



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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GAIN Report #CI1008

Chile

Grain and Feed

Wheat Harvest Prospects Worsen

2001

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Report Highlights:

Chile's wheat agency has downgraded its production forecast for 2000/2001 based on lower weather-related yields. Post continues to maintain our initial forecast.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Santiago [CI1008], CI

Recent reports from Chile's principal wheat growing areas indicate that the country's 2000/2001 (Dec-Nov) wheat harvest may be substantially lower than earlier projected. Nonetheless, it appears too early to lower Post's production forecast of 1.37 MMT, per GAIN Report CI0035 dated September 14, 2000.

The basis for the more pessimistic outlook is the unseasonably cold, wet weather in the southern production areas. Consequently, Chile's semi-autonomous wheat agency (COTRISA) has lowered its average yield estimate by 12 percent, from 0.385 mt/ha to 0.34. This results in a lower total production projection of 12.9 MMT versus the initial 14.6 MMT off planted area of 380,000 has. Crop quality is also an increasing concern due to weather. The harvest is reportedly 50 percent complete.

Supporting this outlook, COTRISA reports that domestic market prices are considerably higher than expected and it has not yet had to intervene. Mills are currently paying an estimated CH\$ 96,000 per metric ton (approx US\$170) C&F Santiago, still below the minimum import band price of \$179/mt.