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Chile

Stone Fruit Annual

2018

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Report Highlights:

Chile's cherry exports reached a record of 184,741 MT in MY2017/18. Cherry trees planted area grew steadily at a 10.2 percent rate surpassing 30,000 hectares (ha) in MY2017/18. Eighty five percent of Chilean cherries go to China. Post estimates MY2018/19 cherry exports to remain flat at 185,000 MT because of a decrease in yield offset by an increase in planted area.

Total fresh nectarine trees and peach orchards planted area reached 7,101 ha in MY2017/18, from which 5,101 ha are nectarines and 2,000 ha are peaches. Post forecasts fresh Chilean peaches and nectarines exports to decrease by 7.5 percent and reach 90,000 MT considering that the planted area of nectarine and fresh peaches is steady but yields will not be as high as in MY2017/18.

Commodities:

Fresh Cherries,(Sweet&Sour)

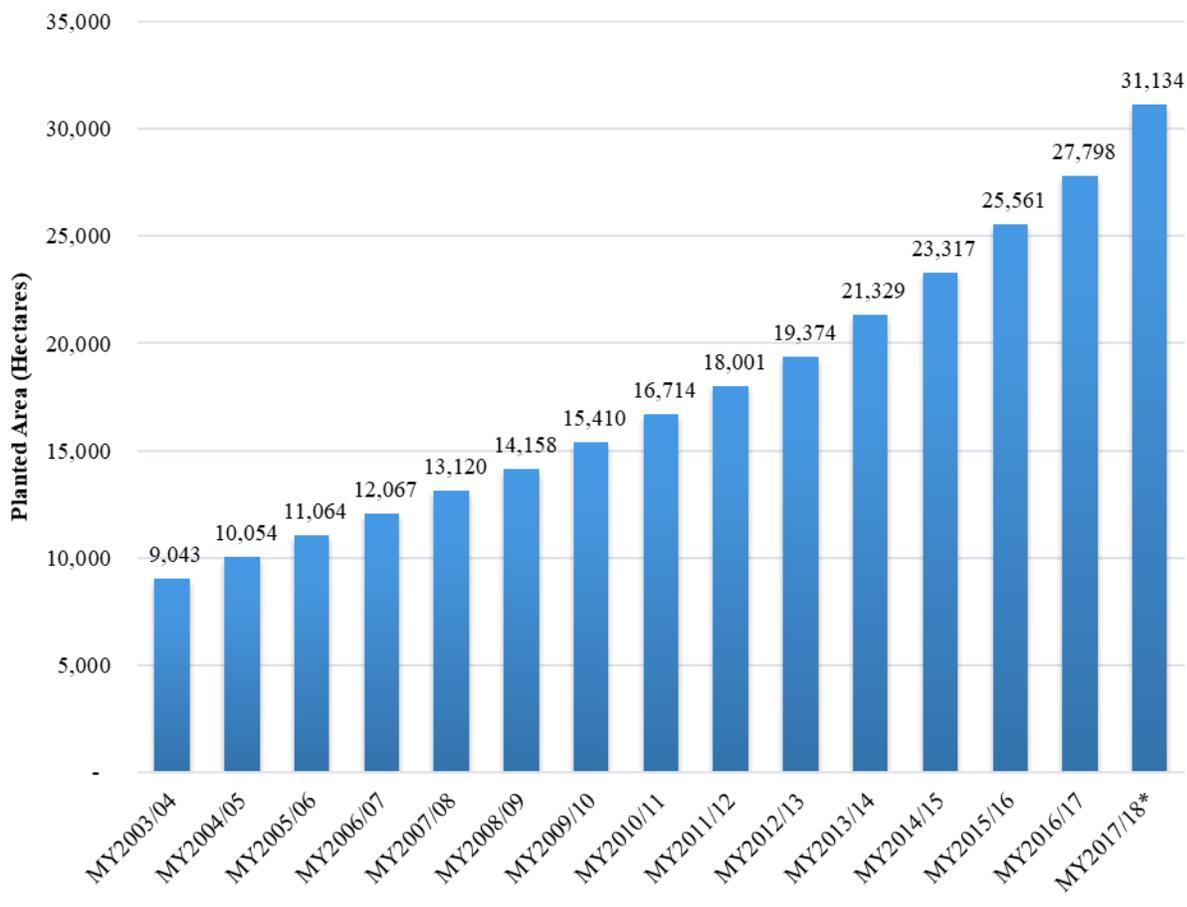
Production:

Chilean cherry orchards planted area has grown steadily at a 10.2 percent rate since MY2003/04 and reached 31,134 hectares (ha) in MY2017/18 (see graph 1). Post expects planted area to keep growing since production area continues to increase in the central regions and expands to southern regions of Biobio and Araucania, using rooftops to protect cherries from rainfall during the harvest season (graph 2).

Cherries remain the most planted fruit in Chile along with walnuts and hazelnuts due to its high profits and increasing demand from China. However, Post sources indicate that prices in China decreased with large supplies exported to that market (demand), but China still pays higher prices than the price other country destinations offer to Chilean exporters. MY2017/18 was a record year in production with 205,741 MT, and exports of 184,741 MT since climatic conditions were very favorable for cherry production with enough rainfall during the winter, high average temperatures during the spring, and absence of rainfall during the harvest months (from November to January).

Yields in MY2018/19 could be slightly lower than the previous marketing year since optimal conditions are unlikely to repeat and trees usually have some fall in yield year over year after a highly productive campaign. Nevertheless, Post expects production MY2018/19 estimates 209,000 MT taking into account that the planted area keeps growing but that there could be a slight fall in yields.

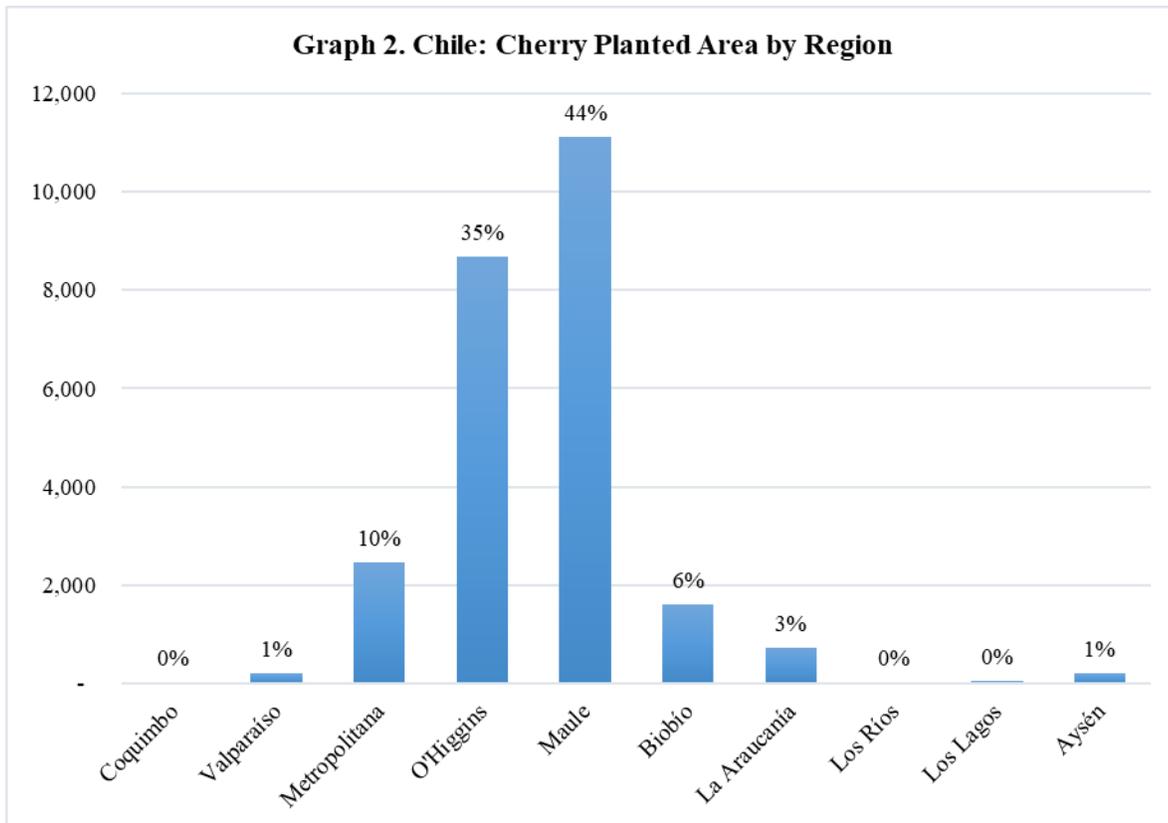
Graph 1. Chile: Cherry Planted Area (Hectares)



Source:

based in ODEPA/CIREN

* Estimation



Source: based in ODEPA/CIREN

Consumption:

Based in survey data from CIREN/ODEPA (Ministry of Agriculture's Natural Resources Information Center/Office of Studies and Policies). Post estimates that exports represent 88 percent of the total production, domestic consumption is 9 percent, and the remaining 3 percent is processed. Post estimates that fresh domestic consumption will reach 18,000 MT, considering the increased production and an increasing demand for fresh cherries.

Trade:

In MY2017/18 cherry exports reached 184,741 MT, a 94 percent increase over MY2016/17 (see table 1). China is the top market for Chilean cherries. Chile exported 156,497 MT or 85 percent to that market in 2017, a 109 percent increase over MY2016/17. Chilean cherry export season starts in November and ends in February (See graph 4). Chile focuses its market promotion and export campaigns in China. Post expects Chilean exports to China to increase to that market since demand for Chilean fruits keeps increasing, and Chilean exporters get higher prices in China for their fruits than in other destinations.

The second top export destination for Chilean cherries is the United States. Chile exported 7,609 MT in MY2017/18 or 4 percent of total cherry exports.

In 2016, South Korea granted market access to Chilean cherries. Chilean exports to this country grew by 95 percent in MY2017/18 over MY2016/17, totaling 2,657 MT.

In MY2017/18 exports peaked in January reaching 115,000 MT, which tested Chilean export processing capacity. Usually cherries pass through a hydro cooler system right after harvest and cherries need to be shipped quickly since postharvest life is limited and travel to China from Chile is an average of 30 days by ship.

In MY2018/19, cherry exports are projected to remain flat at 185,000 MT because of a decrease in yields offset by a 9.7 percent increase in planted area.

Table 1. Chile Export Statistics						
Commodity: Cherries fresh, Cherries						
Quantity (MT)						
Partner Country	Marketing year			Year To Date		
	MY2015/16	MY2016/17	%Change	Nov 2016 - May 2017	Nov 2017 - May 2018	%Change
World	83,562	95,392	14%	95,392	184,741	94%
China	67,871	74,820	10%	74,820	156,497	109%
United States	5,761	6,316	10%	6,316	7,609	20%
Taiwan	1,693	2,230	32%	2,230	3,370	51%
Brazil	1,852	2,299	24%	2,299	3,194	39%
Hong Kong	2,008	3,079	53%	3,079	2,962	-4%
Korea, South	25	1,365	5360%	1,365	2,657	95%
Ecuador	530	836	58%	836	2,028	143%
United Kingdom	1,326	1,286	-3%	1,286	1,862	45%
Thailand	333	633	90%	633	841	33%
Canada	63	201	219%	201	524	161%
Netherlands	493	393	-20%	393	509	30%
Spain	270	405	50%	405	478	18%
Bolivia	210	233	11%	233	371	59%
Peru	74	91	23%	91	280	208%
France	179	195	9%	195	202	4%
Others	874	1,010	16%	1,010	1,357	34%

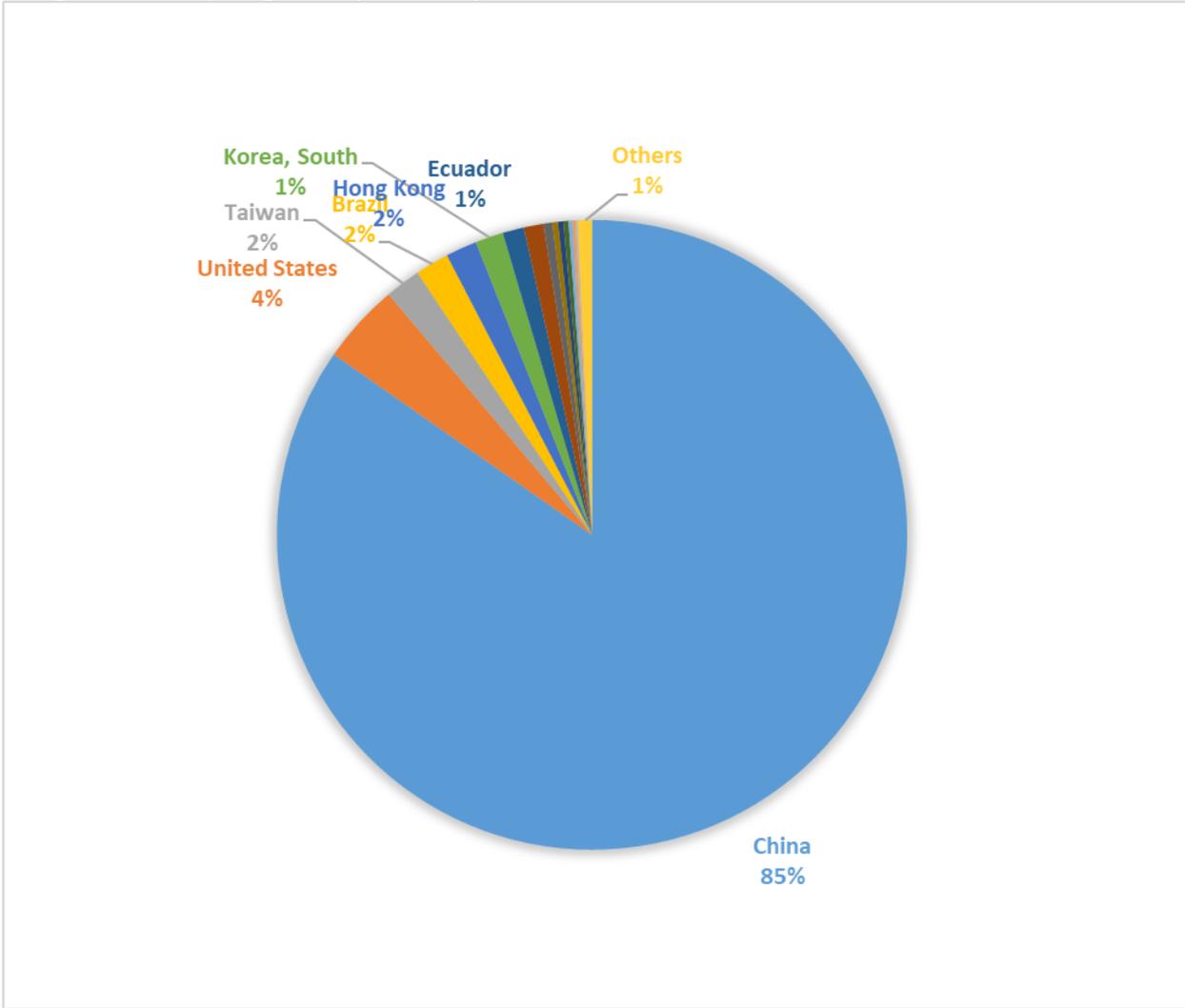
Source: Global Trade Atlas - Chile Customs

Table 2. Chile Export Statistics
Commodity: Cherries fresh, Cherries
Value (United States Dollars)

Partner Country	Marketing year			Year To Date		
	MY2015/16	MY2016/17	%Change	Nov 2016 - May 2017	Nov 2017 - May 2018	%Change
World	378,953,829	438,385,883	16%	438,385,883	793,448,709	81%
China	304,773,478	338,132,327	11%	338,132,327	668,738,324	98%
United States	23,977,013	27,547,029	15%	27,547,029	28,965,003	5%
Korea, South	175,753	9,903,607	5535%	9,903,607	17,400,953	76%
Taiwan	9,424,281	11,980,612	27%	11,980,612	17,106,839	43%
Hong Kong	7,640,351	13,241,625	73%	13,241,625	14,596,841	10%
Brazil	8,834,540	10,663,585	21%	10,663,585	11,879,369	11%
United Kingdom	8,391,821	7,189,975	-14%	7,189,975	8,928,262	24%
Thailand	2,129,720	3,907,617	83%	3,907,617	4,350,839	11%
Ecuador	1,033,468	1,808,257	75%	1,808,257	3,682,436	104%
Netherlands	2,989,801	1,991,319	-33%	1,991,319	2,657,617	33%
Spain	1,629,072	2,313,155	42%	2,313,155	2,487,006	8%
Canada	326,845	768,732	135%	768,732	2,085,977	171%
Mexico	908,151	950,172	5%	950,172	1,351,105	42%
France	1,288,792	1,349,794	5%	1,349,794	1,169,861	-13%
Russia	512,772	796,566	55%	796,566	957,034	20%
Others	4,917,971	5,841,511	19%	5,841,511	7,091,243	21%

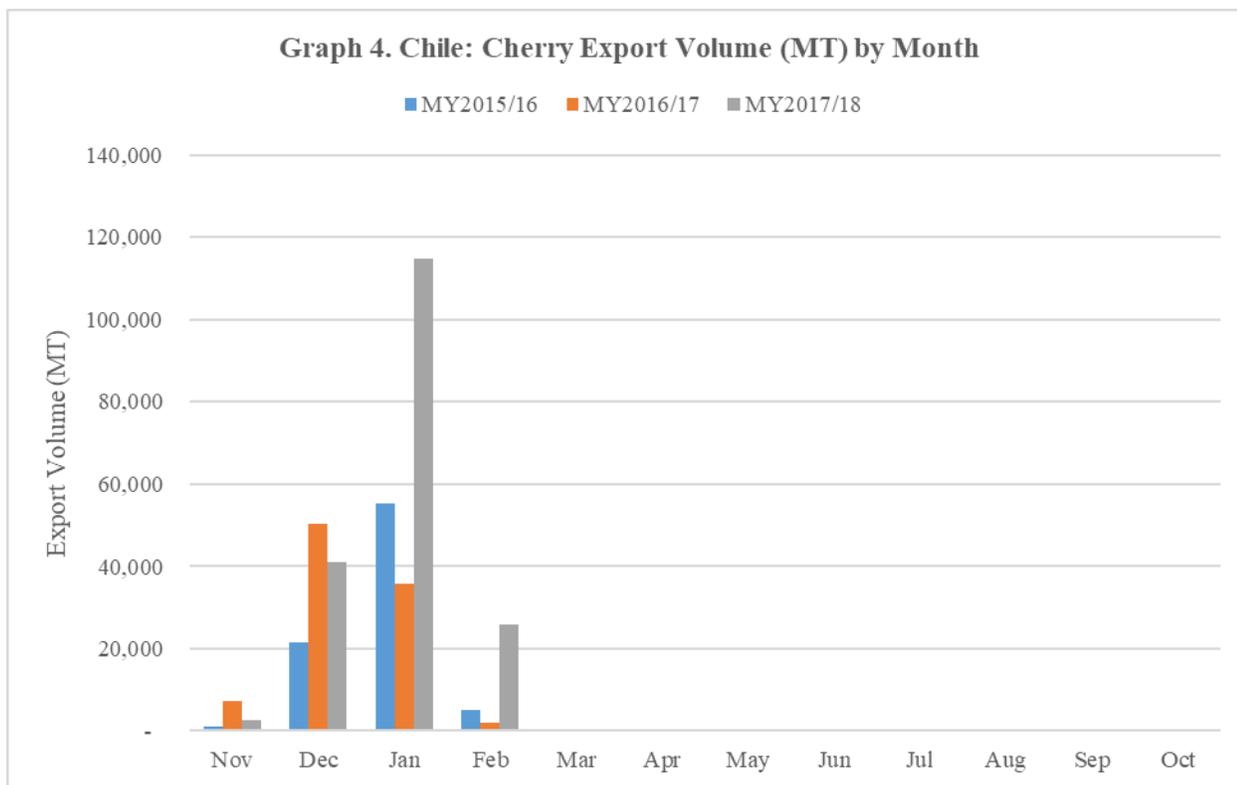
Source: Global Trade Atlas - Chile Customs

Graph 3. Cherry Exports by Country of Destination MY2017/18



Source:

Global Trade Atlas - Chile Customs



Source

: Global Trade Atlas - Chile Customs

Table 3. Production, Supply and Demand Data Statistics:

Cherries (Sweet&Sour), Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Nov 2016		Nov 2017		Nov 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Chile						
Area Planted	27,397	0	29,500	31,174	0	34,000
Area Harvested	25,000	0	27,000	29,000	0	32,500
Bearing Trees	21,175	0	23,000	23,000	0	25,000
Non-Bearing Trees	2,039	0	2,000	2,000	0	2,000
Total Trees	23,214	0	25,000	25,000	0	27,000
Commercial Production	115,000	0	122,870	205,741	0	209,000
Non-Comm. Production	1,000	0	1,000	1,000	0	1,000
Production	116,000	0	123,870	206,741	0	210,000
Imports	0	0	0	0	0	0
Total Supply	116,000	0	123,870	206,741	0	210,000
Fresh Dom. Consumption	14,800	0	13,544	16,000	0	18,000
Exports	96,000	0	105,000	184,741	0	185,000
For Processing	5,200	0	5,326	6,000	0	7,000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	116,000	0	123,870	206,741	0	210,000

(HA) ,(1000 TREES) ,(MT)

Source: post estimates

Commodities:

Fresh Peaches & Nectarines

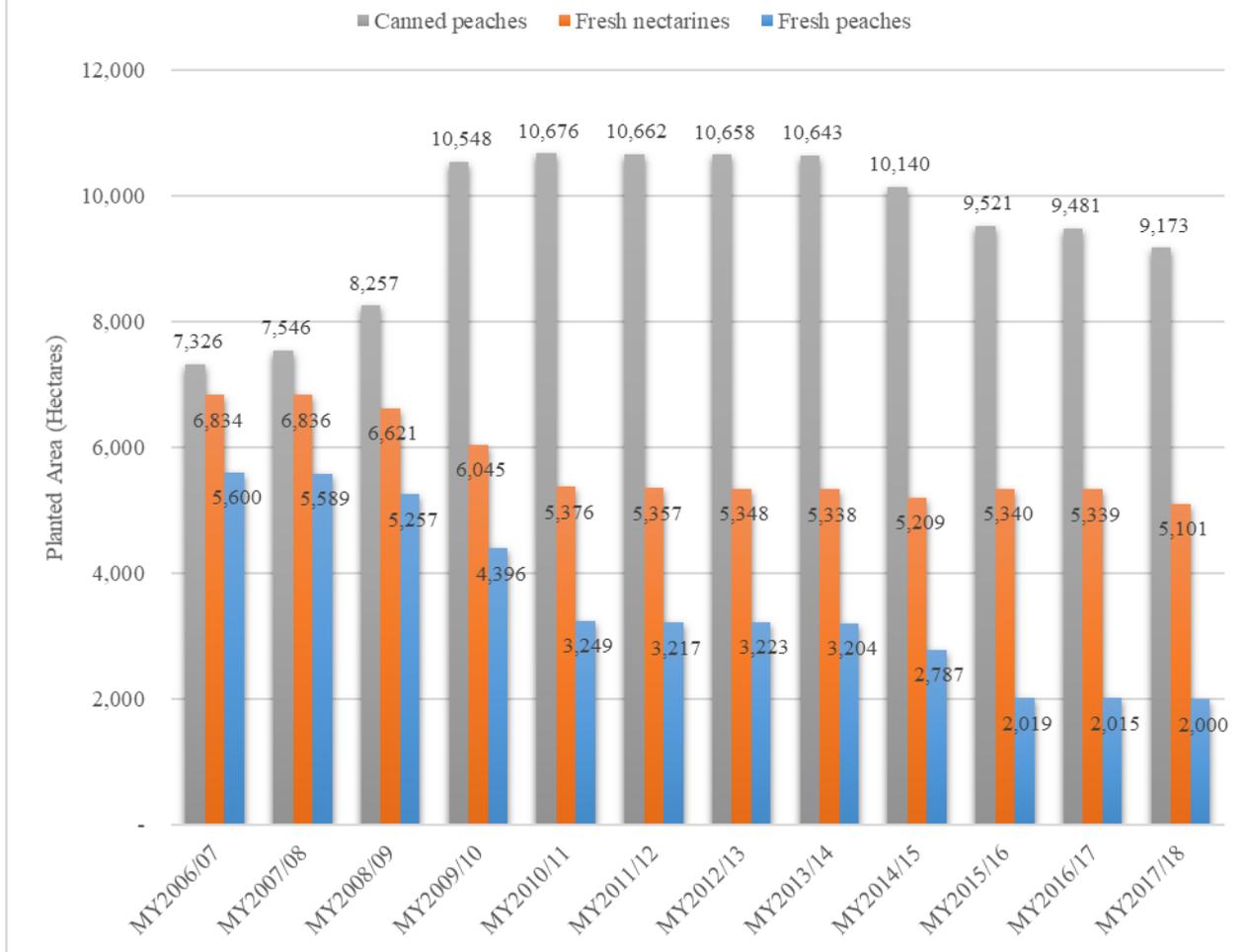
Production:

Chile produces peach varieties for fresh consumption and for canned peaches. The planted area for canned peaches decreased abruptly from 10,676 ha in MY2010/11 to 9,173 ha in MY2017/18 because canned peaches is a difficult business and margins are decreasing.

Total fresh nectarine and peach planted area reached 7,101 ha in MY2017/18, from which 5,101 ha are nectarines and 2,000 are peaches. Nectarine planted area has remained steady around 5,300 hectares since MY2010/11. Fresh peach planted area has decreased from 3,249 ha in MY2010/11 down to 2,000 hectares in MY2017/18.

MY2017/18 has excellent climatic conditions for fruit production, which yielded a production volume of 158,285 MT. In MY2018/19, production is expected to decrease by five percent to 150,000 MT, considering that the planted area of nectarines and fresh peaches is steady but yields will not be as high as in MY2017/18.

Graph 5. Chile: Peach and Nectarine Planted Area (Hectares)



Source:

based in ODEPA, 2018

Consumption:

Post estimates that exports represent 60 percent of peach and nectarines production. Domestic consumption is 37 percent, and three percent is processed. Fresh domestic consumption is projected to decrease slightly to 54,300 MT in MY 2018/19.

Trade:

Chilean peach and nectarine exports reached 87,922 MT in MY2017/18 an 11 percent increase over MY2016/17 (see table 4). The top market for Chilean peach and nectarines is the United States where exports totaled 37,906 MT and 39 percent of exports, but decreased by seven percent over MY2016/17. The main reason for the decrease of exports to the United States is that it is a very competitive market and prices obtained are low compared other markets. China is the second export destination for Chilean peach and nectarines, exports grew by 398 percent and totaled 15,384 MT and 16 percent of exports because of the opening of the market for Chilean nectarines in January 2017. Brazil is the third top market, exports totaled 8,825 MT a 24 percent growth over MY2016/17.

Exports occur from November to April, but peak from January to March (see graph 7).
 In MY2018/19 exports are projected to decrease to 90,000 following a reduction in planted area and a slightly lower yield to less favorable climatic conditions compared to MY2017/18.

Table 4. Chile Export Statistics						
Commodity: 080930, Peaches, Including Nectarines, Fresh						
Quantity (MT)						
Partner Country	Marketing year			Year To Date		
	MY2015/16	MY2016/17	%Change	Nov 2016 - May 2017	Nov 2017 - May 2018	%Change
World	85,987	87,922	2%	87,890	97,285	11%
United States	41,596	40,865	-2%	40,856	37,906	-7%
China	109	3,091	2736%	3,091	15,384	398%
Brazil	9,904	7,134	-28%	7,111	8,825	24%
Mexico	6,668	5,526	-17%	5,526	5,434	-2%
Netherlands	6,342	5,043	-20%	5,043	4,907	-3%
Taiwan	4,226	5,979	41%	5,979	3,690	-38%
Canada	564	1,592	182%	1,592	3,133	97%
Russia	927	1,743	88%	1,743	2,488	43%
Peru	1,771	2,178	23%	2,178	2,451	13%
United Kingdom	2,008	1,675	-17%	1,675	2,131	27%
Colombia	1,693	1,653	-2%	1,653	1,624	-2%
Spain	186	1,169	528%	1,169	1,549	33%
Hong Kong	5,066	4,749	-6%	4,749	1,257	-74%
Uruguay	178	129	-28%	129	1,090	745%
Germany	154	226	47%	226	828	266%
Others	4,595	5,170	13%	5,170	4,588	-11%

Source of Data: Chile Customs - Servicio Nacional de Aduana

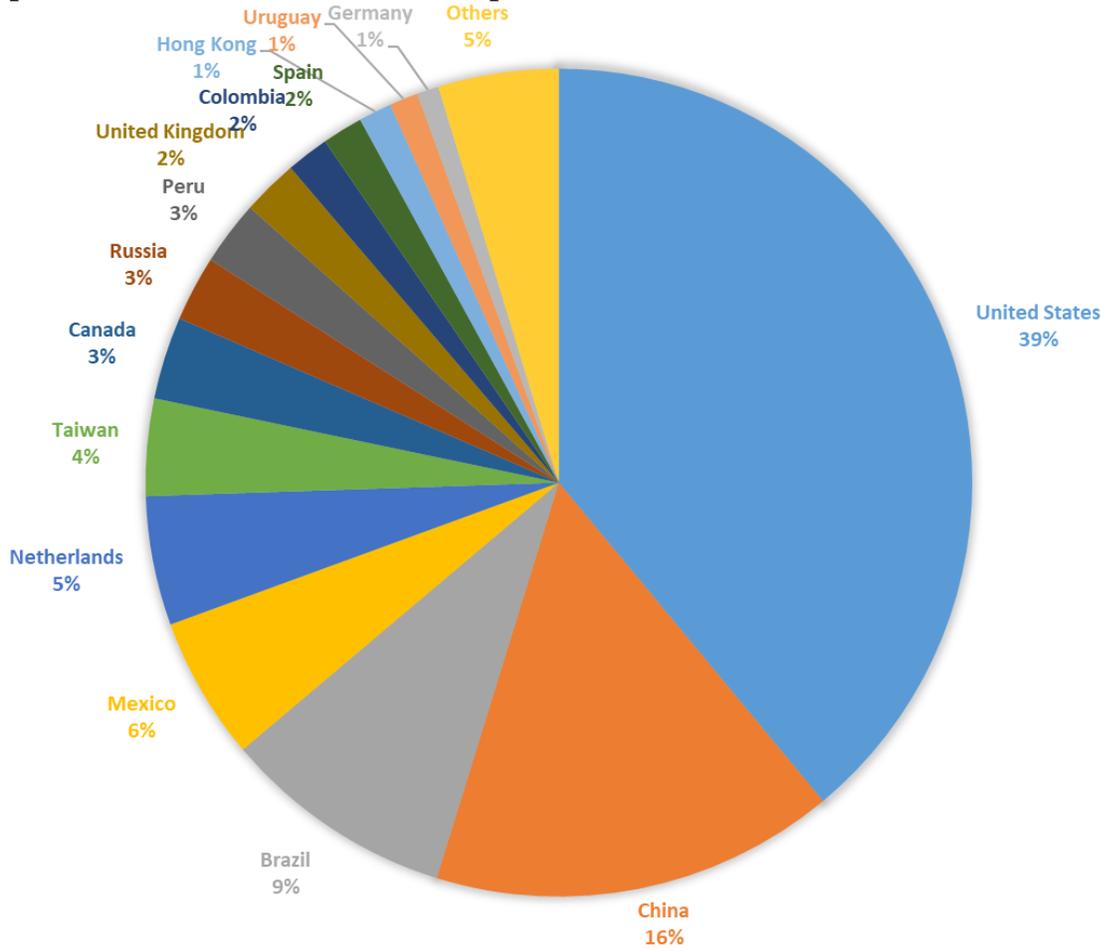
Note: data does not include canned peaches.

Table 5. Chile Export Statistics						
Commodity: 080930, Peaches, Including Nectarines, Fresh						
Value (United States Dollars)						
Partner Country	Marketing year			Year To Date		
	MY2015/16	MY2016/17	%Change	Nov 2016 - May 2017	Nov 2017 - May 2018	%Change
World	94,510,094	96,885,029	3%	96,851,687	111,863,418	15%
United States	44,999,320	43,424,649	-3%	43,421,129	40,021,897	-8%
China	163,000	3,341,884	1950%	3,341,884	19,800,854	493%
Brazil	10,549,297	7,712,289	-27%	7,682,687	10,579,731	38%
Mexico	8,828,752	7,231,721	-18%	7,231,721	7,421,726	3%
Taiwan	4,849,953	7,266,286	50%	7,266,286	5,178,741	-29%
Netherlands	4,841,534	4,461,305	-8%	4,461,305	4,240,270	-5%
Russia	1,072,756	2,281,532	113%	2,281,532	3,362,808	47%
Canada	524,365	1,748,280	233%	1,748,280	3,221,138	84%
Peru	1,770,857	1,937,050	9%	1,937,050	2,381,911	23%
Colombia	2,326,736	2,238,372	-4%	2,238,372	2,231,549	0%
United Kingdom	2,273,962	1,734,042	-24%	1,734,042	1,852,390	7%
Hong Kong	6,319,832	6,055,547	-4%	6,055,547	1,834,035	-70%
Uruguay	190,433	162,298	-15%	162,298	1,547,760	854%
Spain	205,750	960,758	367%	960,758	1,393,427	45%
Guatemala	569,169	585,953	3%	585,953	1,011,229	73%
Others	5,024,378	5,743,063	14%	5,742,843	5,783,952	1%

Source of Data: Chile Customs - Servicio Nacional de Aduana

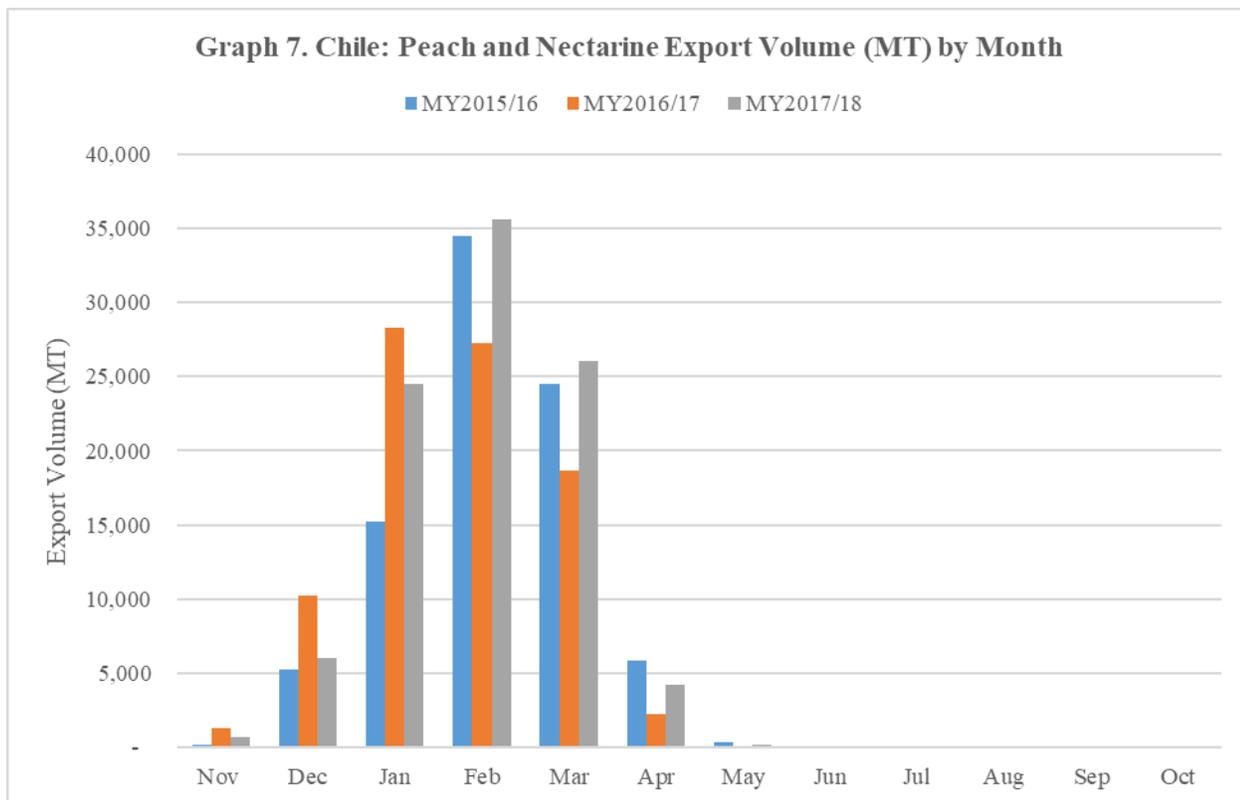
Note: data does not include canned peaches.

Graph 6. Fresh Peach and Nectarine exports MY2017/18



Source of Data: Chile Customs - Servicio Nacional de Aduana

Note: data does not include canned peaches.



Source

of Data: Chile Customs - Servicio Nacional de Aduana

Note: data does not include canned peaches.

Table 6. Production, Supply and Demand Data Statistics:

Peaches & Nectarines, Fresh Market Begin Year Chile	2016/2017		2017/2018		2018/2019	
	Nov 2016		Nov 2017		Nov 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,761	7,354	6,500	7,101	0	7,000
Area Harvested	6,084	7,000	5,850	6,800	0	6,700
Bearing Trees	5,747	5,747	5,525	5,525	0	5,300
Non-Bearing Trees	575	575	637	637	0	600
Total Trees	6,322	6,322	6,162	6,162	0	5,900
Commercial Production	148,212	148,234	145,000	158,285	0	150,000
Non-Comm. Production	1,000	1,000	1,000	1,000	0	1,000
Production	149,212	149,234	146,000	159,285	0	151,000
Imports	0	0	0	0	0	0
Total Supply	149,212	149,234	146,000	159,285	0	151,000
Fresh Dom. Consumption	55,717	55,717	56,000	56,000	0	55,000
Exports	87,900	87,922	85,000	97,285	0	90,000
For Processing	5,595	5,595	5,000	6,000	0	6,000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	149,212	149,234	146,000	159,285	0	151,000

(HA) ,(1000 TREES) ,(MT)

Source: Post estimates

Note: data does not include canned peaches.