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Chile

Fishery Products

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Report Highlights:

As a result of an increase in Chile's salmon and trout production, exports of whole eviscerated salmon increased again in 2004. In the coming years the industry will continue to expand, but exports of whole eviscerated salmon will grow at a much slower rate, as demand shifts to value added products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Salmon and trout (Salmonid) production are the main components of Chile's edible fisheries sector. Exports were valued at \$1.44 billion in calendar year 2004, representing 6.6 percent of Chile's total export revenues for both Agricultural and Non-Agricultural products. A further expansion is expected in 2005, as prices of exported salmon and trout products continue to increase. Total Chilean aquaculture output will continue to grow based on development and growth of salmon, trout and new species like turbot. Total exports in 2004 are expected to reach US\$ 1.5 billion. Exports of value-added salmon and trout products are expected to expand at a faster rate than whole eviscerated salmon. The export share of these processed products has increased from 5 percent in 1990 to 69 percent of the total export value in 2004.

Note: A Fisheries Products Strategic Indicators Table will not be provided as Chile does not import salmon products and is only a marginal importer of total edible fish products.

Production

Output of whole eviscerated salmon increased again in 2004 to a record production of almost 425,000 MT. The continuous increase in Chilean salmon and trout production is being driven by a constant increase in demand, as reflected by export rising prices for salmon and trout products. Economic returns expanded again over 25 percent for the whole salmon and trout industry to a record US\$1.44 billion in 2004. For MY2005 and the coming years, the industry predicts that production of whole eviscerated salmon will continue to expand but at a slower rate than in the past, as exports of whole eviscerated salmon will be much more moderate, as demand is expected to shift to value-added salmon products such as fresh and frozen filet, smoked, dried and salted and canned salmon.

The Chilean salmon and trout industry is composed of more than 70 companies, most of which are located in Regions Ten, Eleven and Twelve employing directly and indirectly over 45,000 workers of which 60 percent are women,. Aquaculture is conducted in 234 coastal concessions for which the companies pay user fees to the government . In year 2010, yearly exports are expected to exceed US\$ 2.0 billion. Based on Chile's natural comparative advantages, like long coastal line, ideal water temperature and low labor cost, Chile's salmon and trout production and exports will expand further in the coming years depending upon market conditions. Chile produces and exports a variety of salmon products, including fresh/chilled, frozen, canned, dried and salted, smoked and dehydrated salmon. Although the most important component of the sector is fresh/chilled and frozen whole/eviscerated salmon, exports of value-added salmon products such as fresh and frozen filet, smoked, dried and salted and canned salmon are increasing at a fast rate.

Consumption

There are no official statistics for fresh/chilled domestic consumption in Chile; figures given in the PS&D are based on information given by Salmon Chile, the salmon and trout producers association. Although domestic consumption of both farmed and "wild" salmon has been increasing during the last few years, it is not a significant portion of total demand. This is primarily due to the fact that in Chile fish in general is less popular than red meat, poultry and pork.

Supermarket chains buy directly from the producers or, in some cases, internally source the product from their own salmon farms. Up to now there has not been comprehensive promotional campaigns to increase domestic consumption, because Chile's salmon producers have been focused mainly on the export market.

Prices

The average export price for whole eviscerated fresh/chilled and frozen salmon increased in 2004, from \$2.91/Kg. in 2003 to \$2.98/Kg. in 2004. As a result, total export value of whole eviscerated fresh and frozen salmon rose from \$245 million in 2003 to \$307 million in 2004.

Trade

In spite of a significant expansion in exports of value added products such as fresh and frozen filet, smoked, dried and salted and canned salmon, exports of eviscerated salmon increased also in MY2004. In the coming years, whole eviscerated salmon exports is expected to grow again but at a slower rate than in the past, as exports of value-added salmon and trout products expand as producers seek higher profits. Industry sources predict that since transport costs have increased significantly and Chile is comparatively farther away than other producers from the main consumption markets, producers will move toward larger percentage of value added products, such as fresh and frozen filet, smoked, dried and salted and canned salmon, which will reduce the volume of exports but increase the total value. Exports of value-added salmon and trout products increased another 29 percent in value during MY2004.

Over 80 percent of Chile's whole eviscerated salmon production in volume is exported to Japan, Brazil and the United States. Close to 40 percent of total salmon and trout exports were destined for the U.S. (valued at US\$ 575 million), whereas 39 percent were destined for Japan (valued at US\$ 566 million). Almost all Pacific salmon (Coho) and trout are frozen and exported to Japan, mostly via ocean freight. Atlantic salmon is normally marketed fresh/chilled and transported via airfreight to markets in the United States, and to a lower extent to Europe and Latin America. Chile currently is the number one salmon supplier in the United States with slightly over 48 percent of total imports, of farmed and ranched salmon. Canada is the second largest supplier with 41 percent market share.

In recent years the salmon industry has invested heavily to increase the value of its products by constructing processing plants to produce more value-added products, like smoked salmon. Exports of these products represented just 5 percent of total exports in 1990, but currently represent 69 percent of total exports.

(US\$ Thousand)					
Product	2000	2001	2002	2003	2004
Fresh Filet	278,470	280,119	300,336	353,347	370,629
Frozen Filet	170,826	201,443	197,407	216,596	354,411
Smoked	19,399	20,149	28,925	30,852	43,790
Dried & Salted	18,665	14,876	15,185	18,087	19,616
Canned	8,441	7,240	7,057	22,699	28,064
Other	49,881	52,875	72,017	128,734	179,766
Total	545,682	576,702	620,927	770,315	996,276
% of Total Salmon Exports	56.1	59.8	63.8	67.2	69.2

Other Uses

The "Other Use/Loss" figure in the PS&D table corresponds to the estimated salmon production that goes to value-added production like "fillet and meat" and other value added. This figure is the residual from total salmon production (which includes "whole eviscerated") after subtracting the export figure and an estimate for domestic consumption.

Policy

The Chilean government provides no subsidies for salmon and trout production or exports.

Marketing

Chilean, U.S. and Canadian salmon producers are members of a multilateral association called Salmon of the Americas (SOTA), based in Miami, with the main objective of promoting agreements among the main actors in the industry to increase per capita consumption in the U.S. market. This multilateral association is financed by the industries (producers) of the three participating countries. Canadian and Chilean producers supply 90 percent of the consumption in the United States.

PSD Table							
Country	Chile						
Commodity	Salmon, Whole/Eviscerated				(MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	405000	424800	460000	446000	0	468000	(MT)
Intra-EC Imports	0	0	0	0	0	0	(MT)
Other Imports	0	0	0	0	0	0	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	405000	424800	460000	446000	0	468000	(MT)
Intra-EC Exports	0	0	0	0	0	0	(MT)
Other Exports	94000	103115	104000	108000	0	113400	(MT)
TOTAL Exports	94000	103115	104000	108000	0	113400	(MT)
Domestic Consumption	2860	2860	2860	2890	0	2890	(MT)
Other Use/Loss	308140	318825	353140	335110	0	351710	(MT)
TOTAL Utilization	311000	321685	356000	338000	0	354600	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	405000	424800	460000	446000	0	468000	(MT)

Export Trade Matrix			
Country	Chile		
Commodity	Salmon, Whole/Eviscerated		
Time Period	Jan-Dec	Units:	MT
Exports for:	2003		2004
U.S.	5318	U.S.	4020
Others		Others	
Japan	62489	Japan	70459
Brazil	8106	Brazil	11895
China	1836	China	3395
Taiwan	1315	Israel	2218
Argentina	1279	Taiwan	1966
So. Korea	736	Thailand	1620
Lithuania	509	Argentina	1467
Thailand	489	Russia	1007
Russia	375	So. Korea	898
Mexico	370	Lithuania	718
Total for Others	77504		95643
Others not Listed	1837		3452
Grand Total	84659		103115