Required Report: Required - Public Distribution **Date:** May 17, 2023

Report Number: CI2023-0011

Report Name: Fresh Deciduous Fruit Semi-annual

Country: Chile

Post: Santiago

Report Category: Fresh Deciduous Fruit

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Report Highlights:

In marketing year (MY) 2022/23, FAS Santiago estimates that table grape production will decrease by 8.6 percent reaching 720,000 metric tons and that exports will decrease by 8.7 percent, totaling 555,000 metric tons. For MY 2022/23, FAS Santiago estimates apple production at 1,000,000 MT, a 2.9 percent decrease from MY 2021/22 on lower planted area. Apple exports will reach 583,000 MT, a 3.2 percent decrease from MY 2021/22. Considering the declining trend in pear planted area, FAS Santiago estimates Chile's MY 2022/23 fresh pear production to decrease by 4.8 percent and total 210,000 MT, with exports decreasing by 4.9 percent and totaling 110,000 metric tons.

Commodities:
Grapes, Table, Fresh

Table 1: Production, Supply and Distribution:

Grapes, Fresh Table	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	45489	45489	43104	43104	42500	42500
Area Harvested (HA)	44000	44000	43000	43000	42000	42000
Commercial Production (MT)	660000	660000	788110	788110	732000	720000
Non-Comm. Production (MT)	4700	4700	5000	5000	4800	4800
Production (MT)	664700	664700	793110	793110	736800	724800
Imports (MT)	700	700	900	900	700	700
Total Supply (MT)	665400	665400	794010	794010	737500	725500
Fresh Dom. Consumption (MT)	139900	139900	185810	185810	182500	170500
Exports (MT)	525500	525500	608200	608200	555000	555000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	665400	665400	794010	794010	737500	725500
(HA) ,(MT)						

Source: Post estimates

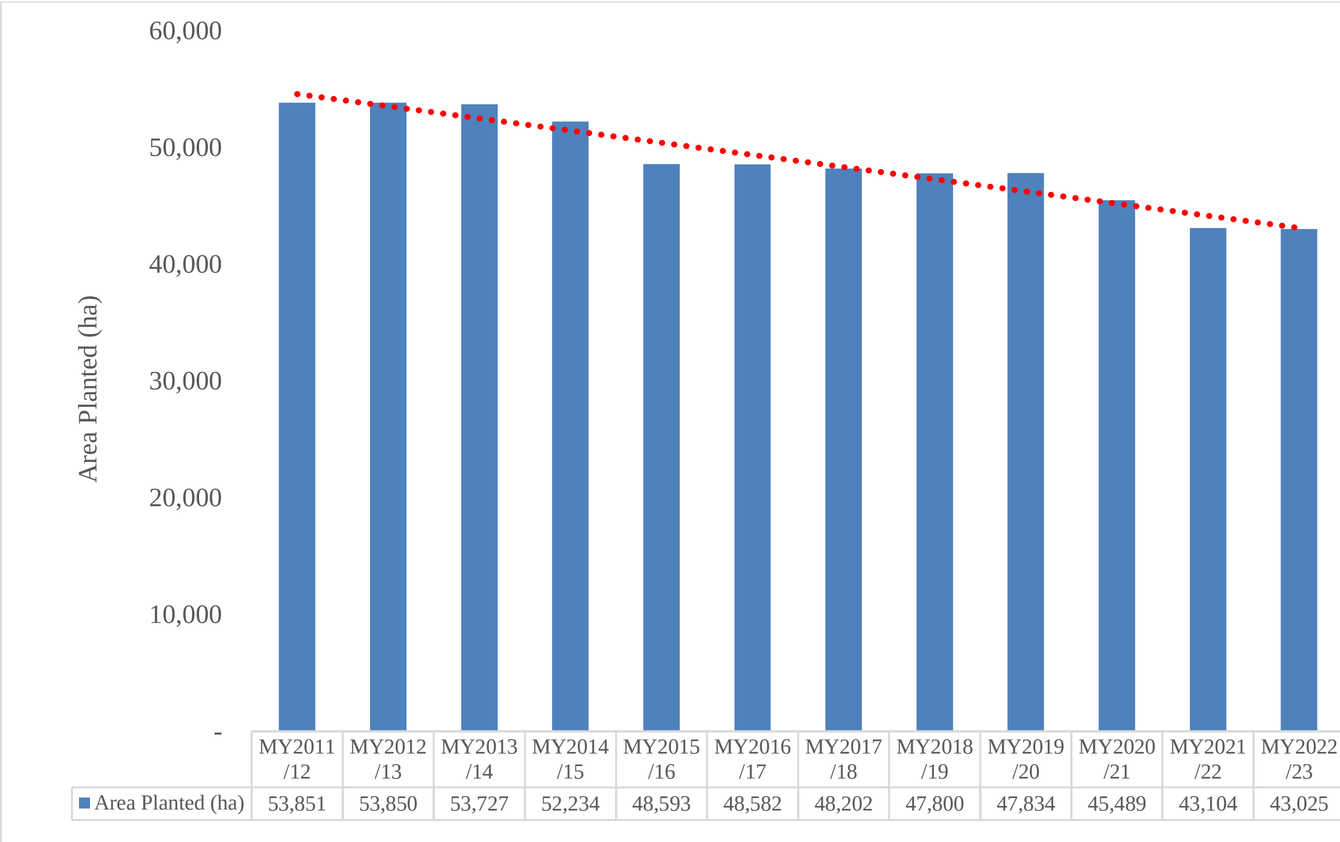
Production:

In MY 2022/23, FAS Santiago (Post) estimates an 8.6 percent decrease in table grape production, totaling 720,000 metric tons. The decrease in production is caused by a decrease in table grape area planted and by adverse climatic conditions in the central part of the country which lowered yields (Figure 1). Table grape area planted is on a decreasing trend due to low profits and competition from Peruvian fruit in export markets. Area planted decreased from 53,851 hectares in MY 2011/12 to 43,025 hectares in MY 2022/23.

Data from ODEPA shows a decrease in area planted from all table grape production regions (Table 2). Competition from Peru in the U.S. market, high production costs (labor, transport, and chemical products), and the need to update table grape varieties has put downward pressure table grape exporters. Decreases in area planted are especially significant in the *Atacama* region which has few alternatives to table grape production. In the *Coquimbo* and *Valparaíso* regions, reduction in table grape area planted is offset by an increase in citrus area planted.

Table grape area planted in the *Metropolitana* and *O'Higgins* region decreased by 14.1 percent and 52 percent, respectively, over the last three marketing years. In these regions, area planted with table grapes was replaced by more profitable crops such as walnuts, cherries, and citrus, or by expansion of the urban area.

Figure 1: Table Grape Area Planted (hectares)



Source: ODEPA, 2023

Table 2: Table Grape Area Planted by Region MY 2022/23 (hectares)

Region	Area Planted (hectares)	Three Year Variation (%)	Share (%)
Atacama	5,987	-12.4%	13.9%
Coquimbo	7,321	-10.3%	17.0%
Valparaiso	9,970	-10.9%	23.2%
Metropolitana	6,848	-14.1%	15.9%
O'Higgins	12,736	-5.2%	29.6%
Maule	163	-32.3%	0.4%
Others	1		
Total	**43,025**	**-10.7%**	**100.0%**

Note: Variation of area planted is measured every three years; data provided are the latest available

Source: Based on data from ODEPA, 2023

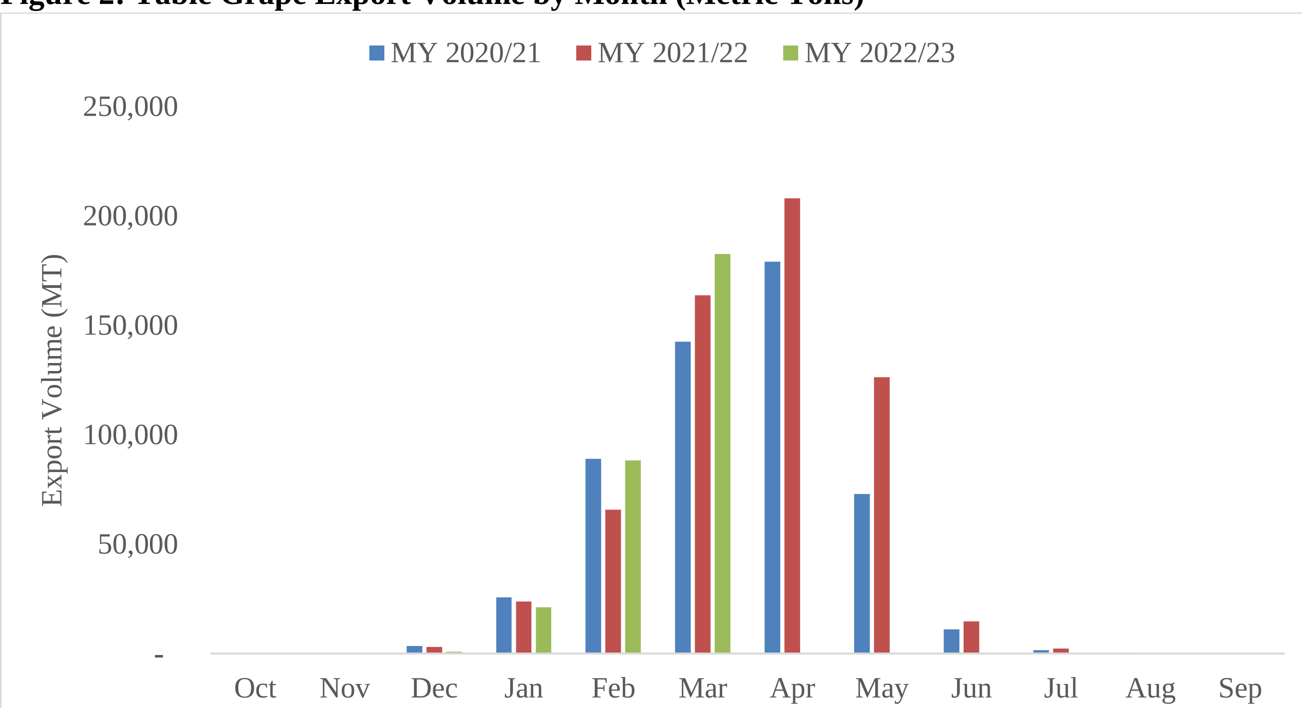
Consumption:
Post estimates that in MY 2022/23 fresh domestic consumption of table grapes will reach 170,500 metric tons or 23.6 percent of commercial production. This level of consumption represents an 8.2 percent decrease in fresh domestic consumption over MY 2021/22 and is explained by the decrease in fresh table grape production and subsequent higher prices.

Trade:
In MY 2022/23, due to the decrease in table grape production, Post estimates export volume to decrease by 8.7 percent, totaling 555,000 metric tons. In MY 2022/23, data until March, shows that table grape exports increased by 14.2 percent over MY 2021/22. However, MY 2021/22 was characterized by general problems in logistics and delays at ports which caused export to peak in April (Figure 2). Typically, Chilean table grape exports peak in March. Post expects export volume to decrease in April and May of MY 2022/23 as compared to the same months in MY 2021/22.

In MY 2021/22, year-over-year table grape exports increased by 15.7 percent in volume, totaling 608,200 MT (Table 3). The United States is the main market for Chilean table grape exports accounting for 310,033 MT in MY 2021/22, which represents 51 percent of Chilean table grape exports. In MY 2022/23, data until March, shows table grape exports to the United States increased by 7.4 percent reaching 193,409 metric tons (Table 3).

China is the second largest market for Chilean table grapes accounting for 77,627 MT in MY 2021/22, which represented 12.8 percent of total Chilean grape exports. In MY 2022/23 (data until March), Chilean exports to China increased by 32.3 percent, totaling 23,582 metric tons.

Figure 2: Table Grape Export Volume by Month (Metric Tons)



Source: Trade Data Monitor, LLC

Table 3: Table Grape Export Volume to the World (MT)

Partner Country	Marketing Year			Year to Date		
	MY 2020/21	MY 2021/22	Variation (%)	Oct 21- Mar 22	Oct 22- Mar 23	Variation (%)
The World	525,457	608,194	15.7%	256,524	292,905	14.2%
United States	254,825	310,058	21.7%	180,124	193,409	7.4%
China	78,117	77,627	-0.6%	17,823	23,582	32.3%
Netherlands	28,030	45,196	61.2%	5,042	8,806	74.7%
United Kingdom	18,175	23,789	30.9%	4,497	5,848	30.0%
South Korea	23,222	17,952	-22.7%	9,130	11,037	20.9%
Japan	11,535	14,118	22.4%	9,775	10,730	9.8%
Mexico	9,112	11,239	23.3%	6,445	6,543	1.5%
Spain	9,489	10,536	11.0%	1,987	4,458	124.4%
Ecuador	9,011	9,654	7.1%	2,870	3,014	5.0%
Canada	10,892	9,600	-11.9%	4,060	5,001	23.2%
Indonesia	9,392	7,431	-20.9%	447	369	-17.4%
Brazil	3,873	6,551	69.1%	1,145	2,499	118.3%
Taiwan	2,842	5,721	101.3%	1,166	1,619	38.9%
Germany	3,202	5,641	76.2%	840	1,482	76.4%
Portugal	3,888	4,694	20.7%	812	946	16.5%
Others	49,852	48,387	-2.9%	10,361	13,562	30.9%

Source: Trade Data Monitor, LLC

Policy:

Chile seeks a systems approach to improve market access to the United States for three Chilean growing regions: *Atacama*, *Coquimbo*, and *Valparaiso*. A systems approach would benefit the three Chilean regions by avoiding the use of methyl bromide fumigation to mitigate against European grapevine moth. Fumigation decreases the quality and shelf life of the fruit, which results in lower prices from retailers. Further, fumigated product is ineligible to be certified USDA organic.

USDA's Animal and Plant Health Inspection Service published a proposed rule on the Federal Register on Monday, October 17, 2022. The comment period ended on January 17, 2023. Currently, Chilean authorities and exporters are awaiting the publication of the final rule.

Commodities:
Apples, Fresh

Table 4: Production, Supply and Distribution

Apples, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	32314	32314	30967	30967	30500	29035
Area Harvested (HA)	31300	31300	30000	30000	29500	28500
Bearing Trees (1000 TREES)	34430	34430	33000	33000	32500	32500
Non-Bearing Trees (1000 TREES)	2400	2400	2300	2300	2250	2250
Total Trees (1000 TREES)	36830	36830	35300	35300	34750	34750
Commercial Production (MT)	1088700	1088700	1036000	1030000	1030000	1000000
Non-Comm. Production (MT)	10000	10000	10000	10000	10000	10000
Production (MT)	1098700	1098700	1046000	1040000	1040000	1010000
Imports (MT)	3300	3300	3000	3000	3000	3000
Total Supply (MT)	1102000	1102000	1049000	1043000	1043000	1013000
Domestic Consumption (MT)	458300	458300	439000	440419	438000	430000
Exports (MT)	643700	643700	610000	602581	605000	583000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	1102000	1102000	1049000	1043000	1043000	1013000
(HA) ,(1000 TREES) ,(MT)						

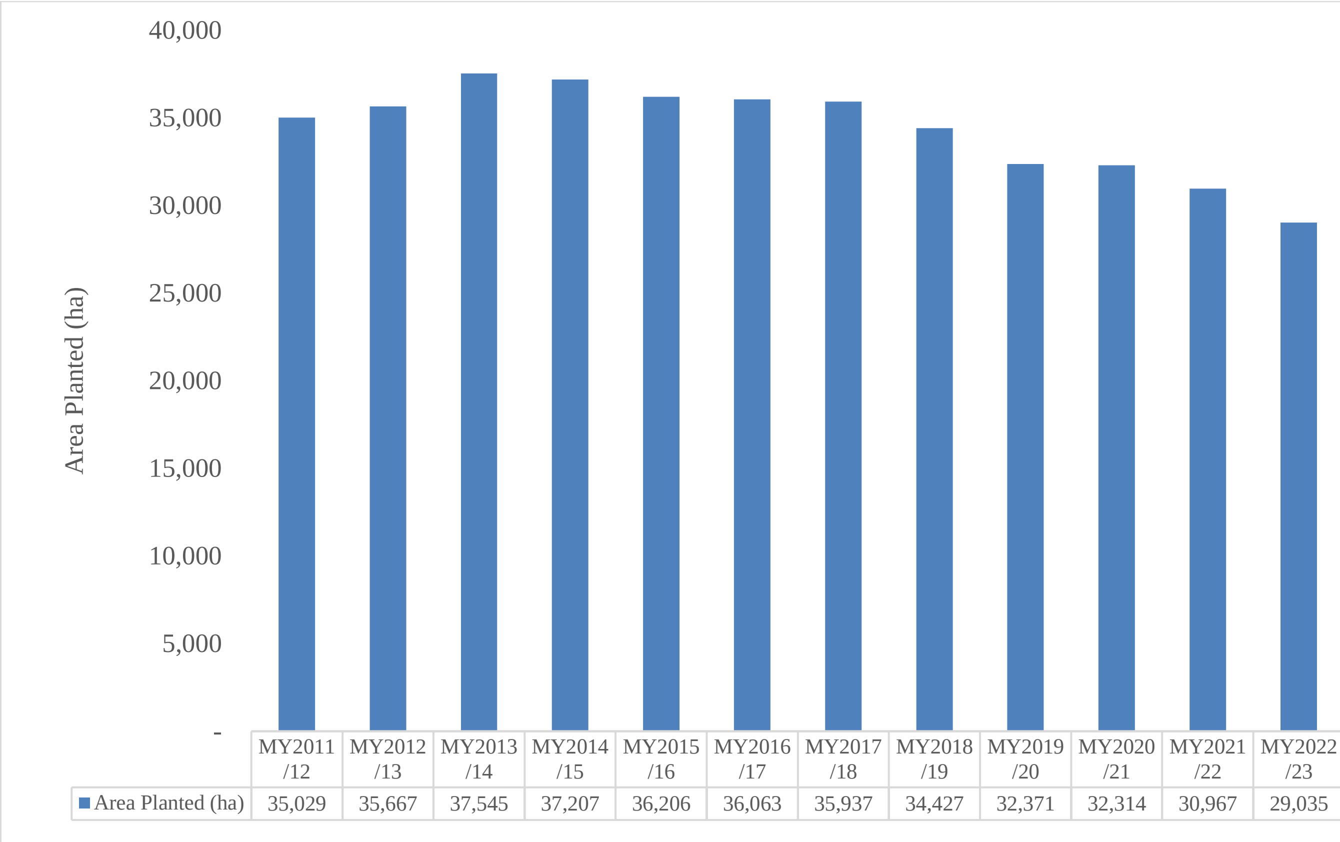
Source: Post estimates

Production:

Post estimates MY 2022/23 apple production at 1,000,000 MT, a 2.9 percent decrease from MY 2021/22 (Table 4). In MY 2022/23, apple area planted decreased by 6.2 percent totaling 29,035 hectares. Production decrease is lower than area planted decrease because it is offset by higher yields due to favorable climatic conditions in MY 2022/23. A rainy winter, high number of chill hours, and mild temperatures in the spring favored apple yields.

According to the latest data from ODEPA area planted decreased in all apple-producing regions from Chile (Table 5). Apple area planted decrease is explained by the high competition and low profits that this commodity is facing in export markets. The *Maule* and *O'Higgins* regions in the central-south part of the country hold 62.4 percent and 22.0 percent of the area planted, respectively, making up for 84.4 percent of the total area planted. However, area planted decreased in both regions since many producers have orchards with old varieties that are not profitable in comparison to modern varieties or other crops such as cherries and walnuts.

Figure 3: Apple Area Planted (hectares)



Source: ODEPA, 2023

Table 5: Apple Area Planted by Region MY 2022/23 (hectares)

Region	Area Planted (hectares)	Three Year Variation (%)	Share (%)
Valparaiso	144	-4.1%	0.5%
Metropolitana	83	-38.0%	0.3%
O'Higgins	6,388	-17.4%	22.0%
Maule	18,110	-4.2%	62.4%
Ñuble	860	-14.3%	3.0%
Biobio	584	-6.3%	2.0%
La Araucania	2,834	-7.4%	9.8%
Others	31		0.1%
Total	**29,035**	**-10.3%**	**100.0%**

Note: Variation of planted area is measured every three years; data provided are last available

Source: ODEPA, 2023

Consumption:
For MY 2022/23, Post estimates domestic consumption of apples (including fresh and processed) will total 430,000 MT, which represents 43 percent of the total commercial apple production. Domestic consumption of apples will decrease by 2.4 percent from MY 2021/22 following the production decrease. Consumption is pushed down by the high levels of inflation in Chile, which have caused a decrease in consumption volume. Industry sources note that higher prices caused Chilean consumers to purchase smaller apples, minimizing consumer outlays but also decreasing overall volumes.

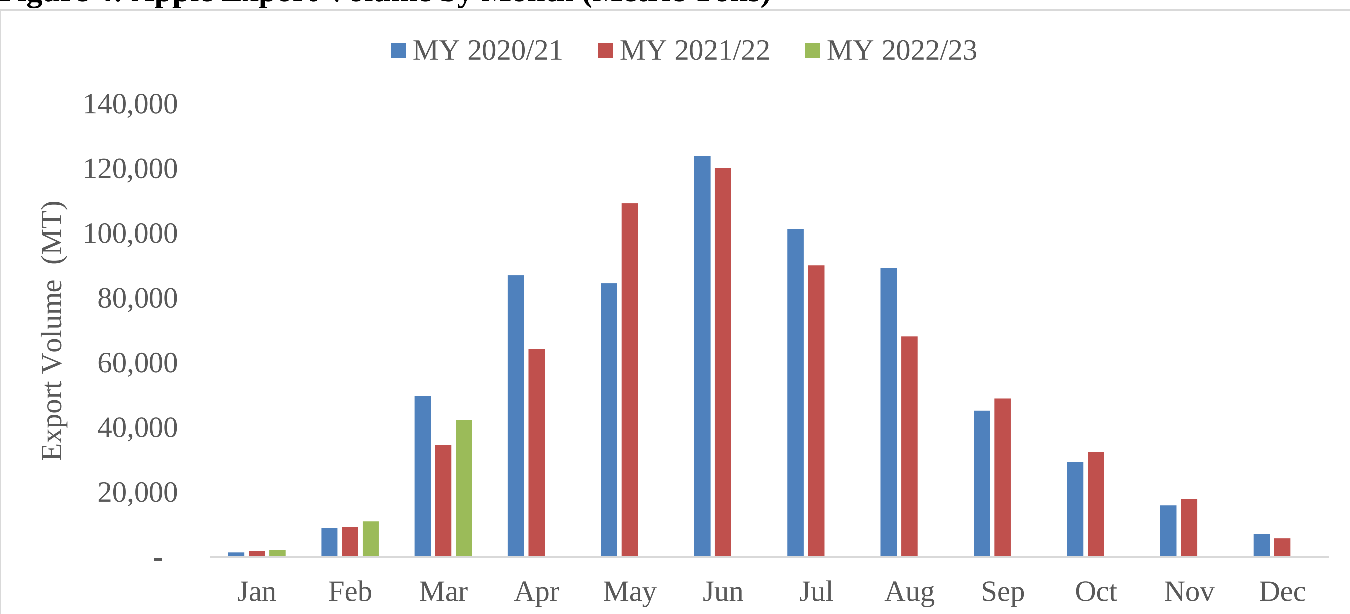
Policy:
No new policy developments to report.

Trade:
For MY 2022/23, Post estimates Chilean apple exports to total 583,000 MT, a 3.2 percent decrease from MY 2021/22. Higher yields in MY 2022/23 should offset some of the reduction in area planted and thus export volume will decrease in a lower magnitude than area planted.

In MY 2021/22, Chilean apple exports totaled 602,581 MT, a 6.4 percent decrease from MY 2021/22. In MY 2021/22, the main difficulty for Chilean apple exporters was the increase of freight costs, which caused exporters to operate at a loss. In MY 2022/23, freight costs decreased, and exporters are likely to increase exports due to lower costs.

Colombia is the top market for Chilean apples. In MY 2021/22, Chile exported 62,044 MT of apples to Colombia, which represented 14.3 percent of Chilean apple exports (Table 6). Brazil is the second top market for Chilean apples. In MY 2021/22, exports to Brazil increased by 412 percent due to the lower cost of shipping by land compared to by sea. In MY 2021/22, apple exporters were facing high freight costs to ship to the United States. However, in MY 2022/23 Chilean apple exports to the United States increased by 6.9 percent, which is explained by the normalization of freight costs.

Figure 4: Apple Export Volume by Month (Metric Tons)



Source: Trade Data Monitor, LLC

Table 6: Apple Export Volume to the World (MT)

Partner Country	Marketing Year			January-March		
	MY 2020/21	MY 2021/22	Variation (%)	Jan 22- Mar 22	Jan 23- Mar 23	Variation (%)
The World	643,736	602,581	-6.4%	45,552	55,590	22.0%
Colombia	74,348	85,899	15.5%	14,504	16,671	14.9%
Brazil	12,722	65,193	412.4%	2,011	3,758	86.9%
United States	60,496	52,669	-12.9%	1,324	1,415	6.9%
Ecuador	52,586	47,169	-10.3%	7,883	8,267	4.9%
Peru	35,330	39,013	10.4%	4,879	4,162	-14.7%
India	56,297	35,003	-37.8%	1,241	520	-58.1%
Netherlands	49,013	33,819	-31.0%	981	1,778	81.2%
Taiwan	34,093	29,432	-13.7%	0	0	0.0%
Saudi Arabia	35,913	23,848	-33.6%	2,154	4,053	88.2%
Germany	26,662	19,903	-25.4%	41	635	1448.8%
United Kingdom	30,080	18,770	-37.6%	246	242	-1.6%
Guatemala	14,255	16,427	15.2%	1,381	1,637	18.5%
Bolivia	16,514	15,992	-3.2%	2,165	2,305	6.5%
France	17,556	12,693	-27.7%	402	48	-88.1%
China	7,645	11,497	50.4%	419	463	10.5%
Others	120,226	95,254	-20.8%	5,921	9,636	62.7%

Source: Trade Data Monitor, LLC

Commodities:
Pears, Fresh

Table 7: Production, Supply and Distribution

Pears, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	6950	6950	6165	6165	6000	5878
Area Harvested (HA)	6700	6700	6000	6000	5900	5800
Bearing Trees (1000 TREES)	7000	7000	6200	6200	6000	5950
Non-Bearing Trees (1000 TREES)	1000	1000	900	900	1000	1000
Total Trees (1000 TREES)	8000	8000	7100	7100	7000	6950
Commercial Production (MT)	231000	231000	220000	220659	215000	210000
Non-Comm. Production (MT)	2000	2000	2000	2000	2000	2000
Production (MT)	233000	233000	222000	222659	217000	212000
Imports (MT)	700	700	700	700	700	700
Total Supply (MT)	233700	233700	222700	223359	217700	212700
Domestic Consumption (MT)	107200	107200	107700	107700	107700	102700
Exports (MT)	126500	126500	115000	115659	110000	110000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	233700	233700	222700	223359	217700	212700
(HA) ,(1000 TREES) ,(MT)						

Source: Post estimates

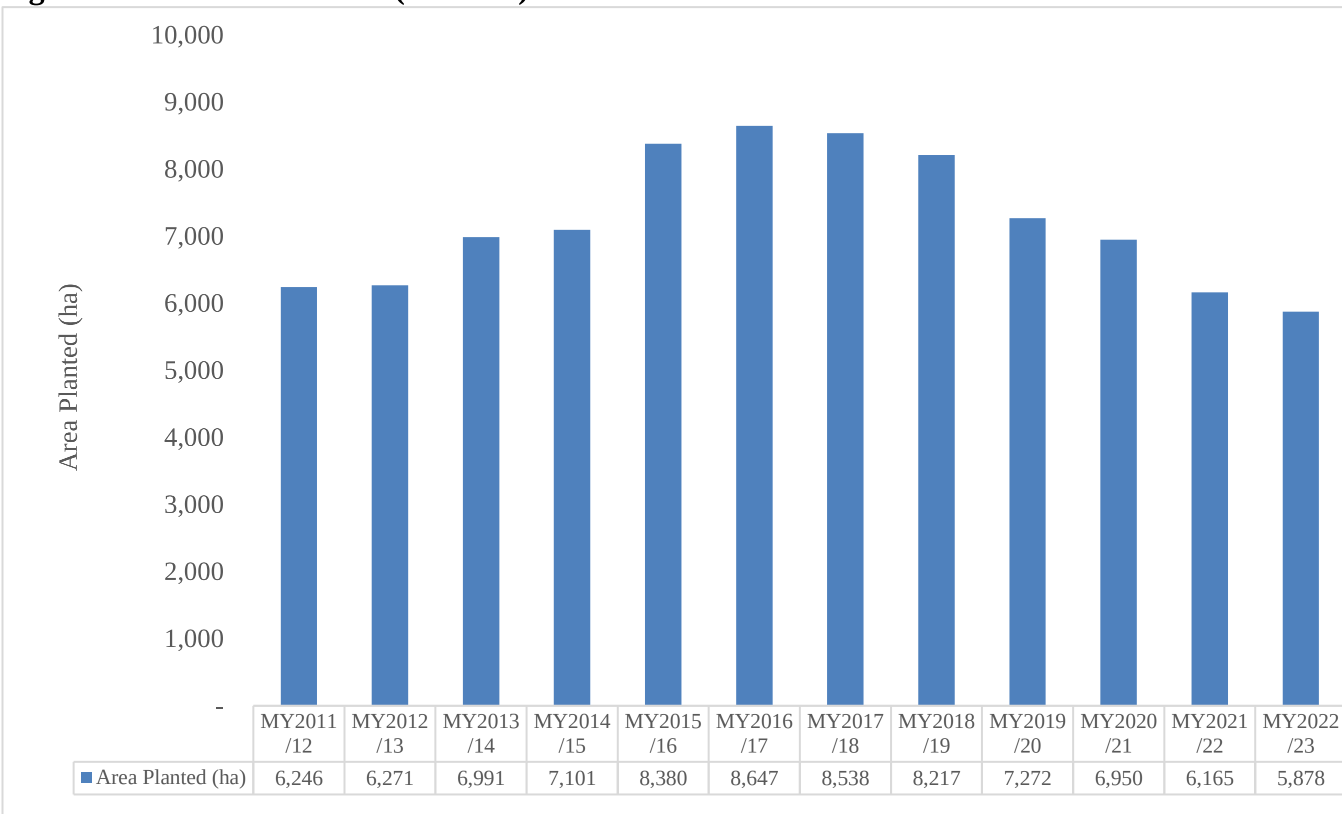
Production:
In MY 2022/23, pear area planted decreased by 4.7 percent totaling 5,878 hectares (Figure 5). Pear area planted is on a downward trend since MY 2016/17 due to low margins and difficulties exporting. One of the main challenges for pear exports, is diversifying markets for specific varieties, like *Abate Fetel*, which Italy demands and are not well-known in other places. Considering the declining trend in planted area, Post estimates Chile's MY 2022/23 fresh pear production to decrease by 4.8 percent and total 210,000 metric tons.

According to data from ODEPA, pear area planted in the *O'Higgins* and *Maule* regions, the top pear producing regions in Chile, decreased by 17.5 and 26.6 percent, respectively, in the past three marketing years (Table 8). Post expects this decreasing trend to continue.

Consumption:
In MY 2022/23, Post estimates domestic consumption of pears to decrease by 4.6 percent and total 102,700 MT following the decrease in production. Consumption includes fresh domestic consumption and for further processing and represents 48.9 percent of total pear production.

Policy
No new policy developments to report.

Figure 5: Pear Area Planted (hectares)



Source: ODEPA, 2023

Table 8: Pear Area Planted by Region MY 2022/23 (hectares)

Region	Area Planted (hectares)	Three Year Variation (%)	Share (%)
Metropolitana	480	-35.0%	8.2%
O'Higgins	3,715	-17.5%	63.2%
Maule	1,564	-15.9%	26.6%
Others	119		2.0%
Total	**5,878**	**-19.2%**	**100.0%**

Note: Variation of planted area is measured every three years; data provided are last available

Source: ODEPA, 2023

Trade:

In MY 2022/23, Post estimates pear exports to decrease by 4.9 percent and total 110,000 MT due to the lower production volume. In MY 2021/22, pear exports decreased by 8.6 percent, totaling 115,659 metric tons (Table 9).

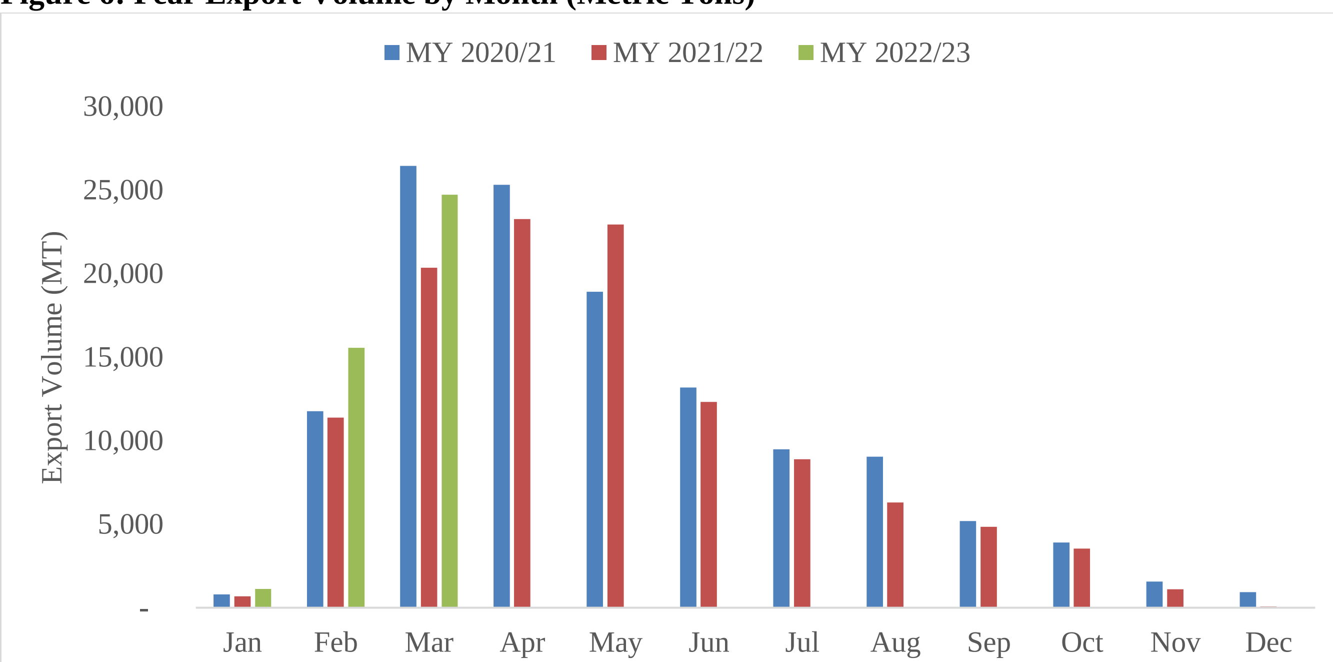
Chile's top markets for fresh pear exports are Colombia, the Netherlands, and Italy. In MY 2021/22, due to high freight costs, pear exporters allocated more of their exports to Latin America. In MY 2022/23, Chilean pear exports to Italy increased by 82.7 percent, exports to Spain increased by 64.9 percent, and exports the United States increased 15.8 percent.

Table 9: Pear Export Volume to the World (MT)

Partner Country	Marketing Year			January-March		
	MY 2020/21	MY 2021/22	Variation (%)	Jan 22- Mar 22	Jan 23- Mar 23	Variation (%)
The World	126,511	115,659	-8.6%	32,404	41,391	27.7%
Colombia	16,687	18,964	13.6%	5,069	5,595	10.4%
Netherlands	12,650	15,102	19.4%	4,460	2,658	-40.4%
Italy	18,649	12,924	-30.7%	4,692	8,571	82.7%
Ecuador	11,847	11,348	-4.2%	2,757	2,938	6.6%
Russia	13,531	8,659	-36.0%	1,458	1,793	23.0%
United States	8,560	7,356	-14.1%	3,194	3,700	15.8%
Peru	8,260	7,348	-11.0%	1,534	1,232	-19.7%
Spain	7,643	4,540	-40.6%	3,109	5,126	64.9%
Germany	3,839	4,182	8.9%	669	336	-49.8%
China	2,497	3,765	50.8%	233	1,721	638.6%
Brazil	1,994	2,913	46.1%	401	767	91.3%
Panama	1,799	2,024	12.5%	453	596	31.6%
Saudi Arabia	2,436	1,816	-25.5%	937	991	5.8%
Taiwan	346	1,624	369.4%	42	341	711.9%
Guatemala	1,335	1,491	11.7%	282	454	61.0%
Others	14,438	11,603	-19.6%	3,114	4,572	46.8%

Source: Trade Data Monitor, LLC

Figure 6: Pear Export Volume by Month (Metric Tons)



Source: Trade Data Monitor, LLC

Attachments:

No Attachments