

USDA Foreign Agricultural Service

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Global Agricultural Information Network

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Chile

Canned Deciduous Fruit Annual

Canned Peaches and Peach Pure Report

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Report Highlights:

Although it is early to predict next year's production, Chile's canned peach production and exports in 2011 are expected to be similar in volume than the next growing season.

Executive Summary:

The initial forecast for Chilean canned peach production and exports for 2011 (Jan-Dec 2012) shows a similar production level as last year.

Commodities:

Peaches, Canned

Production:

Although it is still early for an accurate prediction, production forecasts for 2011 (Jan-Dec 2012), are that they will be similar to last year's output. This prediction can be expected as the weather has been favorable during this winter. In 2011 canned production was larger than both, the previous year and our previous estimates.

Peach production in Chile normally is delivered fresh to canneries without any preselection. A certain percentage of the fruit is rejected immediately before being processed and destined mainly 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 producers of peaches for canning and 4 processing industries.

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 could result in a small 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 almost as high as in 2007 in US dollar due to the revaluation of the peso against the dollar during the last few 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	95,800	180.00
2011	115,000	242.00

Note: Chile's 2010 inflation rate was 3.0 percent, up from -1.4 percent in 2009.

Consumption:

There are no official statistics on canned peach consumption, production and ending stocks. The 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 2010 (Jan-Dec 2011) is expected to be larger than last year. A little over 90 percent of Chile's canned peaches are exported to 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 potential competitor in that 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.

Stocks:

There are no official stock figures available. Normally, 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:

Peaches, Canned Chile	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Aug 2009		Market Year Begin: Aug 2011		Market Year Begin: Aug 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	97,000	97,000	120,000	150,000		150,000
Beginning Stocks	3,272	3,272	2,100	1,016		1,116
Production	75,000	75,000	92,800	100,000		100,000
Imports	1,500	691	200	500		200
Total Supply	79,772	78,963	95,100	101,516		101,316
Exports	60,000	60,275	68,000	77,200		77,000
Domestic Consumption	17,672	17,672	24,500	23,200		23,500
Ending Stocks	2,100	1,016	2,600	1,116		816
Total Distribution	79,772	78,963	95,100	101,516		101,316
MT, MT, Net Weight						

Export Trade Matrix					
Country	Chile				
Commodity	Peaches Canned				
Time Period	Jan-Dec	Units:	M.T.	Units:	M.T.
Exports for:	2009		2010		2011
U.S.	1,788	U.S.	3,205	U.S.	1,806
Others		Others		Others	
Russia	12,071	México	18,511	México	16,543
Brazil	5,909	Peru	16,121	Peru	9,492
México	3,505	Colombia	7,667	Colombia	4,949
Ecuador	3,435	Ecuador	4,936	Ecuador	4,038
Venezuela	2,708	Venezuela	3,558	Venezuela	3,304
Peru	2,116	Bolivia	2,010	Bolivia	1,353
Netherlands	1,288	Guatemala	1,115	Australia	828
El Salvador	1,161	Brazil	980	Guatemala	775
Colombia	906	Costa Rica	681	Brazil	518
Guatemala	885	El Salvador	497	So. Korea	484
Total for Others	33,983		56,076		42,283
Others not Listed	21,588		994		1,525
Grand Total	57,358		60,275		45,614

Note: Trade data for CY2011 covers the months of January through August only.

Canned Peach Puree

Production

Producers deliver their peach production to the canning industry normally without any preselection. 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 is going to be affected in a similar way than canned peaches as export demand and prices have also fallen as a result of the economic crisis that's 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				
Time Period	Jan-Dec	Units:	M.T.	Units:	M.T.
Exports for:	2009		2010		2011
U.S.	2,383	U.S.	1,631	U.S.	1,859
Others		Others		Others	
Russia	12,071	Brazil	7,042	Brazil	5,730
Brazil	5,909	Russia	6,440	Russia	5,337
México	3,505	Venezuela	5,787	México	5,043
Ecuador	3,435	Ecuador	4,335	Venezuela	4,726
Venezuela	2,708	México	3,793	Peru	3,497
Peru	2,116	Peru	2,848	Ecuador	2,294
Netherlands	1,288	Argentina	1,547	Guatemala	1,672
El Salvador	1,161	Colombia	1,333	El Salvador	1,247
Colombia	906	Guatemala	1,134	France	583
Guatemala	885	El Salvador	1,060	Colombia	568
Total for Others	33,983		35,319		30,698
Others not Listed	4,887		4,172		4,768
Grand Total	41,253		41,121		37,325

Note: Trade data for CY2011 covers the months of January through August only.

Commodities:

Select

Commodities:

Select