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Chile

Fresh Deciduous Fruit

Semi - Annual

2007

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Report Highlights:

Chile's production forecasts for apples calls for a small expansion. However, grapes and pear production is expected to fall as a result of adverse weather conditions in most growing areas.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

Due to good weather in most growing areas apple production is slightly up for MY2007 (Jan-Dec 2007), when compared to last year. Table grape production will fall slightly mainly as a result of off-season rain in some growing areas and pear production will also fall due to unfavorable weather conditions for pear production together with a significant fall in planted area.

Production General

Total Chilean fruit exports are expected to continue to grow in 2007; but there are some important factors that will continue to affect economic returns of grapes, apples and pears. The most important factor is the exchange rate. In general, prices for exported fruit have not varied much in dollar terms, but during the last three years the Chilean peso has gone through a significant revaluation process. The exchange rate for the peso has fallen from 740 Chilean pesos to only 520 pesos to the dollar. Another factor is labor costs, which have been increasing in peso terms. A new law was approved reducing the weekly workweek from 48 hours to 45-hours. This is an important factor for the labor-intensive fruit industry in Chile. In the case of table grape production, labor represents 70 percent of total costs. Increasing energy costs is also a big concern for fruit producers. Consequently, industry sources have indicated that significant changes in new plantings and production in the coming years are not expected, at least for apples, table grapes and pears.

Fresh Apples

Production

Excellent weather conditions in most growing areas for apples during the Chilean spring (Sept-Oct 2006) had a positive effect on production, both in terms of volume and quality when compared with the previous year. As a result of a larger output, exports are also expected to be slightly larger in MY2007.

Consumption

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

Trade

A lower production in Europe and the United States together with slightly larger output will expand exports again in 2007.

PSD Table									
Country	Chile								
Commodity	Apples, Fresh						(HA)(1000 TREES)(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Area Planted	35900	35900	35900	35900	35900	35900	0	35900	35900
Area Harvested	30800	30800	30800	31000	31000	31000	0	32000	32000
Bearing Trees	12800	12800	12800	13950	13950	13950	0	14400	14400
Non-Bearing Trees	2200	2200	2200	2230	2230	2230	0	1780	1780
Total Trees	15000	15000	15000	16180	16180	16180	0	16180	16180
Commercial Production	1110000	1110000	1110000	1200000	1207000	1230000	0	1220000	1240000
Non-Comm. Production	10000	10000	10000	10000	10000	10000	0	10000	10000
Production	1120000	1120000	1120000	1210000	1217000	1240000	0	1230000	1250000
Imports	0	0	0	0	0	66	0	0	50
Total Supply	1120000	1120000	1120000	1210000	1217000	1240066	0	1230000	1250050
Fresh Dom. Consumption	113406	113114	113114	118100	114000	90458	0	115000	105050
Exports, Fresh	639079	639371	639371	703000	710000	725108	0	720000	750000
For Processing	367515	367515	367515	388900	393000	424500	0	395000	395000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1120000	1120000	1120000	1210000	1217000	1240066	0	1230000	1250050

Export Trade Matrix			
Country	Chile		
Commodity	Apples, Fresh		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	57201	U.S.	84083
Others		Others	
Netherlands	80977	Netherlands	75945
Saudi Arabia	47885	Saudi Arabia	55797
Ecuador	42835	Colombia	48103
Colombia	41806	Taiwan	41557
Spain	38886	Ecuador	40839
Taiwan	34470	U.K.	35842
Russia	33645	Venezuela	34891
U.K.	29544	Spain	33175
Peru	25681	Peru	28276
Venezuela	25384	Mexico	23103
Total for Others	401113		417528
Others not Listed	181057		223497
Grand Total	639371		725108

Fresh Table Grapes

Production

As a result of unfavorable weather conditions in some growing areas, output in MY2007 (Jan-Dec 2007) is expected to be slightly smaller than the previous year. Un expected rain in the month of February, is expected to affect total output.

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 generally accounts for about 10 percent of total output, while processing accounts for another 30 percent.

Trade

A smaller output together with lower quality production of the rain affected areas will also be noticed in the total table grape exports.

PSD Table									
Country	Chile								
Commodity	Grapes, Table, Fresh						(HA)(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Area Planted	47720	47720	47720	47727	47727	47727	0	48500	48500
Area Harvested	42200	42200	42200	42400	42400	42400	0	43000	43000
Commercial Production	1100000	1100000	1100000	1140000	1155000	1185000	0	1158000	1158000
Non-Comm. Production	5000	5000	5000	5000	5000	5000	0	5000	5000
Production	1105000	1105000	1105000	1145000	1160000	1190000	0	1163000	1163000
Imports	50	0	0	50	31	31	0	50	50
Total Supply	1105050	1105000	1105000	1145050	1160031	1190031	0	1163050	1163050
Fresh Dom. Consumption	125000	120000	120000	115000	110000	120000	0	110000	103050
Exports, Fresh	730000	738469	738469	774900	810000	823247	0	813000	815000
For Processing	250050	246531	246531	255150	240031	246784	0	240050	245000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1105050	1105000	1105000	1145050	1160031	1190031	0	1163050	1163050

Export Trade Matrix			
Country	Chile		
Commodity	Grapes, Table, Fresh		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	435234	U.S.	482275
Others		Others	
Netherlands	65717	Netherlands	67397
U.K.	50026	U.K.	63064
Mexico	26120	Mexico	30109
Russia	25716	Hong-Kong	20216
Hong-Kong	19703	Russia	17401
Spain	15961	So. Korea	15310
So. Korea	11156	Spain	14677
Taiwan	8931	Taiwan	10501
Japan	8063	Japan	7234
Germany	7033	Ecuador	6791
Total for Others	238426		252700
Others not Listed	64809		88272
Grand Total	738469		823247

Fresh Pears

Production

A significant reduction in total planted area is the main reason for the fall observed in total pear production. Additionally, unfavorable weather conditions in some growing areas contributes also in a lower than previously forecasted production level.

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

A smaller production is expected to result also in a fall of exports.

PSD Table									
Country	Chile								
Commodity	Pears, Fresh						(HA)(1000 TREES)(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Area Planted	9950	9950	9950	9850	8800	9850	0	6556	6556
Area Harvested	9080	9080	9080	9000	8500	9000	0	6500	6500
Bearing Trees	4830	4830	4830	5049	4224	5049	0	3230	3230
Non-Bearing Trees	115	115	115	110	100	110	0	19	19
Total Trees	4945	4945	4945	5159	4324	5159	0	3249	3249
Commercial Production	255000	255000	255000	255000	255000	255000	0	255000	250000
Non-Comm. Production	2000	2000	2000	2000	2000	2000	0	2000	2000
Production	257000	257000	257000	257000	257000	257000	0	257000	252000
Imports	0	0	0	0	0	0	0	0	0
Total Supply	257000	257000	257000	257000	257000	257000	0	257000	252000
Fresh Dom. Consumption	71000	71000	71000	72000	74500	74500	0	75000	75000
Exports, Fresh	126754	126779	126779	125000	120500	120370	0	118000	115000
For Processing	59246	59221	59221	60000	62000	62130	0	64000	62000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	257000	257000	257000	257000	257000	257000	0	257000	252000

Export Trade Matrix			
Country	Chile		
Commodity	Pears, Fresh		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	22684	U.S.	27612
Others		Others	
Netherlands	22099	Netherlands	19796
Italy	11199	Italy	9621
Colombia	9836	Colombia	9226
Spain	7256	Venezuela	8215
Peru	6549	Peru	5823
Ecuador	6341	Ecuador	5261
Venezuela	5822	Spain	5092
Germany	4385	Germany	3902
Russia	3529	Russia	2792
Saudi Arabia	2445	France	2730
Total for Others	79461		72458
Others not Listed	24634		20300
Grand Total	126779		120370

Concentrated Apple Juice

Production

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand. Although the apple juice industry mainly processes export rejects, the AJC industry has been encouraging farmers to increase production of sour-type apples, as well as to expand new plantings of apple varieties mainly for juice purposes.

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

The United States is Chile's largest AJC export market, accounting for over 80 percent of total export sales. Other markets of increasing importance are Japan, Mexico and Canada. Latin American export markets also are growing fast. Levels of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets against other suppliers such as China.

PSD Table									
Country	Chile								
Commodity	Apple Juice, Concentrated						(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Deliv. To Processors	367515	367515	367515	388900	393000	388900	0	395000	395000
Beginning Stocks	4429	4429	4429	229	164	229	529	196	419
Production	55400	56000	55400	58000	61500	67000	0	62000	62300
Imports	0	37	0	0	32	0	0	0	0
Total Supply	59829	60466	59829	58229	61696	67229	529	62196	62719
Exports	59000	59802	59000	57100	61000	66210	0	61500	62000
Domestic Consumption	600	500	600	600	500	600	0	500	500
Ending Stocks	229	164	229	529	196	419	0	196	219
Total Distribution	59829	60466	59829	58229	61696	67229	0	62196	62719

Export Trade Matrix			
Country	Chile		
Commodity	Apple Juice, Concentrated		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	47962	U.S.	54175
Others		Others	
Japan	7967	Japan	5268
Mexico	1644	Canada	3272
Canada	1294	Mexico	1615
So. Korea	255	Puerto Rico	650
Costa Rica	122	So. Korea	323
Peru	92	Costa Rica	177
Jamaica	81	Dominican Rep.	131
Dominican Rep.	77	U.K.	118
Ecuador	64	Peru	118
U.K.	43	France	80
Total for Others	11639		11752
Others not Listed	201		283
Grand Total	59802		66210