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Chile

Fresh Deciduous Fruit Semi-annual

Apple, Table Grape and Pear Semi Annual Report

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Report Highlights:

Chile's apples, table grapes and pear production and consequently exports are expected to fall compared to last year as a result of adverse weather conditions in most growing areas.

Executive Summary:

New estimates show that production of apples, table grapes and pears will fall in 2012, as weather has not been favorable in general terms for fruit production. Exports will also fall accordingly except for apple juice concentrate because of a strong demand which is reflected by a significant increase of international prices.

Commodities: Apples, Fresh

Production:

Unstable weather conditions in some production areas during last winter and spring coupled with higher than normal temperatures during the summer, affected apple production negatively in both volume and quality. Although sufficient cold hours accumulated during the winter that had a positive effect on budding which would have assured a good production volume, the excess heat at the end of spring and summer affected the quality which together with a strong domestic demand for apples by the processing industry, reduced the volume of apples available for exports. As a result the total volume of exports is expected to be smaller than the previous year.

Consumption:

There are no official statistics on domestic fresh apple consumption. The figures shown in our PS&D table are estimated as a residual of production, minus apples destined for processing and known exports.

Trade:

Due to a smaller harvest the industry expects export volumes in 2012 to be lower than last season. Additionally, increasing production costs (labor and energy costs) and a strong Chilean peso and weak dollar, caused producers to prefer domestic sales to the processing industry as demand has been strong and prices have increased. High prices offered by the apple juice industry tempted a large number of producers to sell their production to a fixed known price instead of a delivery of their production in consignment to an undetermined price.

Production, Supply and Demand Data Statistics:

Apples, Fresh Chile	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	37,300	37,300	37,300	37,300	0	37,300
Area Harvested	32,900	32,900	33,000	33,000	0	33,100
Bearing Trees	14,800	14,800	14,845	14,845	0	14,890
Non-Bearing Trees	2,011	2,011	1,966	1,966	0	1,921
Total Trees	16,811	16,811	16,811	16,811	0	16,811
Commercial Production	1,360,000	1,360,000	1,496,000	1,421,000	1,490,000	1,400,000
Non-Comm. Production	10,000	10,000	10,000	10,000	10,000	10,000
Production	1,370,000	1,370,000	1,506,000	1,431,000	1,500,000	1,410,000
Imports	245	245	400	820	500	500
Total Supply	1,370,245	1,370,245	1,506,400	1,431,820	1,500,500	1,410,500
Fresh Dom. Consumption	185,146	190,596	207,440	197,000	195,000	195,000
Exports	842,599	837,149	827,000	800,834	840,000	750,000
For Processing	342,500	342,500	471,960	433,986	465,500	465,500
Withdrawal From Market	0		0		0	
Total Distribution	1,370,245	1,370,245	1,506,400	1,431,820	1,500,500	1,410,500
HA, 1000 TREES, MT						

Export Trade Matrix					
Country	Chile				
Commodity	Apples, Fresh				
Exports for:	2010		**2011**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	121,083	99,549	U.S.	90,634	79,847
Others			**Others**		
Colombia	76,614	53,877	Colombia	70,874	55,180
Saudi Arabia	58,979	41,825	Netherlands	60,414	46,059
Netherlands	56,856	38,220	Saudi Arabia	54,202	41,175
Taiwan	51,305	57,493	Russia	48,688	36,450
Ecuador	47,412	30,870	Taiwan	46,451	55,789
Peru	47,185	26,361	Ecuador	46,427	33,005
Russia	38,018	26,655	Peru	37,804	23,941
U.K.	35,885	28,051	India	29,194	18,594
U Arab Emirates	28,859	19,962	U.K.	29,142	25,674
India	23,035	15,055	Venezuela	26,512	26,817
Total for Others	464,147			449,708	
Others not Listed	251,920			260,492	
Grand Total	**837,149**	**620,660**		**800,834**	**644,822**

Commodities: Grapes, Table, Fresh

Production: Due to unstable weather conditions last spring in the valley of Copiapo, higher than normal temperatures during the summer in the central region and a shortage of water availability for irrigation in almost all production areas, table grape production in 2011/2012 is expected to be slightly smaller than the previous season. Higher than normal temperatures during the summer months affected the quality of the table grapes in some production areas will result in a smaller export volume than both last year and our previous forecast.

Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Crimson Seedless, Red globe, Flame Seedless Superior Seedless and Autumn Royal account for the bulk of production, over 90 percent. Table Grapes are planted from the Atacama Region (Copiapo) to the Maule Region (Curico-Talca).

Consumption: As with other Chilean fresh fruits, domestically consumed table grapes are mainly export rejects. There are no official statistics on domestic consumption. Domestic fresh consumption is derived from the only known figure, which is exports, and estimated production data. Domestic consumption and processing, generally accounts for about 30 percent of total output.

Trade: Total table grape export volume is expected to be smaller in 2012 than the previous year as a result of a smaller harvest. During this export season, due to lower prices than usual (up to 30 percent lower) in the United States at the beginning of the export season (Dec 2011), a large number of export companies sent their fruit to Europe and other markets. But the trend reverted and when table grape prices recuperated in the U.S., increasing significantly to record levels for the season. Nevertheless exports to the U.S. market is expected to be 10 percent lower when compared to previous year and volumes exported to Europe will exceed by as much as 50 percent when compared to last year. But at the end total exports are expected to fall close to 3 percent when compared to the previous season.

The US is by far the largest export market for Chilean table grapes, close to 50 percent goes to that market. The EU is the second export market. As in the past, table grapes are being imported during the off-season.

Production, Supply and Demand Data Statistics:

Grapes, Fresh Chile	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	62,411	62,411	62,462	62,462	0	62,470
Area Harvested	53,085	53,085	53,118	53,118	0	53,125
Commercial Production	1,100,000	1,100,000	1,210,000	1,210,000	1,200,000	1,170,000
Non-Comm. Production	5,000	5,000	5,000	5,000	5,000	5,000
Production	1,105,000	1,105,000	1,215,000	1,215,000	1,205,000	1,175,000
Imports	282	282	250	177	250	250
Total Supply	1,105,282	1,105,282	1,215,250	1,215,177	1,205,250	1,175,250
Fresh Dom. Consumption	323,982	324,197	345,250	361,657	335,250	345,250
Exports	781,300	781,085	870,000	853,520	870,000	830,000
For Processing	0		0		0	
Withdrawal From Market	0		0		0	
Total Distribution	1,105,282	1,105,282	1,215,250	1,215,177	1,205,250	1,175,250
HA, MT						

Export Trade Matrix

Country	Chile				
Commodity	Grapes				
Exports for:	2010		**2011**		
Time Period	Jan-Dec				
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	411,496	690,440	U.S.	402,060	642,610
Others			**Others**		
Netherlands	68,123	99,750	Netherlands	85,008	138,080
U.K.	49,658	80,807	U.K.	50,792	101,113
Russia	41,387	60,995	Hong-Kong	39,785	73,675
So. Korea	31,103	62,022	So. Korea	39,404	78,736
Hong-Kong	25,191	48,088	Russia	35,917	52,548
México	18,588	32,400	China	23,832	48,590
Brazil	11,699	16,922	Mexico	19,578	32,276
Spain	11,499	16,351	Brazil	18,789	27,047
China	9,830	21,216	Canada	18,484	32,333
Canada	7,698	14,214	Spain	11,945	15,847
Total for Others	274,775			343,534	
Others not Listed	94,814			107,926	
Grand Total	**781,085**	**1,288,505**		853,520	1,419,387

Commodities: Pears

Production:

Weather conditions during the last winter months which allowed accumulating enough cold hours for a good budding, was expected to have a positive effect on total output of pears. But high temperatures at the end of spring and summer affected quality and volume of the production, as a result total output is expected to be smaller than last year.

Consumption:

Most pears are consumed fresh because only a few existing varieties in Chile can be processed for canned pears or juice concentrates. Domestically consumed pears are mainly export rejects.

Trade:

The estimated smaller production is expected to result in a corresponding fall in exports. The European Union is Chile's main export market. Close to 50 percent of exports are destined for the EU.

Production, Supply and Demand Data Statistics:

Pears, Fresh Chile	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,590	6,590	6,590	6,590	0	6,590
Area Harvested	6,000	6,000	6,000	6,000	0	6,000
Bearing Trees	2,981	2,981	2,981	2,981	0	2,981
Non-Bearing Trees	285	285	285	285	0	285
Total Trees	3,266	3,266	3,266	3,266	0	3,266
Commercial Production	260,000	260,000	288,000	288,000	285,000	285,000
Non-Comm. Production	2,000	2,000	2,000	2,000	2,000	2,000
Production	262,000	262,000	290,000	290,000	287,000	287,000
Imports	0	61	0	225	0	25
Total Supply	262,000	262,061	290,000	290,225	287,000	287,025
Fresh Dom. Consumption	81,427	82,000	83,000	85,000	82,000	87,000
Exports	116,773	116,261	137,000	133,551	140,000	130,000
For Processing	63,800	63,800	70,000	71,674	65,000	70,025
Withdrawal From Market	0		0		0	
Total Distribution	262,000	262,061	290,000	290,225	287,000	287,025
HA, 1000 TREES, MT						

Export Trade Matrix

Country	Chile				
Commodity	Pears, Fresh				
Exports for:	2009		**2010**		
Time Period	Jan-Dec				
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	18,187	15,156	U.S.	18,187	15,156
Others			**Others**		
Netherlands	26,739	21,845	Netherlands	16,990	16,221
Italy	14,605	16,763	Colombia	16,555	13,402
Colombia	13,514	10,074	Italy	13,039	15,268
Peru	9,790	5,934	Peru	11,295	7,665
Venezuela	8,460	13,133	Ecuador	8,931	6,527
Ecuador	6,730	4,445	Germany	4,774	4,505
Germany	5,179	4,252	Russia	4,520	4,159
Spain	5,032	4,810	Spain	4,334	4,428
Russia	3,728	2,963	Venezuela	2,560	2,849
UA Emirates	2,275	2,181	Saudi Arabia	2,546	2,426
Total for Others	96,053			85,544	
Others not Listed	15,330			12,550	
Grand Total	**129,570**	**113,012**		116,281	106,071

Commodities:

Apple Juice, Concentrated

Production:

Chile’s production of apple juice concentrate (AJC) primarily reflects foreign demand and apple for processing availability. The apple juice industry mainly processes export rejects, but the industry has also encouraged farmers to plant sour-type apples, as well as to expand new plantings of apple varieties mainly for juice purposes. The apple juice industry competes with the pulp industry for the apples left from the fresh exported process.

A strong demand for apple juice has increased prices paid by the industry to farmers who have decided to favor sales to the AJC industry instead of fresh apple exports. As a result, a large number of producers decided to sell their production to a fixed known price instead of delivering their production in consignment to an undetermined price. As a result total output of AJC is expected to increase during 2012.

Consumption:

Only a small amount of AJC, principally single-strength juice, is consumed domestically. AJC competes with a variety of fresh and processed juices in Chile.

Trade:

The United States continues to be Chile's largest AJC export market, accounting for over 60 percent of total export sales in 2011. Other markets of increasing importance are South Korea, Mexico and Canada. Latin American export markets also are growing. Levels of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets against other suppliers such as China. During 2012 exports of AJC are expected to increase as a result of a production expansion.

Production, Supply and Demand Data Statistics:

Export Trade Matrix

Country	Chile				
Commodity	Apple Juice, Concentrated				
Exports for:	2010		**2011**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	18,599	18,511	U.S.	22,676	39,731
Others			**Others**		
Canada	5,405	5,872	Canada	10,553	20,248
Japan	3,834	4,076	Japan	4,837	7,950
México	3,809	4,117	México	4,696	8,765
Netherlands	1,689	1,958	Germany	4,289	8,476
Germany	1,264	1,427	UK	2,558	5,169
South Korea	1,056	1,302	South Korea	2,288	4,598
UK	480	558	Netherlands	1,112	2,281
Argentina	458	484	Poland	533	1,008
El Salvador	294	322	Spain	442	887
Peru	184	257	Argentina	438	700
Total for Others	18,472			31,746	
Others not Listed	662			917	
Grand Total	**37,732**	**39,847**		**55,339**	**101,656**