

**Required Report:** Required - Public Distribution

**Date:** November 15, 2022

**Report Number:** CI2022-0027

**Report Name:** Avocado Annual

**Country:** Chile

**Post:** Santiago

**Report Category:** Avocado

**Prepared By:** Sergio Gonzalez

**Approved By:** Bret Tate

**Report Highlights:**

In marketing year (MY) 2022/23, Post estimates that avocado production will decrease by 18.2 percent from MY 2021/22, totaling 180,000 metric tons (MT) due to frost. Domestic avocado consumption will reach 105,000 MT in MY 2022/23, a five percent increase over MY 2021/22. In spite of a slightly tighter market, avocado prices remain relatively steady at around \$4.00 per kilogram. The top export destinations for Chilean avocado are the Netherlands, Argentina, and the United Kingdom. During the offseason, between March to June, the top supplier of avocado to Chile is Peru.

## Production

In MY 2022/23, from July 2022 to June 2023, Post estimates that avocado production will total 180,000 MT, an 18.2 percent decrease from MY 2021/22. This decrease is attributed to frost in the production area at the beginning of the marketing year. In MY 2021/22, Chile produced 220,000 MT of avocado, a 57 percent increase over MY 2020/21. This increase was attributed to favorable climatic conditions and a successful setting of the fruit.

Chilean avocado area planted reached 32,363 hectares (ha) in calendar year (CY) 2021 (Figure 1). The *Valparaíso* region is the main avocado production region with 20,318 hectares planted, representing 62.8 percent of total avocado area. Avocado area planted in the *Valparaíso* region grew by 6.2 percent between 2017 and 2020 (Table 1). The *Metropolitana*, *Coquimbo*, and *O'Higgins* regions also hold important shares of the avocado area. However, the avocado area planted in the *Metropolitana* region decreased by 5.9 percent because other crops like cherries, walnuts, citrus and olives are more profitable and less demanding of scarce water for irrigation. In the *O'Higgins* region area planted grew by 167.9 percent, totaling 3,631 hectares. Post does not expect large shifts in area planted and estimates total area to reach 33,000 hectares in MY 2022/23 since the increase in the *O'Higgins* region will be offset by a decrease in the *Metropolitana* region.

Hass remains the main avocado variety produced in Chile, since it has adapted well to the Chilean production area, giving consistently good quality and high yields. However, one of the main issues with Hass is its sensitivity to frost and excessive irrigation, which limits the area where it can be planted. As such, Hass are often planted on hillsides and in soil with good drainage. Other avocado varieties that are produced in Chile are Edranol, Negra de la Cruz, Fuerte, and Bacon.

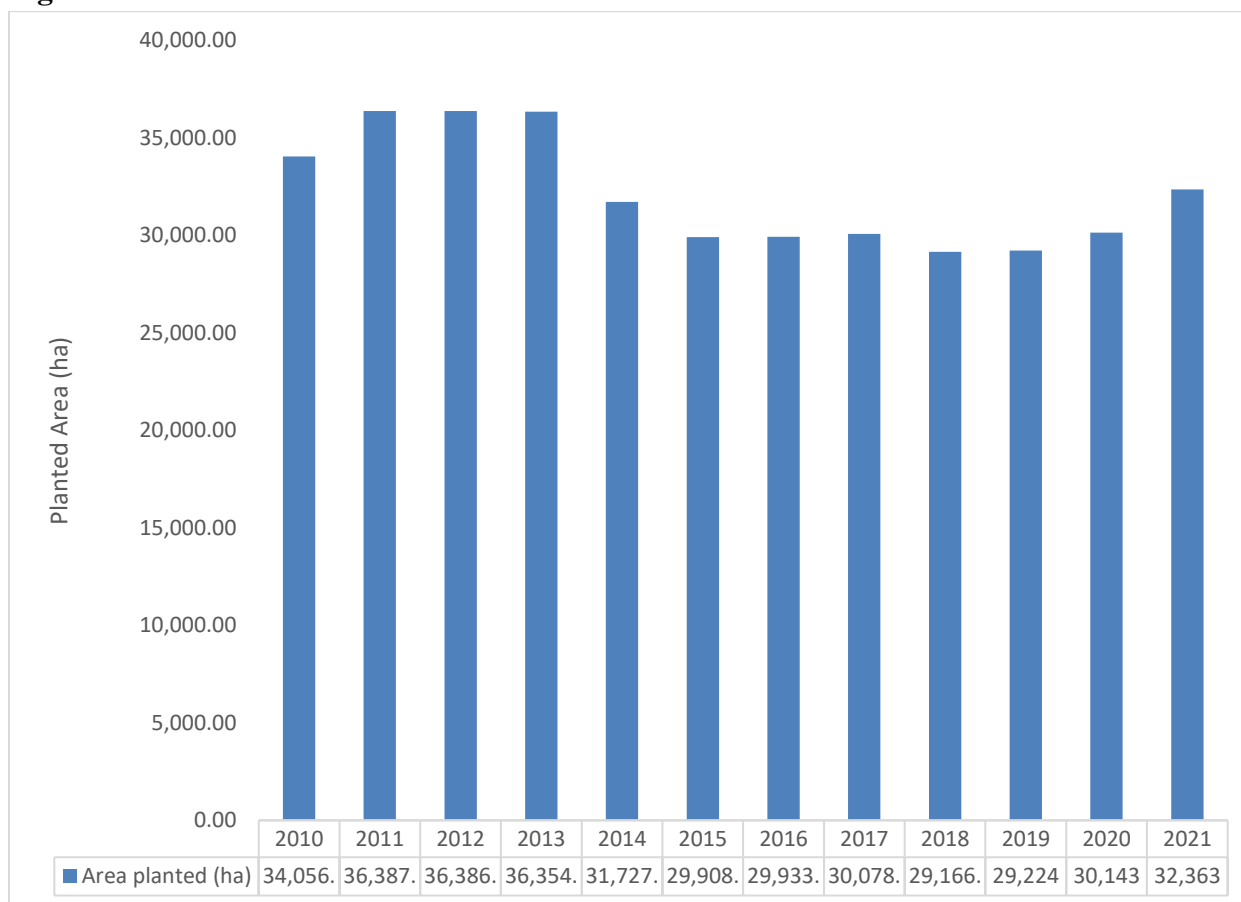
**Table 1: Avocado Planted Area by Region**

Regions	Planted Area (ha)	Variation* (%)	Share (%)
Valparaíso	20,318	6.2%	62.8%
Metropolitana	4,229	-5.9%	13.1%
Coquimbo	4,041	1.4%	12.5%
O'Higgins	3,631	167.9%	11.2%
Others	144		0.4%
<b>Total</b>	<b>32,363</b>	<b>10.8%</b>	<b>100.0%</b>

\*Variation in area planted is measured every third year; data provided are last available.

Source: Based on ODEPA

**Figure 1: Avocado Planted Area**

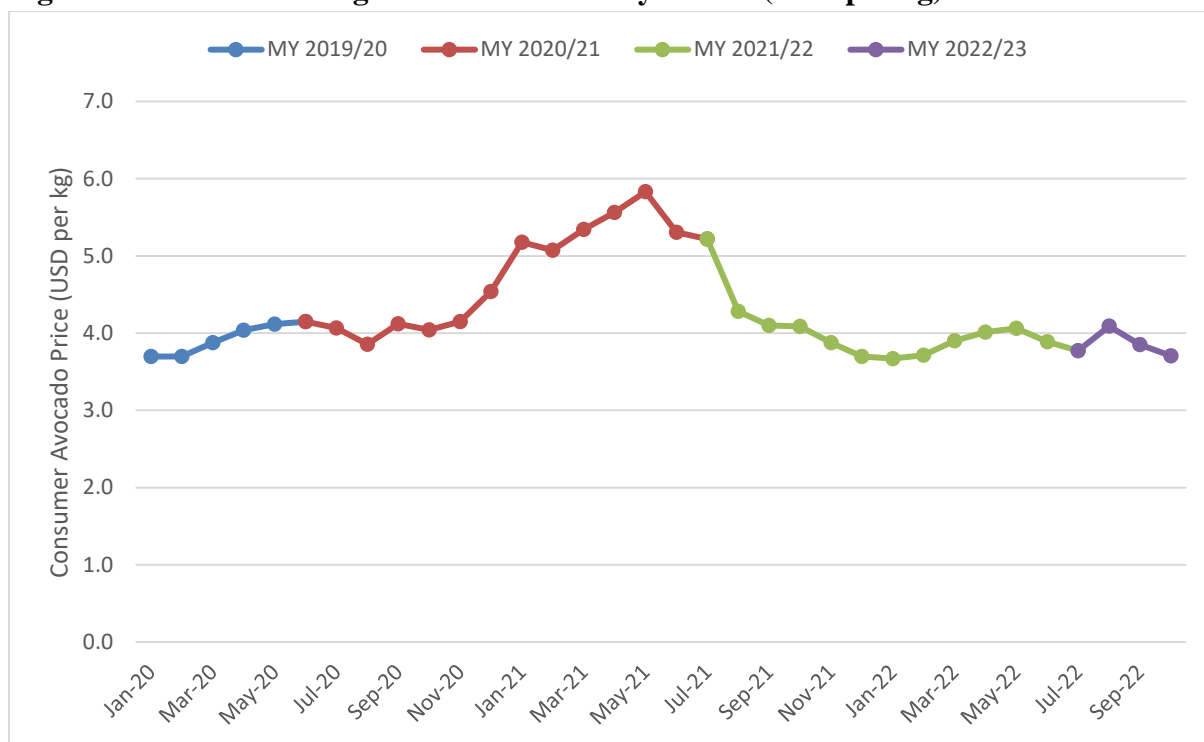


Source: Based on data from ODEPA

## Consumption

Domestic demand for avocado is high since Chileans consider it a staple food in their diets. Since there is a high demand for avocado, domestic price is competitive with export price. Avocado domestic consumption in MY 2022/23 will reach 105,000 MT, which represents 58.3 percent of production. Avocado price is higher during the offseason around April and May each year (Figure 2). Prices usually range from \$3.50 per kilogram (kg) to \$4.00 per kg, but they can reach values as high as \$5.80 per kg when the avocado supply is low. In MY 2020/21, domestic avocado production was low, and prices increased rapidly during the offseason when most of the supply came from imports. However, in MY 2021/22, prices started to decrease as domestic production increased, stabilizing around \$4.00 per kilogram.

**Figure 2: Avocado Average Consumer Price by Month (USD per kg)**



Source: Based on data from ODEPA

## Policy

The Chilean fruit export industry seeks to diversify export markets for Chilean fresh fruit, including avocados. The latest market openings for Chilean avocado were Australia in August 2020 and South Korea in September 2020. There have not been any new market openings for Chilean avocado since.

## Trade

In MY 2021/22, Chilean avocado exports increased by 71.2 percent in volume over MY 2020/21 totaling 126,775 MT (Table 2). The increase represented a 51.3 percent in value, totaling \$267.8 million (Table 3). Higher avocado production in MY 2021/22 explains the increase in export volume observed in CY 2022. In the first two months of MY 2022/23, exports decreased by 21.5 percent from the same period in MY 2021/22. For MY 2022/23, Post estimates exports at 104,420 MT, a 20 percent decrease from MY 2021/22 due to lower production.

Chile's top export market for avocado is the Netherlands, followed by Argentina, and the United Kingdom. Chilean avocado exports peak between October and December along the bulk of the harvest season (see Figure 3). Avocado exports from November 2021 to June 2022 were significantly higher than the previous year, reflecting the increase in MY 2021/22 production.

**Table 2: Avocado Export Volume (MT) to the World**

<b>Commodity: 080440, Avocados, Fresh or Dried</b>						
<b>Partner Country</b>	<b>Marketing Year</b>			<b>Year to Date</b>		
	<b>MY 2020/21 (MT)</b>	<b>MY 2021/22 (MT)</b>	<b>Variation (%)</b>	<b>Jul 21 - Aug 21 (MT)</b>	<b>Jul 22 - Aug 22 (MT)</b>	<b>Variation (%)</b>
The World	74,041	126,775	71.2%	7,694	6,042	-21.5%
Netherlands	35,569	55,895	57.1%	3,110	1,743	-44.0%
Argentina	9,251	20,874	125.6%	1,393	1,336	-4.1%
United Kingdom	10,963	14,110	28.7%	1,155	869	-24.8%
China	3,915	9,136	133.4%	428	255	-40.4%
Spain	5,728	9,067	58.3%	408	562	37.7%
United States	955	7,777	714.3%	907	556	-38.7%
France	915	1,907	108.4%	0	0	
Germany	1,278	1,805	41.2%	86	532	518.6%
Costa Rica	314	1,082	244.6%	73	0	-100.0%
Italy	89	1,080	1113.5%	0	48	
South Korea	295	1,051	256.3%	0	40	
Uruguay	466	1,036	122.3%	44	43	-2.3%
Belgium	287	809	181.9%	0	24	
Brazil	270	384	42.2%	0	14	
Switzerland	629	333	-47.1%	23	0	-100.0%
Others	3,117	429	-86.2%	67	20	-70.1%

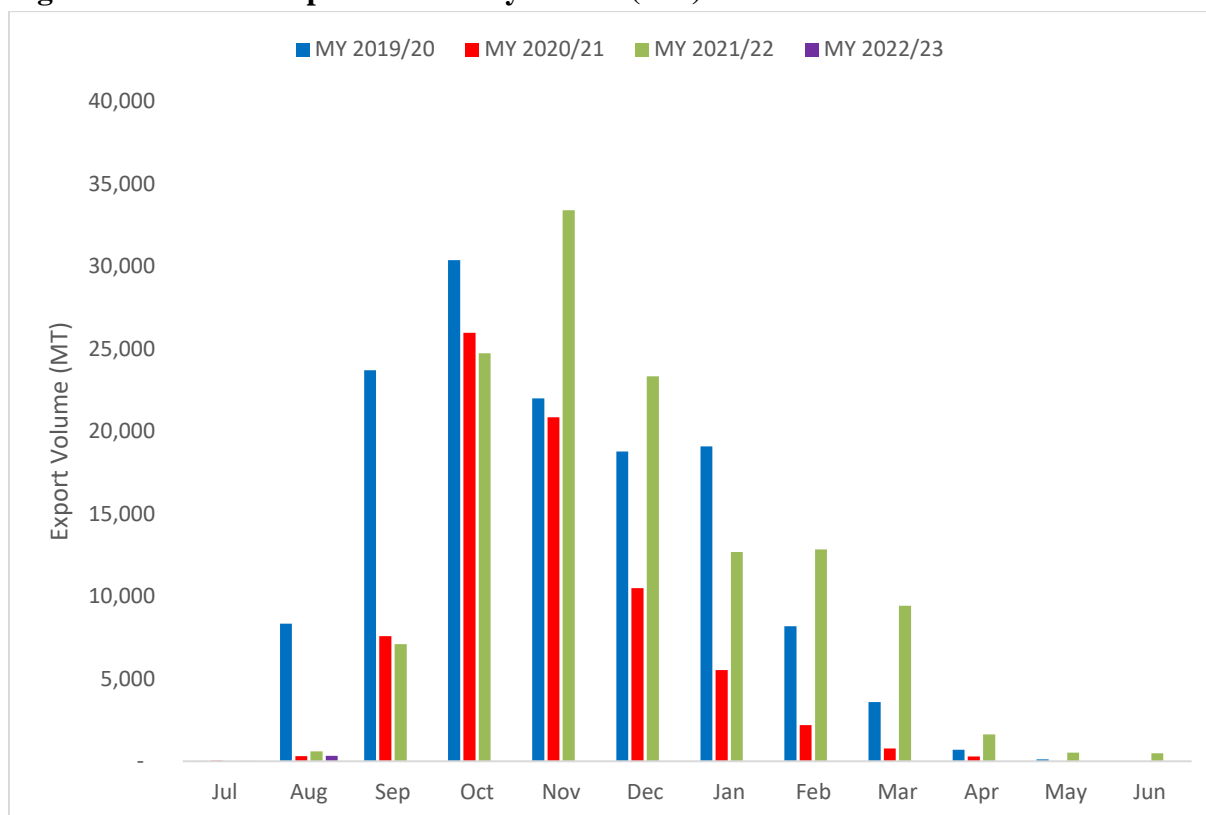
Source: Trade Data Monitor, LLC

**Table 3: Avocado Export Value (USD) to the World**

<b>Commodity: 080440, Avocados, Fresh or Dried</b>						
<b>Partner Country</b>	<b>Marketing Year</b>			<b>Year to Date</b>		
	<b>MY 2020/21 (USD)</b>	<b>MY 2021/22 (USD)</b>	<b>Variation (%)</b>	<b>Jul 21 - Aug 21 (USD)</b>	<b>Jul 22 - Aug 22 (USD)</b>	<b>Variation (%)</b>
The World	176,985,370	267,832,212	51.3%	17,780,367	12,105,205	-31.9%
Netherlands	69,579,520	100,740,121	44.8%	6,294,491	2,541,561	-59.6%
Argentina	29,658,440	46,314,923	56.2%	3,144,679	3,351,957	6.6%
United Kingdom	31,493,853	36,276,297	15.2%	3,040,817	1,879,353	-38.2%
China	10,995,896	23,006,459	109.2%	1,163,133	608,392	-47.7%
United States	2,429,681	19,292,330	694.0%	2,635,885	1,573,363	-40.3%
Spain	12,619,616	18,916,118	49.9%	690,618	777,352	12.6%
Germany	2,798,089	4,101,307	46.6%	269,782	884,818	228.0%
France	1,231,823	3,188,408	158.8%	0	0	
South Korea	1,009,993	3,077,553	204.7%	0	120,473	
Costa Rica	1,025,388	2,937,230	186.5%	230,368	0	-100.0%
Italy	219,840	2,906,547	1222.1%	0	111,115	
Uruguay	1,393,829	2,481,240	78.0%	110,588	104,314	-5.7%
Belgium	675,840	1,920,066	184.1%	0	54,000	
Brazil	714,897	908,424	27.1%	0	46,080	
Switzerland	1,135,350	592,567	-47.8%	24,411	0	-100.0%
Others	10,003,315	1,172,622	-88.3%	175,595	52,427	-70.1%

Source: Trade Data Monitor, LLC

**Figure 3: Avocado Export Volume by Month (MT)**



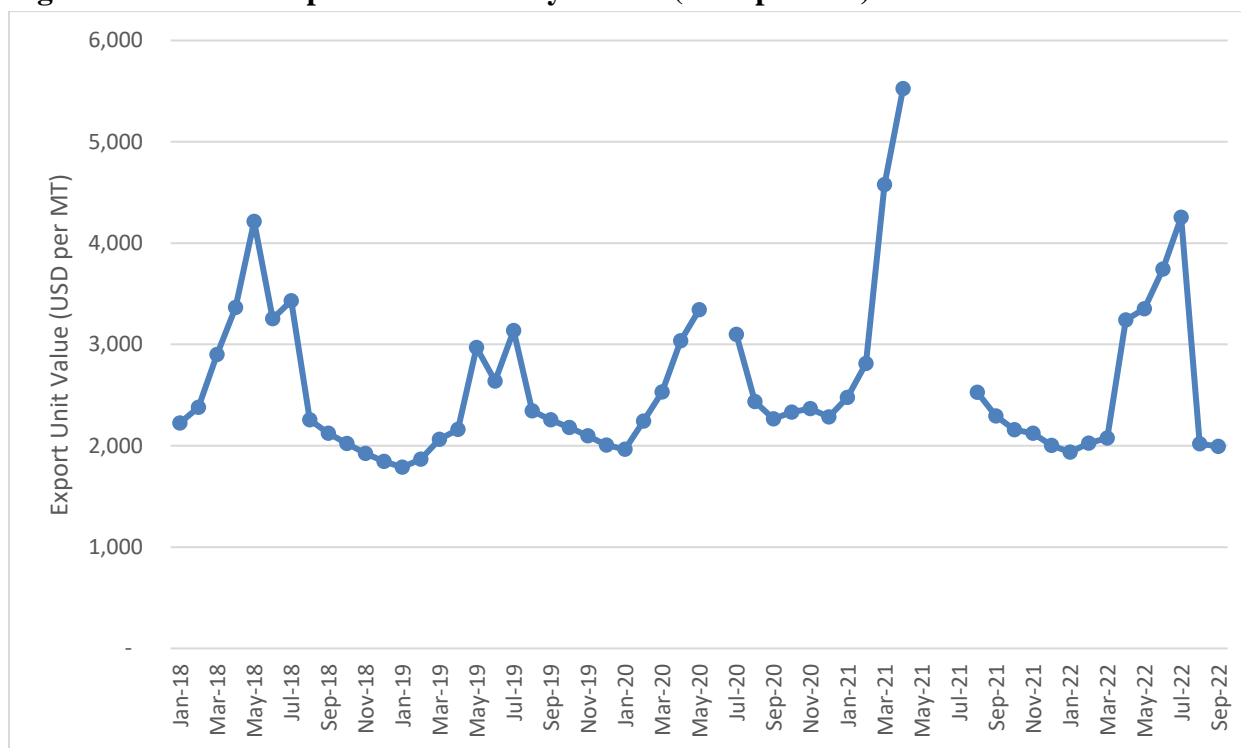
Source: Trade Data Monitor, LLC

Figure 4 shows the unit value (USD per MT) for Chilean avocado exports by month. Export values peak from March to July each year, during the Chilean offseason when avocado supply is lower. Over time, avocado unit value remained relatively steady for the past three marketing years, showing some unusual variation in March and April 2021, a year where domestic production was unusually low.

In MY 2021/22, avocado imports decreased by 12.1 percent in volume and 24.9 percent in value (Tables 4 and 5), following the higher domestic production. The main supplier of avocado to Chile is Peru with a 99.7 percent market share. Chile imports smaller quantities of avocado from Argentina, Colombia, and Ecuador. Imports peak between June and July when there is no domestic production (see Figure 5).

In the first two months of MY 2022/23, imports increased by 19 percent in volume. In MY 2022/23, due to lower domestic production, Post estimates imports to increase by 20 percent to cover domestic consumption.

**Figure 4: Avocado Export Unit Value by Month (USD per MT)**



Source: Trade Data Monitor, LLC

**Table 4: Avocado Import Volume (MT) to the World**

Commodity: 080440, Avocados, Fresh or Dried						
Partner Country	Marketing Year			Year to Date		
	MY 2020/21 (MT)	MY 2021/22 (MT)	Variation (%)	Jul 21 - Aug 21 (MT)	Jul 22 - Aug 22 (MT)	Variation (%)
The World	60,363	53,035	-12.1%	27,599	32,844	19.0%
Peru	55,447	52,889	-4.6%	27,507	32,699	18.9%
Argentina	114	69	-39.5%	69	23	-66.7%
Colombia	0	0		0	24	
Ecuador	22	0	-100.0%	0	84	
Israel	6	0	-100.0%	0	0	
Mexico	4,774	0	-100.0%	0	0	
Others	-	77		23	14	-39.1%

Source: Trade Data Monitor, LLC

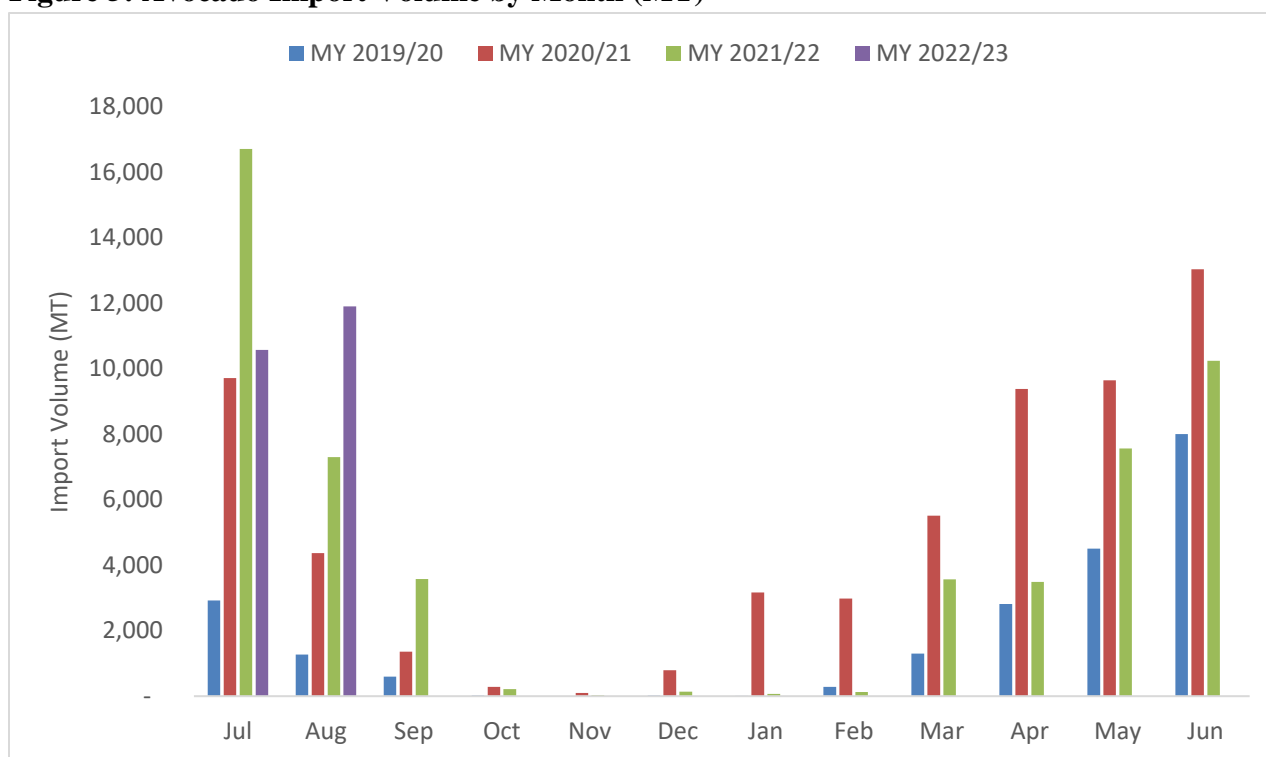


**Table 5: Avocado Import Value (USD) to the World**

Commodity: 080440, Avocados, Fresh or Dried						
Partner Country	Marketing Year			Year to Date		
	MY 2020/21 (USD)	MY 2021/22 (USD)	Variation (%)	Jul 21 - Aug 21 (USD)	Jul 22 - Aug 22 (USD)	Variation (%)
_World	102,739,456	77,206,752	-24.9%	45,508,091	36,201,390	-20.5%
Peru	92,494,257	76,978,773	-16.8%	45,383,670	36,070,391	-20.5%
Argentina	147,441	99,117	-32.8%	99,117	24,004	-75.8%
Colombia	15	240	1500.0%	0	39,360	
Ecuador	34,816	0	-100.0%	0	52,203	
Israel	246,793	0	-100.0%	0	0	
Mexico	9,816,069	0	-100.0%	0	678	
Others	65	128,622	197780.0%	25,304	14,754	-41.7%

Source: Trade Data Monitor, LLC

**Figure 5: Avocado Import Volume by Month (MT)**



Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments