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Chile

Planting Seeds

Annual

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Report Highlights:

Chile's planting seed production and exports fell slightly in 2000/01 and is expected to fall further this coming season. The primary market is the United States, which purchases close to 80 percent of Chile's corn seed exports.

Includes PSD changes: No
Includes Trade Matrix: No
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General

Chile has an excellent climate for the production of planting seeds, characterized by mild winters and warm dry summers. Moreover, since Chile's production is counter-seasonal with respect to the Northern Hemisphere, it has helped the country develop a successful commercial seed industry to supply those natural markets. Other important factors which have contributed to the expansion of Chilean seed production include the country's well-educated farmers, an ample supply of qualified low-cost labor, and a relatively disease and insect-free environment due to Chile's geographic isolation. Most large multinational seed companies are present in Chile, operating under contract with progressive domestic producers. These companies process seeds for domestic and export markets using their own company distribution channels.

Policy

General Agricultural Policy

Chile's open economy is oriented toward the private sector and 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. It does not require subsidies or government assistance and is a model for other industries to follow in developing the agricultural sector. Planting seeds are the only agricultural crop approved for the use of transgenic technology, but only for export.

Planting Seed Production Policy

The Government of Chile permits imports of genetically modified (GM) seeds for multiplication by the seed industry under a 1991 regulation. When seed companies request an import permit from the Servicio Agrícola y Ganadero (SAG) of the Ministry of Agriculture, they must provide SAG 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 importation. 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 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. Release of material must have been previously made in a foreign country, and marketing of transgenic seed in Chile is prohibited. All seed propagated from imported transgenic seed must be re-exported.

Plant Health

Chile follows the international phytosanitary regulations dictated by 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, others with a certificate

combined with specific treatment with fungicides and fumigants.

Seed Certification

There are no changes since our last report, CI1017.

Plant Variety Protection

Chile is a member of U.P.O.V. No changes since last report.

Variety Approval

No changes since last report in variety approval.

Tariffs

Seed imports, like almost all other products, are subject to Chile's uniform 7 percent ad valorem tariff rate, down from 8 percent last year. This rate will fall to its final level of 6 percent in January 2003. Additionally, an 18 percent value-added tax is charged to all consumer items, regardless of their origin.

Production

Chile is a major producer of hybrid corn seed, vegetable seeds and to a lesser extent forage seeds for export. Production is concentrated south of Santiago in Region VI. Although there are no official figures on Chile's total seed production, the Seed Producers' Association reports that total output of seeds fell slightly in 2000/01. The main fall was in corn seed production and export. Seed production in 2001/02 is expected to fall further as vegetable seed production is falling due to increasing labor costs observed in Chile the last few years. Additionally, due to a weaker world demand for seed, producers have reduced output, mainly of vegetable seeds. Over 60 percent of total seed production is normally exported.

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. Total seed exports fell from US\$147.9 million in 1999/00 to US\$145.4 million in 2000/01. Seed imports by Chile increased slightly again last year, from US\$23.7 million in 1999/00 to US\$24.9 million in 2000/01. 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 60 percent of total exports go to the United States, which is the primary market for corn seed.

The seed industry in Chile 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.

TABLE - CHILE: Total Seed Imports and Exports							
(July 2000 through June 2001)							
Exports				Imports			
2000/01				2000/01			
Field Crops				Field Crops			
Corn		Vol.	Val.	Corn		Vol.	Val.
	U.S.	40,392,412	52,839		U.S.	1,520,527	6,197
	France	6,715,450	8,903		Argentina	175,227	105
	Netherlands	1,429,659	2,334		France	168,211	816
	Canada	1,293,922	1,584		Canada	35,395	97
	Germany	287,656	428		Netherlands	14,053	130
	Tanzania	179,690	190		Germany	12,410	30
	Austria	143,877	244		China	1,600	16
	Jamaica	119,839	144		Hungary	578	4
	Japan	90,098	191		Japan	143	7
	Hungary	74,169	133		Spain	42	0
	Ecuador	54,000	11		Austria	36	1
	Spain	15,952	24		Israel	14	0
	Argentina	4,770	32		Other	190,681	2,234
	China	2,374	21		TOTAL	2,118,917	9,637
	N. Zealand	504	1				
	Peru	250	2				
	Bolivia	30	0				
	Paraguay	21	0				
	Mexico	0	23				
	TOTAL	50,804,673	67,104				
Sunflower				Sunflower			
	Argentina	3,629,227	5,147		Argentina	248,238	107
	U.S.	608,622	1,215		Netherlands	4,726	7
	France	157,088	613		U.S.	1,888	8
	Netherlands	28,305	90		France	1,171	3
	Spain	13,145	39		Spain	90	0
	Japan	13,083	252		Israel	12	2

	TOTAL	4,449,470	7,365		TOTAL	256,125	127
	Sugar beet				Sugar beet		
	Germany	96,941	381		France	70,738	1,871
	Belgium	72,907	219		Belgium	61,690	1,337
	Argentina	43,005	22		Denmark	14,941	682
	U.S.	2,500	11		Germany	6,576	293
	Sweden	207	10		U.S.	2,889	18
	Bolivia	4	0		Netherlands	114	16
	Hungary	0	0		Italy	2	0
	TOTAL	215,564	643		TOTAL	157,274	4,229
	Beans				Beans		
	Netherlands	1,113,783	1,604		U.S.	96,238	174
	Italy	346,994	424		Netherlands	12,440	21
	U.S.	276,189	450		China	8,000	24
	France	95,113	145		Italy	5,764	9
	Germany	59,815	134		France	5,209	12
	Japan	24,959	66		Germany	690	0
	Canada	250	0		Spain	63	5
	TOTAL	1,917,103	2,823		TOTAL	128,404	245
	Alfalfa				Alfalfa		
	Peru	43,300	199		U.S.	122,696	490
	Brazil	25,000	106		Australia	9,264	33
	Argentina	24,000	94		TOTAL	131,960	523
	TOTAL	116,300	474				
	Clover				Clover		
	Argentina	105,000	237		N. Zealand	134,115	291
	Uruguay	98,100	246		Australia	86,439	120
	Italy	69,875	76		Germany	20,000	30
	Peru	14,900	35		Argentina	18,000	52
	TOTAL	287,875	594		U.S.	1	2
					Other	12,500	34
					TOTAL	298,235	569

	Festuca				Festuca		
	Peru	6,500	13		U.S.	90,742	222
	TOTAL	6,500	13		Denmark	30,438	45
					N. Zealand	6,000	10
					TOTAL	140,080	303
					Bluegrass, Kentucky		
					U.S.	34,783	76
					Denmark	10,464	23
					TOTAL	45,247	99
	Rye grass				Rye grass		
	Peru	21,000	29		N. Zealand	1,323,937	1,437
	TOTAL	21,000	29		Netherlands	182,894	173
					U.S.	119,011	188
					Denmark	57,997	54
					Australia	10,000	7
					TOTAL	1,693,839	1,859
	Other Forages				Other Forages		
	Canada	362,649	784		U.S.	93,400	241
	Colombia	30,000	19		N. Zealand	72,143	153
	Peru	7,025	21		Canada	46,011	69
	France	2,430	3		Australia	21,450	59
	TOTAL	402,104	827		Netherlands	10,500	12
					Denmark	8,947	20
					Uruguay	5,000	12
					France	3,445	18
					TOTAL	260,896	584
	Flowers				Flowers		
	Japan	8,456	6,744		France	6,426	51
	U.S.	7,842	5,337		Spain	784	26
	Netherlands	5,162	3,468		U.S.	599	81
	Germany	4,192	894		Japan	55	48
	U.K.	933	450		Netherlands	25	31

	France	427	144		Germany	2	1
	Italy	107	122		U.K.	2	0
	Lebanon	48	154		N. Zealand	1	1
	Denmark	46	161		TOTAL	7,894	239
	Tajikistan	1	3				
	TOTAL	27,214	17,477				
	Vegetables				Vegetables		
	Tomato				Tomato		
	U.S.	46,039	3,342		U.S.	52,177	376
	Netherlands	8,233	785		Italy	18,870	6
	Italy	2,288	41		China	1,729	339
	Argentina	1,484	294		Ecuador	315	21
	Peru	1,320	173		France	188	293
	Bolivia	947	42		Israel	118	966
	Brazil	689	29		Netherlands	59	307
	Colombia	481	57		Spain	54	24
	Venezuela	399	14		Peru	34	23
	France	331	200		Thailand	24	8
	Ecuador	153	31		Philippines	21	14
	Denmark	136	2		Denmark	15	1
	Japan	79	22		Japan	10	5
	Central Africa	9	1		Germany	10	1
	Paraguay	6	1		Brazil	8	16
	TOTAL	62,594	5,034		Bolivia	4	3
					U.K.	2	0
					Other	2,856	102
					TOTAL	76,494	2,505
	Watermelons, Melons				Watermelons, Melons		
	U.S.	45,405	3,431		U.S.	3,349	390
	Brazil	6,673	1,102		France	1,852	2
	Netherlands	5,262	659		Peru	1,281	176
	Bolivia	1,862	33		China	944	136
	France	1,535	354		Ecuador	718	49
	Japan	1,043	145		Italy	250	3
	Argentina	815	53		Thailand	70	15

	Venezuela	699	122		Netherlands	12	15
	Colombia	464	29		Israel	9	2
	Paraguay	91	2		Taiwan	8	0
	Peru	73	34		Japan	7	0
	Denmark	60	1		Brazil	6	0
	Lebanon	34	6		Spain	5	0
	Ecuador	26	6		Germany	2	0
	Central Africa	23	0		Denmark	0	0
	Spain	4	2		TOTAL	8,513	788
	TOTAL	64,069	5,979				
	Other Vegetables				Other Vegetable		
	U.S.	543,041	17,861		U.S.	355,604	1,164
	Japan	398,856	7,037		Argentina	36,788	760
	Italy	115,958	601		Netherlands	11,725	305
	France	114,711	1,867		Peru	11,082	106
	Brazil	103,886	742		France	10,713	189
	Netherlands	96,504	5,711		N. Zealand	5,476	23
	So. Korea	27,140	337		Spain	2,553	55
	Argentina	22,311	318		Israel	2,496	80
	Venezuela	15,236	880		Italy	1,647	49
	Germany	8,770	184		Denmark	1,617	20
	Denmark	7,795	85		Japan	1,564	237
	Spain	5,891	843		China	368	42
	Ecuador	3,956	232		Mexico	230	41
	Peru	3,431	225		Germany	214	6
	Bolivia	1,714	45		Brazil	134	7
	Colombia	711	50		Australia	104	2
	U.K.	486	1		Thailand	90	5
	Uruguay	264	35		Bolivia	37	20
	Czech Rep.	96	1		So. Korea	31	3
	Central Africa	87	5		U.K.	25	9
	So. Africa	20	1		Switzerland	20	1
	Paraguay	18	1		Belgium	16	9
	TOTAL	1,470,882	37,062		Czech Rep.	14	0
					Taiwan	1	1
					Other	2,832	78

						TOTAL	445,381	3,212
	Note:							
		Volume figures are in Kg.						
		Value figures are in Thous. US Dollars						