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## **Chile**

### **Fresh Deciduous Fruit Semi-annual**

#### **2019**

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**Report Highlights:**

Chile's fresh apple and table grape exports will drop on lower supply due to adverse climatic conditions during the spring and winter. Fresh apple exports will reach 739,000 MT (metric tons) in marketing year (MY) 2018/19, a five percent decrease over MY2017/18, and table grape exports will equal 690,000 MT, a 5.5 percent decrease over MY2017/18.

As of May 2019, Chile will be able to export fresh pears to China. On April 24, 2019, China granted market access to Chilean fresh pears. Post expects that this will increase planted area and boost exports in the next MY. However, in MY2018/19 Chilean pear exports will decrease by 1.5 percent and total 127,000 MT on lower supplies.

**Commodities:**

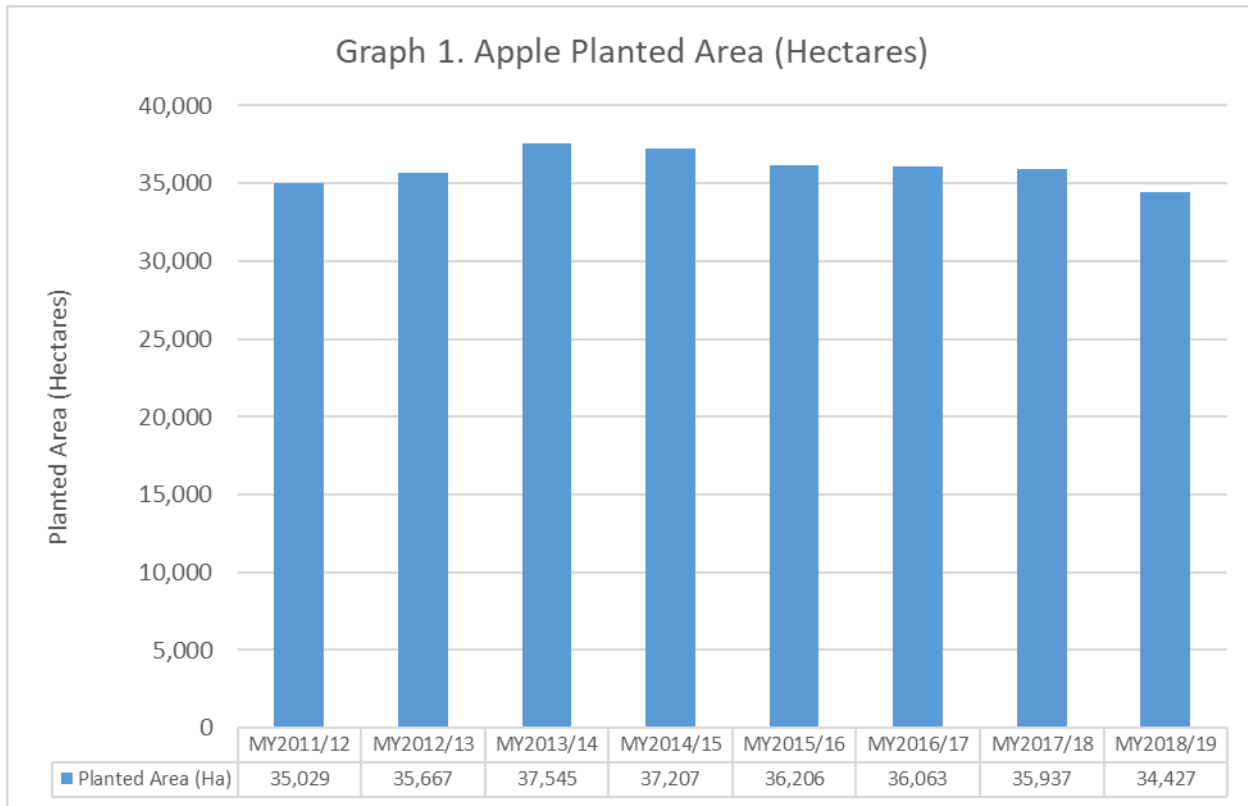
Apples, Fresh

**Production:**

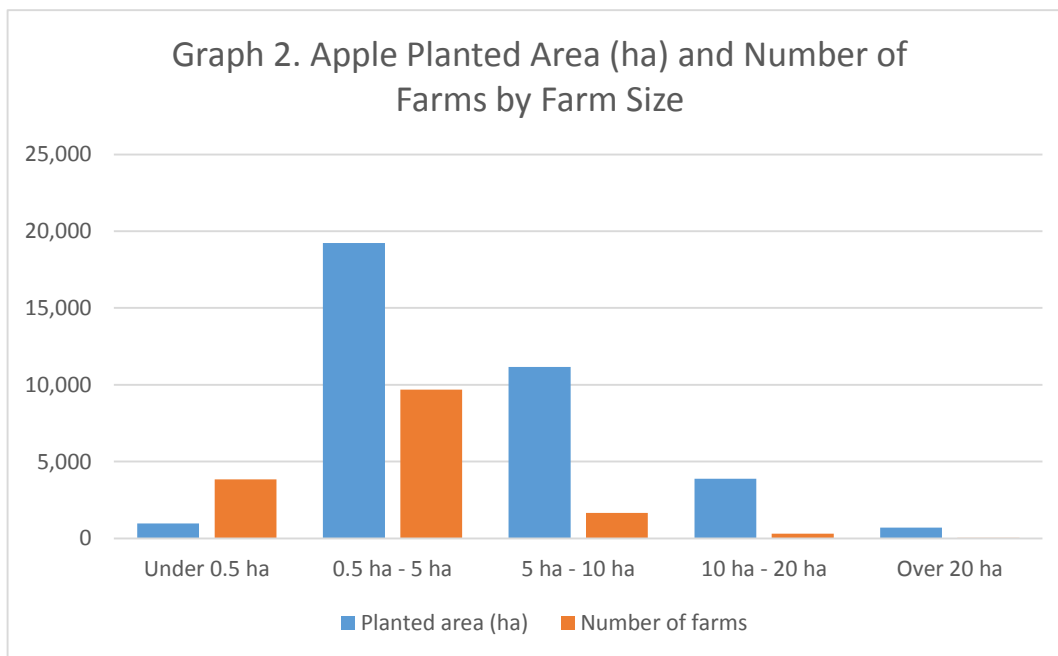
In MY2018 /19, Chile's apple planted area totaled 34,427 hectares (ha), which represents a 4.2 percent decrease over MY2017/18 (see graph 1). The decrease in apple planted area is as result of low profits due to increasing international competition from other southern hemisphere exporting countries and demand for new apple varieties. Additionally, Chilean apple producers continue to replace apple orchards with more profitable alternative crops such as cherries and walnuts.

Chile's fresh apple production forecast changed slightly for marketing year MY2018/19. According to Post sources, in MY2018/19 winter chill hour accumulation was sufficient in apple production areas generating a normal bloom, but abundant rain during the fruit setting stage in the spring generated loss of the production potential. Additionally, summer temperatures were higher than usual and water supply decreased. Due to these adverse climatic conditions, Post estimates a five percent decrease in production in MY2018/19 totaling 1,250,000 MT (see table 2).

The renewal of old orchards with modern varieties such as Jazz, Envy, Brookfield, Rosy Glow or Ambrosia is still taking place. The majority of apple orchards (9,680 orchards) range from 0.5 ha –to 5.0 ha (see graph 2). These orchards make up for 54 percent or 19,200 ha of apple planted area. There are 1,660 medium sized farms (5.0 ha – 10 ha), but cover 11,150 ha which represent 31 percent of apple planted area. Thus, nearly all of Chile's fresh apple production comes from small to medium sized farms (less than 10 ha). For more information on production, see [Fresh Deciduous Fruit Annual GAIN report 2018](#).



Source: ODEPA, 2019



Source: based in data from ODEPA-CIREN, 2019

## Consumption:

For MY2018/19, Post estimates domestic consumption of fresh apples to reach 240,000 MT or 19 percent of the total commercial apple production. In addition, 286,000 MT or 23 percent of the Chilean apple crop will be processed, and 739,000 MT or 58 percent will be exported (see table 2).

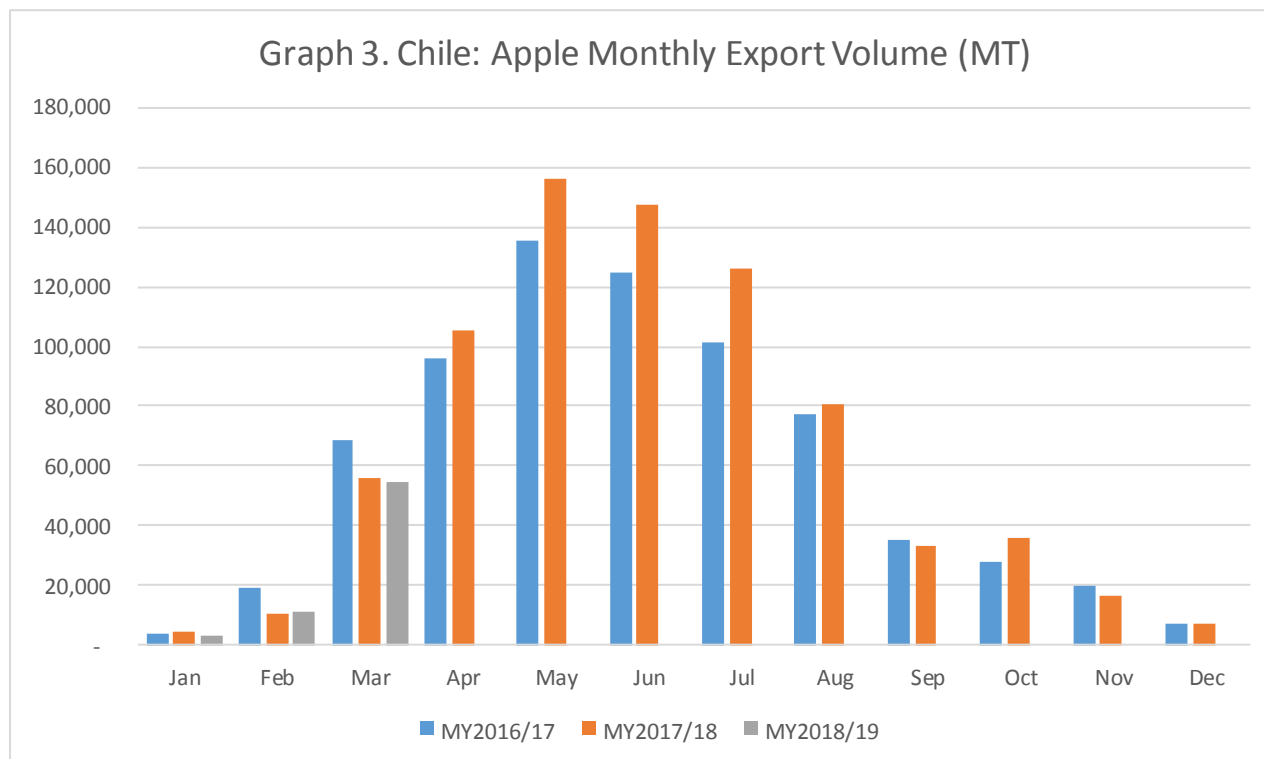
## Trade:

In MY2017/18, Chile's fresh apple exports increased by 8.7 percent over MY2016/17 (see table 1). Colombia is the top market for Chilean fresh apples followed closely by the United States, the Netherlands, and India. In MY2017/18, Chilean fresh apple exports to the United States decreased by 28.9 percent over MY2016/17. Fresh apple exports decreased by 4.1 percent in MY2018/19 over MY2017/18 (data until February).

Monthly export data shows a decrease in March 2019, at the beginning of the peak export season, which ranges from March to August every year. In MY2018/19, post projects 739,000 MT of fresh apple exports assuming a five percent decrease in production. This will constitute a five percent decrease in exports over MY2017/18 (see table 2).

Table 1. Chile Export Statistics						
Commodity: 080810, Apples, Fresh						
Marketing Year: 2017 - 2018, Year To Date: 02/2018 & 02/2019						
Quantity						
Partner Country	Marketing Year			Year To Date		
	MY2016/17	MY2017/18	% Change	Jan 2018 - Feb 2018	Jan 2019 - Feb 2019	% Change
<b>World</b>	<b>716,307</b>	<b>778,941</b>	<b>8.7</b>	<b>14,549</b>	<b>13,947</b>	<b>-4.1</b>
Colombia	80,598	84,510	4.9	4,378	4,787	9.4
United States	87,629	62,325	-28.9	64	21	-66.5
Netherlands	38,719	59,293	53.1	58	21	-62.9
India	24,102	56,119	132.8	425	-	-100.0
Ecuador	49,402	53,241	7.8	3,398	4,092	20.4
Taiwan	53,519	50,321	-6.0	-	-	n/a
Peru	52,779	43,165	-18.2	1,630	1,600	-1.8
Saudi Arabia	45,730	42,472	-7.1	400	529	32.2
United Kingdom	28,256	41,033	45.2	-	-	n/a
Brazil	34,465	37,647	9.2	1,234	231	-81.3
Germany	15,155	29,907	97.3	-	-	n/a
Russia	26,722	29,428	10.1	21	20	-8.7
Bolivia	24,364	25,207	3.5	2,182	1,781	-18.4
Canada	21,808	22,675	4.0	-	-	n/a
Others	133,059	141,598	6.4	759	865	14.0

Source of Data: Global Trade Atlas - Chile Customs - Servicio Nacional de Aduana



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Source: Based in Servicio Nacional de Aduana, 2019

**Table 2. Production, Supply and Demand Data Statistics**

Apples, Fresh Market Begin Year Chile	2016/2017		2017/2018		2018/2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b>	36,063	36,063	35,937	35,937	34,427	34,427
<b>Area Harvested</b>	33,600	33,600	33,400	33,400	33,000	33,000
<b>Bearing Trees</b>	39,000	39,000	38,950	38,950	36,300	36,300
<b>Non-Bearing Trees</b>	2,800	2,800	2,800	2,800	2,500	2,500
<b>Total Trees</b>	41,800	41,800	41,750	41,750	38,800	38,800
<b>Commercial Production</b>	1,300,000	1,300,000	1,290,000	1,320,000	1,240,000	1,254,000
<b>Non-Comm. Production</b>	10,000	10,000	10,000	10,000	10,000	10,000
<b>Production</b>	1,310,000	1,310,000	1,300,000	1,330,000	1,250,000	1,264,000
<b>Imports</b>	1,800	1,800	2,000	2,000	1,000	1,000
<b>Total Supply</b>	1,311,800	1,311,800	1,302,000	1,332,000	1,251,000	1,265,000
<b>Fresh Dom. Consumption</b>	285,500	285,500	246,000	243,059	240,000	240,000
<b>Exports</b>	716,300	716,300	750,000	778,941	720,000	739,000
<b>For Processing</b>	310,000	310,000	306,000	310,000	291,000	286,000
<b>Withdrawal From Market</b>	-	-	-	-	-	-
<b>Total Distribution</b>	1,311,800	1,311,800	1,302,000	1,332,000	1,251,000	1,265,000

(HA) ,(1000 TREES) ,(MT)

Source: Post estimations

**Commodities:**

Grapes, Table, Fresh

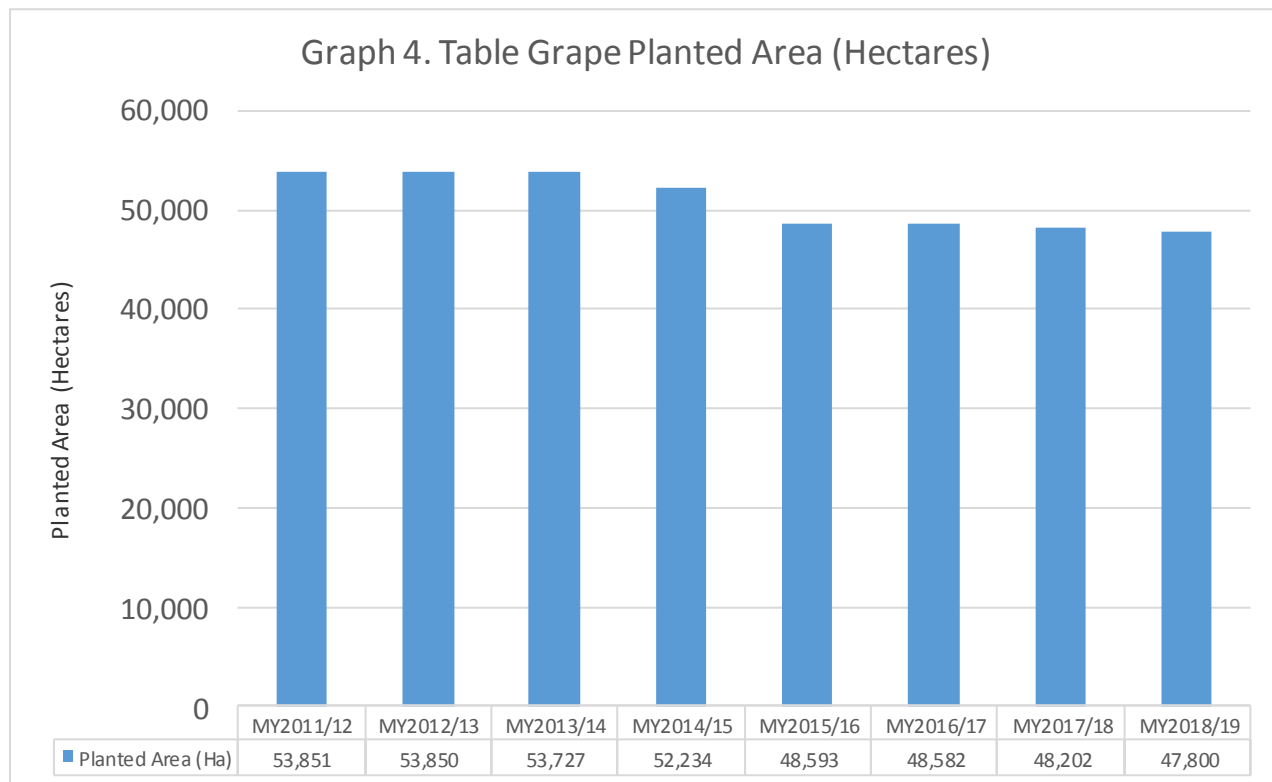
**Production:**

Chile’s table grape planted area in MY2018/19 totaled 47,800 ha, which is 0.8 percent decrease over MY2017/18 (see graph 4) as a result of increasing competition from Peruvian table grapes in the U.S. market.

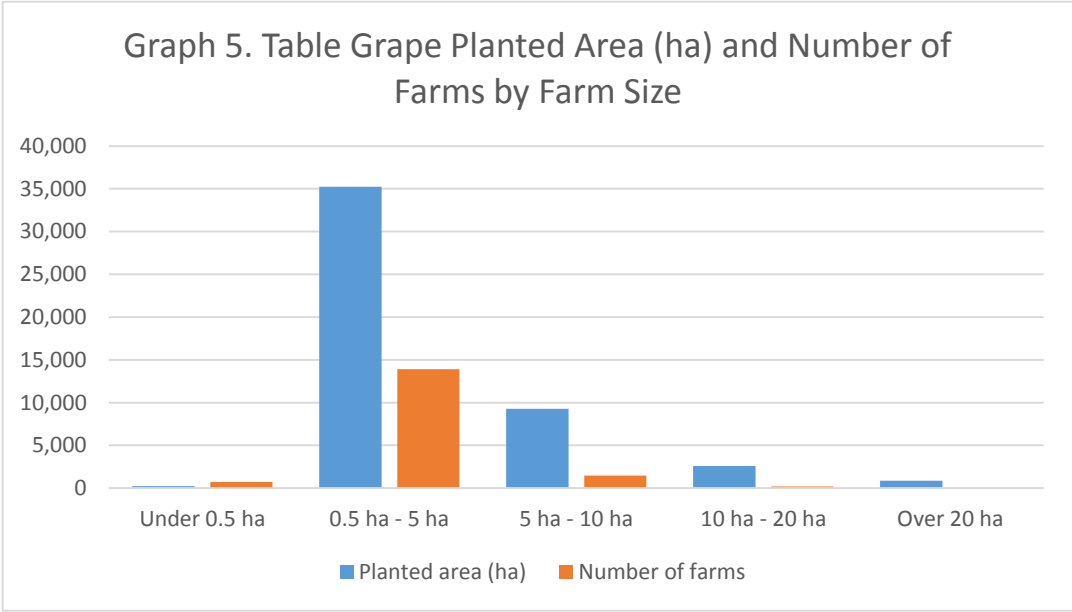
Nearly all of Chile’s table grape production goes to the export market, which demands high quality and modern grape varieties. Producers who have not renewed their grape vines have difficulties in exporting and risk not gaining any profits if there are large supplies of grapes in those export markets.

There are 16,300 table grape orchards in Chile and the majority are small or medium sized ones. Eighty five percent of these orchards are smaller than five hectares and they cover an area of 35,200 hectares or 73 percent of the total table grape planted area. Only 31 orchards are larger than 20 ha (see graph 5).

In MY2018/19, Post estimates a 4.5 percent decrease in table grape production totaling 870,000 MT. This decline follows a decrease in yields due to unusual high temperatures during the summer and a decrease in planted area especially around the northern production area in *Copiapó* valley (see table 4).



Source: ODEPA, 2019



Source: based in data from ODEPA-CIREN, 2019

**Consumption:**

Chile exports around 80 percent of all table grape production and consumes the remaining 20 percent. Post estimates that in MY2018/19 consumption will remain unchanged and total 184,900 MT.

**Trade:**

In MY2017/18, Chile's table grape exports remained unchanged from MY2016/17 (see table 3). Table grape exports to the United States decreased by five percent while exports to China grew by 21.4 percent. However, the United States was the top market for Chile's table grapes and reached 328,081 MT in MY2017/18, which accounted for 45 percent of total table grape exports.

The United States market is a very competitive market as U.S. consumers demand high quality and top of the line seedless varieties such as Timco or Sweet Celebration.

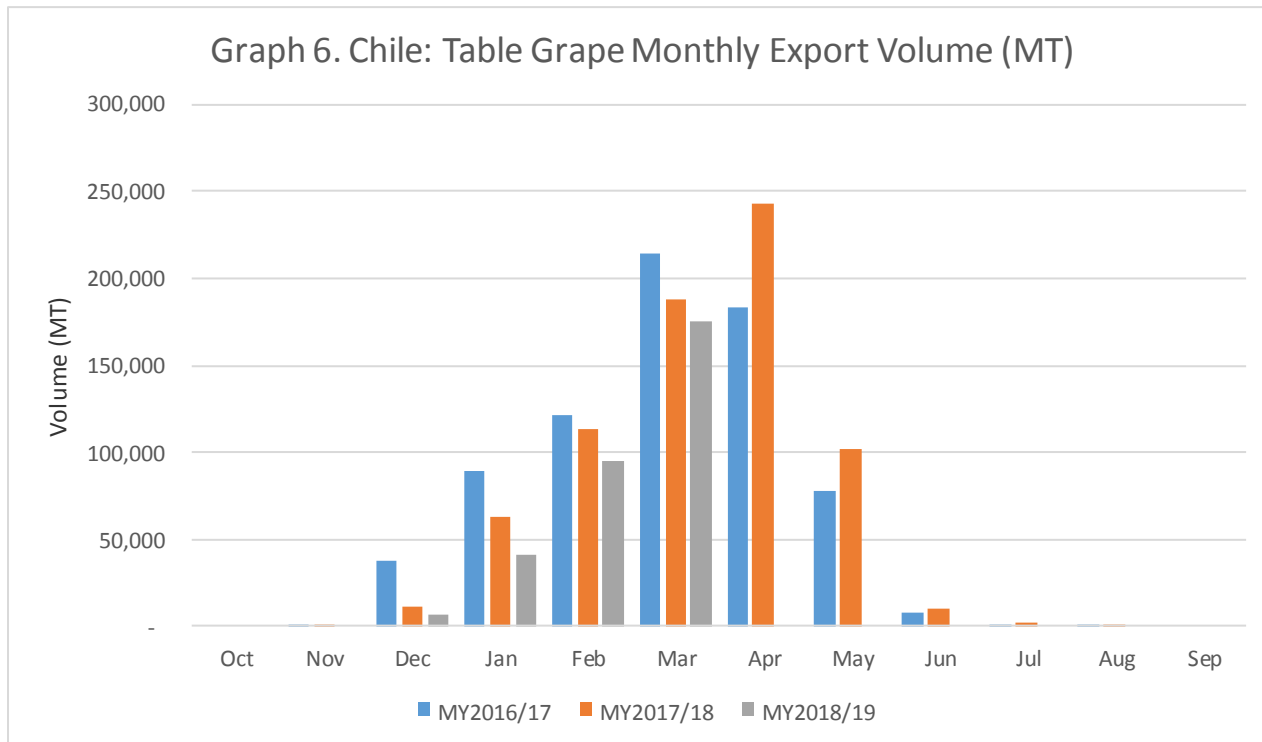
In MY2018/19 exports to the United States decreased by 29.5 percent while exports to China increased by 24.1 percent (data until February). Post expects that Chilean table grape exports to the Chinese market will continue to grow as Chilean fruit exporters increased marketing efforts and promotion funds in reaching that market in order to gain higher prices.

Post estimates MY2018/19 exports at 690,000 MT, a 5.5 percent decrease over MY2017/18, assuming a decrease in yields and reduced planted area (see table 4).



<b>Table 3. Chile Export Statistics</b>						
<b>Commodity: 080610, Grapes, Fresh</b>						
<b>Marketing Year 2017- 2018, Year To Date: 10/17 - 02/18 &amp; 10/18 - 02/19</b>						
<b>Quantity</b>						
<b>Partner Country</b>	<b>Marketing Year (October - September)</b>			<b>Year To Date</b>		
	<b>MY2016/17</b>	<b>MY2017/18</b>	<b>% Change</b>	<b>Oct 17 - Feb 18</b>	<b>Oct 18 - Feb 19</b>	<b>% Change</b>
World	731,156	731,258	0.0	186,550	141,751	-24.0
United States	344,180	328,081	-4.7	141,790	99,905	-29.5
China	97,334	118,155	21.4	5,604	6,954	24.1
Netherlands	45,728	43,726	-4.4	3,758	1,502	-60.0
Korea, South	34,343	32,212	-6.2	7,564	8,502	12.4
United Kingdom	31,546	32,823	4.0	2,668	1,335	-50.0
Brazil	18,505	16,162	-12.7	1,526	1,294	-15.2
Canada	17,527	17,182	-2.0	5,631	4,133	-26.6
Mexico	14,381	16,505	14.8	4,884	5,072	3.8
Russia	15,218	16,700	9.7	972	637	-34.5
Japan	10,526	8,972	-14.8	4,234	5,887	39.0
Taiwan	6,459	4,513	-30.1	350	345	-1.4
Spain	9,088	10,253	12.8	953	859	-9.9
Saudi Arabia	6,155	5,736	-6.8	199	85	-57.3
Germany	8,861	9,316	5.1	529	651	23.1
Thailand	4,600	4,532	-1.5	112	56	-50.0
Others	66,705	66,390	-0.5	5,776	4,534	-21.5

Source of Data: Global Trade Atlas - Chile Customs - Servicio Nacional de Aduana



Source: Based in Servicio Nacional de Aduana, 2019

### Policy:

The Chilean Ministry of Agriculture through SAG (Servicio Agrícola y Ganadero) continues to carry out the 2018-2019 [National Program for the control of Grapevine Moth](#) (*Lobesia botrana*). SAG's control actions are mandatory for table grapes (*Vitis vinifera*) from Atacama region (Copiapo province to the south) to Araucanía region. This area covers the complete production area for Chilean table grapes.

The official components of the control system are:

- Monitoring in order to determine the presence and distribution of the plague.
- Establish quarantine areas where the plague is present.
- Control measures in urban areas. Includes control trough the installation of pheromone dispensers that reduce mating of the moth.
- Control measures in rural areas: includes pheromone dispensers and chemical control.

**Table 4. Production, Supply and Demand Data Statistics**

Grapes, Fresh Table Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Chile						
Area Planted	48,582	48,582	48,202	48,202	47,800	47,800
Area Harvested	46,100	46,100	46,000	46,000	45,900	45,900
Commercial Production	912,156	912,156	910,578	910,578	900,000	870,000
Non-Comm. Production	4,800	4,800	4,650	4,650	4,600	4,600
Production	916,956	916,956	915,228	915,228	904,600	874,600
Imports	300	300	300	300	300	300
Total Supply	917,256	917,256	915,528	915,528	904,900	874,900
Fresh Dom. Consumption	186,056	186,056	184,228	184,228	184,900	184,900
Exports	731,200	731,200	731,300	731,300	720,000	690,000
Withdrawal From Market	-	-	-	-	-	-
Total Distribution	917,256	917,256	915,528	915,528	904,900	874,900
(HA) ,(MT)						

Source: post estimations

**Commodities:**

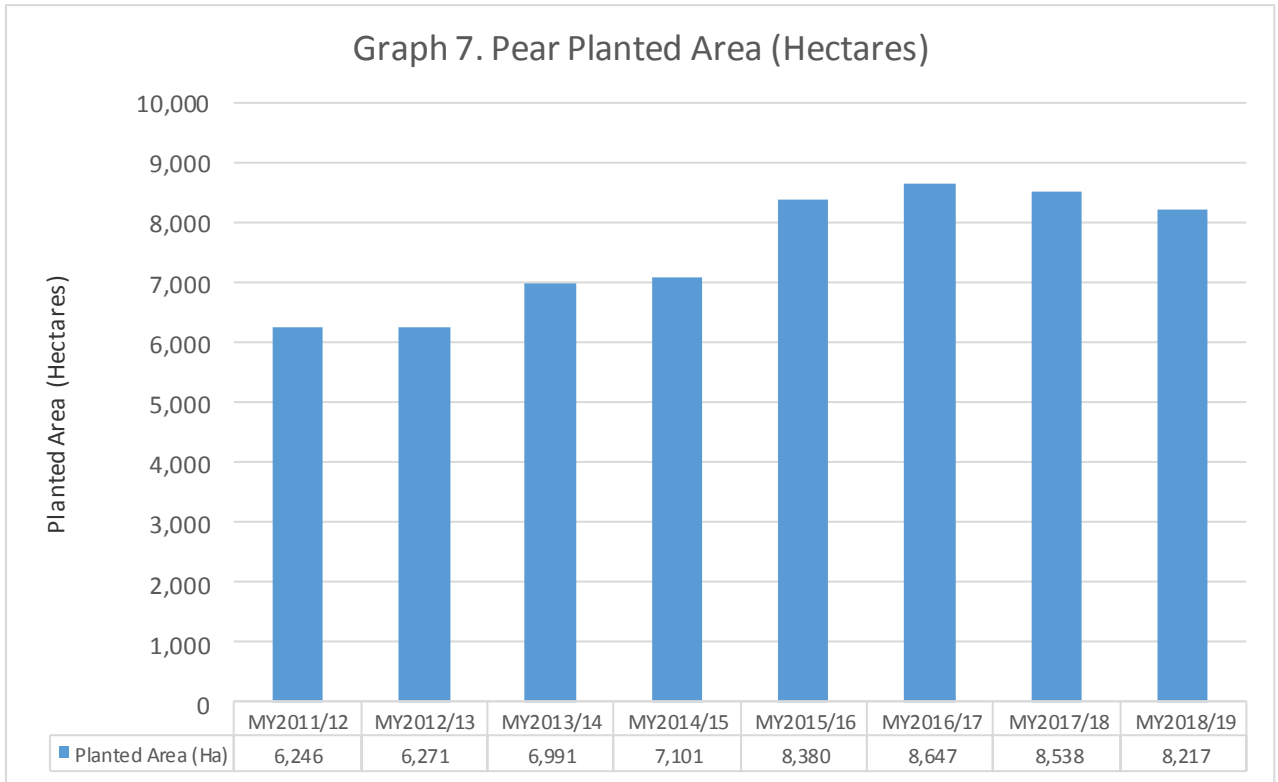
Pears, Fresh

**Production:**

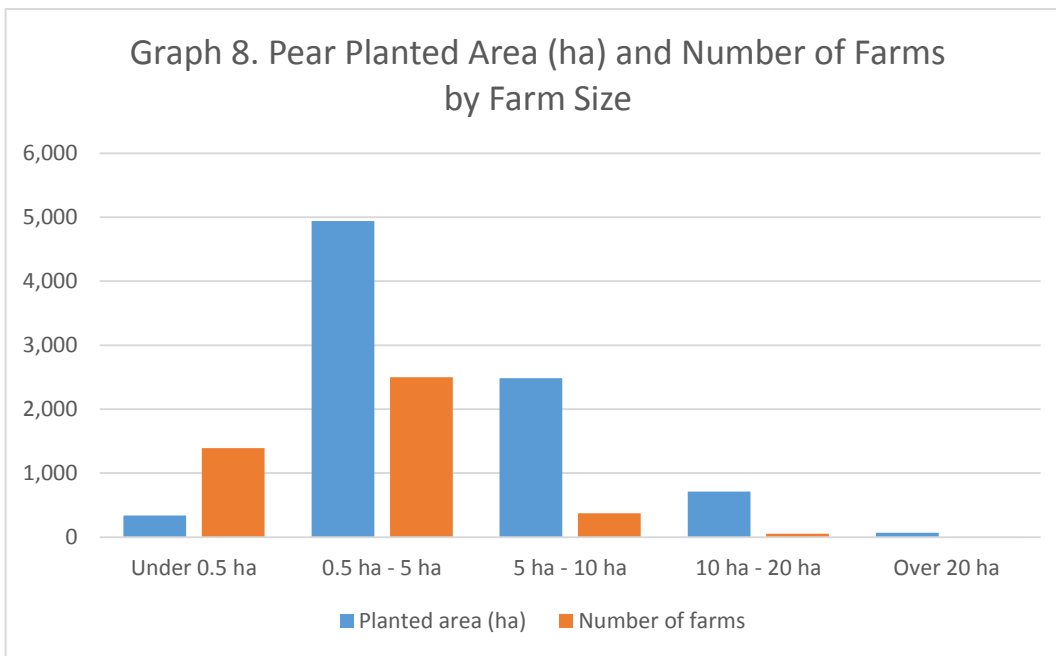
In MY 2018/19, Chile’s pear planted area totaled 8,217 ha, or 3.8 percent less than in MY2017/18. With the opening of the Chinese market for Chilean fresh pears, Post estimates that planted area could reverse the decrease trend and start increasing in MY2019/20.

More than 60 percent of the pear planted area in Chile corresponds to orchards that have an area of less than five ha (see graph 8). Three hundred and seventy medium size orchards (5 ha – 10 ha) cover 29 percent of the planted area.

In MY2018/19, Chile’s fresh pear production will decrease by 3.8 percent and total 250,000 MT following the decrease in planted area (see table 6).



Source: ODEPA, 2019



Source: based in data from ODEPA-CIREN, 2019

**Consumption:**

Post estimates that Chile's fresh pear exports make up 50 percent of the commercial production, 30 percent is destined for the domestic market, and the processing fruit sector uses the remainder 20 percent.

In MY2018/19, Post estimates fresh domestic consumption of pears at 74,000 MT and 51,600 MT for the processing industry (see table 6).

**Trade:**

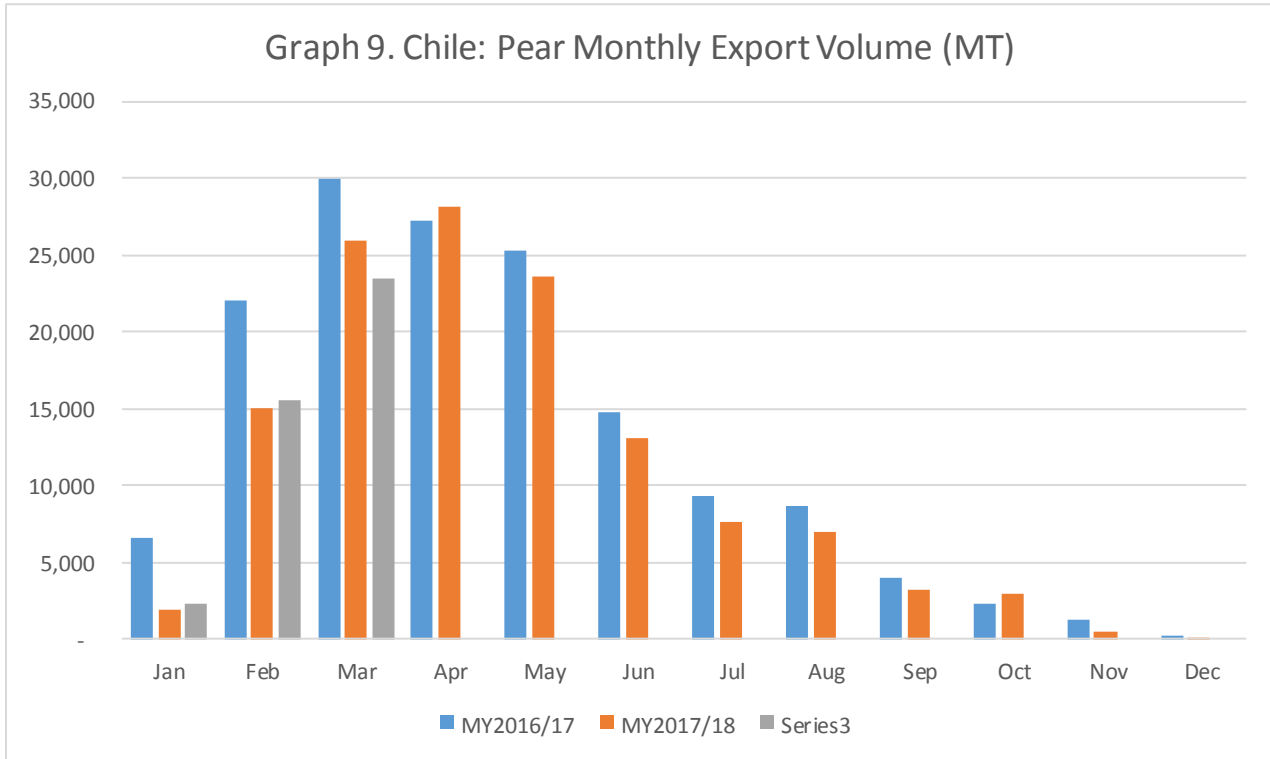
Chile's pear exports totaled 129,000 MT in MY2017/18 and decreased by 15 percent over MY2016/17 (see table 5). Chile's main market for Chilean fresh pear exports is Colombia, followed by the Netherlands, Russia, and the United States. Chile's pear exports to all of these markets decreased slightly in MY2017/18 except for exports to Russia, which grew by 19.5 percent.

In MY2018/19, Chilean fresh pear exports increased by 5.9 percent (data until February). However, exports decreased in March 2019 by 9.5 percent over March 2018, which is one of the peak export months for Chilean pears (see graph 9).

Post estimates pear exports to decrease by 1.5 percent in MY2018/19 and reach 127,000 MT due to lower production volume.

<b>Table 5. Chile Export Statistics</b>						
<b>Commodity: 080830, Pears, Fresh</b>						
<b>Marketing Year: 2017 - 2018, Year To Date: 02/2018 &amp; 02/2019</b>						
<b>Quantity</b>						
<b>Partner Country</b>	<b>Marketing Year</b>			<b>Year To Date</b>		
	<b>MY2016/17</b>	<b>MY2017/18</b>	<b>% Change</b>	<b>Jan 2018 - Feb 2018</b>	<b>Jan 2019 - Feb 2019</b>	<b>% Change</b>
<b>World</b>	<b>151,627</b>	<b>129,003</b>	<b>-14.9</b>	<b>16,938</b>	<b>17,936</b>	<b>5.9</b>
Colombia	22,149	20,446	-7.7	2,590	3,103	19.8
Netherlands	27,273	17,649	-35.3	811	625	-22.9
Russia	12,938	15,455	19.5	484	872	80.2
United States	12,638	11,930	-5.6	2,646	1,561	-41.0
Peru	16,061	11,820	-26.4	1,090	798	-26.8
Italy	15,616	10,937	-30.0	2,139	2,947	37.8
Ecuador	12,332	10,117	-18.0	1,346	1,530	13.7
Germany	6,204	7,097	14.4	182	17	-90.7
Spain	4,280	5,233	22.3	3,255	3,472	6.7
Brazil	4,291	2,878	-32.9	241	300	24.5
Saudi Arabia	1,839	2,034	10.6	982	920	-6.3
Panama	1,712	1,911	11.6	93	238	155.9
Belgium	1,695	1,705	0.6	56	-	-100.0
Puerto Rico (U.S.)	835	832	-0.4	-	73	-
France	938	830	-11.5	193	394	104.1
Others	10,826	8,129	-24.9	830	1,086	30.8

Source of Data: Global Trade Atlas - Chile Customs - Servicio Nacional de Aduana



Source: Based in Servicio Nacional de Aduana, 2019.

**Policy:**

China granted market access to Chilean fresh pears on April 25, 2019. According to information from the [Chilean Ministry of Agriculture](#), Chilean pear producers will be able to export pears to China starting May 2019 (MY2018/19). Chile began market access negotiations for Chilean pears with Chinese authorities in February 2017. Chile exports to China a wide variety of fresh fruits including cherries, table grapes, plums, kiwis, nectarines, avocados, apples, and blueberries. Fresh fruit exports to China totaled \$1.05 billion in calendar year (CY) 2018, which represents an 88.5 percent increase over CY2017.

**Table 6. Production, Supply and Demand Data Statistics:**

Pears, Fresh Market Begin Year Chile	2016/2017		2017/2018		2018/2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8,647	8,647	8,538	8,538	8,157	8,157
Area Harvested	7,900	7,900	8,200	8,200	8,100	8,100
Bearing Trees	8,295	8,295	8,610	8,610	8,505	8,505
Non-Bearing Trees	1,308	1,308	1,155	1,155	1,050	1,050
Total Trees	9,603	9,603	9,765	9,765	9,555	9,555
Commercial Production	288,000	288,000	260,000	260,000	250,000	250,000
Non-Comm. Production	2,000	2,000	2,000	2,000	2,000	2,000
Production	290,000	290,000	262,000	262,000	252,000	252,000
Imports	600	600	600	600	600	600
Total Supply	290,600	290,600	262,600	262,600	252,600	252,600
Fresh Dom. Consumption	82,400	82,400	75,600	76,600	75,000	74,000
Exports	151,600	151,600	130,000	129,000	125,000	127,000
For Processing	56,600	56,600	57,000	57,000	52,600	51,600
Withdrawal From Market	-	-	-	-	-	-
Total Distribution	290,600	290,600	262,600	262,600	252,600	252,600

(HA) ,(1000 TREES) ,(MT)

Source: Post estimations