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Global Agricultural Information Network

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Chile

Canned Deciduous Fruit Annual

Canned Peach and Puree Annual

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Report Highlights:

Although it is early to predict next year's production, Chile's canned peach production and exports in 2010 are expected to increase for the next growing season.

Executive Summary:

The initial forecast for Chilean canned peach production and exports for 2010 (Jan-Dec 2011) shows a larger production level than last year.

Commodities:

Peaches, Canned

Production:

Although it is still early for a good prediction, production forecasts for 2010 (Jan-Dec 2011) indicate a greater output level than last year. This increase is due to favorable weather conditions. In 2009 canned production resulted larger than that of 2008, but smaller than the projected output. Abnormal weather during the spring and loss of fruit as a result of the earthquake last February explains this fall in output as post explained in earlier reports.

Peach production in Chile is normally delivered fresh to canneries without any pre-selection. A certain percentage of the fruit is rejected immediately before being processed and designated for pulp production. The difference between the figure for production and deliveries includes canning rejects, which are either processed as juice or pulp, or totally discarded as waste. The pulp is used for a variety of products, including jams and confectionary products and also exported.

An estimated 10,500 hectares of peaches for canning are planted in Chile, according to the latest statistics published by the Ministry of Agriculture. There are an estimated 1,697 peach producers for the canning industry and 4 processing plants.

Of the total planted area, approximately 2,600 hectares are planted north of Santiago in Region V (San Felipe-Los Andes). In the Santiago Metropolitan Region there are 1,422 hectares. The remainder is mostly planted south of Santiago in Region VI (Rancagua). Some replanting with improved varieties also continues to take place, which is expected to result in a production expansion during the next few years. Over 27 different peach varieties for canning are planted in Chile. The most popular varieties that account for 75 percent of total planted area are Pomona, Andros, Fortuna and Phillip's Cling. Other varieties like Doctor Davies, Everts and Loadel do not exceed 6 percent each.

Peaches are canned only during the principal harvest season, which runs from December through April. Some canneries, but not all, can process other types of fruit (pears) or vegetables. Almost all canneries also produce pulp and some produce juice.

Prices offered to farmers for peaches for canning were similar than in 2007 in Chilean pesos but larger in dollar due to the revaluation of the peso against the dollar during the last two years.

Farm Prices for Peaches for Canning Purposes		
Year	Chilean Pesos per MT	U.S. Dollars per MT
2002	85,000	128.21
2003	120,000	174.17
2004	150,000	246.00
2005	85,000	146.00
2006	95,000	170.00
2007	135,000	260.00
2008	135,000	314.00
2009	118,600	200.00
2010	105,800	189.00
Note: Chile's 2009 inflation rate was -1.4 percent, down from 7.1 percent in 2008.		

Consumption:

There are no official statistics on canned peach consumption, production and ending stocks. These figures are derived from the only known data, i.e., the export figures and limited information supplied by the canning industry. As a result, consumption figures may vary from report to report. In general, however, demand for canned peaches in Chile is considered to be relatively stagnant. This is partly the result of increased competition from alternative products, particularly ice cream and yogurt. Small profit margins do not permit canneries to advertise their products in the domestic market, because the potential advertising benefits are not justified by the high cost.

Trade:

As a result of an increase in production of canned peaches together with a good export demand, total exports in 2009 (Jan-Dec 2010) is expected to be slightly larger than last year. A little over 90 percent of Chile's canned peaches are exported to other Latin American countries. Mexico is by far the largest market for Chilean canned peaches. The industry expects Mexico to remain as the main export market for Chile, due to a high import duty (23%) for Greek canned peaches, which are Chile's largest competitor in the Mexican market.

Chile normally imports small amounts of canned peaches, which are mainly destined to the Governments School Lunch programs or opportunities traders find with sometimes low priced Chinese products. As a result of the availability of low priced Chinese product and a strong export demand for Chilean canned peaches, imports increased significantly in 2008 (Jan-Dec 2009). Industry sources do not expect further increases in imports in the coming years.'

Stocks:

There are no official stock figures available. The canning industry hesitates to specify stock size out of fear that large stocks may reflect poor sales and management, or adversely affect future prices.

Policy:

Chile has no production supports or subsidies for canned peaches.

Production, Supply and Demand Data Statistics:

Chile Peaches, Canned	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Deliv. To Processors	100,800	130,000	83,800	100,800		97,000			120,000
Beginning Stocks	20,539	892	20,539	24,639		3,452			980
Production	78,000	77,500	64,800	78,000		75,000			92,800
Imports	1,500	500	2,471	1,500		200			200
Total Supply	100,039	78,892	87,810	104,139		78,652			93,980
Exports	48,400	65,000	57,358	60,000		60,000			68,000
Domestic Consumption	27,000	13,000	27,000	27,000		17,672			24,500
Ending Stocks	24,639	892	3,452	17,139		980			1,480
Total Distribution	100,039	78,892	87,810	104,139		78,652			93,980

Export Trade Matrix					
Country	Chile				
Commodity	Peaches Canned				
Time Period	Jan-Dec	Units:	M.T.	Units:	M.T.
Exports for:	2008		2009		2010
U.S.	2,546	U.S.	1,788	U.S.	3,118
Others		Others		Others	
México	21,128	Russia	12,071	México	10,156
Peru	12,996	Brazil	5,909	Peru	9,867
Venezuela	7,869	México	3,505	Colombia	3,930
Ecuador	7,172	Ecuador	3,435	Venezuela	2,953
Colombia	6,751	Venezuela	2,708	Ecuador	2,640
Bolivia	1,616	Peru	2,116	Bolivia	1,007
Costa Rica	809	Netherlands	1,288	Guatemala	666
Guatemala	648	El Salvador	1,161	Costa Rica	391
El Salvador	478	Colombia	906	El Salvador	287
Canada	192	Guatemala	885	Canada	198
Total for Others	59,657		33,983		32,093
Others not Listed	50		21,588		373
Grand Total	62,253		57,358		35,584
Note: Trade data for CY2010 covers the month of January through August only.					

Canned Peach Puree

Production

Producers deliver their peach production to the canning industry normally without any pre-selection. The industry then only processes the best quality fruit into canned peaches and the remainder is then processed and destined mainly for pulp production. Additionally some fruits are also processed for juice or jams, or totally discarded as waste. The pulp is used for a variety of products, including jams and confectionary products and also exported. Peach puree production and exports will be affected in a similar way to the canned peaches as export demand and prices have also fallen as a result of the economic crisis that's is affecting most economies in the world.

Trade

Due to a strong demand and increasing prices for canned peach puree during the last few years the industry increased production and exports until 2008. A fall in demand and prices will lower production and exports of peach puree in the coming years as was indicated by an industry source.

Export Trade Matrix					
Country	Chile				
Commodity	Peach Puree, Canned				
Time Period	Jan-Dec	Units:	M.T.	Units:	M.T.
Exports for:	2008		2009		2010
U.S.	1,618	U.S.	2,383	U.S.	1,367
Others		Others		Others	
Russia	12,119	Russia	12,071	Russia	5,831
Venezuela	10,961	Brazil	5,909	Venezuela	4,012
México	5,747	México	3,505	Brazil	4,001
Brazil	4,746	Ecuador	3,435	Ecuador	3,404
Ecuador	3,355	Venezuela	2,708	México	2,987
Peru	1,974	Peru	2,116	Peru	2,316
Colombia	1,664	Netherlands	1,288	Argentina	1,545
El Salvador	1,591	El Salvador	1,161	Colombia	976
Guatemala	1,488	Colombia	906	Guatemala	903
Ukraine	949	Guatemala	885	El Salvador	644
Total for Others	44,594		33,983		26,618
Others not Listed	5,153		4,887		2,548
Grand Total	51,365		41,253		30,533

Note: Trade data for CY2010 covers the month of January through August only.