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Chile

Fresh Deciduous Fruit Semi-annual

Fresh apples, table grapes, fresh pears and apple juice

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Report Highlights:
Chile's apple, table grape and pear production and exports are expected to fall when compared to the previous year as a result of adverse weather conditions in most growing areas.

Executive Summary:

New estimates show that production of apples, table grapes and pears will fall in 2013, as weather has not been favorable in general terms for fruit production. Exports will also fall accordingly except for Apple Juice Concentrate (AJC) because of a strong demand which is reflected by a significant increase of international prices

Commodities:

Apples, Fresh

Production:

The low accumulation of cold days recorded during winter (needed for normal flowering) plus the cold and rain during the flowering, adversely affected this year's crop. To add insult to injury, December brought more rain and hail, which could produce some cosmetic issues in the fruit.

The main varieties affected were the Red Delicious, for which we expect a drop in export volume of about 26% from 2012 followed by Fuji and its clones, with decrease projected at around 10% compared to last year's crop.

While producers were traumatized by the loss of almost 15% in production compared to the previous season, Manuel Alcaino, president of Decofrut, explained that "with the heat, there was a rapid maturation of the apple, which meant Chile lost volumes for export. But in the end, the decline in production resulted in very good prices in the U.S. and Europe. (Estrategia newspaper)

Consumption:

There are no official statistics on domestic fresh apple consumption. The figures shown in our PS&D table are estimated as a residual of production, minus apples destined for processing and known exports.

Trade:

According to the Ministry of Agriculture's ODEPA, apple exports fell 33.3% compared to the same period in 2012. This reduction on exports does not mark a trend as it only represents 2% of total annual exports.
Chilean exports of apples this year is likely to reach a total of about 708,000 tones, 7% less than last year due to weather conditions in recent months, according to initial forecast by Decofruit traders.

Apples, Fresh Chile	**2010/2011**			**2011/2012**			**2012/2013**		
	Market Year Begin: Jan 2011			**Market Year Begin: Jan 2012**			**Market Year Begin: Jan 2013**		
	USDA Official	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**
Area Planted	37,300	37,300	37,300	37,300	37,300	37,300	37,300	37,300	37,300
Area Harvested	33,000	33,000	33,000	33,100	33,100	33,100	33,150	33,150	33,150
Bearing Trees	14,845	14,845	14,845	14,890	14,890	14,890	14,912	14,912	14,912
Non-Bearing Trees	1,966	1,966	1,966	1,921	1,921	1,921	1,899	1,899	1,899
Total Trees	16,811	16,811	16,811	16,811	16,811	16,811	16,811	16,811	16,811
Commercial Production	1,421,000	1,421,000	1,421,000	1,350,000	1,350,000	1,400,000	1,300,000	1,300,000	1,300,000
Non-Comm.	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

Production									
Production	1,431,000	1,431,000	1,431,000	1,360,000	1,360,000	1,410,000	1,310,000	1,310,000	1,310,000
Imports	800	820	820	500	550	500	600	600	600
Total Supply	1,431,800	1,431,820	1,431,820	1,360,500	1,360,550	1,410,500	1,310,600	1,310,600	1,310,600
Fresh Dom. Consumption	197,014	197,000	197,000	194,950	195,000	195,000	145,000	195,000	195,000
Exports	800,000	800,034	800,834	760,000	760,000	750,000	800,000	750,000	750,000
For Processing	434,786	434,786	433,986	405,550	405,550	465,500	365,600	365,600	365,600
Withdrawal From Market	0	0		0	0	0	0	0	
Total Distribution	1,431,800	1,431,820	1,431,820	1,360,500	1,360,550	1,410,500	1,310,600	1,310,600	1,310,600
TS=TD			0			0			0
Comments									
AGR Number									

Export Trade Matrix

Country	Chile				
Commodity	Apples, Fresh				
Exports for:	2011		**2012**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	90,634	79,847	U.S.	122,012	136,513
Others			**Others**		
Colombia	70,874	55,180	Colombia	75,211	69,508
Netherlands	60,414	46,059	Netherlands	50,052	42,503
Saudi Arabia	54,202	41,175	Ecuador	47,563	37,974
Russia	48,688	36,450	Saudi Arabia	47,368	38,872
Taiwan	46,451	55,789	Taiwan	44,868	59,200
Ecuador	46,427	33,005	Peru	40,094	29,357
Peru	37,804	23,941	Russia	34,600	28,503
India	29,194	18,594	Venezuela	31,653	38,001
U.K.	29,142	25,674	U.K.	25,946	23,464
Venezuela	26,512	26,817	Arab Emirates	24,626	19,063
Total for Others	449,708			421,981	
Others not Listed	260,492			218,012	
Grand Total	**800,834**	**620,660**		**762,005**	**709,746**

Commodities:

Grapes, Table, Fresh

Production:

Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Crimson Seedless, Red globe, Flame Seedless Superior Seedless and Autumn Royal account for over 90 percent of production. Table Grapes are planted from the Atacama Region (Copiapo) to the Maule Region (Curico-Talca).

Weather problems affected both pre-harvest and in harvest, and a drought affected the Atacama and Coquimbo regions causing a delay in the start of the season and a decline in table grape exports. Flame Seedless showed a reduction of 18.2%, Sugraone, showed a 21% drop in export volumes when almost 80% of the total volume of both varieties had been exported. Meanwhile the Thompson Seedless had a slow start to the season compared to the same period in 2012. The variety shows good yields and good fruit quality, but reduction of its area planted and the water stress may be influencing the results, especially in the area of Valparaiso. The variety Red Globe, shows a 10% growth, which, if the start of a trend, could positively affect export volumes at the end of the season, being this the main variety exported (ODEPA).

Table grape remains the most important variety of Chile’s fruit exports, according Cristian Allendes, president of the Federation of Fruit Producers (Fedefruta) when interviewed by Estrategia, "this was a better season than last. Prices were up 10% compared to the previous season”. Despite this optimism, according to ODEPA there was a reduction on the volume exported of 15.7% compared to the period 2012.

Consumption:

As with other Chilean fresh fruits, domestically consumed table grapes are mainly export rejects. There are no official statistics on domestic consumption. Domestic fresh consumption is derived from the only known figure, which is exports, and estimated production data. Domestic consumption and processing, generally accounts for about 30 percent of total output.

Trade:

There is great uncertainty as how the season 2012/2013 will end, delays in the beginning of the season due to weather conditions, summer rain, the high presence of botrytis and the instability of the prices that went from heaven to hell, without leaving out the two week port strike in late February, makes this season a very strange one. As of March 2013 we can clearly distinguished a decrease in exports of 15.8% from the previous season, according to customs data.

Grapes, Fresh Chile	**2010/2011**			**2011/2012**			**2012/2013**		
	Market Year Begin: Jan 2011			**Market Year Begin: Jan 2012**			**Market Year Begin: Jan 2013**		
	USDA Official	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**
Area Planted	62,462	62,462	62,462	62,470	62,470	62,470	62,470	62,470	62,470
Area Harvested	53,118	53,118	53,118	53,125	53,125	53,125	53,125	53,125	53,125
Commercial Production	1,210,000	1,210,000	1,210,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
Non-Comm. Production	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Production	1,215,000	1,215,000	1,215,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Imports	200	177	177	300	250	250	0	200	200
Total Supply	1,215,200	1,215,177	1,215,177	1,175,300	1,175,250	1,175,250	1,175,000	1,175,200	1,175,200
Fresh Dom. Consumption	361,400	361,657	361,657	345,300	345,250	345,250	325,000	345,000	345,000
Exports	853,800	853,520	853,520	830,000	830,000	830,000	850,000	830,200	830,200
For Processing	0	0		0	0	0	0	0	
Withdrawal From Market	0	0		0	0	0	0	0	

Total Distribution	1,215,200	1,215,177	1,215,177	1,175,300	1,175,250	1,175,250	1,175,000	1,175,200	1,175,200
TS=TD			0			0			0
Comments									

Export Trade Matrix

Country	Chile				
Commodity	Grapes				
Exports for:	2011		**2012**		
Time Period	Jan-Dec				
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	402,060	642,610	U.S.	353,929	590,832
Others			**Others**		
Netherlands	85,008	138,080	Netherlands	79,786	122,823
U.K.	50,792	101,113	China	55,328	115,454
Hong-Kong	39,785	73,675	U.K.	49,155	82,967
So. Korea	39,404	78,736	So. Korea	46,468	95,006
Russia	35,917	52,548	Russia	29,527	46,314
China	23,832	48,590	Brazil	22,355	35,806
Mexico	19,578	32,276	Mexico	22,330	35,268
Brazil	18,789	27,047	Canada	16,799	30,946
Canada	18,484	32,333	Hong-Kong	14,347	26,370
Spain	11,945	15,847	Japan	12,081	22,983
Total for Others	343,534			348,175	
Others not Listed	107,926			110,048	
Grand Total	**853,520**	**1,419,387**		812,153	1,379,596

Commodities:

Pears, Fresh

Production:

Weather conditions during the late winter months which allowed accumulating enough cold hours for a good budding, was expected to have a positive effect on total output of pears. But high temperatures at the end of spring and summer affected quality and volume of the production, as a result total output is expected to be smaller than last year.

Consumption:

Most pears are consumed fresh because only a few existing varieties in Chile can be processed for canned pears or juice concentrates. Domestically consumed pears are mainly export rejects.

Trade:

According to estimates by Decofrut, this year pear exports would reach a volume similar to the previous, only slightly lower (-1%), reaching a projected total of approximately 131 tons.

The numbers on the exports of pears for the first months are not representatives as the production in this stage is low. Early varieties like Coscia and Bartlett show increases of 60% and 80% of its annual export volumes. The two early varieties show a different trend, the Bartlett is low 24.3% and Coscia has a slight growth of 1.4%

Pears, Fresh Chile	**2010/2011**			**2011/2012**			**2012/2013**		
	Market Year Begin: Jan 2011			**Market Year Begin: Jan 2012**			**Market Year Begin: Jan 2013**		
	USDA Official	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**	**USDA Official**	**Old Post**	**New Post**
Area Planted	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590
Area Harvested	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Bearing Trees	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981
Non-Bearing Trees	285	285	285	285	285	285	285	285	285
Total Trees	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266
Commercial Production	288,000	288,000	288,000	285,000	285,000	285,000	285,000	285,000	285,000
Non-Comm. Production	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Production	290,000	290,000	290,000	287,000	287,000	287,000	287,000	287,000	287,000
Imports	200	225	225	200	50	25	200	50	50
Total Supply	290,200	290,225	290,225	287,200	287,050	287,025	287,200	287,050	287,050
Fresh Dom. Consumption	83,800	85,000	85,000	82,100	87,000	87,000	77,100	86,000	86,000
Exports	134,700	133,551	133,551	135,000	130,000	130,000	140,000	131,000	131,000
For Processing	71,700	71,674	71,674	70,100	70,050	70,025	70,100	70,050	70,050
Withdrawal From Market	0	0		0	0		0	0	
Total Distribution	290,200	290,225	290,225	287,200	287,050	287,025	287,200	287,050	287,050
TS=TD			0			0			0
Comments									

Export Trade Matrix

Country Chile

Commodity Pears, Fresh

Exports for:	2011			**2012**	
Time Period	Jan-Dec				
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	18,187	15,156	U.S.	$ 16,576	$ 15,225
Others			**Others**		
Netherlands	16,990	16,221	Netherlands	$ 20,003	$ 21,745
Colombia	16,555	13,402	Colombia	$ 21,238	$ 21,602
Italy	13,039	15,268	Italia	$ 14,963	$ 16,610
Peru	11,295	7,665	Venezuela	$ 10,941	$ 12,920
Ecuador	8,931	6,527	Ecuador	$ 10,588	$ 9,685
Germany	4,774	4,505	Peru	$ 10,168	$ 8,383
Russia	4,520	4,159	Germany	$ 5,101	$ 5,319
Spain	4,334	4,428	Russia	$ 3,727	$ 3,756
Venezuela	2,560	2,849	Spain	$ 3,094	$ 3,518
Saudi Arabia	2,546	2,426	Saudi Arabia	$ 2,315	$ 2,555
Total for Others	96,053			85,544	
Others not Listed	15,330			12,550	

Grand Total	116,281	106,071	$ 133,977	$ 137,418

Commodities:

Apple Juice, Concentrated

Production:

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand and availability of apples for processing. The apple juice industry mainly processes export rejects, but the industry has also encouraged farmers to plant sour-type apples, as well as to expand new plantings of apple varieties mainly for juice purposes. The apple juice industry competes with the pulp industry for the apples left over from the fresh exports.

According to a study published in 2012 by ODEPA, apple juice production is concentrated between the months of February and June and the processing plants are located mainly in the regions of Maule and O'Higgins. The raw material used is of export fruit discards. The varieties used are Granny Smith, Royal Gala, Fuji, Pink Lady, Red Delicious and Braeburn.

During the 2012 season, the industry showed great supply difficulties, mainly due to increased domestic consumption of fresh apples, which pressured the industry to pay higher prices to producers for their raw material. Currently, this industry is working with 40% of its maximum capacity, which increases the average costs of production. Moreover, its main client is Europe, a continent that has been severely affected by the current recession, which has considerably reduced the demand for juices and has devalued the euro against the dollar, giving a great opportunity for the production and export of juices.

Consumption:

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

Trade:

Chile exported $ 113.6 million worth of apple juice in 2012 and the United States represents 34% of exports, followed by Germany (10%), the UK and Mexico (9%), Japan and Canada (8%) and Poland (6%)

Chile exported juice is apple juice with a Brix value greater than or equal to 70 (HTS code 2009.7920), which, from 2012, is divided into two subcategories: organic apple juice with a Brix value greater than or equal at 70 (code 2009.7921) and other juice of apples (code 2009.7929) Brix value greater than or equal to 70.

According to background information provided by Foodnews, volumes in the next season are expected to remain stable. Prices continue to fall, as it has been observed during the last months, and there is nothing to indicate that they will recover in the short term. However, in general, they remain higher than average. The only thing that could change the situation described above is an increased on the demand from European markets, which would stabilize the current prices.

Export Trade Matrix

Country	Chile				
Commodity	Apple Juice, Concentrated				
Exports for:	2011		**2012**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	22,676	39,731	U.S.	19,585	38,535

Others			Others		
Canada	10,553	20,248	Germany	5,835	11,099
Japan	4,837	7,950	U.K.	5,079	10,538
Mexico	4,696	8,765	Mexico	5,306	10,226
Germany	4,289	8,476	Japan	4,827	9,375
U.K.	2,558	5,169	Canada	4,551	8,569
South Korea	2,288	4,598	Poland	3,607	6,729
Netherlands	1,112	2,281	South Korea	1,976	4,174
Poland	533	1,008	Netherlands	2,037	3,883
Spain	442	887	Spain	1,928	3,751
Argentina	438	700	Ireland	699	1,422
Total for Others	31,746			35,847	
Others not Listed	917			2,553	
Grand Total	**55,339**	**101,656**		57,984	113,553