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## **Chile**

### **Tree Nuts Annual**

#### **2019**

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**Report Highlights:**

Chile's almond production regions are facing severe droughts, which are likely to affect production in MY (marketing year) 2019/20. Post projects MY2019/20 Chilean almond exports to reach 7,700 MT (metric tons), a 9.4 percent decrease over the MY2018/19 estimate.

Chilean walnut exporters have diversified their export markets, resulting in an increase of export volume to Germany, Italy, Spain, the Netherlands, and the United Arab Emirates (UAE). Post estimates MY2018/19 exports to increase by 17.2 percent over MY2017/18 and reach 145,000 MT. For MY2019/20, Post projects Chilean walnut exports to increase moderately due to adverse climatic conditions and reach 151,500 MT.

**Commodities:**

Almonds, Shelled Basis

**Production:**

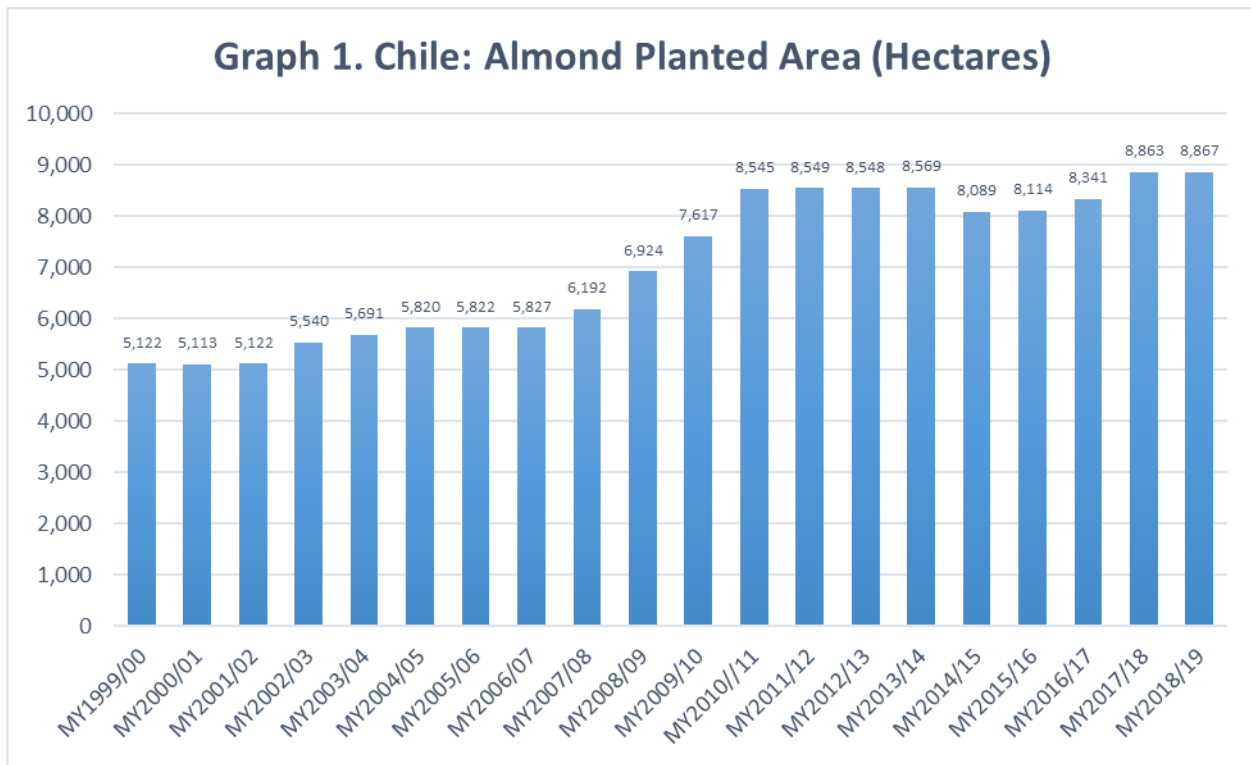
In MY2018/19, Chile's almond planted area reached 8,867 hectares (ha). Post projects planted area to remain at 8,800 ha in the following marketing years.

Almond planted area is in the central part of the country, specifically in the Metropolitan region and *O'Higgins* region, which together make up for 70 percent of the total planted area. There is also almond production in *Valparaiso* and *Coquimbo* regions. Almond orchards require very specific climatic conditions, which take place only in the central regions, thus limiting its expansion to the southern regions such as *Maule*, *Biobio*, *Ñuble* and *Araucania*, which are increasing planted area for fruit crops such as cherries and hazelnuts.

In MY 2018/19, climatic conditions were optimal for almond production with few rainfalls in the early spring and absence of frosting, which favored blooming and productivity, thus almond production totaled 9,500 MT.

However, in MY2019/20, rainfall and frosting in the early spring is likely to affect almond production since almond trees have an early bloom, compared to other fruit production trees. Additionally, Chile's almond production regions are facing droughts, and the Chilean Ministry of Agriculture has declared a state of agricultural emergency in five regions. Post projects almond production to decrease to 8,800 MT in MY2019/20.

**Graph 1. Chile: Almond Planted Area (Hectares)**



Source:

ODEPA/CIREN, 2019.

**Consumption:**

Domestic consumption of almonds represents a large share of the total almond supply. In MY2017/18, consumption reached 4,000 MT, which represents 33 percent of the total supply.

Post projects consumption of almonds to increase due to the growth of healthy consumption trends among Chilean population and use in the confectionary industry. The confectionary industry uses almonds as an ingredient to make chocolate, ice cream, and pastries. Post estimates almond consumption in MY2019/20 to reach 4,150 MT.

**Trade:**

Chilean almond exports in MY2017/18 increased by 38.1 percent in volume and 30.5 percent in value over MY2016/17 (see Table 1 and Table 2).

The top market for Chilean almond exports in MY2017/18 was Brazil. Chilean exports to Brazil increased by 74 percent and reached 1,798 MT. Argentina was the second largest export destination for Chilean almonds, but export volume decreased by 23 percent in MY2017/18 totaling 1,323 MT.

Chilean almond exports to Russia increased by 73 percent in volume in MY2017/18 and 280 percent in MY2018/19 (January to July data).

In MY2018/19, almond exports increased by 88.9 percent (January to July data). Marketing campaigns to promote Chilean almond exports have diversified export market destinations, opening opportunities in Russia and Turkey.

The United States remains the top supplier of almonds, with 99% of market share (see Table 3). Almond imports in MY2017/18 decreased by 4.8 in volume and increased by 8.5 in value percent over MY2016/17.

Post estimates MY2019/20 exports at 7,700 MT following the decrease in production due to adverse climatic conditions (see Table 4).

**Table 1: Chile Export Statistics**  
**Commodity: 080212, Almonds, Fresh Or Dried, Shelled**  
**Volume (MT)**

Partner Country	Marketing Year		Year To Date		
	MY2016/17	MY2017/18	Jan - July 2018	Jan - July 2019	%Change
World	5,540	7,651	2,925	5,524	88.9%
Brazil	1,036	1,798	512	1,057	106.4%
Argentina	1,718	1,323	558	454	-18.7%
Russia	716	1,238	549	2,088	280.3%
Italy	244	629	341	271	-20.5%
Ecuador	404	550	289	402	39.1%
Peru	177	445	204	293	43.6%
Uruguay	170	249	122	109	-10.7%
Germany	56	185	73	67	-8.2%
Colombia	208	179	69	97	40.6%
Mexico	89	131	1	36	3500.0%
Turkey	40	122	10	127	1170.0%
Austria	-	96	-	-	
Lithuania	48	94	38	44	15.8%
France	39	78	16	40	150.0%
Spain	160	83	6	6	0.0%
Others	435	452	137	433	217.1%

Source: Chile Customs - Servicio Nacional de Aduana

Note: In-Shell to shelled conversion rate = 0.6

**Table 2: Chile Export Statistics**  
**Commodity: 080212, Almonds, Fresh Or Dried, Shelled**  
**Value (United States Dollars)**

Partner Country	Marketing Year			Year To Date	
	MY2016/17	MY2017/18	Jan - July 2018	Jan - July 2019	%Change
World	\$ 42,460,900.00	\$ 58,396,313.00	\$23,773,987.00	\$ 39,383,819.00	66%
Brazil	\$ 8,012,985.00	\$ 13,098,243.00	\$ 4,013,319.00	\$ 7,323,807.00	82%
Argentina	\$ 12,935,470.00	\$ 10,133,179.00	\$ 4,315,185.00	\$ 3,146,220.00	-27%
Russia	\$ 5,724,351.00	\$ 9,612,760.00	\$ 4,553,992.00	\$ 14,844,329.00	226%
Italy	\$ 1,910,940.00	\$ 4,957,379.00	\$ 2,892,194.00	\$ 2,019,627.00	-30%
Ecuador	\$ 3,191,321.00	\$ 4,200,982.00	\$ 2,285,930.00	\$ 2,813,618.00	23%
Peru	\$ 1,362,381.00	\$ 3,510,753.00	\$ 1,672,897.00	\$ 2,108,541.00	26%
Uruguay	\$ 1,297,919.00	\$ 1,846,878.00	\$ 976,119.00	\$ 787,284.00	-19%
Germany	\$ 483,092.00	\$ 1,495,030.00	\$ 665,395.00	\$ 526,802.00	-21%
Colombia	\$ 1,550,617.00	\$ 1,348,760.00	\$ 564,480.00	\$ 684,993.00	21%
Mexico	\$ 417,319.00	\$ 926,293.00	\$ 7,157.00	\$ 252,239.00	3424%
Austria	\$ -	\$ 839,297.00	\$ -	\$ -	
Lithuania	\$ 381,075.00	\$ 790,984.00	\$ 338,975.00	\$ 328,399.00	-3%
Turkey	\$ 351,050.00	\$ 738,522.00	\$ 86,631.00	\$ 914,726.00	956%
Paraguay	\$ 570,435.00	\$ 670,850.00	\$ 206,500.00	\$ 133,192.00	-36%
France	\$ 324,785.00	\$ 623,449.00	\$ 151,815.00	\$ 316,600.00	109%
Others	\$ 3,947,160.00	\$ 3,602,954.00	\$ 1,043,398.00	\$ 3,183,442.00	205%

Source: Chile Customs - Servicio Nacional de Aduana

**Table 3: Chile Import Statistics**  
**Commodity: 080212, Almonds, Fresh Or Dried, Shelled**

Quantity (MT)					
Partner Country	Marketing Year		Year To Date		
	MY2016/17	MY2017/18	Jan - July 2018	Jan - July 2019	%Change
World	2,906	3,044	1,790	1,312	-26.7%
United States	2,892	3,018	1,779	1,298	-27.0%
Spain	10	23	10	14	40.0%
China	3	1	1	-	-100.0%
Italy	-	1	-	-	
Others	1	1	-	-	

United States Dollars					
Partner Country	Marketing Year		Year To Date		
	MY2016/17	MY2017/18	Jan - July 2018	Jan - July 2019	%Change
World	\$ 17,413,614.00	\$ 18,884,594.00	\$ 10,813,939.00	\$ 8,715,587.00	-19%
United States	\$ 17,312,632.00	\$ 18,693,524.00	\$ 10,724,965.00	\$ 8,603,225.00	-20%
Spain	\$ 72,338.00	\$ 169,264.00	\$ 75,814.00	\$ 109,098.00	44%
Italy	\$ 7,010.00	\$ 8,646.00	\$ -	\$ 3,211.00	
China	\$ 21,160.00	\$ 7,752.00	\$ 7,752.00	\$ -	-100%
Others	\$ 474.00	\$ 5,408.00	\$ 5,408.00	\$ 53.00	-99%

Source: Chile Customs - Servicio Nacional de Aduana

Note: In-Shell to shelled conversion rate = 0.6

**Table 4. Production, Supply and Demand Data Statistics:**

Almonds, Shelled Basis Market Begin Year Chile	2017/2018		2018/2019		2019/2020	
	Jan 2017		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	8863	0	8867	0	8870
Area Harvested	0	8600	0	8605	0	8600
Bearing Trees	0	4300	0	4300	0	4300
Non-Bearing Trees	0	130	0	130	0	130
Total Trees	0	4430	0	4430	0	4430
Beginning Stocks	500	500	500	393	0	400
Production	7500	8500	7500	9600	0	8800
Imports	2900	3044	3500	3007	0	3100
Total Supply	10900	12044	11500	13000	0	12300
Exports	5700	7651	5500	8500	0	7700
Domestic Consumption	4700	4000	5500	4100	0	4150
Ending Stocks	500	393	500	400	0	450
Total Distribution	10900	12044	11500	13000	0	12300

(HA) ,(1000 TREES) ,(MT)

Source: Post estimations

Note: In-Shell to shelled conversion rate = 0.6

**Commodities:**

Walnuts, Inshell Basis

**Production:**

Walnuts are one of the most planted fruit crops in Chile since profits obtained by the producers and exporters have been high in the past, and the demand for Chilean walnuts has expanded with the opening of new export destinations. Planting area growth is increasing at rate of 1,500 ha per year and reached 45,000 ha in MY2018/19.

The majority of walnut planted area is located in the Metropolitan region, which holds 37 percent of the total planted area in Chile and *Valparaiso* region, which holds 18 percent. The planted area has expanded to the southern regions of *O'Higgins*, which holds 17 percent of the planted area and *Maule*, which holds 13 percent of the total planted area in Chile.

In MY2017/18, production reached 150,000 MT. In MY2019/20, production is likely to face adverse climatic conditions: rainfall and chilling temperatures during the spring, and droughts taking place in the Metropolitan and *O'Higgins* regions. Despite adverse climatic conditions, Post project production to increase by 3.3 percent and total 155,000 MT due to the increasing trend in planted area and as new orchards become productive.

**Consumption:**

Domestic consumption of walnuts represents a small share (two percent) of the walnut production.

Chileans consume walnuts as a snack and the confectionary industry uses it as an ingredient to make chocolates and pastries. Post estimates MY2019/20 consumption at 3,300 MT.

**Trade:**

In MY2017/18 walnut exports reached 123,731 MT, which represented a 5.9 percent increase over the previous MY (see Table 5). Exported value decreased by 5.3 percent due to a decrease in average export prices (see Table 6). Post sources confirmed that walnut prices have decreased, which has ultimately resulted in lower profits.

The Chilean walnut exporting associations and the Chilean government have invested in marketing campaigns to promote Chilean walnuts exports in order to increase overseas demand and open new market destinations such as China or India. Chilean walnut exporters seek to diversify their markets and reach new destinations to receive the highest possible price.

Marketing strategies yielded results and diversified export destinations, reducing dependency from the main market, Turkey, and increasing exports to Germany, Italy, Spain, the Netherlands and United Arab Emirates (UAE). The fastest growing markets for Chilean walnut exports are China, the United Kingdom (UK), and the UAE.



Turkey is the top market destination for Chilean walnuts. In MY2017/18 Chile exported 23,945 MT to that market, which represented 19.7 percent of total Chilean walnut exports. Germany is the second top market for Chilean walnuts and imported 14.5 percent of Chilean walnuts in MY2017/18 while Italy imported 8.5 percent.

In MY2018/19 (January to July data) exports increased by 44 percent in volume and six percent in value over MY2017/18, which confirms the decreasing trend in average exports prices. Chilean walnut exporters face an increasingly large world supply of walnuts and competition in export markets, which pushes prices down, especially for low caliber fruit.

Post estimates MY2018/19 walnut exports to increase by 17.2 percent over MY2017/18 and reach 145,000 MT, following the increase in production. In MY2019/20, Post projects Chilean walnut exports to reach 151,500 MT following the increase in planted area, but considering a lower average productivity because of droughts and climatic conditions during the spring (see Table 7).

<b>Table 5: Chile Export Statistics</b>					
<b>Commodity: 080231, Walnuts, Fresh Or Dried, In Shell</b>					
<b>Quantity</b>					
<b>Partner Country</b>	<b>Marketing Year</b>		<b>Year To Date</b>		
	<b>MY2016/17</b>	<b>MY2017/18</b>	<b>Jan - July 2018</b>	<b>Jan - July 2019</b>	<b>%Change</b>
World	116,821	123,731	64,114	92,149	44%
Turkey	28,756	23,945	18,448	18,199	-1%
Germany	17,636	17,877	6,019	7,704	28%
Italy	12,119	10,508	6,250	9,869	58%
Brazil	8,060	8,471	3,066	3,466	13%
United Arab Emirates	8,462	7,742	5,431	14,464	166%
India	5,072	6,788	3,962	2,783	-30%
Spain	5,614	6,249	3,061	4,245	39%
Netherlands	3,914	4,570	1,936	1,649	-15%
Morocco	2,631	4,189	3,135	4,434	41%
France	4,264	2,587	672	1,330	98%
Russia	2,248	2,329	939	2,146	129%
Ecuador	1,807	2,264	995	1,157	16%
China	595	2,237	448	2,599	480%
Switzerland	1,465	1,991	824	842	2%
Portugal	1,390	1,924	425	477	12%
Austria	1,175	1,711	636	521	-18%
United Kingdom	755	1,688	445	2,110	374%
Belgium	1,314	1,659	691	810	17%
Vietnam	345	1,564	1,058	2,565	142%
Israel	419	1,184	271	1,002	269%
Others	108,041	111,479	58,714	82,372	40%

Source: Chile Customs - Servicio Nacional de Aduana

Note: Shelled to in-shell conversion rate = 2.34

Table 6: Chile Export Statistics					
Commodity: 080231, Walnuts, Fresh Or Dried, In Shell					
Value (United States Dollars)					
Partner Country	Marketing Year		Year To Date		
	MY2016/17	MY2017/18	Jan - July 2018	Jan - July 2019	%Change
World	\$ 460,892,845	\$ 436,488,970	\$ 241,141,044	\$ 255,731,942	6%
Turkey	\$ 93,725,686	\$ 75,009,544	\$ 60,240,727	\$ 44,641,915	-26%
Germany	\$ 75,634,627	\$ 65,947,705	\$ 24,135,269	\$ 23,374,478	-3%
Italy	\$ 51,075,453	\$ 39,588,349	\$ 25,096,945	\$ 29,837,346	19%
Brazil	\$ 32,756,142	\$ 27,491,145	\$ 11,821,615	\$ 7,895,192	-33%
United Arab Emirates	\$ 35,229,921	\$ 26,207,098	\$ 19,706,699	\$ 39,518,430	101%
India	\$ 19,532,612	\$ 24,540,919	\$ 15,336,795	\$ 8,137,806	-47%
Spain	\$ 24,609,989	\$ 23,526,165	\$ 12,305,145	\$ 13,417,820	9%
Netherlands	\$ 17,709,312	\$ 16,475,939	\$ 8,271,212	\$ 4,970,261	-40%
Morocco	\$ 9,029,972	\$ 14,562,663	\$ 11,441,889	\$ 12,363,892	8%
Russia	\$ 11,412,047	\$ 10,131,152	\$ 4,656,709	\$ 7,155,139	54%
Switzerland	\$ 7,110,704	\$ 9,831,309	\$ 4,161,006	\$ 3,491,214	-16%
France	\$ 16,446,656	\$ 9,659,579	\$ 3,252,843	\$ 3,446,481	6%
Ecuador	\$ 6,521,829	\$ 7,469,286	\$ 3,754,929	\$ 3,041,907	-19%
China	\$ 2,303,206	\$ 7,354,742	\$ 1,628,221	\$ 7,323,642	350%
Belgium	\$ 8,196,453	\$ 6,631,945	\$ 3,076,704	\$ 2,112,719	-31%
Austria	\$ 4,200,246	\$ 6,400,730	\$ 2,531,776	\$ 1,738,737	-31%
Portugal	\$ 5,453,555	\$ 5,815,427	\$ 1,658,793	\$ 1,356,217	-18%
United Kingdom	\$ 3,127,404	\$ 5,761,554	\$ 1,814,435	\$ 5,511,867	204%
Vietnam	\$ 1,306,377	\$ 5,185,092	\$ 3,648,969	\$ 6,516,071	79%
Others	\$ 35,510,654	\$ 48,898,627	\$ 22,600,363	\$ 29,880,808	32%

Source: Chile Customs - Servicio Nacional de Aduana

Note: Shelled to in-shell conversion rate = 2.34

## Policy:

According to Minister of Agriculture, Antonio Walker, [India eliminated the requirement of methyl bromide fumigation for Chilean walnuts](#), avocados, and blueberries, allowing the use of Phosphine, which will facilitate exports to that country. For further information, see policy section in [Chile Tree Nuts Annual GAIN report 2018](#).

**Table 7. Production, Supply and Demand Data Statistics:**

Walnuts, Inshell Basis Market Begin Year Chile	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	43000	0	45000	0	46500
Area Harvested	0	33000	0	37777	0	39036
Bearing Trees	0	5500	0	6270	0	6500
Non-Bearing Trees	0	1660	0	1840	0	1950
Total Trees	0	7160	0	8110	0	8450
Beginning Stocks	400	400	400	694	0	2594
Production	97500	127000	120000	150000	0	155000
Imports	25	25	100	100	0	100
Total Supply	97925	127425	120500	150794	0	157694
Exports	95000	123731	110000	145000	0	151500
Domestic Consumption	2525	3000	6000	3200	0	3300
Ending Stocks	400	694	4500	2594	0	2894
Total Distribution	97925	127425	120500	150794	0	157694

(HA) ,(1000 TREES) ,(MT)

Source: Post estimations

Note: Shelled to In-shell conversion rate = 2.34