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Chile

Fresh Deciduous Fruit

Annual

2003

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Report Highlights:

Chile's production forecasts of fresh apples, apple juice, pears and table grapes are up in spite of abnormal weather conditions.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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General Summary

The industry forecasts a production increase for apples, apple juice and pears in MY2002 (Jan-Dec 2003) in spite of unfavorable weather. Table grape production, total output is forecasted to stay at similar levels to year.

Apple and pear exports are also forecasted to rise in response to the increase in production. No major changes in exports of apple juice and grapes are expected.

Fresh Apples

Production

Chile's total apple production for Marketing Year (MY) 2001 (Jan-Dec 2002) were similar to the previous year. Crop quality was reportedly lower, nevertheless exports expanded due to a strong export demand, mainly from Latin American countries which regularly accepts lower quality apples. Although it is still early to predict the effect of bad weather this spring season on production volume and quality, industry officials have indicated that they expect an overall larger output of average quality for MY2002 (Jan-Dec 2003).

Producers continue to diversify their orchards by planting new and more popular varieties, i.e., Fuji, Gala, Jonathan, Braeburn, Pink Lady and Galaxies. Traditional varieties, such as Red Delicious and its variations, i.e., Richard Red, Starking, etc., are being uprooted and replanted with these newer varieties. Red apple varieties still constitute about 70 percent of total output and are grown mainly for the European and the Middle Eastern markets. The principal green variety, Granny Smith, is used both for fresh export (mainly Europe and the United States) as well as for concentrated apple juice production.

Crop Area

Although some growers, mainly in Regions VII (Curico-Talca) and VIII (Chillan), continue to replace and increase their planting densities other areas are uprooting old orchards. As a result total planted area has leveled off, according to the Fresh Fruit Producers Association. Low prices over the past few years have also forced many marginal producers to uproot their orchards.

Consumption

Since there are no official domestic consumption statistics for apples, figures are estimated as a residual of production and exports. Because the residual figure includes apples for fresh domestic consumption and for processing, there is an apparent large variation in domestic fresh consumption in the PS&D tables from year to year.

Trade

For MY2001, the latest forecast is for a significant increase in exports when compared to both, our previous estimates and last years exports. Strong demand, due to lower stocks at the end of the season in Europe together with increased demand for lower quality apples in Latin American markets explains, the significant increase in exports during this period. The U.S. is Chile's largest single export market for apples, up from 6 percent in 1997 to 12 percent in 2002.

Red apple varieties account for about two-thirds of exports, but sweet/sour varieties are increasing their share. Chile's traditional varieties are losing ground. This trend is becoming more evident every year. Production and exports of new varieties, like Fuji, are increasing significantly.

Trade statistics show no imports of apples during CY2002. The devaluation of the Chilean peso and an economic slowdown are blamed for the lack of an import market.

Policy General

Chile’s fruit sector has a voluntary export quality program for apples, table grapes, stone fruit and kiwis shipped to the United States and Europe. Nearly 80 percent of Chile's exports to these two markets are under the auspices of this quality program. The minimum standards are voluntary, and this year they will be similar to those of last year. Growers and Exporters have agreed to limit the quality control only to fruit maturity. There are no requirements related to the size of the fruit or to the volumes exported.

Marketing General

Although Chile is a major producer of table grapes, apples and pears, there are some opportunities for imports, particularly when domestic supplies are low or non-existent in the off-season. A major constraint on demand is price. Consumers are accustomed to low prices for in-season apples. In general, the market for U.S. fresh fruit is limited by the small portion of Chileans who are willing to pay for higher-priced, off-season fruit only about 10 percent of the population.

On the export side, contractual arrangements between producers and exporters vary according to the exporting company. A large portion of Chilean fruit is shipped on a consignment basis. After the exporter sells the fruit in a given market, all marketing and transportation costs are deducted from the sale price. The remaining amount is given to the farmer so that he/she can pay his/her production costs and determine his own profit. Some producers receive a guaranteed minimum price for their fruit from the exporters. In general, some financing is provided to producers during the growing season, which is then deducted from grower receipts at the end of the season.

A generic promotional campaign in the U.S. , Japan and the European Community for all fruits is co-financed by producers and exporters, with Pro-Chile. Approximately 3 to 5 cents of every box shipped to these markets are destined for this purpose. Written media, TV and radio campaigns are used in the United States.

PS&D Table - Fresh Apples

PSD Table						
Country	Chile					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	35400	35400	35090	35090	0	35000
Area Harvested	33400	33400	30177	30177	0	30200
Bearing Trees	12459	12459	12490	12490	0	12500
Non-Bearing Trees	2192	2192	2033	2033	0	1985
Total Trees	14651	14651	14523	14523	0	14485
Commercial Production	990000	990000	950000	1000000	0	1050000
Non-Comm. Production	10000	10000	10000	10000	0	10000
TOTAL Production	1000000	1000000	960000	1010000	0	1060000
TOTAL Imports	60	60	60	0	0	0
TOTAL SUPPLY	1000060	1000060	960060	1010000	0	1060000
Domestic Fresh Consump	115000	90000	120000	110000	0	130000
Exports, Fresh Only	541000	540516	500000	569000	0	590000
For Processing	344060	369544	340060	331000	0	340000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	1000060	1000060	960060	1010000	0	1060000

Export Trade Matrix - Fresh Apples

(Year 2002 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2001		2002
U.S.	61422	U.S.	63117
Others		Others	
Netherlands	57368	Netherlands	59450
Saudi Arabia	45805	Saudi Arabia	41310
Colombia	45432	Colombia	40773
Venezuela	37556	Mexico	37191
Ecuador	35787	Ecuador	33528
Peru	31991	Spain	32158
Spain	28242	U.K.	24770
U.K.	27608	Peru	22735
Mexico	25985	Venezuela	21684
Brazil	19746	Italy	16795
Total for Others	355520		330394
Others not Listed	123574		139994
Grand Total	540516		533505

Import Trade Matrix - Fresh Apples

(Year 2002 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2001		2002
U.S.	60	U.S.	0
Others		Others	
Total for Others	0		0
Others not Listed	0		0
Grand Total	60		0

Fresh Table Grapes

Production

Good weather for grape production in most areas resulted in an increase in output of table grapes in MY2002 (Jan-Dec 2002). A slightly larger production is forecasted for MY2003 in spite of colder and wet weather again during this spring season.

Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier account for the bulk of production. The Red Globe and Superior Seedless varieties have increased significantly in the last few years, as most replanting has been with these varieties. Table Grapes are planted from Region III (Copiapo) to Region VII (Curico-Talca).

Crop Area

Planted area to table grapes has apparently leveled off. Only small increases have been reported during the last few years. Some of the aging vineyards are being planted with the above mentioned new varieties which better address market demand.

Since planted area is not expected to increase, in the coming years, variations in grape output will be a function of changing yields, due to climatic variations, and newly-planted areas reaching mature stages of production. Table grape vines in Chile provide mature yield levels between 7 and 17 years after planting.

Consumption

There are no statistics on fresh table grape consumption. A residual figure is used to determine fresh consumption and utilization for processing.

Trade

The volume of table grape exports is expected to expand beyond production in MY2002 due to strong foreign demand, based on the good quality of the produce. Another expansion is expected in MY2003, as a result of a forecasted increase in production. Although Chile has imported limited amounts of table grapes during the winter months in the past, these are not expected to grow in the coming years due to the devaluation of the Chilean peso and the economic slowdown which has affected disposable income.

PS&D Table - Fresh Table Grapes

PSD Table						
Country	Chile					
Commodity	Fresh Table Grapes				(HA)(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	44000	44000	45383	45383	0	45420
Area Harvested	39500	39500	40700	40700	0	40750
Commercial Production	950000	950000	992000	997000	0	1005000
Non-Comm. Production	5000	5000	5000	5000	0	5000
TOTAL Production	955000	955000	997000	1002000	0	1010000
TOTAL Imports	12	12	12	12	0	12
TOTAL SUPPLY	955012	955012	997012	1002012	0	1010012
Domestic Fresh Consump	100000	100000	99000	99000	0	100012
Exports, Fresh Only	545000	545018	595000	625000	0	620000
For Processing	310012	309994	303012	278012	0	290000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	955012	955012	997012	1002012	0	1010012

Export Trade Matrix - Fresh Table Grapes

(Year 2002 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2001		2002
U.S.	319105	U.S.	355039
Others		Others	
Netherlands	40942	Netherlands	40600
Mexico	32842	Mexico	38888
U.K.	31204	U.K.	34584
China	26881	China	23962
Peru	15973	Ecuador	9923
Japan	7966	Japan	8738
Venezuela	7476	Spain	7134
So. Korea	6428	Brazil	6679
Brazil	6060	Taiwan	6159
Spain	4189	So.Korea	5769
Total for Others	179961		182436
Others not Listed	45952		62567
Grand Total	545018		600042

Import Trade Matrix - Fresh Table Grapes

(Year 2002 data are for January - October only)

Import Trade Matrix			
Country	Chile		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2001		2002
U.S.	12	U.S.	12

Others		Others	
Total for Others	0		0
Others not Listed	0		0
Grand Total	12		12

Fresh Pears

Production

For Marketing Year (MY) 2001 (Jan-Dec 2002) total pear production is expected to be smaller than last year, due to adverse weather in most growing areas. Industry sources indicate that certain pear production areas were adversely affected by cold weather, wind, and rain while the trees were in blossom. Spring weather this year was cold and cloudy again, but it is still early to predict the effect this will have on the volume and quality of production. Nevertheless, industry sources indicate they expect a larger output for MY2002 (Jan-Dec 2003).

There are over 36 pear varieties grown in Chile. Packam's Triumph and Beurre Bosc make up 45 percent and 25 percent of Chile's exports, respectively.

Consumption

As with most other fruits, only export rejects enter domestic marketing channels. Pears are mostly consumed fresh, although increasing amounts are utilized for processing.

Trade

Due to quality problems and smaller volumes produced in MY2001, pear exports will be down when compared to the previous year. Exports are forecasted to expand again in MY2002 as a result of a larger production. Chile does not yet import fresh pears.

PS&D Table - Fresh Pears

PSD Table						
Country	Chile					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	10400	10400	10200	10400	0	10400
Area Harvested	10100	10100	9900	9900	0	9950
Bearing Trees	4800	4800	4790	4790	0	4815
Non-Bearing Trees	140	140	145	145	0	130
Total Trees	4940	4940	4935	4935	0	4945
Commercial Production	247000	247000	230000	235000	0	245000
Non-Comm. Production	2000	2000	2000	2000	0	2000
TOTAL Production	249000	249000	232000	237000	0	247000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	249000	249000	232000	237000	0	247000
Domestic Fresh Consump	69100	69100	68000	68000	0	68500
Exports, Fresh Only	128900	128900	124000	122000	0	128500
For Processing	51000	51000	40000	47000	0	50000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	249000	249000	232000	237000	0	247000

Trade Matrix - Fresh Pears

(Year 2002 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Pears		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2001		2002
U.S.	26477	U.S.	18907
Others		Others	
Netherlands	25351	Netherlands	25460
Venezuela	11220	Colombia	9401
Colombia	11174	Italy	8565
Peru	9969	Venezuela	8169
Italy	7134	Russia	6667
Mexico	5129	Peru	6267
Russia	4313	Brazil	6022
Spain	3976	Spain	4743
Saudi Arabia	3537	Mexico	3941
Portugal	3002	Ecuador	3701
Total for Others	84805		82936
Others not Listed	17613		17495
Grand Total	128895		119338

Concentrated Apple Juice

Production

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand. The increase in production and exports in Marketing Year (MY) 2000 (Jan-Dec, 2001) were mainly due to both a significant increase in foreign demand for AJC and a larger apple production. For MY2001, production volumes are expected to be smaller following the expected fall in apple production. A rebound in apple production in MY2002 (Jan-Dec, 2003) is forecasted to expand juice concentrate production.

Chile's apple export rejects are mostly sent to the processing industry for apple juice production. But as the processing market has become increasingly saturated with supplies, industry buyers have started to place increased attention on the quality of the product. As a result, the AJC industry is both encouraging farmers to increase production of existing orchards of sour-type apples, as well as to expand new planting of apple varieties.

Consumption

Only small amounts of AJC principally of single-strength juice are 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 (over 80 percent of total export sales). Other important markets are Japan, Mexico and Canada. New and growing markets are primarily located in Latin America. Levels of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets.

PS&D Table - Concentrated Apple Juice

PSD Table						
Country	Chile					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Deliv. To Processors	344060	369544	340060	331000	0	340000
Beginning Stocks	241	241	341	333	441	508
Production	46100	54335	40000	43200	0	44300
Imports	0	0	0	0	0	0
TOTAL SUPPLY	46341	54576	40341	43533	441	44808
Exports	45500	53743	39400	42525	0	43700
Domestic Consumption	500	500	500	500	0	500
Ending Stocks	341	333	441	508	0	608
TOTAL DISTRIBUTION	46341	54576	40341	43533	0	44808

Trade Matrix - Concentrated Apple Juice

(Year 2002 data are for January - October only)

Export Trade Matrix			
Country	Chile		
Commodity	Concentrated Apple Juice		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2001		2002
U.S.	44563	U.S.	30590
Others		Others	
Japan	5314	Japan	2422
Mexico	2781	Mexico	790
Canada	510	Canada	231
Dom.Republic	94	Dom.Republic	85
Ecuador	79	Uruguay	52
Venezuela	73	Ecuador	52
Nethlnd.Terr.Anerica	68	Colombia	47
Uruguay	65	Costa Rica	40
Philippines	56	Nethlnd.Terr.Anerica	36
Costa Rica	27	Peru	28
Total for Others	9067		3783
Others not Listed	113		461
Grand Total	53743		34834