total	203		133

Source: Central Bank of Chile

Fresh Table Grapes

Production

Excellent climatic conditions in most production areas resulted in a significant increase in output of Chilean table grapes in MY2000 (Jan-Dec 2000). Another expansion is expected in MY2001, as weather has been favorable thus far throughout the growing season. A good quality production is also expected.

Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier account for the bulk of production. A significant increase in production of the Red Globe variety is expected for the next few years, as most replanting have been with this variety.

Crop Area

Total planted area to table grapes has apparently stabilized. New planting, primarily with new varieties that better reflect market demand, is now only replacing aging vineyards.

In the coming years, variations in grape output will be a function of changing yields, due to climatic variations, and newly-planted areas reaching mature stages of production. Table grape vines in Chile provide mature yield levels between 7 and 17 years after planting. Based on the average age of planting, Chilean table grape production could decline over the next few years.

Consumption

There are no statistics on fresh table grape consumption in Chile. A residual figure is used to determine fresh consumption and utilization for processing.

Prices

Average export prices through October 2000 fell slightly from $1,197 per metric ton FOB to $1,022 per metric ton, after an increase last year for the same period.

Trade

The volume of grapes to be exported in MY2001 is projected to be significantly higher than MY2000 due to an increase in total output and an expected good quality of the production. Chile's exports to Asia grew in MY1999 reflecting the development of a new market in South Korea. According to the most recent official Chilean trade statistics for Jan-Oct 2000, the U.S. accounted for 59 percent of total exports, about the same level for full calendar year 1999.

There were no imports of U.S. table grapes during the months of January through October of the year 2000, in part reflecting the economic uncertainty among retailers who were struggling with weak consumer demand for almost all food products.

PS&D Table

PSD Table						
Country	Chile					
Commodity	Fresh Table Grapes				(HA)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	43790	43790	43800	43800	0	43900
Area Harvested	39300	39300	39400	39400	0	40400
Commercial Production	810000	810000	930000	930000	0	970000
Non-Comm. Production	5000	5000	5000	5000	0	5000
TOTAL Production	815000	815000	935000	935000	0	975000
TOTAL Imports	97	97	100	0	0	50
TOTAL SUPPLY	815097	815097	935100	935000	0	975050
Domestic Fresh Consump	93000	93000	98000	97900	0	98000
Exports, Fresh Only	473525	473525	568000	568000	0	590000
For Processing	248572	248572	269100	269100	0	287050
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	815097	815097	935100	935000	0	975050

Export Trade Matrix
(Year 2000 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	273932	U.S.	325297
Others		Others	
Netherlands	44324	Netherlands	42649
China	30883	U.K.	33638
U.K.	28581	Mexico	27261
Mexico	19018	Hong Kong	22177
Peru	9188	Peru	11479
Brazil	6782	China	9369
So. Korea	5798	Brazil	8592
Belgium	5167	So. Korea	7779
Japan	5019	Japan	7734
Germany	4395	Venezuela	6830
Total for Others	159155		177508
Others not Listed	40438		52862
Grand Total	473525		555667

Source: Central Bank of Chile

Import Trade Matrix
(Year 2000 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	M.T.
Imports for:	1999		2000
U.S.	97	U.S.	0
Others		Others	
Total for Others	0		0
Others not Listed	0		
Grand Total	97		0

Source: Central Bank of Chile

Fresh Pears

Production

Total Chilean pear production for MY1999 (Jan-Dec, 2000) finished below the previous year's level due to unstable springtime weather, which had an adverse effect on yields. Industry sources indicate that certain pear production areas were adversely affected by cold weather, wind and rain while the trees were in blossom. For MY2000 (Jan-Dec, 2001), a modest production rebound is expected based on higher yields and slightly larger harvested area. Excellent weather during blooming, and mild temperatures during most of the growing season, are the main reasons for the increase in production. Although it is still too early to estimate the overall quality of this year's production, industry sources have indicated that a better quality can be expected relative to the previous year.

There are over 36 pear varieties grown in Chile. Packam's Triumph and Beurre Bosc make up 45 percent and 25 percent of Chile's exports, respectively.

Consumption

As with most other fruits, only export rejects enter domestic marketing channels. Pears are mostly consumed fresh. Increasing amounts are utilized for processing.

Prices

A weaker world demand resulted in a slight fall of the average FOB export price for the first 10 months of 2000 which was $478 per metric ton, down from $502 per metric ton for the same period in 1999.

Trade

Pear exports in MY2000 are forecast to be up modestly relative to the previous year, as a larger volume and a good quality of output is expected. Industry sources, however, have indicated that since the European Union is Chile's largest export market, the last euro devaluations against the dollar have made it more difficult to sell to that market and, unless other markets are developed, total exports could fall from last year's level. According to official Chilean trade data, the U.S. accounted for 22 percent of total exports for the Jan-Oct 2000 period, about the same as in full calendar year 1999. Chile does not yet import fresh pears.

PS&D Table

PSD Table						
Country	Chile					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	11840	11840	11840	11840	0	11840
Area Harvested	10820	10820	10890	10890	0	10900
Bearing Trees	5240	5240	5274	5274	0	5280
Non-Bearing Trees	350	350	316	316	0	310
Total Trees	5590	5590	5590	5590	0	5590
Commercial Production	256500	256500	235000	235000	0	247000
Non-Comm. Production	2000	2000	2000	2000	0	2000
TOTAL Production	258500	258500	237000	237000	0	249000
TOTAL Imports	0	0	0	0	0	50
TOTAL SUPPLY	258500	258500	237000	237000	0	249050
Domestic Fresh Consump	59500	59500	65000	65000	0	68050
Exports, Fresh Only	156500	156400	125000	125000	0	130000
For Processing	42500	42600	47000	47000	0	51000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	258500	258500	237000	237000	0	249050

Export Trade Matrix
(Year 2000 data are for January - October only.)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Pears		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	33862	U.S.	23818
Others		Others	
Netherlands	39174	Netherlands	26380
Peru	11056	Colombia	11344
Colombia	9662	Venezuela	10162
Venezuela	9081	Italy	9044
Italy	8577	Peru	7122
Belgium	6252	Spain	4417
Spain	6066	Brazil	4282
Saudi Arabia	3301	Saudi Arabia	3615
Germany	3287	Mexico	3234
Portugal	3019	Russia	2760
Total for Others	99475		82360
Others not Listed	23064		
Grand Total	156401		106178

Source: Central Bank of Chile

Concentrated Apple Juice

Production

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand. The large decline in output and exports in MY1999 (Jan-Dec, 2000) was mainly due to the significant fall in apple production. For the MY2001, production volumes are expected to increase as a larger apple crop is expected.

Traditionally, Chile's apple export rejects are sent to the processing industry for apple juice production. But as the processing market has become increasingly saturated with supplies, industry buyers have started to place increased attention on the quality of the product. As a result, the AJC industry is both encouraging farmers to increase production of existing orchards of sour-type apples, as well as to expand new planting of apple varieties.

Consumption

Only small amounts of AJC are consumed domestically, principally of single-strength juice. AJC competes with a variety of fresh and processed juices in Chile.

Prices

Average FOB prices increased from $978/MT FOB for the first 10 months of 1999 to $1,298/MT for the same period in 2000, evidently this reflecting the stronger international demand and a significant fall in supply of AJC.

Trade

The United States is Chile's largest AJC export market (over 80 percent of total export sales). Other important markets are Japan, Canada and Taiwan. New and growing markets are primarily located in Latin America and Asia.

The future level of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets.

PS&D Table

PSD Table						
Country	Chile					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Deliv. To Processors	373160	388203	265100	247100	0	365000
Beginning Stocks	5493	5493	793	248	1493	348
Production	44800	53800	35700	34250	0	42000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	50293	59293	36493	34498	1493	42348
Exports	49000	58545	34500	33650	0	41600
Domestic Consumption	500	500	500	500	0	500
Ending Stocks	793	248	1493	348	0	248
TOTAL DISTRIBUTION	50293	59293	36493	34498	0	42348

Export Trade Matrix

(Year 2000 data are for January- October only)

Export Trade Matrix			
Country	Chile		
Commodity	Concentrated Apple Juice		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	48006	U.S.	24556
Others		Others	
Japan	7880	Japan	4027
Canada	1102	Taiwan	110
Taiwan	554	Brazil	96
Australia	182	Singapore	78
Dominican Rep.	138	Dominican Rep.	58
Mexico	118	Costa Rica	39
Venezuela	76	Filipinos	37
Uruguay	72	Peru	26
Costa Rica	71	Venezuela	24
Bahamas	53	Uruguay	24
Total for Others	10246		4519
Others not Listed	293		121
Grand Total	58545		29196

Source: Central Bank of Chile