

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chile

Avocado Annual

The United States Becomes the Main Market for Chilean Avocados

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Report Highlights:

Chilean avocado exports to the world grew by 42.9% in volume and 61.7% in value from January through September 2017 over 2016 reaching 90,985 MT and \$197.5 million. Post expects Chilean avocado exports to the world to reach 155,000 MT in MY 2018. The United States is the largest importer of Chilean avocados with 30% market share. Chilean avocado exports to the U.S. grew 158.5% in volume and 219.1% in value from January through September 2017 over 2016, reaching 23,070 MT and \$58.8 million

Commodities:

Avocados, Fresh

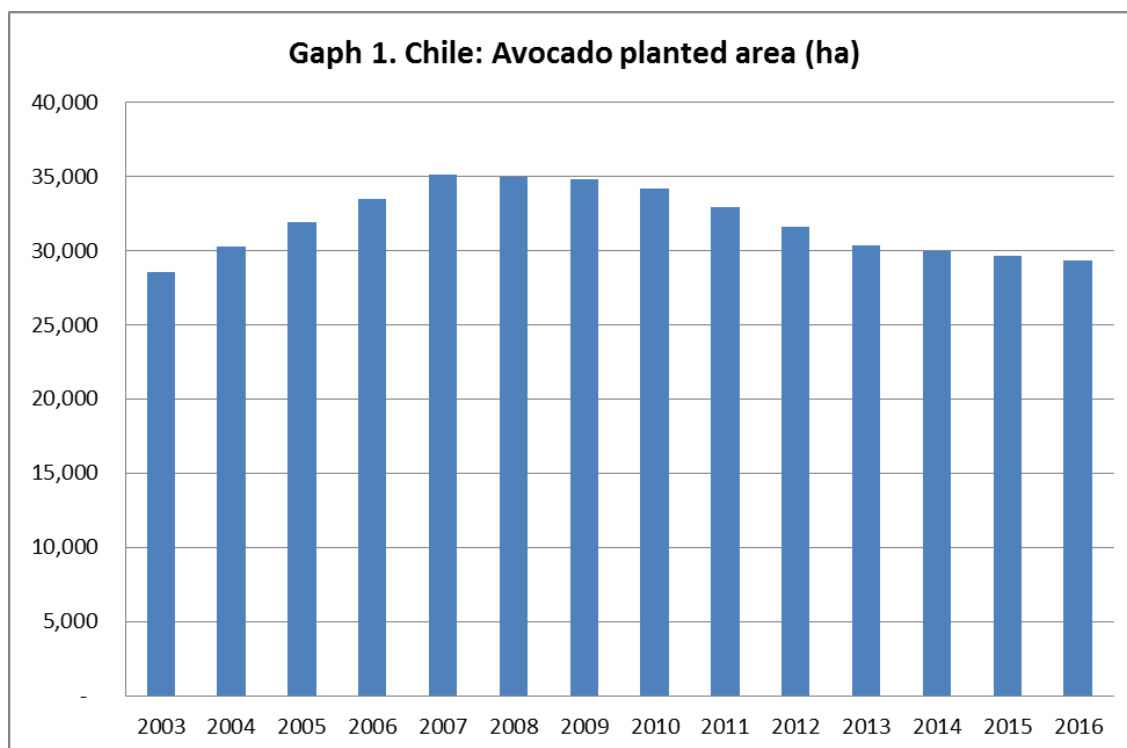
Production:

Avocado planted area in Chile has been decreasing since MY 2007, but the decrease rate has slowed down since MY 2013, when it reached 30,330 hectares (ha) (see graph 1).

Planted area in MY 2016 reached 29,319 ha. 65% of all avocado planted area is set in the Valparaiso region, 15% in the Metropolitan region and, 15% in the Coquimbo region (see table 1). The most planted variety with 88% of the total planted area is the Chilean Hass avocado variety, which is very sensitive to low temperatures and frosting, thus, the planting area is limited to the regions that present less risk of frosting and in the hillsides where temperature is higher than in the flat areas. Other avocado varieties, mainly destined for the Chilean domestic market, are Edranol, Negra de la Cruz and Fuerte.

In the last eight years, water scarcity caused by drought was the main limitation to increase production, however, in MY2016 and MY2017 rainfall has been abundant, which has allowed farmers to secure water for irrigation, thus, favoring an increase in production despite the reduction in planted area.

According to the Chilean Avocado Committee, production was 215,000 MT in production year (PY) 2016/2017 (July 2016 – June 2017) and is expected to reach 220,000 MT in PY 2017/18.



Source: ODEPA, 2017.

Table 1. Chile: Avocado planted area by region MY2016

Region	Planted Area (ha)	Share (%)
Valparaíso	19,135	65%
Metropolitana	4,494	15%
Coquimbo	4,416	15%
O'Higgins	1,090	4%
Atacama	133	0%
Biobío	38	0%
Arica y Parinacota	10	0%
Maule	3	0%
Total	29,319	100%

Source: based in ODEPA-CIREN

Consumption:

Chileans love avocados and eat them with lots of different foods. In fact, avocados are one of the few fruits produced locally and consumed locally, because most fruits are produced for exports to foreign markets. Avocados are referred to as “*palta*” in Chile and Peru, while other Spanish speaking countries call it “*aguacate*”. Chilean domestic market prices are similar to foreign markets prices and 45-50% of the production is destined for domestic consumption, amounting to 65,000 MT. Nevertheless, in PY 2017 (July 2016 – June 2017), domestic consumption reached only 30% due to higher production volume.

Trade:

From January through September 2017, Chilean avocado exports have grown by 42.9% in volume and 61.7% in value over 2016 reaching 90,985 MT and \$197.5 million (see table 2).

The main markets for Chilean avocados are the United States (U.S.), the Netherlands, Argentina, China and the United Kingdom (U.K.). From January through September 2017, avocado exports to the U.S. increased by 158.5% in volume and 219.1% in value over 2016, reaching 23,070 MT and \$ 58.8 million. Mexico had a [20% decrease in production](#) in MY 2017 which reduced exports to the U.S. opening a window of opportunities for exports of Chilean avocados the U.S.

In MY 2017 exports to Spain increased by 37.7% in volume and 40.5% in value, exports to the U.K. increased by 3.4% in volume and 13.5% in value and exports to the Netherlands increased by 0.7% in volume and 6.7% in value. European consumer demand for Chilean Hass avocados remains strong.

In MY 2017 Chilean avocado exports to Argentina increased by 50.5% in volume and 64.2% in value as consumption increased and is expected to remain high as the economy strengthens.

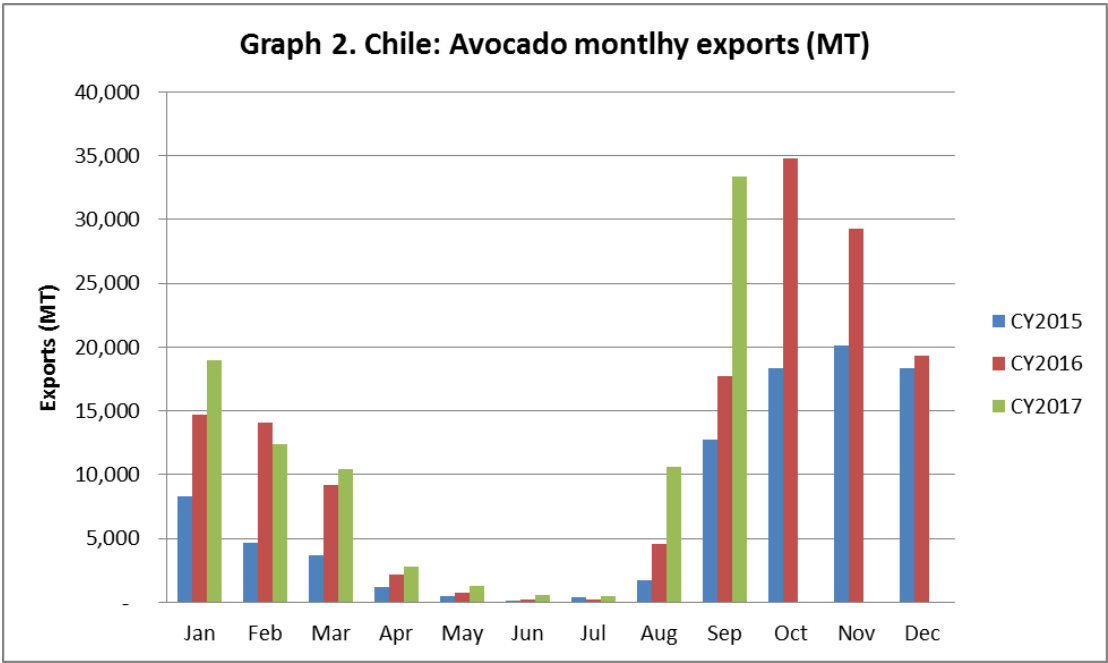
In MY 2017 exports to China increased by 76.5% in volume and 88.1% in value, and are expected to keep growing in the future.

Chinese demand for Chilean avocados is on the rise and most of the Chilean avocado industry’s promotion resources have been destined to that market. According to the Hass Avocado Committee of Chile, the main promotional campaigns carried out by the Chilean avocado industry in China take place at the points of sale promoting avocados at grocery stores, and specialized fruit stores. Moreover, promotional activities were carried out on social media, with a focus on educating consumers on educating consumers on the best way to consume this fruit. Also, Chile participated in the Food and Hotel China (FHC) Show preparing dishes with Chilean Hass avocados.

In MY 2017, Chile became the top supplier of avocados to China, surpassing Mexico, which had been the main supplier in MY 2016.

Chilean avocado exports are estimated to reach 155,000 MT in MY2018, considering a production increase 5% and a steady domestic consumption of 65,000 MT.

Graph 2. Chile: Avocado monthly exports (MT)



Source: GTA - Chile Customs - Servicio Nacional de Aduana 2017.

Table 2. Chile Export Statistics
Commodity: 080440, Avocados, Fresh Or Dried

Year To Date: January - September

Partner Country	Volume (MT)			Value (USD)		
	Jan-Sep 2016	Jan-Sep 2017	Variation (%)	Jan-Sep 2016	Jan-Sep 2017	Variation (%)
World	63,664	90,985	42.9%	122,169,835	197,545,169	61.7%
United States	8,923	23,070	158.5%	18,441,105	58,843,099	219.1%
Netherlands	29,345	29,556	0.7%	49,001,860	52,275,584	6.7%
Argentina	7,486	11,270	50.5%	14,951,756	24,555,385	64.2%
China	4,536	8,005	76.5%	10,240,898	19,265,019	88.1%
United Kingdom	6,563	6,784	3.4%	15,208,951	17,266,378	13.5%
Spain	2,585	3,559	37.7%	5,875,968	8,257,098	40.5%
Costa Rica	2,291	2,342	2.2%	4,689,070	7,080,526	51.0%
France	706	1,960	177.6%	1,315,718	2,866,003	117.8%
Germany	197	1,721	773.6%	321,254	2,646,484	723.8%
Switzerland	245	850	246.9%	391,365	1,170,364	199.0%
Belgium	334	968	189.8%	668,929	1,136,544	69.9%
Hong Kong	122	298	144.3%	300,627	808,417	168.9%
Uruguay	203	277	36.5%	448,066	611,243	36.4%
Others	128	325	153.9%	314,268	763,025	142.8%

Partner Country	Calendar year					
	Volume (MT)			Value (USD)		
	2015	2016	Variation (%)	2015	2016	Variation (%)
World	90,010	147,125	63.5%	161,881,229	297,325,622	83.7%
Netherlands	42,005	57,733	37.4%	66,492,794	98,534,287	48.2%
United States	10,174	26,278	158.3%	18,758,969	61,719,518	229.0%
United Kingdom	14,520	17,887	23.2%	28,592,949	43,226,733	51.2%
China	2,716	11,598	327.0%	6,378,910	27,158,391	325.8%
Argentina	10,688	12,498	16.9%	23,284,681	23,215,445	-0.3%
Spain	4,935	8,121	64.6%	9,837,950	18,613,739	89.2%
Costa Rica	1,547	3,445	122.7%	2,965,287	8,033,655	170.9%
France	1,485	3,377	127.4%	2,059,582	5,913,316	187.1%
Germany	-	2,258	-	-	3,511,430	-
Switzerland	331	1,571	374.6%	492,066	2,420,183	391.8%
Belgium	416	1,147	175.7%	569,477	1,850,184	224.9%
Japan	100	175	75.0%	227,498	744,637	227.3%
Hong Kong	625	260	-58.4%	1,149,521	703,485	-38.8%
Others	468	777	66.0%	1,071,545	1,680,619	56.8%

Source of Data: GTA - Chile Customs - Servicio Nacional de Aduana 2017.

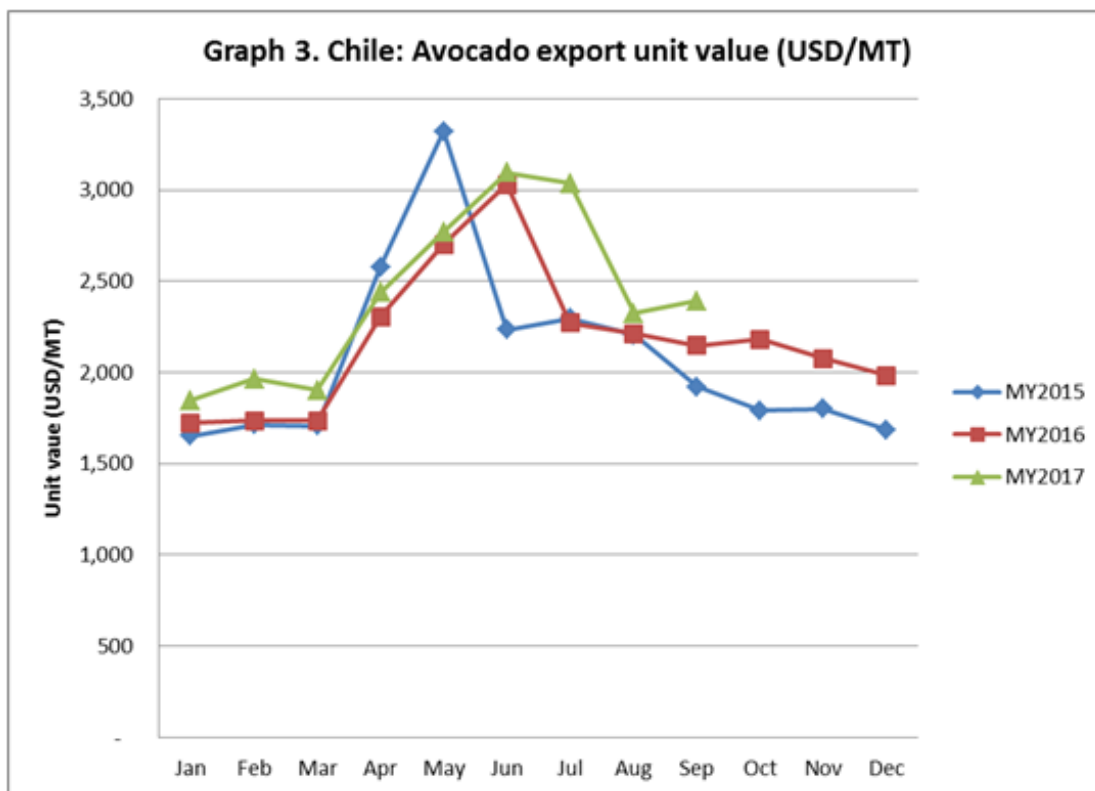
Chile imports avocados from Peru, Mexico, and the United States during the counter season (April - August). From January to September 2017, imports decreased by 49.1% in volume and 42.5% due to the greater availability of Chilean avocados in MY 2017.

Table 3. Chile Import Statistics						
Commodity: 080440, Avocados, Fresh Or Dried						
Year To Date: January - September						
Partner Country	Volume (MT)			Value (USD)		
	Jan-Sep 2016	Jan-Sep 2017	Variation (%)	Jan-Sep 2016	Jan-Sep 2017	Variation (%)
World	11,173	5,692	-49.1%	17,882,623	10,281,222	-42.5%
Peru	7,983	5,409	-32.2%	13,170,586	9,747,348	-26.0%
Mexico	2,392	283	-88.2%	3,587,050	533,874	-85.1%
Chile	24	-	-100.0%	65,380	-	-100.0%
United States	775	-	-100.0%	1,059,606	-	-100.0%
Calendar Year: 2015 - 2016						
Partner Country	Volume (MT)			Value (USD)		
	2015	2016	Variation (%)	2015	2016	Variation (%)
World	9,354	11,173	19.4%	16,187,318	17,882,623	10.5%
Peru	8,261	7,983	-3.4%	14,134,794	13,170,586	-6.8%
Mexico	1,093	2,392	118.8%	2,052,524	3,587,050	74.8%
Chile	-	775	-	-	1,059,606	-
United States	-	24	-	-	65,380	-

Source: GTA - Chile Customs - Servicio Nacional de Aduana 2017.

Prices:

The average unit value of Chilean avocados has been higher in MY2017 compared to MY2016 (see graph 3). Post expects prices to remain high since world demand for avocados is projected to increase more than supply.



Source: GTA - Chile Customs - Servicio Nacional de Aduana 2017.

Policy:

Chile has free trade agreements with the United States, China, and European Union (EU) which allows for a 0% export tariff for Chilean avocados.

In April 2017 Chile signed an agreement to [export avocados to India](#) using a “system approach” in order to avoid the use of methyl bromide.

Chile is negotiating market access for avocados with South Korea, a process that could take up to three years. For more information on the market access request see [News clip](#).