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Chile

Tree Nuts Annual

Walnuts and Almonds Annual Report

Approved By:
Rachel Bickford, Agricultural Attaché

Prepared By:
Luis Hennicke, Agricultural Specialist

Report Highlights:
Almond and walnut production and exports are expected to increase this year mainly due to favorable weather conditions and new planted areas coming into production.

Executive Summary:

Chile's walnut and almonds production and exports in MY2013/14 are expected to increase over the previous year as planted area keeps expanding and new orchards are coming into production. For the outer years, output should continue to expand as a result of improved technologies, replacement of uprooted orchards with improved varieties and a significant increase in planted area.

Commodities:

Walnuts, Inshell Basis

Production:

Walnut production continues to expand but at a slower rate then in the last few years. This expansion is a result of a significant expansion in planted area with new crafted varieties, together with the replacement of old, low production orchards that originated with trees from seeds. Additionally, an increasing number of producers have adopted improved technologies like pruning and drip irrigation. An increasing use of a chemical called "retain" which prevents the blooms from aborting due to an excess of pollen, has eliminated the alternate bearing effect in walnut production. As a result, we can expect that walnut output will continue to increase steadily with few ups and downs due to an expansion of the new planted area which is coming into production. Although it is a bit too early for a good walnut output prediction, for 2013/14 the industry expects total production to be at the level of over 50,000 metric tons thanks to favorable winter weather conditions

Walnuts are planted from the Third Region (Copiapo) down to the Ninth Region (Temuco), with over 90 percent of the crop planted in the central areas, specifically Region Five (San Felipe-Los Andes), the Metropolitan Region (Santiago) and Region Six (Rancagua). Region IV (Ovalle area) has seen the biggest expansions in area planted during the last few years. Total planted area has doubled during the last 6 years, reaching a total of 30,000 hectares. The two main factors for the significant increase in planted area during the last 3 to 5 years has been a continuous deterioration in the profitability of alternative fruit crops and the good prices and economic returns obtained by walnut producers. An industry source indicated that total planted area of walnuts will keep increasing in the coming years mainly due to the labor shortage which is affecting the whole fruit production sector in Chile, but walnut production can be mechanized and a large number of producers are reportedly switching to walnuts after their table grape orchards are finishing their production cycle and need to be replanted.

Inputs

All commercial walnut orchards are planted on irrigated land. However, until now, only 60 percent of the planted area has modern irrigation systems. As a result, when there is not enough water supplied from wells, rivers and streams flowing from the Andes Mountains, water availability becomes an important factor limiting production, especially in Regions V and VI. The average orchard size is 10 to 15 hectares, which is double the size of orchards in France and half the size of orchards in the U.S.

Although a large percentage of Chilean walnut trees in production originate from seeds, budding and grafting of new and improved varieties like Serr and Chandler has increased in recent years. Industry sources report that there is still an estimated 30 percent of the total planted area that originated from seeds, but declining fast as producers have been replacing these orchards during the last few years.

Consumption:

As with most other Chilean fruits, domestic walnut consumption is a residual of the export market. If international prices are low, exports fall off and domestic consumption increases as the larger supply drives domestic prices down. However, domestic demand does not drive consumption or determine market prices.

Trade:

Walnut exports will reach another record volume in 2012/2013. The EU countries lead by Italy, Spain and Germany together with Turkey are Chile's main export market for walnuts they accounts for more than 60% of total exports. An increase of over 22 percent in volume and a 37 percent larger in value when compared to the previous year are expected for 2012/2013. Post predicts that as production continues to expand in the coming years total exports will expand as well.

Varying amounts of mostly shelled walnuts are being imported by the confectionary industry.

Stocks:

There is no trade or official statistics available on Chile's average stocks. However, exporters normally try not to carry over stocks.

Policy:

There are no specific Government policies regulating or benefiting tree nut production in Chile. The general import duty on walnuts is 6 percent except for countries with which Chile has signed trade agreements. As a result of the US-Chile Free Trade Agreement trade of walnuts between both countries face a zero duty.

Production, Supply and Demand Data Statistics:

Walnuts, Inshell Basis Chile	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Mar 2012		Market Year Begin: Mar 2013		Market Year Begin: Mar 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	28,000	0	29,000		30,000
Area Harvested	0	21,000	0	22,300		23,000
Bearing Trees	0	3,864	0	4,103		4,232
Non-Bearing Trees	0	1,288	0	1,233		1,288
Total Trees	0	5,152	0	5,336		5,520
Beginning Stocks	1,400	1,400	1,100	802		602
Production	40,000	38,500	46,000	48,000		53,500
Imports	900	439	500	300		200
Total Supply	42,300	40,339	47,600	49,102		54,302
Exports	36,500	35,037	42,000	43,500		48,500
Domestic Consumption	4,700	4,500	4,500	5,000		5,000
Ending Stocks	1,100	802	1,100	602		802
Total Distribution	42,300	40,339	47,600	49,102		54,302
HA, 1000 TREES, MT						

Export Trade Matrix

Country	Chile				
Commodity	Walnuts, In shell Basis				
Exports for:	2011		**2012**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	24	77	U.S.	60	291
Others			**Others**		
Turkey	10,029	43,157	Brazil	7,830	44,521
Brazil	6,512	36,024	Turkey	5,687	22,843
Italy	3,831	21,280	Italy	3,796	20,513
UA Emirates	3,225	16,724	Germany	3,225	20,471
Germany	3,091	20,000	So. Korea	2,701	16,253
Spain	1,819	10,589	Spain	2,063	12,128
Switzerland	991	6,843	Hong Kong	1,533	7,297
Russia	947	6,544	Venezuela	1,411	12,133
Netherlands	870	5,485	UA Emirates	1,071	6,175
Portugal	846	5,238	Switzerland	825	5,617
Total for Others	32,160			30,141	
Others not Listed	3,433			4,836	
Grand Total	**35,617**	**200,728**		**35,037**	**197,515**

Commodities:

Almonds, Shelled Basis

Production:

Unfavorable weather during the winter during the winter of CY 2012 affected the almond harvest. As a result, production did not expand as projected in 2012/2013. For 2013/2014 the industry expects almond production to expand again as weather during this last winter has been favorable for a good production. For the outer years total almond production is expected to continue to grow as producers continue to expand plantations, but at a smaller rate than other Tree Nuts like walnuts and hazelnuts.

Crop Area

Although almond trees are planted from Region IV (Ovalle) down to Region VIII (Chillan), over 80 percent of total planted area is in the central regions, specifically Region VI (Rancagua) and the Metropolitan Region (Santiago). The largest increases during recent years of new planted orchards are in Region IV (Ovalle) area, as was indicated by industry officials. Almonds are planted on irrigated land and average yields are estimated to be between 800 Kg to slightly over one metric ton per hectare. Industry sources report that although many producers are increasing their plantings, total planted area in Chile will most probably not exceed 15,000 hectares, as almonds compete with avocados and citrus for the best production areas. These crops have the same constraints: soil and weather (rainfall and frost).

New avocado and citrus (mainly tangerines) plantings have exploded during the last few years as a result of excellent economic returns.

Inputs

Nonpareil is the main variety planted, accounting for 48 percent of the total planted area. Other varieties like Carmel, Merced, Solano and Price are used mainly for pollination. Industry sources have indicated that an increasing number of producers are planting new varieties developed from varieties coming from Spain like Madera and Allinone.

Trade:

Most almonds exported are shelled and sent to markets where Chile has tariff preferences like Mexico, Argentina, Brazil, Colombia, Venezuela and the European Union (Spain, Italy and the Netherlands). Chile also imports almonds, mainly from the United States. Industry sources indicated that imports are mainly used by the confectionery industry and are of a smaller size than the ones produced in Chile.

Policy:

There are no specific Government policies regulating or benefiting almond production in Chile. The general import duty on almonds is 6 percent. However, as a result of the US-Chile Free Trade Agreement, US almonds enter Chile duty free.

Production, Supply and Demand Data Statistics:

Almonds, Shelled Basis Chile	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Dec 2011		Market Year Begin: Dec 2012		Market Year Begin: Dec 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	9,200	0	9,600		9,700
Area Harvested	0	6,624	0	7,000		7,100
Bearing Trees	0	2,356	0	2,490		2,526
Non-Bearing Trees	0	821	0	825		824
Total Trees	0	3,177	0	3,315		3,350
Beginning Stocks	400	400	900	821		971
Production	10,000	9,100	11,000	8,300		9,300
Imports	2,700	2,574	2,700	2,650		2,500
Total Supply	13,100	12,074	14,600	11,771		12,771
Exports	9,200	8,453	10,500	7,900		8,850
Domestic Consumption	3,000	2,800	3,100	2,900		2,900
Ending Stocks	900	821	1,000	971		1,021
Total Distribution	13,100	12,074	14,600	11,771		12,771
HA, 1000 TREES, MT						

Export Trade Matrix					
Country	Chile				
Commodity	Almonds, Shelled Basis				
Exports for:	**2012**		**2013**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	59	356	U.S.	120	918
Others			**Others**		
Brazil	2,278	14,196	Brazil	750	5,901

Argentina	1,533	9,470	Argentina	731	5,860
Venezuela	1,466	11,137	Mexico	446	3,808
Mexico	526	3,197	Venezuela	226	1,692
Colombia	497	3,035	Italy	176	1,445
Italy	343	2,137	Peru	154	1,279
Ecuador	290	1,867	Ecuador	150	1,205
UA Emirates	205	1,155	Colombia	135	1,117
Spain	180	890	Germany	129	999
Peru	148	957	Spain	112	887
Total for Others	7,464			3,010	
Others not Listed	792			564	
Grand Total	8,315	53,405		3,693	22,247
Note: 2013 data is from January through July only.					