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# Chile

# Fresh Deciduous Fruit Semi-annual

# 2017

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**Report Highlights:**
In MY2016/17 table grapes, apples and pears were harvested 10 days early compared to a typical production year, due to climatic conditions which favored early fruit development. MY 2016/17 production volumes for these fruits are expected to increase over MY2015/16, as climatic conditions during winter and spring favored fruit setting. As a result, apple exports are expected to increase by 4.7% to 800,000 MT in MY2016/17, table grapes by 6.3% to 730,000 MT, and pears are expected to increase by 8.8% to 140,000 MT.

## Executive Summary:

In MY2016/17 table grapes, apples and pears were harvested 10 days early compared to a typical production year, due to climatic conditions which favored early fruit development. MY 2016/17 production volumes for these fruits are expected to increase over MY2015/16, as climatic conditions during winter and spring favored fruit setting. As a result, apple exports are expected to increase by 4.7% to 800,000 MT in MY2016/17, table grapes by 6.3% to 730,000 MT, and pears are expected to increase by 8.8% to 140,000 MT.

## Commodities:

Apples, Fresh

## Production:

MY 2015/16 was characterized by low accumulation of chill hours during the winter, irregular blooming in the spring and rainfall in mid-April during the harvest of the Fuji variety. What is usually considered adverse climatic conditions for deciduous fruits resulted in cooler temperatures, lower relative humidity and unexpected higher fruit production.

The main problem fruit faced this season was susceptibility to fungus diseases like *Botrytys* and *Neofabraea* (bull's eye). This fungus is expressed 3 months after harvest in cold storage. In the case of the Fuji variety, the use of fungicides is not very restrictive by China and the United States. However, the European Union limits of fungicides differs from the U.S. and China, which negatively impacted Chile's exports of varieties like the Pink Lady variety when the incidence of fungus disease was high in MY 2015/16.

Additionally, in MY2016/17 blooming and harvest came 10 days early. Harvest was done quickly, in just a 2-3 week window to avoid exposure to high temperatures and to keep fruit firmness, and fruit has been very heterogeneous in quality, which has made the harvest and storage process more complicated than a regular year. Late varieties, like red delicious and pink lady have not been exposed to high temperatures as much as the early varieties because temperatures in February and March were lower. One problem that the pink lady variety has presented is the lack of red color, which could cause a problem in fruit firmness if the fruit is not harvested at the proper time when waiting for color to settle.
Despite the lower cold storage period for apples in MY2016/17, climatic conditions have been favorable as production is expected to reach 1,410,000 MT, a 6.4% increase in MY2016/17 over MY2015/16.

## Consumption:

Total domestic consumption of fresh apples is estimated at 255,000 MT in MY2016/17, considering the increase in MY 2016/17 production and Chile's expected population growth. In CY 2016, Chile's population reached 18,191,884 and had an annual average growth 0.97% between 2015-2010.

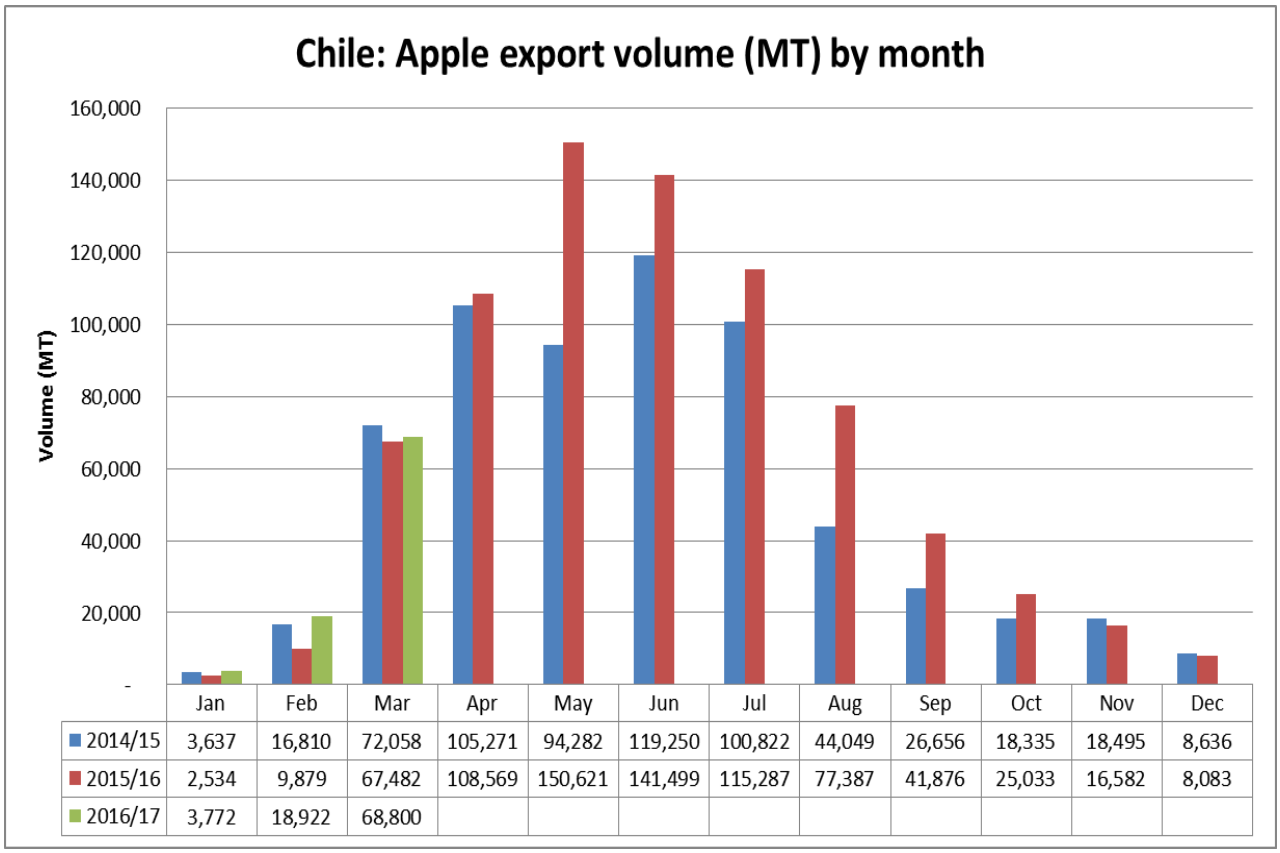
## Trade:

Chilean apples are exported all over the world, but the main market for Chilean Apples remains to be the United States, with 13.73% market share in MY2015/16 (see "Table 1: Chile exports Statistics"). Brazil is the second largest destination with 11.28% market share followed by Colombia with 9.99%.
The production conditions in MY 2016/17 indicate that a large volume of fruit will have to be exported quickly in the March-May period because of the limited time for cold storage. Exports are expected to increase 4.7% and reach 800,000 MT in MY2016/17. In the January-March 2017 period exports have already increased over the previous MY (See graph "Chile: Apple exports by month").

**Table 1: Chile Export Statistics**
**Commodity: 080810, Apples, Fresh**

| Partner Country | Quantity (MT) | | Share (%) | | % Change |
|---|---|---|---|---|---|
| | MY2014/15 | MY2015/16 | MY2014/15 | MY2015/16 | 2016/2015 |
| World | 628,301 | 764,833 | 100.00 | 100.00 | 21.73 |
| United States | 78,290 | 105,039 | 12.46 | 13.73 | 34.17 |
| Brazil | 35,820 | 86,261 | 5.70 | 11.28 | 140.82 |
| Colombia | 75,593 | 76,392 | 12.03 | 9.99 | 1.06 |
| Taiwan | 39,332 | 49,899 | 6.26 | 6.52 | 26.86 |
| Peru | 43,715 | 47,894 | 6.96 | 6.26 | 9.56 |
| Saudi Arabia | 39,981 | 47,075 | 6.36 | 6.15 | 17.74 |
| Netherlands | 42,943 | 46,164 | 6.83 | 6.04 | 7.50 |
| Ecuador | 41,348 | 37,898 | 6.58 | 4.96 | - 8.34 |
| India | 19,997 | 32,189 | 3.18 | 4.21 | 60.97 |
| United Kingdom | 25,373 | 27,150 | 4.04 | 3.55 | 7.00 |
| Others | 185,909 | 208,872 | 29.59 | 27.31 | 111.35 |

Source: Based in Servicio Nacional de Aduana, 2017.




| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2014/15 | 3,637 | 16,810 | 72,058 | 105,271 | 94,282 | 119,250 | 100,822 | 44,049 | 26,656 | 18,335 | 18,495 | 8,636 |
| 2015/16 | 2,534 | 9,879 | 67,482 | 108,569 | 150,621 | 141,499 | 115,287 | 77,387 | 41,876 | 25,033 | 16,582 | 8,083 |
| 2016/17 | 3,772 | 18,922 | 68,800 | | | | | | | | | |

Source: Based in Servicio Nacional de Aduana, 2017.

## Table 2. Production, Supply and Demand Data Statistics:

| Apples, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|---|---|---|---|---|---|---|
| Market Begin Year | Jan 2015 | | Jan 2016 | | Jan 2017 | |
| Chile | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 37,200 | 37,200 | 36,059 | 36,059 | 36,000 | 36,000 |
| **Area Harvested** | 33,900 | 33,900 | 33,600 | 33,600 | 33,500 | 33,500 |
| **Bearing Trees** | 39,900 | 39,900 | 38,900 | 38,900 | 38,000 | 38,000 |
| **Non-Bearing Trees** | 2,900 | 2,900 | 2,800 | 2,800 | 2,500 | 2,500 |
| **Total Trees** | 42,800 | 42,800 | 41,700 | 41,700 | 40,500 | 40,500 |
| **Commercial Production** | 1,200,000 | 1,200,000 | 1,220,000 | 1,325,000 | 1,350,000 | 1,400,000 |
| **Non-Comm. Production** | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| **Production** | 1,210,000 | 1,210,000 | 1,230,000 | 1,335,000 | 1,360,000 | 1,410,000 |
| **Imports** | 2,100 | 2,100 | 1,500 | 1,809 | 1,500 | 1,500 |
| **Total Supply** | 1,212,100 | 1,212,100 | 1,231,500 | 1,336,809 | 1,361,500 | 1,411,500 |
| **Fresh Dom. Consumption** | 252,032 | 252,032 | 251,500 | 251,926 | 255,000 | 255,000 |
| **Exports** | 628,300 | 628,300 | 660,000 | 764,883 | 750,000 | 800,000 |
| **For Processing** | 331,768 | 331,768 | 320,000 | 320,000 | 356,500 | 356,500 |
| **Withdrawal From Market** | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Distribution** | 1,212,100 | 1,212,100 | 1,231,500 | 1,336,809 | 1,361,500 | 1,411,500 |
| | | | | | | |
| (HA) ,(1000 TREES) ,(MT) | | | | | | |

## Commodities:

Grapes, Table, Fresh

## Production:

Chile's table grape harvest was 10 days early in MY 2106/17 compared to typical production years, as temperatures were very high during the spring, which favored maturity and early fruit development. As a result, the table grape supply for the U.S. market in December increased and Chilean table grapes had to compete with product from Peru. Producers also reported that the coloring of red grapes was not sufficient in varieties like Crimson Seedless, which caused delays in the harvest as producers were waiting for the color to settle in.

## Consumption:

Fresh table grape consumption is expected to increase nominally to 184,000 MT in MY2016/17, a 2% increase over the previous marketing year, and domestic consumption is expected to remain fairly steady.

## Trade:

Table grape exports decreased by 9.63% in MY2015/16 over MY2014/16, reaching a total of 687,559MT (see "Table 3. Chile Export Statistics"). The main market for table grapes continues to be the United States which holds a 45.70% market share. China has been growing as a destination for Chilean tables grapes and held a 17.49% market share in MY2015/16.

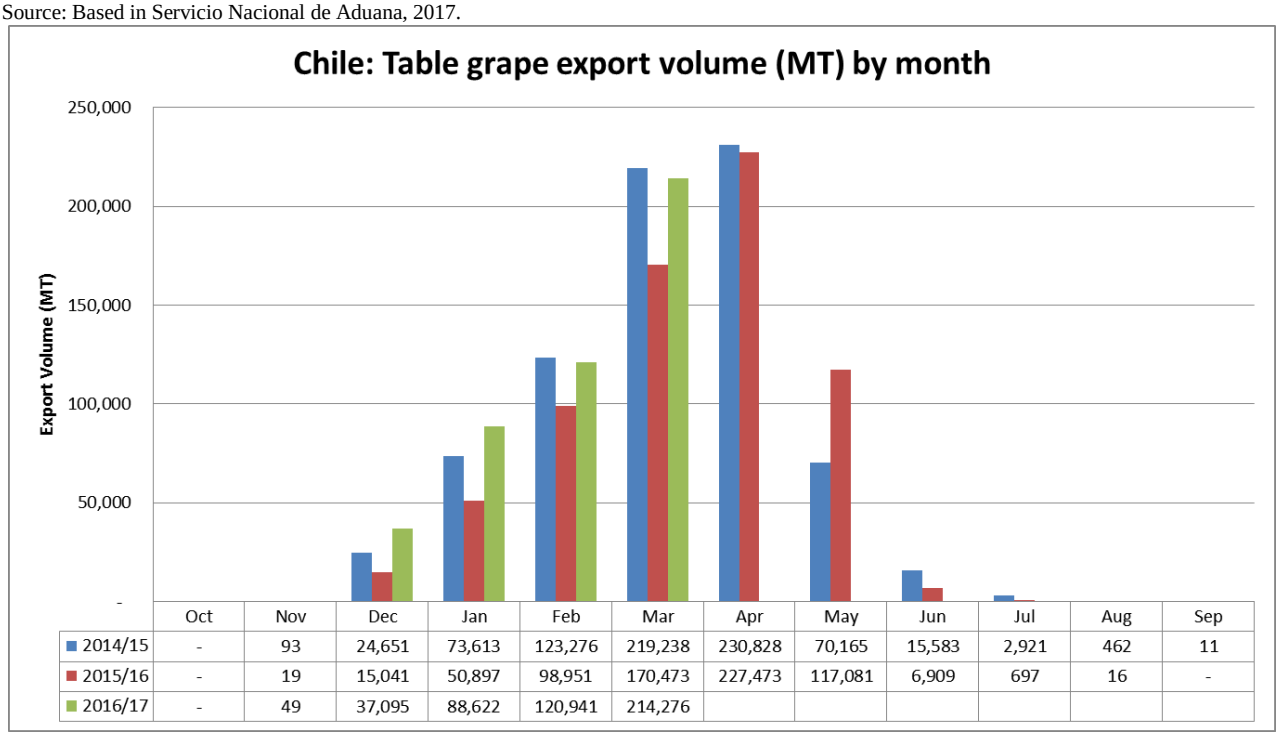
Producers from Atacama region, which are the first ones to harvest their table grapes in Chile and hold 16% of the Chilean planted area (7,593 ha). Farmers expressed concern with the low prices their fruit obtained in the U.S. market in December and January MY2016/17, in some cases not even covering production costs. As a result, producers from Atacama region are rethinking the table grape business. According to experts, in order to be competitive and gain profits producers must increase their productivity and fruit caliber (size of the grape), since the market has no demand for lower caliber fruit, and this will require drastic changes like uprooting of less productive orchards and replanting with modern table grape varieties.

Producers from the central regions in Chile, which harvest in January-February, did not face the low price problem in the U.S. market, as supply from Peru decreased in February and the U.S. market was demanding more table grapes from Chile. These producers are the ones located in the central regions of Chile: Valparaiso, Metropolitana and O'Higgins, which together hold 66% of the planted area in Chile.

Export volume was unusually high in December and January MY2016/17 (see graph "Chile: Table grape export volume by month") following the early harvest dates. Volumes exported up to March 2017 are higher than MY2015/16. Overall a 6.3% export volume increase is projected in MY2016/17 over MY2015/16 totaling 730,000 MT.

| Table 3. Chile Export Statistics<br>Commodity: 080610, Grapes, Fresh | | | | | |
|---|---|---|---|---|---|
| Partner Country | Quantity (MT) | | Share (%) | | % Change |
| | MY2014/15 | MY2015/16 | MY2014/15 | MY2015/16 | 2016/2015 |
| World | 760,841 | 687,559 | 100.00 | 100.00 | - 9.63 |
| United States | 355,846 | 314,221 | 46.77 | 45.70 | - 11.70 |
| China | 90,201 | 120,259 | 11.86 | 17.49 | 33.32 |
| Netherlands | 61,163 | 43,806 | 8.04 | 6.37 | - 28.38 |
| Korea South | 50,630 | 33,857 | 6.65 | 4.92 | - 33.13 |
| United Kingdom | 37,136 | 30,466 | 4.88 | 4.43 | - 17.96 |
| Brazil | 24,583 | 18,446 | 3.23 | 2.68 | - 24.97 |
| Canada | 14,169 | 13,132 | 1.86 | 1.91 | - 7.32 |
| Mexico | 17,236 | 12,986 | 2.27 | 1.89 | - 24.66 |
| Russia | 16,456 | 11,937 | 2.16 | 1.74 | - 27.46 |
| Japan | 10,778 | 9,255 | 1.42 | 1.35 | - 14.13 |
| Others | 82,643 | 79,194 | 10.86 | 11.52 | -4.17 |

Source: Based in Servicio Nacional de Aduana, 2017.




| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2014/15 | - | 93 | 24,651 | 73,613 | 123,276 | 219,238 | 230,828 | 70,165 | 15,583 | 2,921 | 462 | 11 |
| 2015/16 | - | 19 | 15,041 | 50,897 | 98,951 | 170,473 | 227,473 | 117,081 | 6,909 | 697 | 16 | - |
| 2016/17 | - | 49 | 37,095 | 88,622 | 120,941 | 214,276 | | | | | | |

Source: Based in Servicio Nacional de Aduana, 2017.

## Policy:

The Ministry of Agriculture, through the Servicio Agrícola y Ganadero (SAG) continues to carry out a National Program for the Control of Grapevine Moth Lobesia botrana.

The strategy for MY 2016-2017 can be found at the following weblink -- Strategy

The strategy includes the following actions:

1) Monitoring trough pheromone traps
2) Rural and urban control
3) Auditing internal quarantine actions
4) Development and implementation of a communications plan
5) Supervision and support the National Research Plan by the MOA National Institute for Agricultural Research (INIA)

The National Program goals are:
1. Contain, suppress and eradicate the plague:
- Contention and suppression strategy in Metropolitana, O'Higgins and Maule regions.
-Eradication and suppression strategy in: Atacama (Copiapó province to the south), Coquimbo, Valparaíso, Biobío y Araucanía regions.
2. Establishment of a monitoring network that allows knowledge on the distribution, absence and population of the plague.
3. Establishment of quarantine actions that avoid dispersion of the plague.
4. Provide technical support through information and compliance of conditions established by the phytosanitary authorities in the country of destination to the SAG Sub-Department of Phytosanitary certification. Additionally, provide technical background in order to maintain or improve the entrance conditions of exported fruit products due to the presence o*f Lobesia botrana.*
5. Auditing the compliance of SAG measures.

The control actions are mandatory for table grapes (Vitis vinifera) as a primary host from Atacama region (Copiapó province to the south) to Araucanía region.

**Table 4. Production, Supply and Demand Data Statistics:**

| Grapes, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|---|---|---|---|---|---|---|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Chile | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 52,200 | 52,200 | 48,378 | 48,378 | 48,000 | 48,000 |
| **Area Harvested** | 49,600 | 49,600 | 46,200 | 47,200 | 46,000 | 46,100 |
| **Commercial Production** | 935,700 | 935,700 | 847,800 | 847,800 | 906,000 | 910,000 |
| **Non-Comm. Production** | 3,500 | 3,500 | 20,000 | 20,000 | 3,700 | 3,700 |
| **Production** | 939,200 | 939,200 | 867,800 | 867,800 | 909,700 | 913,700 |
| **Imports** | 500 | 272 | 200 | 341 | 300 | 300 |
| **Total Supply** | 939,700 | 939,472 | 868,000 | 868,141 | 910,000 | 914,000 |
| **Fresh Dom. Consumption** | 178,900 | 178,631 | 180,000 | 180,542 | 180,000 | 184,000 |
| **Exports** | 760,800 | 760,841 | 688,000 | 687,599 | 730,000 | 730,000 |
| **Withdrawal From Market** | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Distribution** | 939,700 | 939,472 | 868,000 | 868,141 | 910,000 | 914,000 |
| | | | | | | |
| (HA) ,(MT) | | | | | | |

## Commodities:

Pears, Fresh

## Production:

In MY 2016/17 pear production was also 10 days early. Packham's variety was harvested in January 10 and many producers were not expecting such an early harvest. Fruit firmness declined rapidly but stabilized afterwards, which meant that harvest had to be done urgently and quickly. Cold storage potential is lower, volumes are similar to a normal year but caliber is smaller. Forelle variety has been growing in the pear planted area and replacing Abate Fetel variety, but in general, the pear planted area has stabilized and is not expected to grow because producers are moving towards the more profitable fruits (i.e. cherries, walnuts).

## Consumption:

There is no official data for pear consumption. Data is obtained by estimating the difference between known exports and estimated volume that goes to the processing industry. Fruit consumption in the domestic Chilean market is mainly discarded fruit that was not used for exports. Fresh pear domestic consumption is estimated at 84,000 MT in MY2016/17.

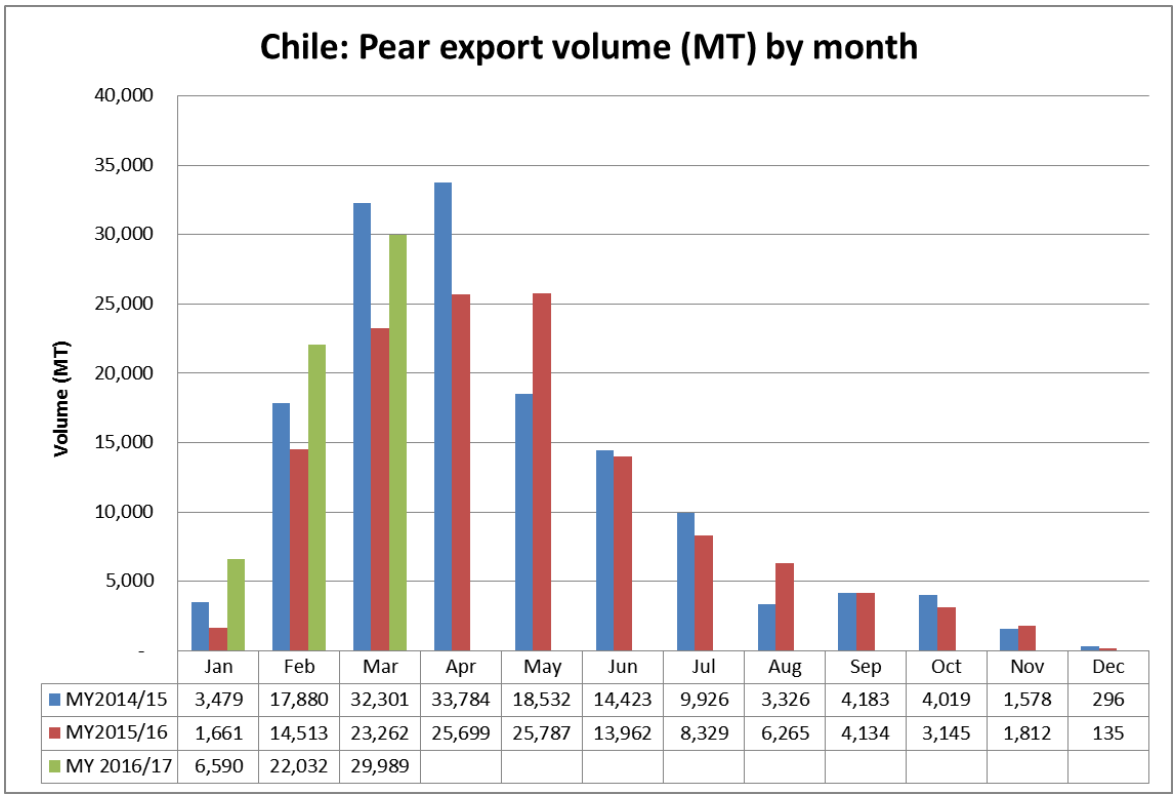
## Trade:

Pear exports decreased by 10.45% in MY2015/16 over MY2014/15 (see "Table 5. Chile Export Statistics") but are expected to recover in MY2016/17. Pear exports in January – March 2017 were higher than the previous MY (See graph "Chile: Pear exports by month"). Pear exports in MY2016/17 are projected to reach 140,000 MT.

Pear exports are almost entirely made up of Packham's variety, which goes to various markets. The main market for Chilean pears remains to be Netherlands with a 16.37% market share, followed by Colombia holding a 16.22% share and the United States with 10.80% market share. Beurre Bosc variety, which is also produced in Chile, is exported to the U.S. and Mexico markets, which only demand high caliber fruit. Abate Fetel variety is only destined for the European market and has not shown good results yet in terms of profits.

| Table 5. Chile Export Statistics<br>Commodity: 080830, Pears, Fresh | | | | | |
|---|---|---|---|---|---|
| Partner Country | Quantity (MT) | | Share (%) | | % Change |
| | MY2014/15 | MY2015/16 | MY2014/15 | MY2015/16 | 2016/2015 |
| World | 143,726 | 128,703 | 100.00 | 100.00 | - 10.45 |
| Netherlands | 26,676 | 21,065 | 18.56 | 16.37 | - 21.03 |
| Colombia | 22,214 | 20,875 | 15.46 | 16.22 | - 6.03 |
| United States | 19,025 | 13,896 | 13.24 | 10.80 | - 26.96 |
| Italy | 16,725 | 13,814 | 11.64 | 10.73 | - 17.41 |
| Peru | 11,311 | 13,303 | 7.87 | 10.34 | 17.61 |
| Ecuador | 9,580 | 8,981 | 6.67 | 6.98 | - 6.25 |
| Russia | 6,763 | 6,400 | 4.71 | 4.97 | - 5.37 |
| Germany | 3,819 | 4,032 | 2.66 | 3.13 | 5.56 |
| Brazil | 4,258 | 3,047 | 2.96 | 2.37 | - 28.44 |
| Saudi Arabia | 3,156 | 3,027 | 2.20 | 2.35 | - 4.08 |
| Others | 20,199 | 20,263 | 14.05 | 15.74 | 0.32 |

Source: Based in Servicio Nacional de Aduana, 2017.




| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MY2014/15 | 3,479 | 17,880 | 32,301 | 33,784 | 18,532 | 14,423 | 9,926 | 3,326 | 4,183 | 4,019 | 1,578 | 296 |
| MY2015/16 | 1,661 | 14,513 | 23,262 | 25,699 | 25,787 | 13,962 | 8,329 | 6,265 | 4,134 | 3,145 | 1,812 | 135 |
| MY 2016/17 | 6,590 | 22,032 | 29,989 | | | | | | | | | |

Source: Based in Servicio Nacional de Aduana, 2017.

## Table 6. Production, Supply and Demand Data Statistics:

| Pears, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|---|---|---|---|---|---|---|
| Market Begin Year | Jan 2015 | | Jan 2016 | | Jan 2017 | |
| Chile | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 7,300 | 7,300 | 8,646 | 8,646 | 8,900 | 8,900 |
| **Area Harvested** | 6,000 | 6,000 | 7,200 | 7,200 | 7,500 | 7,500 |
| **Bearing Trees** | 6,500 | 6,500 | 7,600 | 7,600 | 7,800 | 7,800 |
| **Non-Bearing Trees** | 1,200 | 1,200 | 1,400 | 1,400 | 1,500 | 1,500 |
| **Total Trees** | 7,700 | 7,700 | 9,000 | 9,000 | 9,300 | 9,300 |
| **Commercial Production** | 288,000 | 288,000 | 265,000 | 265,000 | 278,000 | 278,000 |
| **Non-Comm. Production** | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| **Production** | 290,000 | 290,000 | 267,000 | 267,000 | 280,000 | 280,000 |
| **Imports** | 600 | 600 | 700 | 700 | 600 | 600 |
| **Total Supply** | 290,600 | 290,600 | 267,700 | 267,700 | 280,600 | 280,600 |
| **Fresh Dom. Consumption** | 88,500 | 88,500 | 87,000 | 83,297 | 84,000 | 84,000 |
| **Exports** | 143,700 | 143,700 | 125,000 | 128,703 | 140,000 | 140,000 |
| **For Processing** | 58,400 | 58,400 | 55,700 | 55,700 | 56,600 | 56,600 |
| **Withdrawal From Market** | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Distribution** | 290,600 | 290,600 | 267,700 | 267,700 | 280,600 | 280,600 |
| | | | | | | |
| (HA) ,(1000 TREES) ,(MT) | | | | | | |