

**Required Report:** Required - Public Distribution

**Date:** November 14, 2023

**Report Number:** CI2023-0031

**Report Name:** Avocado Annual

**Country:** Chile

**Post:** Santiago

**Report Category:** Avocado

**Prepared By:** Sergio Gonzalez

**Approved By:** Bret Tate

**Report Highlights:**

In marketing year (MY) 2023/24, due to favorable climatic conditions and abundant rainfall in the winter, Post estimates that avocado production will total 200,000 metric tons (MT), a 21.2 percent increase from MY 2022/23. Area planted will total 32,710 hectares, a one percent growth from MY 2022/23. MY 2023/24 exports are estimated at 110,000 MT, a 24.4 percent growth over the previous marketing year due to the higher production volume. Imports will decrease by 14.1 percent and total 65,000 MT to cover for total domestic consumption which will reach 155,000 metric tons. Chileans consume avocado on a daily basis and throughout the year, in salads, sandwiches and a variety of other products that are sold in foodservice. The top-quality avocado is sold mainly in retail; food service purchases lower grade avocado to use in sandwiches, hot-dogs, and sushi.

## Production

In MY 2023/24, from July 2023 to June 2024, Post estimates that avocado production will total 200,000 MT, a 21.2 percent increase from the 165,000 MT produced in MY 2022/23. Post estimates that favorable climatic conditions, and abundant rainfall during the winter will increase yields and overall production.

Post estimates MY 2023/24 area planted at 32,710 hectares (ha), a one percent growth from MY 2022/23. Chilean avocado planted area reached 32,387 ha in MY 2022/23 (Figure 1). Area planted spans from the *Coquimbo* region in the northern part of Chile, to the *O'Higgins* region, in the central-south part of the country. The *Valparaiso* region is the top avocado production region with 20,318 ha, which represents 62.7 percent of total avocado area planted. The *Metropolitan*, *Coquimbo*, and *O'Higgins* regions also hold important shares of the avocado planted area. In the past three marketing years, avocado area planted grew in all regions except for the *Metropolitana* region (Table 1). Avocado area planted in the *Metropolitana* region decreased by 5.9 percent because of competition from cherries, walnuts, citrus, and olives which became profitable alternatives.

*Hass* is the main avocado variety produced in Chile. *Hass* is well adapted to the production area in Chile, and consumers prefer it due to its creaminess and high oil content. However, one of the main issues with *Hass* is its sensitivity to frost and to excessive soil humidity, which limits the area where it can be placed to hillsides and soils with good drainage. Other avocado varieties produced in Chile in lower quantities are *Edranol*, *Negra de la Cruz*, *Fuerte*, and *Bacon*.

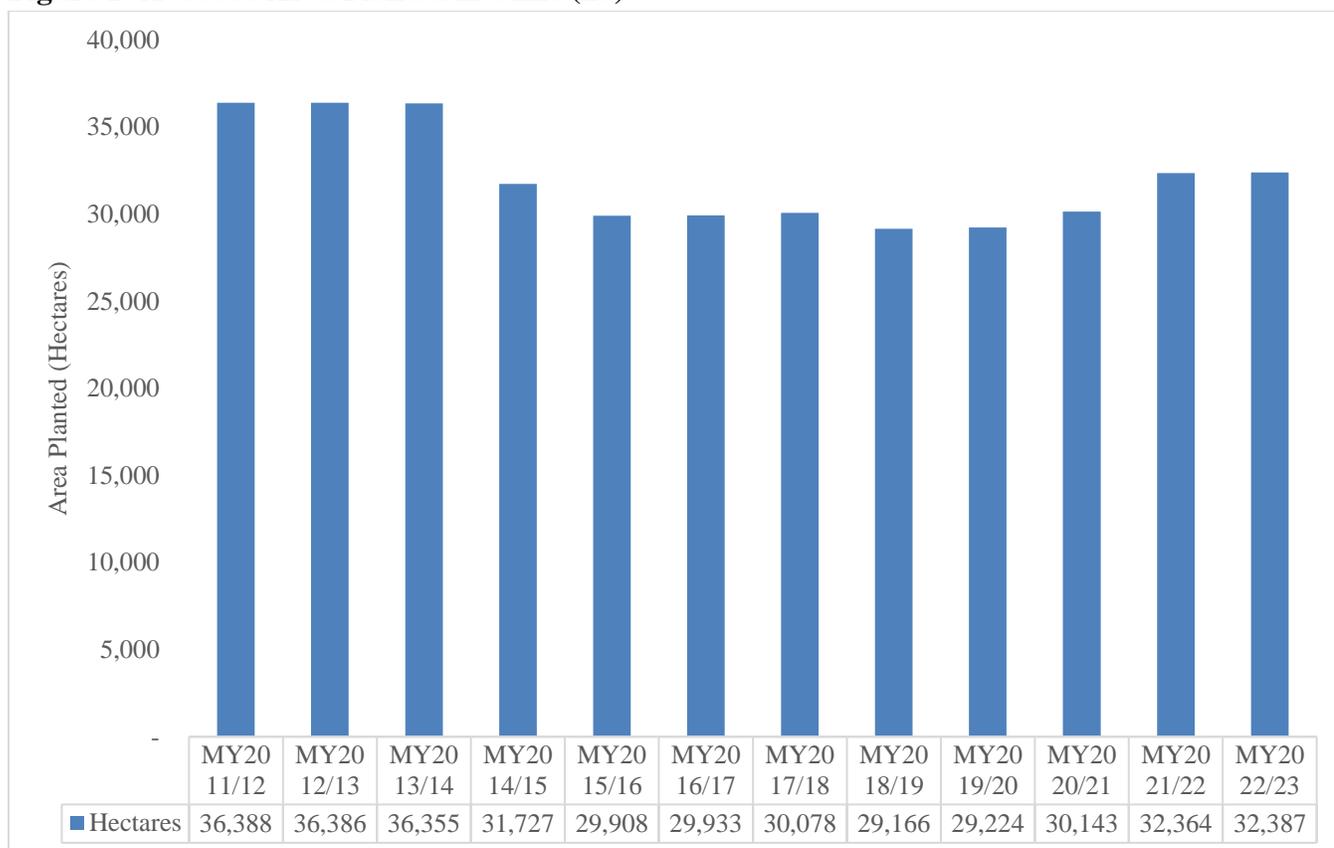
**Table 1: Avocado Area Planted by Region (ha)**

<b>Region</b>	<b>Area Planted (Hectares)</b>	<b>Three-Year Variation (%)</b>	<b>Share (%)</b>
Coquimbo	4,041	1.4%	12.5%
Valparaiso	20,318	6.2%	62.7%
Metropolitana	4,229	-5.9%	13.1%
O'Higgins	3,631	167.9%	11.2%
Others	165		0.5%
<b>Total</b>	<b>32,384</b>	<b>7.4%</b>	<b>100.0%</b>

\*Variation of planted area is measured every third year; data provided are last available.

Source: Based on ODEPA

**Figure 1: Avocado Area Planted in Chile (ha)**



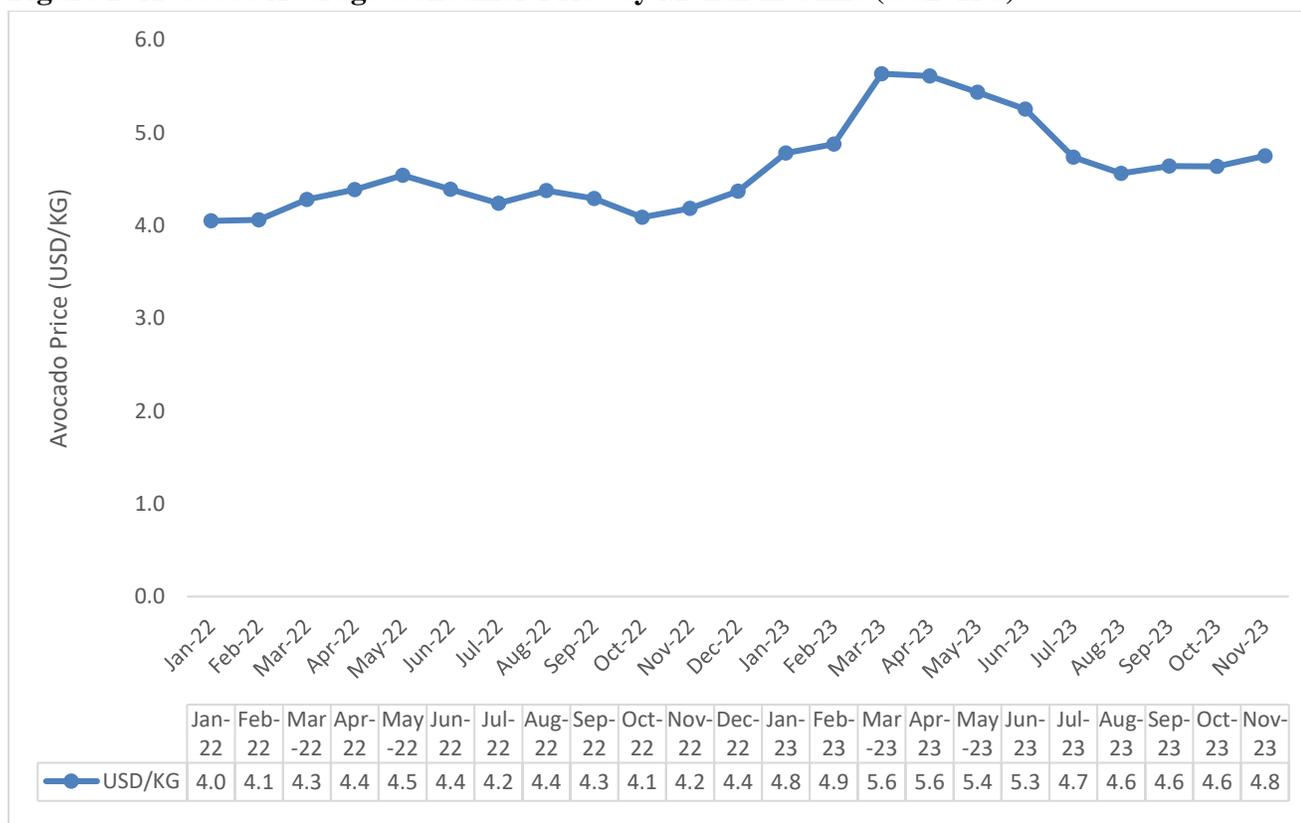
Source: Based on data from ODEPA

## Consumption

In MY 2023/24 Post estimates domestic consumption at 155,000 metric tons, a 1.8 percent increase over MY 2022/23. After Mexico, Chile has the second largest per capita consumption level. Domestic demand for avocado is high since Chileans consider it a staple in their diets. The food service industry also uses it in a variety of products such as sandwiches, hot-dogs, and sushi. Generally, larger avocados, without any physical defects are sold in retail while the smaller avocados are used by foodservice.

Since there is a high demand for avocado, domestic price is high and competitive compared to export price. Avocado price is higher during the offseason around April and May each year (Figure 2). Prices are usually from \$4.00 USD per kilogram (kg) to \$4.50 USD per kg, but they can reach values as high as \$5.60 USD per kg when the avocado supply is low.

**Figure 2: Avocado Average Consumer Price by Month in Chile (USD/KG)**



Source: Based on data from ODEPA

## Policy

No policy updates to report.

## Trade

In the first two months of MY 2023/24, exports increased by 64.2 percent over MY 2022/23. For MY 2023/24, Post estimates exports a 110,000 MT, a 24.4 percent increase from MY 2022/23 due to higher production (Table 2). In MY 2022/23, Chilean avocado exports decreased by 30.3 percent in volume from MY 2021/22 totaling 88,413 MT and by 33.4 percent in value totaling \$178.4 million (Table 3). Low avocado production in MY 2022/23 due to frost explains the decrease in export volume observed in MY 2022/23.

In MY 2022/23, Chile's top export market for avocado was the Netherlands, followed by Argentina, and the United Kingdom (UK). Chilean avocado exports peak between October and December along the bulk of the harvest season (see Figure 3). Avocado exports from November 2022 to April 2023 were significantly lower than the previous year, reflecting the decrease in production.

**Table 2: Chilean Avocado Export Volume (MT) to the World**

Partner Country	Marketing Year			Year to Date		
	MY 2021/22 (MT)	MY 2022/23 (MT)	Variation (%)	July 22 - Aug 22 (MT)	July 23 - Aug 23 (MT)	Variation (%)
The World	126,775	88,413	-30.3%	346	568	64.2%
Netherlands	55,895	29,413	-47.4%	163	165	1.2%
Argentina	20,874	13,127	-37.1%	159	138	-13.2%
United Kingdom	14,110	13,097	-7.2%	0	24	
Spain	9,067	7,888	-13.0%	24	0	-100.0%
China	9,136	7,525	-17.6%	0	0	
Germany	1,805	4,964	175.0%	0	0	
United States	7,777	3,879	-50.1%	1	240	23900.0%
France	1,907	2,082	9.2%	0	0	
Italy	1,080	1,846	70.9%	0	0	
Uruguay	1,036	1,242	19.9%	0	0	0
Australia	42	845	1911.9%	0	0	0
South Korea	1,051	779	-25.9%	0	0	0
Belgium	809	621	-23.2%	0	0	0
Switzerland	333	488	46.5%	0	0	0
Denmark	48	258	437.5%	0	0	0
Others	1,805	359	-80.1%	0	1	0

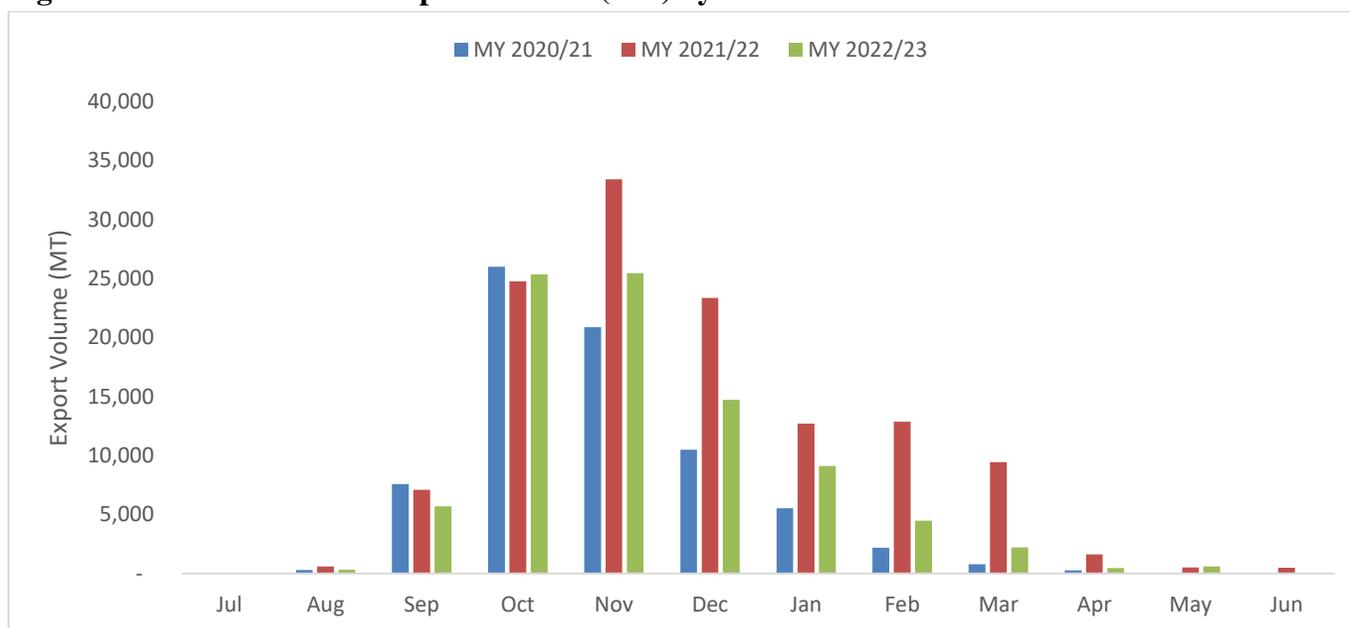
Source: Trade Data Monitor, LLC

**Table 3: Chilean Avocado Export Value (USD) to the World**

Partner Country	Marketing Year			Year to Date		
	MY 2021/22 (USD)	MY 2022/23 (USD)	Variation (%)	July 22 - Aug 22 (USD)	July 23 - Aug 23 (USD)	Variation (%)
The World	267,832,212	178,443,493	-33.4%	751,588	1,597,302	112.5%
Netherlands	100,740,121	44,316,673	-56.0%	219,241	311,510	42.1%
Argentina	46,314,923	35,957,604	-22.4%	432,887	378,646	-12.5%
United Kingdom	36,276,297	29,925,492	-17.5%	534	60,522	11233.7%
China	23,006,459	18,795,491	-18.3%	0	0	
Spain	18,916,118	13,372,770	-29.3%	72,000	0	-100.0%
United States	19,292,330	9,742,157	-49.5%	26,926	846,624	3044.3%
Germany	4,101,307	7,860,141	91.6%	0	0	0
Italy	2,906,547	4,924,879	69.4%	0	0	0
Uruguay	2,481,240	2,975,071	19.9%	0	0	0
France	3,188,408	2,485,664	-22.0%	0	0	0
South Korea	3,077,553	2,024,572	-34.2%	0	0	0
Australia	110,106	2,008,482	1724.1%	0	0	0
Belgium	1,920,066	1,397,876	-27.2%	0	0	0
Switzerland	592,567	1,289,628	117.6%	0	0	0
Denmark	111,216	446,064	301.1%	0	0	0
Others	4,796,954	920,929	-80.8%	0	0	0

Source: Trade Data Monitor, LLC

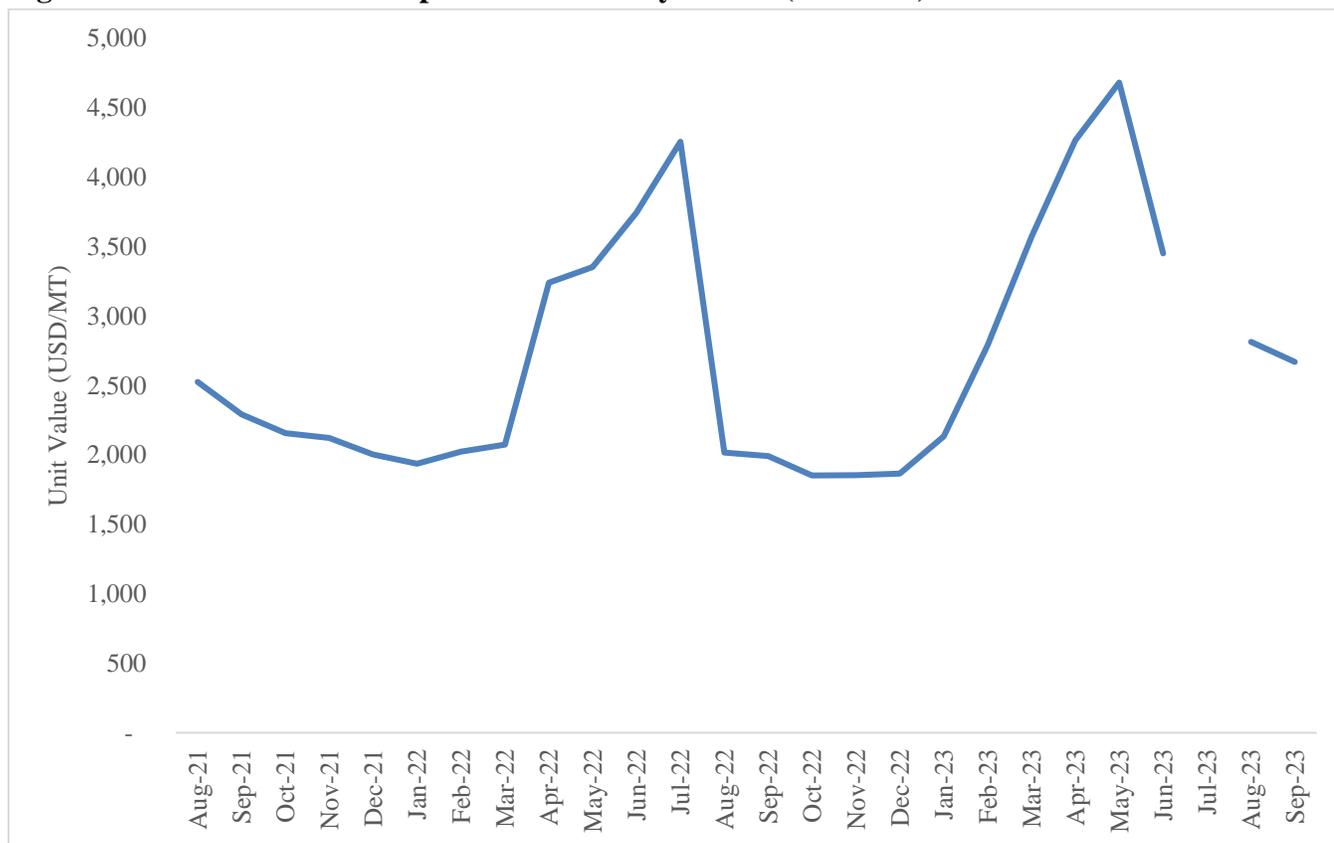
**Figure 3: Chilean Avocado Export Volume (MT) by Month**



Source: Trade Data Monitor, LLC

Figure 4 shows the unit value (USD/MT) for Chilean avocado exports by month. Export values peak from April to July each year, during the Chilean offseason when avocado supply is lower. In the past two marketing years, avocado unit value peaked in July 2022 and May 2023, consistent with lower export supply.

**Figure 4: Chilean Avocado Export Unit Value by Month (USD/MT)**



Source: Trade Data Monitor, LLC

In MY 2022/23, avocado imports increased by 42.8 percent in volume and 26.2 percent in value (Table 4 and Table 5) to cover the demand for avocado by Chilean consumers. The main supplier of avocado to Chile is Peru with a 99 percent market share. Chile imports smaller quantities of avocado from Mexico and Colombia. Imports peak in June and July when there is no domestic production (see Figure 5).

In the first two months of MY 2023/24, imports decreased by 9.3 percent in volume in response to the higher production. In MY 2023/24, due to high domestic production, Post estimates imports to total 65,000 MT, a 14.1 percent decrease from MY 2022/23.

**Table 4: Chilean Import Volume (MT) of Avocado from the World**

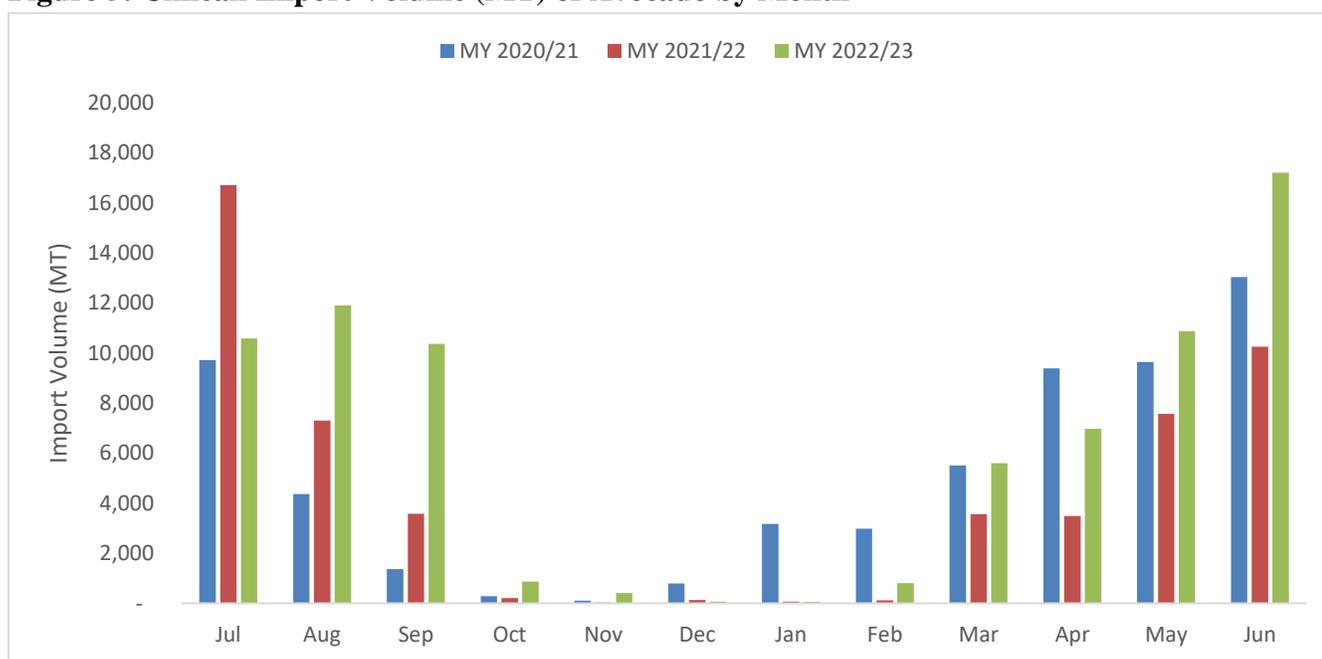
Partner Country	Marketing Year			Year to Date		
	MY 2021/22 (MT)	MY 2022/23 (MT)	Variation (%)	July 22 - Aug 22 (MT)	July 23 - Aug 23 (MT)	Variation (%)
The World	53,035	75,710	42.8%	22,483	20,399	-9.3%
Peru	52,889	75,084	42.0%	22,348	20,135	-9.9%
Mexico	0	382		0	0	
Colombia	0	111		24	231	862.5%
Others	146	133	-8.9%	111	33	-70.3%

Source: Trade Data Monitor, LLC

**Table 5: Chilean Import Value (USD) of Avocado from the World**

Partner Country	Marketing Year			Year to Date		
	MY 2021/22 (USD)	MY 2022/23 (USD)	Variation (%)	July 22 - Aug 22 (USD)	July 23 - Aug 23 (USD)	Variation (%)
The World	77,206,752	97,399,424	26.2%	24,677,223	27,677,763	12.2%
Peru	76,978,773	96,263,352	25.1%	24,555,942	27,321,309	11.3%
Mexico	0	850,736		678	0	-100.0%
Colombia	240	178,814	74405.8%	39,360	319,954	712.9%
Others	227,739	106,522	-53.2%	81,243	36,500	-55.1%

Source: Trade Data Monitor, LLC

**Figure 5: Chilean Import Volume (MT) of Avocado by Month**

Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments