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GAIN Report
Global Agricultural Information Network

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Date: 5/27/2016
GAIN Report Number: CI1612

Chile

Post: Santiago

Climatic Conditions Lower Chilean Fruit Production Volumes

Report Categories:
Fresh Deciduous Fruit
Wine
Tree Nuts
Stone Fruit

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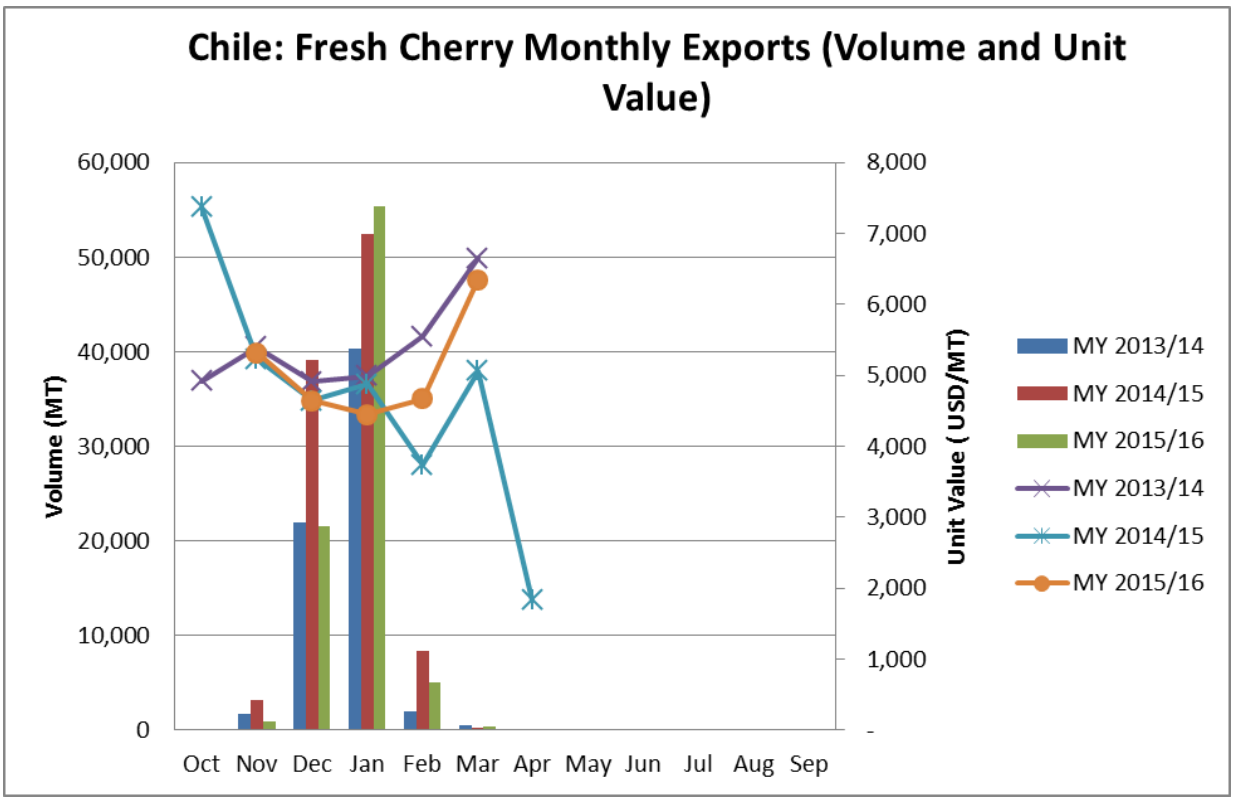
Report Highlights:
During MY 2015/16, the following weather conditions combined to reduce yields of cherries, table grapes, apples, walnuts, and wine grapes: 1) higher than ideal temperatures reduced the number of chill hours during the winter; 2) rainfall during the spring and harvest season; and, 3) high relative humidity during the summer.

General Information:
During MY2015/16 the winter was characterized by fewer than ideal number of chill hours which reduced the blossom and fruit set of all fruits. More specifically, blooming was delayed, uneven, and lasted longer. Rain in October and November decreased cherry production and rain again in mid-April -- during the harvest of apples, table grapes, walnuts and wine grapes -- decreased the quality and volume of exportable fruit. During this time, high relative humidity also caused fungus diseases like Botrytis on table and wine grapes.

Walnuts
Walnut planted area is 37,000 ha in Chile with a production of 65,000 MT/year; the main variety is Chandler and Serr. According to the Chilean Walnut Society, rainfall during mid-April damaged 37,500 MT of walnuts which is equal to 58 percent of annual production and US$100 million in exported value (See Press Clip Spanish only) Rainfall caused the Chandler variety -- the most popular variety in Chile as well as the one that was being harvested at the time -- to have a yellowish color that made it unfit for export.

Cherries
Fewer than ideal chill hours during winter and spring delayed the cherry harvest approximately 10 days. Rainfall during October reduced production, and exported volumes in November- December were low. (See graph "Chile: Fresh Cherries monthly exports") Initially a 27.7 percent drop in exports was expected (see Report) However, exports recovered temporarily in January, but overall MY2015/16's export volume ended with a drop of 19 percent, totaling 83,729 MT (ASOEX/DECOFRUT). 84 percent of cherry exports went to China/Hong Kong and, because of the reduced volumes, prices were 15 percent higher in MY2015/16 over MY 2014/15 for Jumbo size and 20 percent higher for Extra Jumbo size. Bing and Lapins were the most popular exported varieties.



Source: ODEPA, 2016.

Apples

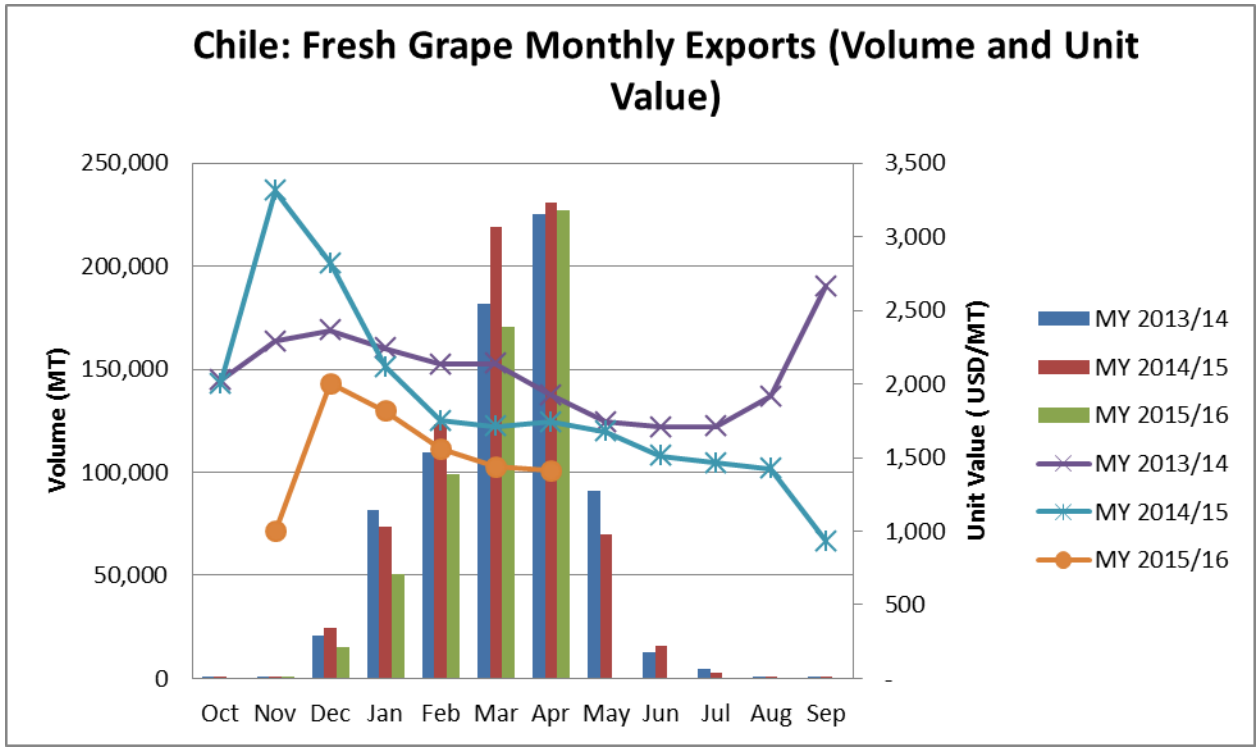
Spring climatic conditions were characterized by high relative humidity and fewer than ideal chill hours, which caused the bloom to be uneven. As a consequence, Royal Gala harvest was delayed 1-2 weeks. The harvesting window was shorter and the last fruit left did not achieve the color requirements and was too mature to harvest – all conditions which prevented it from being exported. Fruit volume destined for the processing industry (juice) was high and the prices dropped. Nevertheless, reception of Chilean Royal Gala was good in the US market. It was exported early -- at the 8th week (February). Granny Smith apples had color defects, like white/yellow colors. Red apple varieties, like Scarlett, are being uprooted because these varieties have low yields (45 tons/ha) in comparison to other varieties like the Pink Lady variety which can yield 95 tons/ha.

The Fuji variety was damaged the most by the mid-April rains, since it was in the middle of the harvest and caused fruit cracking in some cases. Pink lady varieties are still being harvested and because of rainfall they could present phytopathology problems like botrytis, but production volume should be normal. Because of rainfall during harvest, Pink Lady and Fuji varieties will not have good cold storage potential this season, so exports should end early -- on the 26-27th week of CY2016.

Apple Export Volume in MY 2015/16 is 351,152 MT from week 1 to week 20 (May 22) which is 16 percent higher over the same period in MY2014/15 (Expordata ASOEX/DECOFRUT). Post's estimates are 660,000 MT in total export volume in MY2015/16 considering a normal harvest of late harvests varieties like Pink Lady during April and May. (For more details GAIN Report CI1610)

Table grapes

The table grape harvest was also delayed, which decreased exported volumes in MY2015/16. A recovery in exported volumes took place in April (see graph below "Chile: fresh Grape Monthly exports"). Overall exports in MY 2015/16 are expected to drop to 660,000 MT, which is a 12.5 percent reduction in volume over MY 2014/15 (For more details see GAIN Report CI1610)



Source: ODEPA, 2016.

Wine

Grape production for wine was decreased in mid-April in red wine varieties *like Cabernet sauvignon, Carmenere* and *Petit Verdot* in Metropolitan Region, O'Higgins and part of Maule region. The white wine variety orchards were already harvested by that time. Rainfall reduced volume and quality of the grapes. The weather -- namely brief rains followed by high temperatures -- was conducive to the development of the Botrytis fungus.

According to Post contacts, climatic conditions this year generated a low acidity wine, low alcohol and soft structure, which is not the traditional characteristic of a Chilean wine. MY2015/16 was projected to be a low production year compared to MY2014/15 which was very high, totaling 1,286 million liters (Ministry of Agriculture - SAG). Production was estimated to be 15 percent less than MY2014/15, but with rainfall and adverse climatic conditions, production in MY 2015/16 will be approximately 30-35 percent less, totaling approximately 850 million liters. Before the rainfall, phenolic maturity was delayed (sugar accumulation) and the grape harvest was being postponed. When the rains came, a lot of fruit was still on the vines, thus losses were substantial. Nevertheless, as production was high in MY2014/15, stocks can supplement the low production from MY2015/16.

On the other hand, wine grape producers claim that prices are too low and often times cannot cover their production costs. According to the "Interregional Association of Vineyards," 20 percent of the grape producers could go out of business because of the low prices and losses due to rainfall (See Press Clip Spanish only). According to Post contacts, producers that do not have adequate wine production capacity, high demanded varieties, and do not follow the best vineyard management practices, are the ones that receive the lowest prices -- approximately CLP$ 80-100 / kg -- which does not cover their production costs.