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Chile

Fresh Deciduous Fruit

Annual

2002

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Report Highlights:
Chile's production of fresh apples, apple juice and pears are down due to abnormal weather conditions. Production of table grapes on the other hand is expected to expand again this year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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General Summary

Chilean output of apples, apple juice and pears is expected to fall in Marketing Year (MY) 2001 (Jan-Dec 2002), due to unfavorable weather. Since the abnormal weather did not affect table grape production, total output is expected to increase.

Following a fall in production of fresh apple, apple juice and pears, exports are also expected to decline. Table grape exports however are expected to increase due to a larger and better quality crop.

Fresh Apples

Production General

Chile's total apple production for Marketing Year (MY) 2001 (Jan-Dec 2002) is expected to be smaller than last year. Unstable weather last spring, cloudy skies and lower than normal temperatures will have a negative effect on apple production. A lower crop quality can also be expected, which will have a negative impact on exports.

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 and the Middle Eastern markets. 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 some growers mainly in Regions VII (Curico-Talca) and VIII (Chillan) continue to replace and increase their planting densities in old orchards, total planted area is still falling as it was reported by the Fresh Fruit Producers Association. Low prices obtained during the last two years have forced many marginal producers to uproot their orchards.

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 MY2001, exports are expected to fall when compared to the previous year in line with a lower forecast in total apple production. The U.S. has become Chile's largest apple exports market, up from 6 percent for the year 1997 to 12 percent in 2001.

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 2001/2002, 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 Calendar Year (CY) 2002 are expected to stay at similar levels than the previous year due to the recent devaluation of the Chilean peso and the economic slowdown . In general, the market opportunity for U.S. fresh fruit exports is also limited by the small portion of Chilean, about 10 percent of the population who 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/she can pay his/her 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 - Fresh Apples

PSD Table						
Country	Chile					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	40000	38400	40000	37400	0	35400
Area Harvested	32400	32400	33000	33400	0	33500
Bearing Trees	13100	13410	13660	13825	0	13865
Non-Bearing Trees	3455	2483	2897	1654	0	786
Total Trees	16555	15893	16557	15479	0	14651
Commercial Production	750000	750000	990000	990000	0	890000
Non-Comm. Production	10000	10000	10000	10000	0	10000
TOTAL Production	760000	760000	1000000	1000000	0	900000
TOTAL Imports	60	60	100	60	0	60
TOTAL SUPPLY	760060	760060	1000100	1000060	0	900060
Domestic Fresh Consump	98360	98360	115000	115000	0	112000
Exports, Fresh Only	387700	387700	520100	520100	0	480000
For Processing	274000	274000	365000	364960	0	308060
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	760060	760060	1000100	1000060	0	900060

Export Trade Matrix

(Year 2001 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2000		2001
U.S.	43631	U.S.	61422
Others		Others	
Saudi Arabia	42799	Netherlands	57368
Colombia	36657	Saudi Arabia	45805
Netherlands	30489	Colombia	38583
Venezuela	27351	Venezuela	34234
Mexico	22013	Ecuador	29657
Spain	19328	Peru	28453
U.K.	17422	Spain	28242
Ecuador	15799	U.K.	27608
Peru	14966	Mexico	25939
Russia	13292	Brazil	16705
Total for Others	240116		332594
Others not Listed	103967		117773
Grand Total	387714		511789

Import Trade Matrix

(Year 2001 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	M.T.
Imports for:	2000		2001
U.S.	60	U.S.	60
Others		Others	
Total for Others	0		0
Others not Listed			
Grand Total	60		60

Fresh Table Grapes

Production

Excellent climatic conditions in most production areas will result in an increase in output of Chilean table grapes in MY2002 (Jan-Dec 2002). 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. The Red Globe variety has increased significantly in the last few years, as most replanting have been with this variety.

Crop Area

Total planted area to table grapes has been increasing slightly during the last few years. Most of new plantings, primarily with new varieties that better reflect market demand, are replacing aging vineyards.

Since planted area is not increasing significantly, 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.

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.

Trade

As the total production of grapes is going to be larger than last year, the volume to be exported in MY2002 is also projected to be higher than in MY2001 due to the good quality production expected. Chile's exports to Asia have been growing reflecting the development of a new in that market part of the world.

PS&D Table - Fresh Table Grapes

PSD Table						
Country	Chile					
Commodity	Fresh Table Grapes				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	43800	43800	44000	44000	0	45300
Area Harvested	39400	39400	39500	39500	0	40300
Commercial Production	930000	930000	950000	950000	0	1000000
Non-Comm. Production	5000	5000	5000	5000	0	5000
TOTAL Production	935000	935000	955000	955000	0	1005000
TOTAL Imports	16	16	50	12	0	15
TOTAL SUPPLY	935016	935016	955050	955012	0	1005015
Domestic Fresh Consump	95000	95000	96000	96000	0	98000
Exports, Fresh Only	596000	596000	580000	580000	0	626000
For Processing	244016	244016	279050	279012	0	281015
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	935016	935016	955050	955012	0	1005015

Export Trade Matrix

(Year 2001 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2000		2001
U.S.	364344	U.S.	291506
Others		Others	
Netherlands	42713	Netherlands	40810
U.K.	33808	Mexico	31999
Mexico	27781	U.K.	30807
Hong Kong	22210	Hong Kong	26881
Peru	11523	Peru	15957
China	9386	Japan	7829
Brazil	8715	Venezuela	7476
Japan	7857	So. Korea	6428
So. Korea	7811	Brazil	5979
Venezuela	6830	Spain	4189
Total for Others	178634		178355
Others not Listed	53135		45734
Grand Total	596113		515595

Import Trade Matrix
(Year 2001 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	M.T.
Imports for:	2000		2001
U.S.	16	U.S.	12
Others		Others	
Total for Others	0		0
Others not Listed			
Grand Total	16		12

Fresh Pears

Production

A smaller total pear production is expected for Marketing Year (MY) 2001 (Jan-Dec 2002) when compared to the previous year's level due to unstable springtime weather, cloudy skies and lower than normal temperatures . Industry sources indicate that certain pear production areas were adversely affected by cold weather, wind, and rain while the trees were in blossom. 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.

Trade

Pear exports in MY2001 are forecast to be down when compared to the previous year, as a smaller volume of output is expected. Chile does not yet import fresh pears.

PS&D Table - Fresh Pears

PSD Table						
Country	Chile					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	11840	11840	10400	10400	0	10200
Area Harvested	10890	10890	10100	10100	0	9900
Bearing Trees	5274	5274	4800	4800	0	4790
Non-Bearing Trees	316	316	140	140	0	145
Total Trees	5590	5590	4940	4940	0	4935
Commercial Production	235000	235000	247000	247000	0	230000
Non-Comm. Production	2000	2000	2000	2000	0	2000
TOTAL Production	237000	237000	249000	249000	0	232000
TOTAL Imports	25	0	50	0	0	0
TOTAL SUPPLY	237025	237000	249050	249000	0	232000
Domestic Fresh Consump	65325	65300	68050	68000	0	68000
Exports, Fresh Only	124700	124700	130000	130000	0	124000
For Processing	47000	47000	51000	51000	0	40000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	237025	237000	249050	249000	0	232000

Export Trade Matrix

(Year 2001 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Pears		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2001		2002
U.S.	23818	U.S.	26477
Others		Others	
Netherlands	26380	Netherlands	25351
Colombia	11722	Venezuela	11220
Venezuela	10208	Colombia	11131
Italy	9044	Mexico	5129
Peru	7392	Peru	9642
Spain	4417	Italy	7134
Brazil	4282	Russia	4313
Saudi Arabia	3615	Spain	3976
Mexico	3234	Saudi Arabia	3537
Russia	2760	Portugal	3002
Total for Others	83054		84435
Others not Listed	17862		17582
Grand Total	124734		128494

Concentrated Apple Juice

Production

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand. The larger output and exports in Marketing Year (MY) 2000 (Jan-Dec, 2001) were mainly due to the significant increase in apple production. For MY2001, production volumes are expected to be smaller following the expected fall in apple production.

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.

Trade

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

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 - Concentrated Apple Juice

PSD Table						
Country	Chile					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Deliv. To Processors	274000	274000	365000	364960	0	308060
Beginning Stocks	248	248	348	241	248	341
Production	34250	35800	42000	46100	0	40000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	34498	36048	42348	46341	248	40341
Exports	33650	35307	41600	45500	0	39400
Domestic Consumption	500	500	500	500	0	500
Ending Stocks	348	241	248	341	0	441
TOTAL DISTRIBUTION	34498	36048	42348	46341	0	40341

Export Trade Matrix

(Year 2001 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Concentrated Apple Juice		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2000		2001
U.S.	28987	U.S.	37005
Others		Others	
Japan	4661	Japan	4438
Mexico	750	Mexico	2617
Canada	157	Canada	333
Taiwan	130	Dominican Rep.	75
Singapore	97	Ecuador	71
Brazil	96	Venezuela	57
Dominican Rep.	77	Philippines	56
Nethlnd.Terr.America	76	Nethlnd.Terr.America	55
Uruguay	48	Uruguay	48
Costa Rica	39	Costa Rica	27
Total for Others	6131		7777
Others not Listed	189		93
Grand Total	35307		44875