

**Required Report:** Required - Public Distribution

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**Report Name:** Avocado Annual

**Country:** Chile

**Post:** Santiago

**Report Category:** Avocado

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**Report Highlights:**

In marketing year (MY) 2021/22 Chile will produce 220,000 metric tons of avocado, a 57 percent increase over MY2020/21, due to favorable climatic conditions. Eighty nine percent of the avocados planted in Chile are the Hass variety. Demand for avocados is strong from both the domestic market and the export market, which has pushed prices upwards in the past two marketing years. The top export destinations for Chilean avocados are the Netherlands, Argentina, the UK, and the United States. Domestic avocado consumption will reach 100,000 MT in MY2021/22.

## Production

According to data from the Chilean Avocado Committee, Chile will produce 220,000 MT of avocados in MY 2021/22 (July – June), a 57 percent increase over MY2020/21. This increase is attributed to favorable climatic conditions and a successful setting of the fruit. In MY2020/21 avocado production reached 140,000 MT, a low production year due to drought and early frost.

The main avocado variety produced in Chile is Hass; 89 percent of the avocado area in Chile is planted with Hass. Other avocado varieties produced in Chile are Edranol (5.1 percent of the planted area), Negra de la Cruz (1.6 percent of the planted area), Fuerte (1.3 percent of the planted area), and Bacon (0.4 percent of the planted area). Producers are still planting mainly Hass and Edranol in new orchards, since those varieties perform very well in Chile. However, Hass variety is sensitive to frost and can develop fungal infections (*Phytophthora cinnamomi*) due to excessive humidity in the soil, limiting area planted. Producers are also planting other varieties like Gwem, GEM, or Ethinger in new orchards, but at a very minor scale compared to Hass.

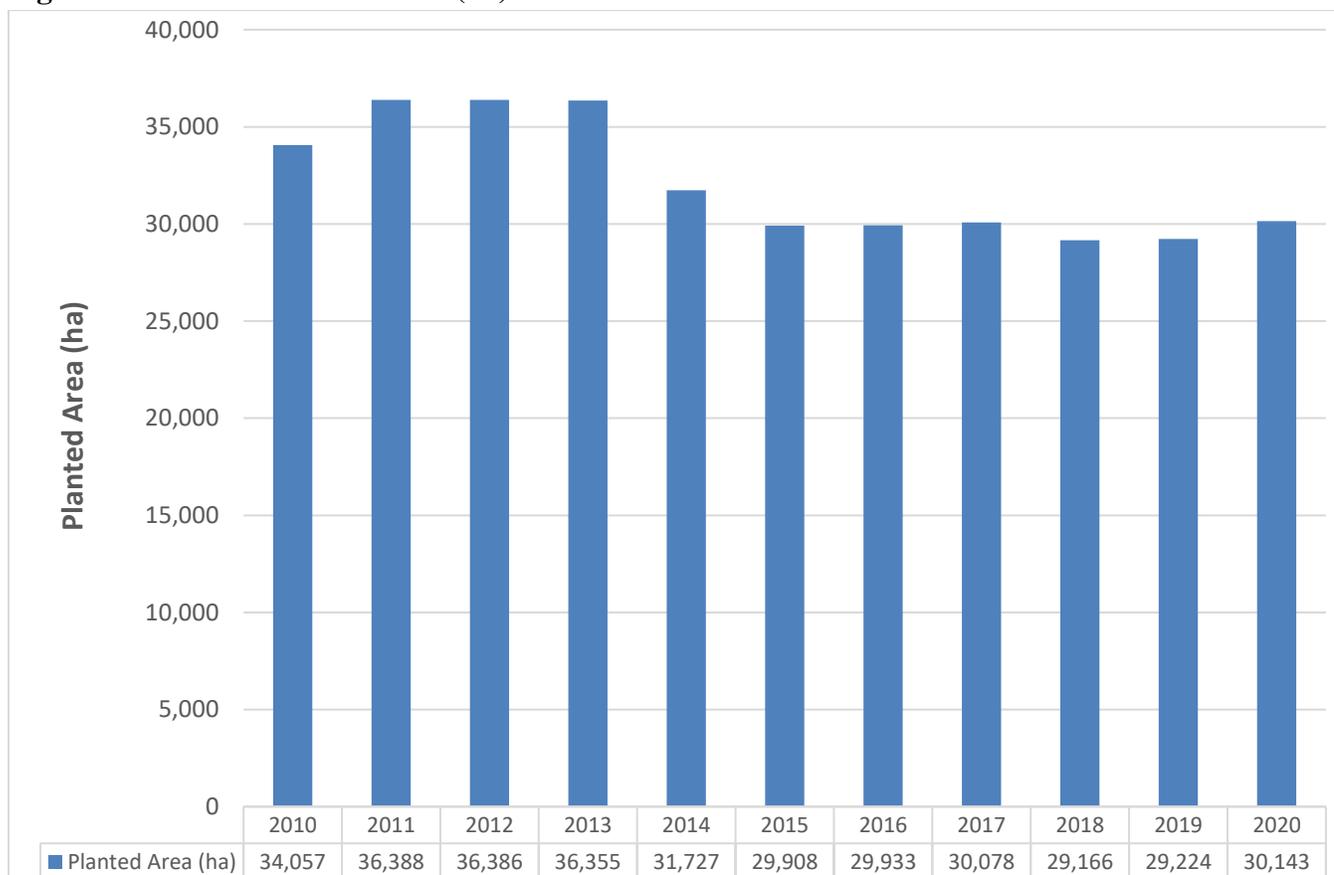
Chilean avocado planted area reached 30,143 hectares (ha) in calendar year (CY) 2020 (See Graph 1). The region of Valparaiso is the main avocado production region with 20,318 hectares, which represents 67.4 percent of total avocado planted area. Avocado planted area in Valparaiso region grew by 6.2 percent between 2017 and 2020 (see Table 1). The Metropolitan and Coquimbo regions also hold important shares of the avocado planted area. However, the avocado planted area in these regions is decreasing as water availability drops. Due to drought, avocado producers shift to other profitable crops such as citrus (mandarins, lemons), walnuts or cherries. Conversely, in O'Higgins region the planted area is not as significant, but it is increasing, and is projected to keep increasing in the upcoming years. Post expects planted area to remain steady at around 30,000 hectares in MY2021/22 since the decrease in Metropolitana and Coquimbo regions will be offset by an increase in Valparaiso and O'Higgins regions.

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

Regions	Planted Area (ha)	Variation* (%)	Share (%)
Valparaíso	20,318	6.2%	67.4%
Metropolitana	4,229	-5.9%	14.0%
Coquimbo	3,983	-20.7%	13.2%
O'Higgins	1,355	10.8%	4.5%
Atacama	152	-2.4%	0.5%
Maule	34	1105.7%	0.1%
Ñuble	33	24.5%	0.1%
Arica y Parinacota	28	167.2%	0.1%
Biobío	11	42.3%	0.0%
<b>Total</b>	<b>30,143</b>	<b>3.1%</b>	<b>100.00%</b>

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

Source: Based on ODEPA

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

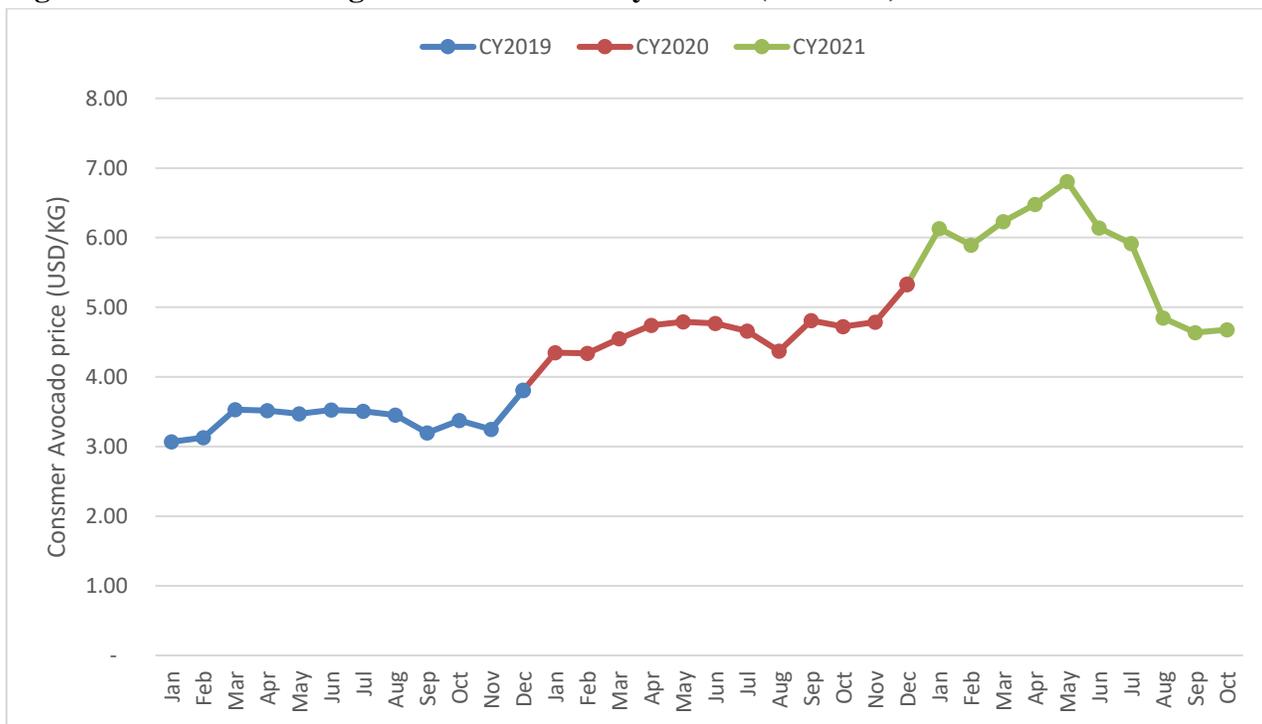
Source: Based on data from ODEPA

## Consumption

Avocado domestic consumption in MY2021/22 will reach 100,000 MT which represents 45.5 percent of production. In Chile, there is strong domestic demand for avocado since Chileans use avocado in every meal. For example, Chileans consume avocado with bread in the morning and afternoon, and in salads or sushi rolls at lunch or dinner.

Chile also imports avocado during the offseason (between May and June) from the United States, Mexico, and Peru to cover its domestic consumption. The average consumer price for avocado increased significantly between January and May 2021 (see Figure 2) due to the seasonality of Chilean avocado production, but also because of lower domestic supply that came from reduced production in MY2020/21. Avocado price reached a historical maximum of 6.8 USD/kg in May 2021. However, in August 2021, prices started to decrease as domestic production increased, stabilizing around 4.7 USD per kilogram.

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



Source: Based on data from ODEPA

## **Policy**

The Chilean avocado export industry seeks to diversify export markets for Chilean fresh fruit, including avocados. The Chilean diversification plan aims to reduce dependency on any particular market, while increasing the competitiveness of Chilean fruit. The latest market openings for Chilean avocado were Australia in August 2020 and South Korea in September 2020. There have not been any new market openings for Chilean avocado since then.

## **Trade**

In CY2021 (data until September), Chilean avocado exports decreased by 58.4 percent in volume over CY2020 totaling 16,476 MT (See Table 2), and by 50 percent in value totaling \$42.8 million (See Table 3). In CY2020 (January to September data), Chilean avocado exports decreased by 33 percent in volume and 27 percent in value. Lower avocado production in MY2020/21 explains the decrease in export volume observed in CY2020 and CY2021.

Demand for avocado from export markets remains strong. Chile's main export market for avocado is the Netherlands, followed by Argentina, the United Kingdom (UK) and the United States. Chilean avocado exports peak between October and December along the bulk of the harvest season (see Figure 3). Avocado exports in September 2021 were lower than in the same period in 2020, but post expects exports to exceed normal levels between October and December 2021.

Figure 4 shows the value (USD/MT) for Chilean avocado exports by market of destination. Values in September 2021 were higher in Germany, the United States, China, and the United Kingdom. Values observed in the Netherlands, the top market destination for Chilean avocado, were lower in MY2020/21 relative to unit values in Argentina, the United States and China.

In CY2021 (January to September data), avocado imports increased by 120.4 percent in volume and 197.2 percent in value (See Table 4 and Table 5), following the lower domestic production in MY2020/21. The main supplier of avocado is Peru with a 93.7 percent market share. Avocado imports from Mexico grew significantly in CY2021 and reached 4,423 MT, making it the second largest supplier of avocados to Chile with a 6.2 percent market share. Imports peak between June and July when there is no domestic production (see Figure 5).

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

Partner Country	Calendar Year			January-September		
	2019 (MT)	2020 (MT)	Variation (%)	2020 (MT)	2021 (MT)	Variation (%)
The World	144,620	96,906	-33.0%	39,585	16,476	-58.4%
Netherlands	64,649	48,478	-25.0%	21,158	7,546	-64.3%
Argentina	14,461	11,388	-21.3%	6,196	4,232	-31.7%
United Kingdom	21,049	14,218	-32.5%	4,964	1,563	-68.5%
United States	14,697	1,098	-92.5%	794	907	14.2%
China	11,270	6,181	-45.2%	2,753	703	-74.5%
Spain	9,456	5,802	-38.6%	586	504	-14.0%
Australia	-	2,177	-	43	346	704.7%
Germany	2,199	1,626	-26.1%	463	156	-66.3%
France	623	1,107	77.7%	336	144	-57.1%
Uruguay	590	658	11.5%	345	142	-58.8%
Costa Rica	1,190	603	-49.3%	410	98	-76.1%
Switzerland	1,155	1,195	3.5%	611	45	-92.6%
Russia	113	268	137.2%	-	24	-
Denmark	24	47	95.8%	47	24	-48.9%
Brazil	554	344	-37.9%	95	21	-77.9%
Others	2,590	1,716	-33.7%	784	21	-97.3%

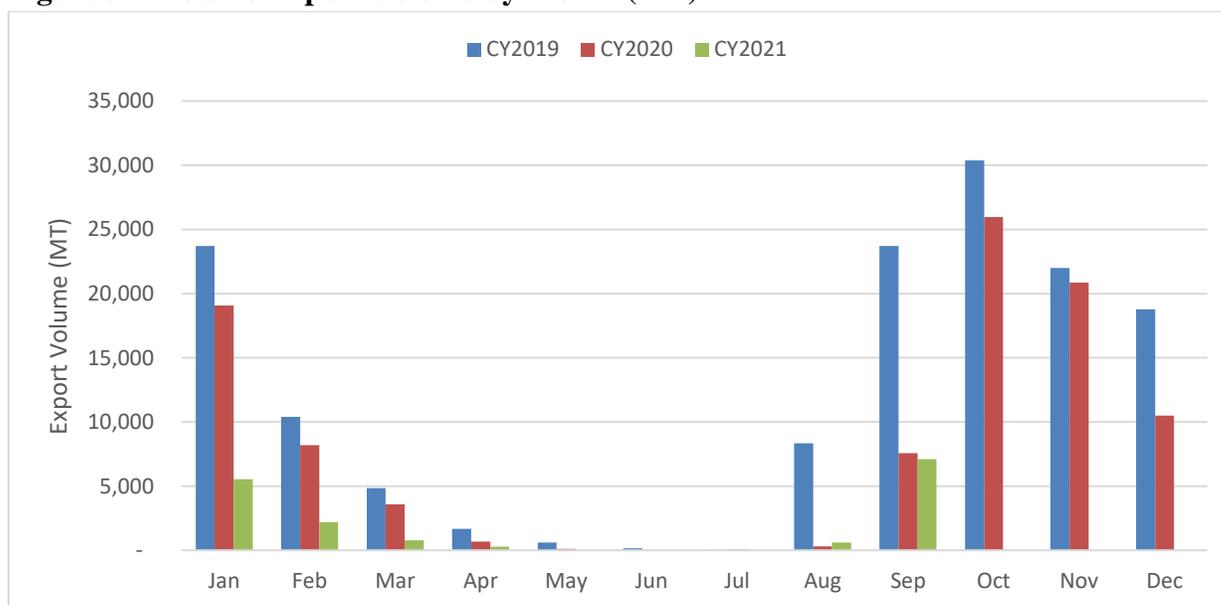
Source: Trade Data Monitor, LLC

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

Partner Country	Calendar Year			January-September		
	2019 (USD)	2020 (USD)	Variation (%)	2020 (USD)	2021 (USD)	Variation (%)
The World	300,698,600	219,424,241	-27.0%	85,509,754	42,758,296	-50.0%
Argentina	27,851,012	29,932,333	7.5%	15,640,090	15,207,977	-2.8%
Netherlands	112,795,920	93,128,635	-17.4%	39,332,818	14,833,809	-62.3%
United Kingdom	54,653,782	39,089,136	-28.5%	12,438,077	4,414,851	-64.5%
United States	37,372,626	2,886,794	-92.3%	1,985,262	2,635,885	32.8%
China	24,901,643	15,970,577	-35.9%	6,668,552	2,214,695	-66.8%
Australia	-	7,274,592	-	48,862	1,048,644	2046.1%
Spain	21,300,290	12,919,831	-39.3%	1,474,095	764,590	-48.1%
Uruguay	1,361,311	1,781,807	30.9%	888,444	473,891	-46.7%
Germany	4,754,585	3,606,510	-24.1%	1,049,581	403,423	-61.6%
Costa Rica	3,757,172	2,014,836	-46.4%	1,353,408	311,488	-77.0%
France	1,516,961	1,899,662	25.2%	793,282	125,443	-84.2%
Switzerland	2,243,211	2,481,456	10.6%	1,450,035	70,500	-95.1%
Brazil	1,143,345	899,699	-21.3%	253,442	68,640	-72.9%
Russia	301,149	771,956	156.3%	-	62,444	#DIV/0!
Hong Kong	1,078,463	1,267,078	17.5%	629,862	60,494	-90.4%
Others	5,667,130	3,499,339	-38.3%	1,503,944	61,522	-95.9%

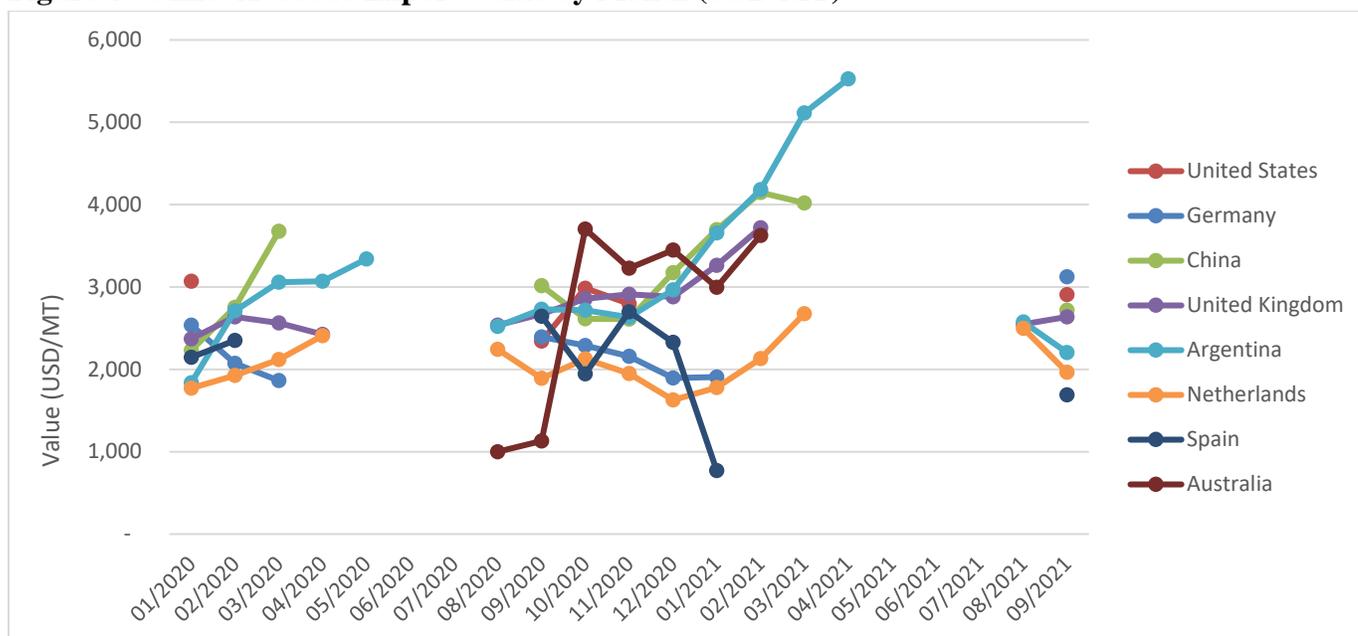
Source: Trade Data Monitor, LLC

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



Source: Trade Data Monitor, LLC

**Figure 4. Chile: Avocado Export Value by Month (USD/MT)**



Source: Trade Data Monitor, LLC

**Table 4: Avocado Import Volume (MT) to the World**

Partner Country	Calendar Year			January-September		
	2019 (MT)	2020 (MT)	Variation (%)	2020 (MT)	2021 (MT)	Variation (%)
The World	17,300	33,547	93.9%	32,363	71,334	120.4%
Peru	15,654	32,774	109.4%	31,948	66,820	109.2%
Mexico	1,595	572	-64.1%	221	4,423	1901.4%
Argentina	-	160	-	160	69	-56.9%
Brazil	-	-	-	-	22	-
Others	51	41	-19.6%	34	-	-100.0%

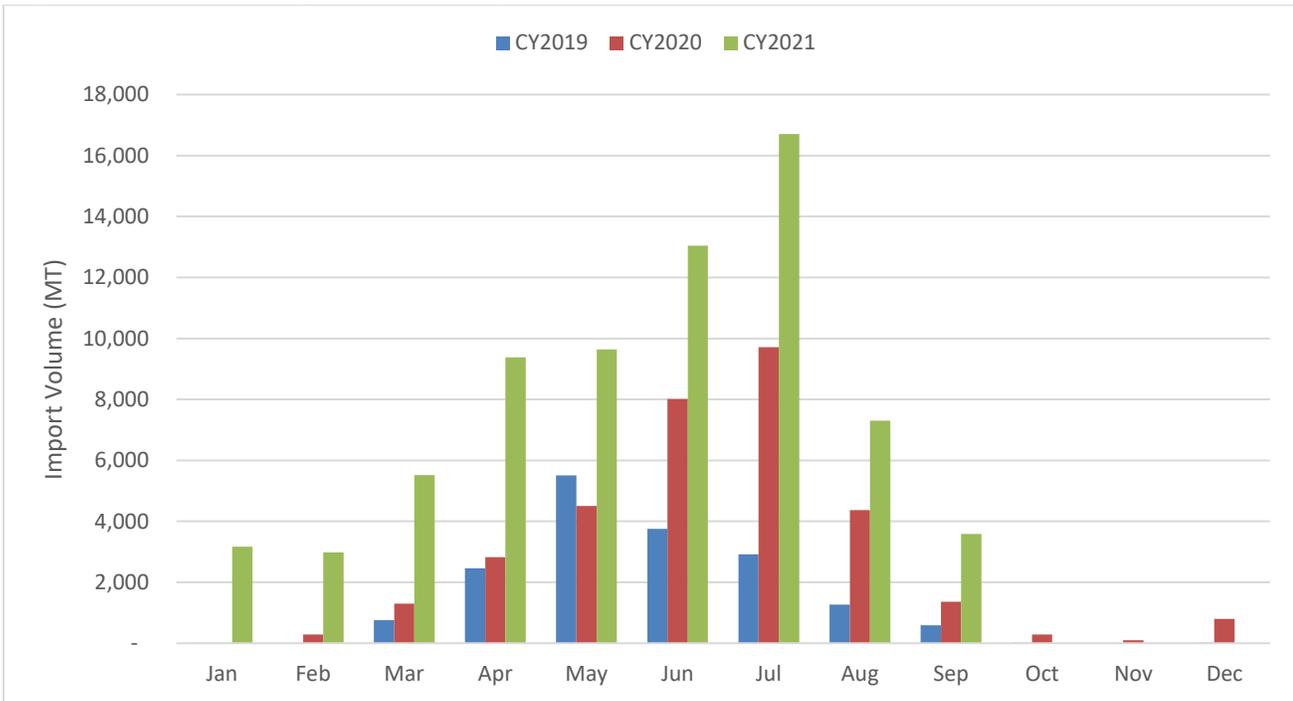
Source: Trade Data Monitor, LLC

**Table 5: Avocado Import Value (USD) to the World**

Partner Country	Calendar Year			January-September		
	2019 (USD)	2020 (USD)	Variation (%)	2020 (USD)	2021 (USD)	Variation (%)
The World	28,127,022	44,799,330	59.3%	42,418,140	126,052,487	197.2%
Peru	24,404,295	42,997,103	76.2%	41,517,493	116,766,719	181.2%
Mexico	2,756,404	1,056,444	-61.7%	401,657	9,161,282	2180.9%
Argentina	-	206,418	-	206,418	99,117	-52.0%
Brazil	-	-	-	-	25,303	-
Spain	-	-	-	-	65	-
Others	966,323	539,365	-44.2%	292,572	1	-100.0%

Source: Trade Data Monitor, LLC

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



Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments