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Chile

Stone Fruit Annual

Apricot, Plums, Peach and Nectarines and Cherry Report

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Report Highlights:
Chile's production estimates for stone fruits should recuperate when compared to last year's output as weather conditions are expected to improve.

Executive Summary:

Chilean production of apricots, plums, peaches & nectarines and cherries in MY2009/2010 fell when compared to both the previous year and Post's previous estimates. Factors that contributed to this decrease were: adverse weather conditions, like warmer than usual temperatures during the winter months (May through August CY2009) did not allow enough cold hours to accumulate and negatively affected budding of all stone fruits. Additionally, colder than usual temperatures during the spring months, with frost during the flowering stage of most orchards and rain in late spring months, are the main reasons for the significant fall in production. Planted area for all varieties, except cherries, continued a downward trend. Falling economic returns as a result of a revaluation of the Chilean peso against the dollar and increasing production costs encourages farmers to uproot low producing orchards with the exception of cherries. During the last few years planted areas to cherries have been increasing significantly.

Commodities:

Fresh Apricots

Production:

Total apricot planted area continues to decrease mainly due to the uprooting old orchards which many farmers have not replanted due to poor economic returns over the last few years. Nevertheless, some producers have been replanting with newly developed varieties which have a longer shelf life and a greater acceptance by consumers. This trend is expected to continue, as indicated by industry sources, as most varieties planted in Chile (i.e. Tilton, Katy, Dina, Modesto) are not considered to be attractive to the export market. Most of these varieties have a short shelf live and are not hardy enough for ocean transport. Almost all apricots are exported by airfreight; these compete for space on airplanes with many other high value products, mainly cherries and fresh salmon. Currently only 10 percent of apricot production is exported fresh. Weather and the alternate bearing effect are important factors that affect output continuously.

Production in MY2009/2010 fell significantly when compared to last year's harvest. Adverse weather conditions have been the main factor for this fall. Higher than usual temperatures during the winter months (May through August CY2009) did not allow enough cold hours to accumulate so there were fewer buds. Additionally, colder than average temperatures during the spring months with frost during the flowering stage of most orchards and rain in the late spring caused a significant fall in production—by as much as 40 percent in some areas. For the coming year producers expect output to recuperate to historical levels. Current weather predictions for this season call for a cold winter and no rain during the spring which should affect budding positively, the industry foresees an increase in production. Meteorologists are predicting that the climatic phenomenon "La Niña" is developing and these calls for normal temperatures and no rain during the dry season.

Consumption:

Most (over 50%) fresh apricots are destined for the processing industry (drying, juice and jams). Domestic fresh consumption also takes a large percentage (35%) of the production.

Trade:

The US is by far the largest export market for fresh apricots, followed by Brazil and Argentina. No mayor changes in trade patterns are expected in the coming season. Chilean apricots normally do not compete with other southern hemisphere producers, like New Zealand in the U.S. market as their apricots arrive in the U.S. market normally when the Chilean production season is over.

Production, Supply and Demand Data Statistics:

Fresh Apricots Chile	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	2,110	1,906	1,906		1,770	1,770			1,700
Area Harvested	1,855	1,800	1,800		1,695	1,695			1,632
Bearing Trees	698	677	677		638	638			614
Non-Bearing Trees	95	39	39		27	27			25
Total Trees	793	716	716		665	665			639
Commercial Production	26,100	26,100	26,100		25,000	16,900			26,000
Non-Comm. Production	500	500	500		500	500			500
Production	26,600	26,600	26,600		25,500	17,400			26,500
Imports	0	0	0		0	10			10
Total Supply	26,600	26,600	26,600		25,500	17,410			26,510
Fresh Dom. Consumption	9,700	9,700	9,700		9,700	9,500			9,500
Exports, Fresh	2,700	2,748	2,748		2,610	1,708			2,800
For Processing	14,200	14,152	14,152		13,190	6,202			14,210
Withdrawal From Market	0	0			0				
Total Distribution	26,600	26,600	26,600		25,500	17,410			26,510

Author Defined:

Export Trade Matrix					
Country	Chile				
Commodity	Fresh Apricots				
Exports for:	2009		2010		
Time Period	Jan-Dec	Units:			
Units:	Volume	Value		Volume	Value
U.S.	1,053	1,859	U.S.	545	1,066
Others			Others		
Brazil	278	471	Brazil	85	142
Argentina	130	146	Colombia	23	33
Ecuador	53	43	Argentina	17	23
Spain	37	92	Spain	17	30
France	27	96	France	13	43
Canada	20	57	Canada	12	39
Italy	15	53	México	8	18
México	13	31	U.K.	7	7
U.K.	9	10	Italy	7	19
Netherlands	9	13	Peru	4	2
Total for Others	592			193	
Others not Listed	33			22	

Grand Total	1,678	2,930		760	1,469
Note: 2010 data is from January through June only. Volume in M.T. and Value in Thou. US Dollars					

Commodities:

Fresh Plums & Prunes

Production:

As with apricots, plum output will probably fall in the coming years, as plantings are falling. Declining economic returns during the last few years have resulted in uprooting of old low producing orchards in a larger than previously estimated area, as was revealed by the agricultural census, consequently total planted area keeps falling slowly as many uprooted orchards are not being replaced by many farmers. Over 36 plum varieties are planted in Chile. The Friar, Angelo, Larry Ann, Black Amber and Laroda are the most popular varieties that cover over 50 percent of the total planted area. Despite an overall decrease in production, the harvest and export season have expanded to include a period of more than six months, compared to only a two-month season in the past, as a result of the introduction of new varieties. An estimated 57 percent of the total planted area to plums and prunes are the fresh consumption varieties. The remainder is accounted for by varieties suitable only for dried prune production.

For this MY2009/2010 production season, adverse weather conditions in all production areas and higher than normal temperatures during the winter months did not allowed reasonable accumulation of cold hours, adversely affecting budding, this resulted in significant lower total production than the previous year. Frost and rain during spring contributed also to the lower production. For this coming seasons output is expected to be back to normal as the winter has been cold and no out of season rain is expected during spring as a result of the predicted "La Niña" weather phenomenon, which calls for dry weather conditions during budding. Good weather could extend to the harvesting season positively affecting production.

Trade: As with most fresh fruit, the US is the main export market for fresh plums followed by EU member countries and China (Hong Kong).

Production, Supply and Demand Data Statistics:

Fresh Plums & Prunes Chile	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	6,900	8,061	8,061		7,852	7,852			7,352
Area Harvested	6,100	6,852	6,852		6,673	6,673			6,248
Bearing Trees	4,758	5,344	5,344		5,204	5,204			4,873
Non-Bearing Trees	624	944	944		921	921			862

Total Trees	5,382	6,288	6,288		6,125	6,125			5,735
Commercial Production	135,000	135,000	135,000		130,000	104,000			130,000
Non-Comm. Production	500	500	500		500	500			500
Production	135,500	135,500	135,500		130,500	104,500			130,500
Imports	0	0	73		0	70			70
Total Supply	135,500	135,500	135,573		130,500	104,570			130,570
Fresh Dom. Consumption	32,000	34,000	34,000		33,000	26,000			30,000
Exports, Fresh	99,500	95,935	95,990		92,385	74,084			95,500
For Processing	4,000	5,565	5,583		5,115	4,486			5,070
Withdrawal From Market	0	0			0				
Total Distribution	135,500	135,500	135,573		130,500	104,570			130,570

Author Defined:

Export Trade Matrix					
Country	Chile				
Commodity	Fresh Plums & Prunes				
Exports for:	2009		2010		
Time Period	Jan-Dec	Units:			
Units:	Volume	Value		Volume	Value
U.S.	29,108	37,713	U.S.	27,746	31,199
Others			Others		
Netherlands	14,383	13,037	Netherlands	7,891	7,954
Brazil	8,936	7,487	U.K.	5,570	5,190
U.K.	8,414	8,096	Hong-Kong	5,563	6,161
Hong-Kong	5,176	6,456	Brazil	5,551	6,959
China	3,681	4,560	México	2,684	3,818
México	3,459	3,406	China	2,534	1,707
Spain	2,917	3,342	Spain	2,217	2,381
Taiwan	2,844	3,564	Peru	2,033	1,264
Italy	1,680	2,146	Russia	1,854	2,706
Germany	1,620	1,129	Taiwan	1,789	2,272
Total for Others	53,110			37,687	
Others not Listed	12,840			7,950	
Grand Total	95,057	105,058		73,383	80,832
Note: 2010 data is from January through June only. Volume in M.T. and Value in Thou. US Dollars					

Commodities:

Fresh Peaches & Nectarines

Production:

Total planted area to peaches and nectarines has not changed significantly during the last few years. Farmers have been updating older orchards with new varieties. As new varieties develop, most producers have been replacing old, less acceptable varieties, mainly nectarines. As peaches have a shorter shelf life and are less attractive to consumers, planted area to this fruit has decreased significantly during the last few years. Additionally, declining economic returns during the last few years has also contributed in uprooting peach orchards in a larger than previously estimated area, as was revealed by the last agricultural census.

There are over 36 peach varieties for fresh consumption and another 36 varieties of nectarines grown and exported from Chile. Peach and nectarine varieties often become obsolete because of changing consumer tastes, even sometimes before trees begin bearing fruit. This coupled with high price fluctuations during the last few seasons and diminishing returns will most likely prevent any long term increase in total planted area or production.

However, in general output variations are mainly the result of changing weather conditions. Some varieties also are affected by yearly alternate bearing effect.

MY2009/10 brought a smaller than predicted peaches and nectarine harvest. As we saw with the other fruits, the industry reported that the decline in output is a result of adverse weather conditions during the spring of CY 2009. Due to the "El Niño" phenomenon which resulted colder than usual weather during spring (last September) with frosts and hail in some production areas resulted in a smaller and lower quality production.

Consumption: A large percentage of the total peach and nectarine production is consumed as fresh fruit (40%). There is no breakdown on the volume of clingstone versus freestone production or consumption in Chile. Like most fresh fruit consumption in Chile, domestic consumption of peaches and nectarines is mainly lower quality fruit that does not make it to the export market.

Trade:

Over 60 percent of Chile's total peach and nectarine exports are bound for the United States.
Latin America is the second largest export market. The relatively short shelf life of peaches and nectarines is the major factor influencing the search for nearby markets. Some stone fruits are imported; these come mainly from the United States. Among them, peaches and nectarines have been arriving during offseason and are successfully marketed in large supermarket chains. According to Trade contacts, amounts imported are expected to increase in the coming years.

Production, Supply and Demand Data Statistics:

Fresh Peaches & Nectarines Chile	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	11,878	11,878	11,878	10,441	10,441	10,441			10,400
Area Harvested	10,820	10,820	10,820	9,606	9,606	9,606			9,500
Bearing Trees	7,308	7,308	7,308	6,488	6,488	6,488			6,416
Non-Bearing Trees	710	710	710	560	560	560			604
Total Trees	8,018	8,018	8,018	7,048	7,048	7,048			7,020

Commercial Production	176,000	176,000	176,000	155,000	155,000	150,000			170,000
Non-Comm. Production	1,000	1,000	1,000	1,000	1,000	1,000			1,000
Production	177,000	177,000	177,000	156,000	156,000	151,000			171,000
Imports	150	150	108	150	150	100			110
Total Supply	177,150	177,150	177,108	156,150	156,150	151,100			171,110
Fresh Dom. Consumption	72,000	72,000	71,942	58,650	58,650	58,017			67,110
Exports	101,484	101,484	101,500	95,000	95,000	89,483			100,000
For Processing	3,666	3,666	3,666	2,500	2,500	3,600			4,000
Withdrawal From Market	0	0		0	0				
Total Distribution	177,150	177,150	177,108	156,150	156,150	151,100			171,110

Author Defined:

Export Trade Matrix					
Country	Chile				
Commodity	Fresh Peaches & Nectarines				
Exports for:	2009		2010		
Time Period	Jan-Dec	Units:			
Units:	Volume	Value		Volume	Value
U.S.	51,884	57,617	U.S.	45,256	44,365
Others			Others		
Netherlands	7,899	7,230	Brazil	5,224	5,923
México	7,253	6,314	México	5,139	6,907
Brazil	5,536	4,959	Taiwan	4,888	6,746
Taiwan	5,085	7,377	Netherlands	4,511	4,484
Spain	3,661	3,974	Spain	3,188	3,175
U.K.	3,053	2,951	Hong-Kong	2,831	3,298
Colombia	2,246	2,241	U.K.	2,235	2,376
Hong-Kong	2,130	3,376	Colombia	1,964	2,491
Ecuador	1,680	1,383	Ecuador	1,872	1,956
France	739	793	Russia	1,017	1,288
Total for Others	39,282			32,869	
Others not Listed	4,860			4,546	
Grand Total	96,026	103,606		82,671	87,823
Note: 2010 data is from January through June only.					

Commodities:

Fresh Cherries,(Sweet&Sour)

Production:

Cherry production area has expanded significantly in both, the northern and the southern main fruit production areas. Producers have expended the production period by introducing more weather resistant varieties and planting these further south. During recent years between 2,000 to 2,500 hectares have been planted totaling over 16,000 hectares, of which over 40 percent of the total planted area is still in the early production stage. As a result, we can expect to see a significant production increase in the coming years.

The main varieties planted continue to be Bing and Early Burlat. Among the main new-planted varieties are Lapins, Van, Stella and Summit. A total of over 70 varieties are planted in Chile.

Although Chile has great potential for cherry production, every year the total output is affected by both climatic factors and/or the extreme delicacy of the fruit. A pre-harvest rain or other adverse weather conditions can damage the delicate skin of the fruit. These factors make the fruit production very expensive, as it requires extreme care and specialized labor. The harvest can only be done by hand; there is no mechanization. Chile has great potential because it is one of the few countries that can produce off season in the southern hemisphere for the large quantity of consumers of the northern hemisphere. Chile has an advantage over other countries like South Africa where there is cheap labor, but the temperatures are too high. New Zealand does not have enough suitable land for cherry production and Australia has water problems. Chile produces 2 percent of total world production but it meets almost 80 percent of the off-season demand.

This past year, total cherry production was again affected by weather problems. A colder and higher than normal humidity affected flowering and budding, reducing production in some sectors by as much as 50 percent. The Bing variety was most affected by these adverse conditions. This variety represents 80 percent of the total Chilean exports.

Trade: As for all other stone fruit the US is Chile's main fresh cherry export market. As production expands in the coming years, industry expects to increase exports to the EU, Japan and China. Since 2007 Chile exports its cherries duty free to the EU and the agreement with Japan will lower the current 8.5 percent duty in six years to zero. The agreement with China calls for a duty reduction in 4 years of the present 10 percent duty. Cherries are exported from early November through January.

Production, Supply and Demand Data Statistics:

Fresh Cherries,(Sweet&Sour) Chile	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Nov 2008			Market Year Begin: Nov 2009			Market Year Begin: Nov 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	14,000	14,000	14,000	14,200	14,200	15,730			16,470
Area Harvested	9,520	9,520	9,520	9,798	9,798	9,940			10,400
Bearing Trees	5,053	5,053	5,053	5,200	5,200	5,275			5,520
Non-Bearing Trees	3,347	3,347	3,347	3,320	3,320	4,163			4,362
Total Trees	8,400	8,400	8,400	8,520	8,520	9,438			9,882
Commercial Production	58,000	58,000	58,000	60,500	60,500	49,750			63,400

Non-Comm. Production	1,000	1,000	1,000	1,000	1,000	1,000			1,000
Production	59,000	59,000	59,000	61,500	61,500	50,750			64,400
Imports	6	6	4	5	5	8			8
Total Supply	59,006	59,006	59,004	61,505	61,505	50,758			64,408
Fresh Dom. Consumption	12,104	12,104	12,100	10,005	9,725	9,725			10,008
Exports	38,402	38,402	38,427	44,000	44,280	33,054			45,400
For Processing	8,500	8,500	8,477	7,500	7,500	7,979			9,000
Withdrawal From Market	0	0		0	0				
Total Distribution	59,006	59,006	59,004	61,505	61,505	50,758			64,408

Author Defined:

Export Trade Matrix					
Country	Chile				
Commodity	Fresh Cherries,(Sweet&Sour)				
Exports for:	2009		2010		
Time Period	Jan-Dec	Units:	M.T.		
Units:	Volume	Value		Volume	Value
U.S.	9,469	35,252	U.S.	6,637	22,311
Others			Others		
Hong-Kong	3,924	24,106	Hong-Kong	5,530	20,314
Taiwan	1,680	9,200	China	4,098	16,890
U.K.	1,562	6,151	Taiwan	2,285	10,460
Brazil	1,383	7,917	U.K.	1,131	4,702
China	1,354	6,745	Spain	815	4,012
Spain	1,066	5,049	Brazil	747	3,640
Netherlands	1,004	3,610	Netherlands	461	1,786
Ecuador	491	999	Ecuador	321	707
France	274	1,533	Canada	152	436
Germany	255	1,208	Germany	142	732
Total for Others	12,994			15,682	
Others not Listed	1,011			699	
Grand Total	23,474	107,787		23,017	89,429
Note: 2010 data is from January through June only.					