Maize production in 2021 forecast well below average due to low plantings and yields

Harvesting of the 2021 maize crop is ongoing and production is forecast to remain similar to the record low level registered in 2020. The unfavourable production prospects mainly reflect the reduced planted area, which has been declining during the last ten years due to the low profitability of the maize crop. Based on analysis by the Ministry of Agriculture, the net profit per hectare of maize has been decreasing since 2015 and it prompted farmers to shift to more remunerable horticulture crops. In addition, below-average rainfall amounts during the last quarter of 2020 affected crops at germinating and flowering stages in the main producing regions of O’Higgins and Maule, with negative consequences on yields.

Cereal production in 2020 estimated 20 percent below five-year average

Harvesting of the 2020 wheat and oat crops has been recently completed. Production of wheat in 2020 is estimated at 1.3 million tonnes, slightly lower than the five-year average. Although the planted area increased for the first time in four years, it remained below average. By contrast, the 2020 oat output is estimated at a slightly above-average level due to the increase in planted area. The demand by the domestic oat processing industry has been on the rise since 2018, following the increasing export sales of processed oats. The aggregate cereal production in 2020 is estimated to be nearly 20 percent lower than the five-year average, mainly reflecting below-average sowings of wheat and maize crops.

Cereal import requirements in 2020/21 expected at high levels

Cereal import requirements in the 2020/21 marketing year (April/March) are expected at a high level of 4.1 million tonnes, reflecting sustained local demand of maize for feed use and...
wheat for food and feed (salmon) use. The reduced domestic maize production in 2020 exacerbated the import needs.

**Wheat prices higher year on year in February**

After declining seasonally in the last two months, prices of wheat grain increased in February following the rise in prices of imported grains. Prices were about 10 percent higher year on year, mainly reflecting the below-average wheat harvest as well as trends in the international market.

**Chile**

**Cereals Imports**

<table>
<thead>
<tr>
<th>Average 2015/16-2019/20</th>
<th>2019/20</th>
<th>2020/21 estimate</th>
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</thead>
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<tr>
<td>0</td>
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<td>3,000</td>
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<tr>
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<td>3,000</td>
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</table>

Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown). Source: FAO/GIEWS Country Cereal Balance Sheets.

**Chile**

**Wholesale prices of yellow maize and wheat**

<table>
<thead>
<tr>
<th>Chilean Peso per kg</th>
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<tbody>
<tr>
<td>220</td>
</tr>
<tr>
<td>200</td>
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<tr>
<td>180</td>
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<td>160</td>
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<td>140</td>
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</table>

**National Average, Maize (yellow)**

**National Average, Wheat**

Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.

Note: No official data available for prices of yellow maize of February 2019.
Maize production in 2020 estimated well below average due to low plantings and yields
Harvesting of the 2020 maize crop was completed in May and production is estimated at 750,000 tonnes, more than 30 percent lower than the previous five-year average. The reduced output mainly reflects the lowest planted area over a decade as a result of the reducing profitability of farmers. Based on analysis of the Ministry of Agriculture, the net profit per hectare of maize has been decreasing since 2015, which induced farmers to opt for horticulture crops that are more profitable. In addition, planting operations were hampered by limited precipitation amounts in September-October. Below-average rainfall amounts continued across the cropping season, which significantly affected crop yields in the main producing regions of O’Higgins and Maule.

Planting of 2020 wheat and oat crops recently completed
Planting operations of the 2020 wheat and oat crops have recently completed under favourable weather conditions as rains improved in June replenishing soil moisture. According to an association of producers, an annual increase in profits received by farmers has instigated an increase in plantings in 2020. However, the planted area is expected to remain at a below-average level following the low domestic price levels between 2016 and 2018. Weather forecasts point to a high likelihood of below-average rainfall amounts in key producing regions of Araucanía, Bio Bio and Maule in the August-October period, which could diminish yield prospects.

Cereal import requirements in 2020/21 forecast to remain well above-average levels
Cereal import requirements in the 2020/21 marketing year (April/March) are forecast to increase for the fifth consecutive year and remain at the high levels of 4 million tonnes. The high
import needs mainly reflect the sustained local demand of maize for feed use and wheat for food and feed (salmon) use.

**Wheat and maize prices declined since May but were higher year on year**

After reaching a peak in April 2020, wholesale prices of maize and wheat grain decreased for the third consecutive month in July. Both prices were about 10 percent higher year on year, mainly due to the increased domestic demand and a sharp depreciation of the local currency amid the COVID-19 pandemic.

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**Chile**

**Cereals Imports**

000 tonnes

<table>
<thead>
<tr>
<th></th>
<th>Average 2015/16-2019/20</th>
<th>2019/20</th>
<th>2020/21 forecast</th>
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</table>

Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown). Source: FAO/GIEWS Country Cereal Balance Sheets.

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**Chile**

**Wholesale prices of yellow maize and wheat**

Chilean Peso per kg

[Graph showing wholesale prices of yellow maize and wheat]

Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.

Note: No official data available for prices of yellow maize of February 2019.

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Production of 2020 maize crop anticipated at below-average level, due to lowest plantings over decade

Harvesting of the 2020 maize crop is ongoing under overall dry weather conditions in the main producing O’Higgins and Maule regions. Production is forecast at 860,000 tonnes, 27 percent lower than the five-year average, due to the lowest plantings in over ten years. Based on analyses of the Ministry of Agriculture, the net profit per hectare of maize has been decreasing since 2015, which induced farmers to opt for more profitable horticulture crops. In addition, limited precipitation in September-October during the planting and early development stages in the key producing O’Higgins Region, instigated lower plantings and affected yields of crops.

Cereal production in 2019 estimated at low level

Cereal production for 2019 is estimated at 3.35 million tonnes, 8 percent lower than average, with wheat and maize accounting for 1.45 million tonnes and 973,000 tonnes, respectively. The below-average outputs mainly reflect lower plantings of wheat, maize and oats, which in total were nearly 15 percent below the previous five-year average.

Cereal import requirements in 2019/20 anticipated to remain at above-average levels

Cereal import requirements in the 2019/20 marketing year (April/March) are anticipated to remain at high levels of 3.5 million tonnes. The high imports mainly reflect the sustained local demand of maize for feed use and wheat for food and feed (salmon) use.
Wheat and maize higher than year earlier

Prices of wheat grain started increasing since October 2019 and were on the rise in March 2020, despite the 2019 new harvest that took place in the December-February period. As of March 2020, prices were about 12 percent higher year on year, supported by the lower production in 2019 and the reduced imports since the last quarter of 2019. Prices of yellow maize strengthened in March 2020 despite the ongoing harvest and were well above their year-earlier levels due to the unfavourable 2020 production outlook.

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GIEWS Country Brief
Chile

Reference Date: 02-September-2019

FOOD SECURITY SNAPSHOT
- Cereal production anticipated slightly below average in 2019
- Cereal imports requirements in 2019/20 forecast to remain at high levels
- Maize and wheat prices higher than a year earlier

Cereal production anticipated slightly below average in 2019

Planting of the 2019 wheat crop has recently completed and harvesting will start in December 2019. According to the official survey, the area planted remained lower than the five-year average. However, plantings rebounded by 5 percent year-on-year as wheat prices at planting were higher than a year earlier. Currently, satellite-based imagery indicates above-average vegetation conditions in the major producing Maule, Bío Bío and La Araucanía regions. Wheat production in 2019 is preliminarily forecast at 1.45 million tonnes, slightly lower than the five-year average, mainly reflecting below average area sown.

Harvesting of the 2019 maize crop was completed in May and production is officially estimated at 973 000 tonnes, 25 percent lower than the five-year average, due to the lowest plantings in over ten years. Based on analyses of the Ministry of Agriculture, net profit per hectare of maize has been decreasing since 2015, which induced farmers to opt for more profitable horticulture crops.

The 2019 oats crop is at the early development stage and production is anticipated at a well below-average level of 410 000 tonnes due to low plantings. According to official data, the area sown in 2019 is more than 20 percent lower than the five-year average. The contraction in plantings is the result of large stocks and low prices due to the expansion of production between 2010 and 2016.

Cereal production for 2019 is anticipated at 3.3 million tonnes, 8 percent lower than average, mainly due to a contraction in maize and oats plantings.

Cereal import requirements in 2019/20 forecast to remain at high levels

Cereal import requirements in the 2019/20 marketing year (April/March) are forecast at an above-average level of 3.4 million tons.
tonnes. High imports mainly reflect sustained local demand of maize for feed use and wheat for food and feed (salmon) use.

**Maize and wheat prices higher than a year earlier**

Prices of yellow maize were stable between March and May with the harvest that took place in that period. Since May 2019, prices have been increasing due to more expensive imports as the local currency weakened from the corresponding month. Prices in July were slightly higher than a year earlier due to the well below-average output in the 2019/20 season. Prices of wheat grain started to seasonally increase in April. In July, prices were 10 percent higher than their levels a year earlier, mainly reflecting reduced imports during the second quarter of 2019.

### Chile

#### Cereals Imports

<table>
<thead>
<tr>
<th></th>
<th>Average 2014/15-2015/19</th>
<th>2018/19</th>
<th>2019/20 forecast</th>
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<tr>
<td>tonnes</td>
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</table>

Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).


### Chile

#### Wholesale prices of yellow maize and wheat

Disclaimer: The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.

Note: No official data available for prices of yellow maize of February 2019.
Cereal production anticipated slightly below average in 2019

Planting of the 2019 wheat crop has recently completed and harvesting will start in December 2019. According to the official survey, the area planted remained lower than the five-year average. However, plantings rebounded by 5 percent year-on-year as wheat prices at planting were higher than a year earlier. Currently, satellite-based imagery indicates above-average vegetation conditions in the major producing Maule, Bío Bío and La Araucanía regions. Wheat production in 2019 is preliminarily forecast at 1.45 million tonnes, slightly lower than the five-year average, mainly reflecting below average area sown.

Harvesting of the 2019 maize crop was completed in May and production is officially estimated at 973 000 tonnes, 25 percent lower than the five-year average, due to the lowest plantings in over ten years. Based on analyses of the Ministry of Agriculture, net profit per hectare of maize has been decreasing since 2015, which induced farmers to opt for more profitable horticulture crops.

The 2019 oats crop is at the early development stage and production is anticipated at a well below-average level of 410 000 tonnes due to low plantings. According to official data, the area sown in 2019 is more than 20 percent lower than the five-year average. The contraction in plantings is the result of large stocks and low prices due to the expansion of production between 2010 and 2016.

Cereal production for 2019 is anticipated at 3.3 million tonnes, 8 percent lower than average, mainly due to a contraction in maize and oats plantings.

Cereal import requirements in 2019/20 forecast to remain at high levels

Cereal import requirements in the 2019/20 marketing year (April/March) are forecast at an above-average level of 3.4 million tonnes.
tonnes. High imports mainly reflect sustained local demand of maize for feed use and wheat for food and feed (salmon) use.

**Maize and wheat prices higher than a year earlier**

Prices of yellow maize were stable between March and May with the harvest that took place in that period. Since May 2019, prices have been increasing due to more expensive imports as the local currency weakened from the corresponding month. Prices in July were slightly higher than a year earlier due to the well below-average output in the 2019/20 season. Prices of wheat grain started to seasonally increase in April. In July, prices were 10 percent higher than their levels a year earlier, mainly reflecting reduced imports during the second quarter of 2019.

**Note:** Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

**Source:** FAO/GIEWS Country Cereal Balance Sheets.

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**Source:** FAO/GIEWS Food Price Monitoring and Analysis Tool.

**Note:** No official data available for prices of yellow maize of February 2019.
Cereal production for 2018 anticipated at below-average level

The 2018 aggregate cereal production is anticipated at 3.53 million tonnes, 5 percent lower than the previous five-year average, mainly due to reduced planting of wheat and maize crops.

The 2018 wheat crops are generally at flowering and grain-filling stages. FAO’s early estimates point to slight decline from the last five-year average, mainly due to a contraction in area sown. According to official sources, the planted area declined by 5 percent compared to the previous five-year average, reflecting low wheat grain prices during the sowing period. On the other hand, according to satellite-based information, normal to above-average vegetation conditions are observed in Bío Bío and La Araucanía regions, that accounts for 75 percent of the total production.

Harvesting of the 2018 maize crop finalized in May 2018. Despite favourable weather conditions in major producing O’Higgins, Maule and Bío Bío regions, the 2018 maize production is estimated at a well below average level of 1.1 million tonnes, due to a significant contraction in the area sown, the lowest record in over ten years.

Cereal import requirements in 2018/19 expected to be record high

Cereal import requirements in the 2018/19 marketing year (April/March) are forecast at a record 3.6 million tonnes, about 7 percent above last year’s high level. The increase mainly reflects higher local demand of maize for feed use and wheat for both food and feed (salmon) use.

Maize and wheat prices well above year-earlier levels

Prices of yellow maize increased slightly in October and were 10 percent higher year-on-year, despite large imports since the
beginning of the marketing year in April, mainly due to a weaker currency. Prices of wheat grain increased seasonally in October and were 30 percent higher than their levels a year earlier, mainly reflecting more expensive imports from Argentina, the country’s main supplier.

**Chile**

**Cereals Imports**

<table>
<thead>
<tr>
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<th>Average 2012/14-2017/18</th>
<th>2017/18</th>
<th>2018/19 forecast</th>
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Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).


**Chile**

**Wholesale prices of yellow maize and wheat**

<table>
<thead>
<tr>
<th></th>
<th>National Average, Maize (yellow)</th>
<th>National Average, Wheat</th>
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<tbody>
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<td>Apr-18</td>
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<td>Jun-18</td>
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<td>Aug-18</td>
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<td>Oct-18</td>
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Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.
Cereal production for 2017 anticipated at its lowest level in ten years
The harvest of the main cereals, wheat and maize, concluded during the first quarter of 2017. Early estimates point to a significant decline in production following farmers’ decision to reduce sowings as a consequence of the prevailing low prices due to abundant supplies at the national and regional level. Cereal output in 2017 is anticipated at about 3 million tonnes, some 18 percent below last year’s high level, its lowest in a decade. The sharpest decline occurred in wheat output, which declined by almost one-third from the previous year.

Cereal imports in 2017/18 marketing year expected to increase from last year
Cereal imports for the 2017/18 marketing year (April/March) are forecast to increase some 12 percent from last year’s high level and reach 2.8 million tonnes. The increase mainly reflects higher maize and wheat imports following this year’s reduced crops and high local demand.

Maize and wheat prices follow mixed trends in May
Maize prices increased slightly in May, after declining in the past two months, and were moderately above their year earlier levels as an expected decline in production provided support. By contrast, wheat prices declined moderately in May and were significantly below year-earlier levels, as increased imports pressured prices downward.
Disclaimer: The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.
Cereal production for 2017 estimated at sharply reduced level

Harvest of the 2017 wheat crop concluded in early March and early estimates point to a 19 percent decline from last year’s record level to 1.4 million tonnes, close to average levels. The decline in wheat output reflects a 21 percent decline from last year’s record sowing levels, mainly due to prevailing low prices. The harvest of the 2017 maize crop is fairly advanced. Early estimates point to a sharp decline in production for a second consecutive year as planting levels declined some 7 percent from last year’s low levels, mainly reflecting a second year of prevailing low prices. Ample maize availabilities in the subregion, particularly in Argentina, have pressured local prices downward and discouraged plantings. The 2017 maize crop has been preliminarily estimated at 1 million tonnes, its lowest level in more than eight years. Total cereal output for 2017 is estimated at about 3.2 million tonnes or 14 percent below last year’s level and well below average.

Cereal imports in 2017/18 marketing year expected to increase from last year

Cereal imports for the 2017/18 marketing year (April/March) are forecast to increase some 2 percent from last year’s high level and reach 2.8 million tonnes. The increase mainly reflects higher maize imports following this year’s reduced crop and high local demand. By contrast, wheat imports are forecast to remain virtually unchanged from last year’s high level.

Maize prices declined in March with new harvest, wheat price unchanged

Yellow maize prices declined in March with the beginning of the new harvest, after increasing in the past several months on tight supplies from the significantly reduced 2016 harvest. However, prices remained well above last year’s level.
Prices of wheat grain were unchanged in March and slightly below their year-earlier levels reflecting good availabilities from the 2017 harvest and large imports earlier in the year.
Cereal production in 2016 estimated slightly down from last year's high level
Cereal production in 2016 is estimated at 3.7 million tonnes, with a decline of 3 percent from last year's high level but still above the five-year average. Maize production declined by 25 percent compared to last year's level, mainly reflecting lower plantings due to prevailing low prices at the beginning of the season and increased production costs. Planting delays due to adverse weather conditions in key-growing areas also contributed to the decline. By contrast, wheat production has been estimated at 1.7 million tonnes, its highest level in more than a decade. The increase mainly reflects higher sowings in response to high local demand.

Planting of the 2017 wheat crop concluded in August and preliminary official estimates point to a contraction in area sown of 13 percent from last year's high level, mainly reflecting the lower prices. Planting of the 2017 maize crop is virtually concluded, no official estimates are yet available, but the good weather conditions and prevailing high prices are anticipated to support increased sowings.

Cereal imports in 2016/17 marketing year expected to increase from last year
Cereal imports for the 2016/17 marketing year (April/March) are forecast to increase by 7 percent and reach 3.1 million tonnes. The increase mainly reflects higher maize imports following this year's reduced crop and high local demand.

Wheat and maize prices stable in October, maize prices above year-earlier levels
Adequate volumes of maize imports continued to keep yellow maize prices relatively stable in October although they were still higher than the corresponding month last year due to the reduced 2016 harvests. Prices of wheat were generally unchanged and down from October last year reflecting good 2016 outputs and adequate import volumes.
GIEWS Country Brief
Chile

Reference Date: 4-August-2016

FOOD SECURITY SNAPSHOT

- Cereal production in 2016 estimated down from last year’s high level
- Cereal imports in 2016/17 marketing year expected lower than in previous year
- Wheat prices stable in July, maize prices well above year-earlier levels

Cereal production in 2016 estimated down from last year’s high level

Cereal production in 2016 is estimated at 3.7 million tonnes, a decline of 2.5 percent from last year’s high level but still above the five-year average. The decline mainly reflects a contraction in maize production, which is estimated 24 percent below last year’s level, mainly reflecting lower plantings due to prevailing low prices at the beginning of the season and increased production costs. Planting delays due to adverse weather conditions in key-growing areas also contributed to the decline. By contrast, wheat production has been estimated at 1.7 million tonnes, its highest level in more than a decade. The increase mainly reflects higher sowings in response to high local demand.

Cereal imports in 2016/17 marketing year expected lower than in previous year

Cereal imports for the 2016/17 marketing year (April/March) are forecast to decline moderately to 3.1 million tonnes. The reduction mainly reflects expected lower wheat imports following this year’s bumper crop. By contrast, maize imports are forecast well above the five-year average level reflecting high local demand and this year’s reduced crop.

Wheat prices stable in July, maize prices well above year-earlier levels

Wheat prices were unchanged in July and remain well below year-earlier levels reflecting ample availabilities from this year’s bumper crop.

Prices of yellow maize in July were unchanged from the previous month but were sharply above their level a year ago reflecting this year’s reduced availabilities.
Chile
Wholesale prices of yellow maize and wheat

Chilean Peso per Tonne

Source: Coltrisa
GIEWS Country Brief

Chile

Reference Date: 17-December-2015

FOOD SECURITY SNAPSHOT
- Low prices and adverse weather conditions negatively affect plantings of 2016 maize crop
- Cereal production in 2015 to recover from last year’s reduced level
- Lower year-on-year cereal imports in 2015/16 marketing year (April/March)
- Wheat and maize prices stable in November and lower compared to a year earlier

Plantings of 2016 maize crop anticipated to decline
Planting of the maize crop for harvest in 2016 is ongoing and preliminary official forecasts point to a sharp decline in area, as a result of low prices prevailing in the international market and increased production costs, mainly due to a weaker national currency. Furthermore, planting delays due to adverse weather conditions in key-growing areas may negatively impact yields in the affected parts.

Cereal production in 2015 to recover from last year’s reduced level
Harvesting of the 2015 wheat crop is currently underway and production is forecast at nearly 1.5 million tonnes, 9 percent up from last year’s reduced level. This reflects a recovery in yields from the weather-reduced levels of last year coupled with an expansion in the area planted, as a result of favourable weather conditions at planting time and reflecting a shift to wheat from alternative crops, such as barley and oats. The 2015 maize crop, harvested earlier in the year, is estimated at a record level of more than 1.5 million tonnes. The bumper output is attributed to an increase in the area planted due to attractive prices at sowing time and well above-average yields. Overall, cereal production in 2015 is anticipated at a bumper level of nearly 3.9 million tonnes.

Lower year-on-year cereal imports in 2015/16 marketing year (April/March)
The country imports significant volumes of yellow maize for animal feed and of wheat to meet growing domestic demand from the milling industry. Following the good cereal output in 2015, total cereal imports in the 2015/16 marketing year (April/March) are forecast at around 2.7 million tonnes, 8 percent below the high level of 2014, but still above average, also due to an expected increase in rice purchases despite the good paddy crop gathered this year.

Wheat and maize prices relatively stable in November and lower than a year earlier
Maize prices remained virtually unchanged in November compared to October, after sustained increases in the previous months, mainly as a result of the depreciation of the local currency. Wheat prices declined slightly in November and were lower than a year earlier, reflecting increased supplies from the 2015 harvest. Overall, the general year-on-year inflation rate fell to 3.9 percent in November, dipping below...
4 percent for the first time in 19 months, with zero monthly variation, the first time that the Price Index has not risen since December 2014.
Cereal production in 2015 expected to recover from last year’s reduced levels
Cereal production in 2015 is forecast to increase by almost 10 percent from last year’s reduced levels and reach 3.7 million tonnes, slightly above the country’s five-year average. The increase mainly reflects a strong recovery in maize production, currently being harvested, due to higher sowings driven by high local prices at planting time and improved yields. Maize output is preliminarily estimated at 1.4 million tonnes or 18 percent up from last year’s reduced level. Wheat production, harvested until February, is set at almost 1.5 million tonnes or 9 percent up from 2014, due to increased sowings and good yields.

Cereal imports in 2014/15 marketing year (April/March) estimated at high levels
Total cereal imports in 2014/15 marketing year (April/March) are estimated at around 2.9 million tonnes, an increase of almost 6 percent from the previous year’s high level. This reflects the reduced 2014 maize and wheat outputs and strong domestic demand.

Wheat and maize prices declined in March with new harvests
Wheat prices declined for a third consecutive month in March, reflecting increased supplies from the 2015 harvest and imports. However, prices remained unchanged from their year-earlier levels. Maize prices declined sharply in March with the ongoing harvest which halted the upward trend of prices in the previous months.
Chile
Wholesale prices of yellow maize and wheat

Chilean Peso per Tonne

- National Average, Wheat
- National Average, Maize (yellow)

Source: Coiris
Cereal production in 2015 projected to recover from last year’s reduced levels

Cereal production for 2015 is forecast to increase almost 10 percent from last year’s reduced levels and reach 3.6 million tonnes, slightly above the country’s five-year average. The increase in cereal production mainly reflects a strong recovery in maize production, currently being harvested, due to higher sowings driven by sustained local demand and an improvement in yields. Maize output is preliminarily estimated at 1.4 million tonnes or 18 percent up from last year’s reduced level. Wheat production, harvested in February, has been preliminarily estimated at almost 1.5 million tonnes or 9 percent up from 2014, due to increased sowings and good yields.

Cereal imports projected to decline during 2015/16 marketing year (April/March)

Total cereal imports for the 2015/16 marketing year (April/March) are forecast at around 2.7 million tonnes, a decrease of 8 percent from last year’s level. The decline reflects lower maize imports due to the expected strong recovery of production. However, at 975,000 tonnes, maize imports will remain above the five-year average. Wheat imports are expected to decline only slightly and close to last year’s levels.

Cereal prices follow mixed trends in February

Maize prices in February continued to strengthen for a seventh consecutive month and were 5 percent higher than their year-earlier levels, underpinned by reduced 2014 outputs and the weakening of the national currency as the country imports about half of its consumption requirements. By contrast, wheat prices declined for a third consecutive month in February, although remaining above year-on-year levels, with the arrival of the new harvest into the markets.
Reference Date: 11-November-2014

FOOD SECURITY SNAPSHOT
- Cereal production down sharply in 2014
- Cereal production set to recover in 2015
- Cereal imports projected to rise during the 2014/15 marketing year (April/March)
- Cereal prices firm in October but higher than a year earlier

Cereal production down sharply in 2014
Cereal production in 2014 was down by 11 percent on the previous year’s level, at around 3.2 million tonnes. This reduction in output was led by maize, where the harvest was 22 percent lower, well below its levels of the last five years. This reflected a reduction in cultivated area, owing to the low market prices prevailing at planting time. Wheat production fell to around 1.4 million tonnes, 8 percent below the 2013 and average level, owing to bad weather during the growing season.

Cereal production set to recover in 2015
Planting for the 2015 maize crop will end in late November, whereas wheat sowing was completed in August. Official estimates show that, for both crops, the area sown recovered from the previous year’s level and is close to the average of the last five years. Assuming favourable weather conditions during the growing season, FAO forecasts production of 1.4 million tonnes of wheat and maize, close to the average level. The recovery in production levels is due mainly to a larger area sown, reflecting high demand on the local market, following the reduction in output in 2014.

Cereal imports projected to rise during the 2014/15 marketing year (April/March)
Total cereal imports for the 2014/15 marketing year (April/March) are forecast at around 3 million tonnes, with about 1 million tonnes of maize and wheat imported, respectively. This represents a 6 percent increase on the previous year, and nearly 22 percent above the average, reflecting the reduction in the cereal production in 2014.

Cereal prices firm in October but higher than a year earlier
Maize and wheat prices in October were unchanged from their September levels. Nonetheless, prices were above their levels of a year earlier, reflecting the reduced production of both crops in 2014 and continuing currency depreciation.
Chile
Wholesale prices of yellow maize and wheat

USD per Tonne

- National Average, Maize (yellow)
- National Average, Wheat

Source: Comisió
GIEWS Country Brief

Chile

Reference Date: 03-March-2014

FOOD SECURITY SNAPSHOT

- The 2014 wheat production lower than last year’s record but still above average
- Despite reduction in plantings the maize 2014 production to remain high
- Cereal imports to remain firm due to lower than anticipated production
- Prices of maize and wheat in February remained relatively low

The 2014 wheat production lower than last year’s record but still above average

Harvest of the 2014 wheat crop was concluded in February. Early official estimates put this year’s production at 1.4 million tonnes, below last year’s record level but still above than the past five years average. This estimate is lower than initially expected as a result of significant reduction in yields due to dry weather, particularly in “La Araucania” and “Bio Bio” regions, which account for more than two thirds of national production.

Despite reduction in plantings the maize 2014 production to remain high

Harvest of the 2014 maize crop is currently underway. Latest forecast have been marginally revised downward as the reduction in the area planted, in response to low prices, was higher than initially estimated. Official estimates point to a decline in area planted of about 7 percent from 2013 and to a production level of 1.4 million tonnes. At the expected level, the 2014 production would be 6 percent lower than the record crop of the previous year but still be average.

Cereal imports to remain firm due to lower than anticipated production

Initial forecast for cereal imports in the 2014/15 marketing year (April/March) point to a slight increase from the previous year mainly due to the anticipated reduction in 2014 production of wheat and maize.

Prices of maize and wheat in February remained relatively low

Prices of maize and wheat in February remained relatively stable, declining by less than 1 percent and 2 percent respectively and were well below their levels from a year earlier. This reflects ample supplies in the market from the recently completed wheat harvest and the arrival of new crop from the ongoing maize harvest.
The 2014 wheat production forecast at near record levels

The 2014 wheat crop to be harvested from December is anticipated to increase by some 6 percent from last year’s good level to a near record level of 1.5 million tonnes. The increase follows larger plantings and favourable weather conditions during the season in the main producing areas of Autacaría and Bio Bio.

Cereal imports to decrease slightly

Cereal imports in the 2014/15 marketing year (April/March) are anticipated to decrease slightly from the previous year mainly due to a reduction in wheat imports for the 2014/15 marketing year, reflecting the bumper 2013 wheat harvest. By contrast, maize imports are forecast to remain firm at the previous year’s level in order to satisfy the sustained demand from the feed industry.

Prices of potatoes soared in October while those of maize and wheat remained stable

Prices of potatoes, a main staple in the local diet, rose by more than 32 percent in October due to increased regional demand, following reduced 2013 productions in neighbouring countries as result of frosts, but were still below their levels at the same time a year earlier.

By contrast, wheat and maize prices remained unchanged in October, with those of maize more than 15 percent below their levels of a year earlier, reflecting the 2013 bumper crop.
Chile
Selected retail food prices in Santiago
Chilean Peso per Kg

Source: ODEPA

Chile
Wholesale prices of yellow maize
USD per Tonne

Source: Conicyt
Record 2013 maize production

Harvest of the 2013 maize crop was completed earlier in the year. Good rains during the growing season benefited crops and contributed to higher yields, while the area planted continued to increase in response to sustained demand from the feed industry. Production is estimated at close to 1.6 million tonnes, some 4 percent up from last year’s previous record level.

Sowing of the 2013 wheat crop, to be harvested from December this year, is well advanced. The area planted is anticipated to increase slightly from last year’s level. Assuming generally favourable weather conditions in the remaining of the season, early forecasts point to an about average 2013 wheat crop.

Imports of cereals to decrease slightly

Maize imports in the 2013/14 marketing year (February/January) are anticipated to decrease reflecting this year’s bumper harvest, as well as an increase use of alternative and cheaper crops, such as sorghum, by the feed industry.

Wheat imports in 2012/13 (December/November) are forecast to decrease slightly from last year’s high levels mainly as a result of reduced export availabilities in Argentina. At the same time, the value of imports is expected to increased, following the country’s shift to more expensive wheat exporting sources—such as the United States and Canada—in order to satisfy consumption requirements, including the growing demand for feed from the aquaculture industry.

Prices of bread remain firm

Bread prices in the Santiago market were stable in June but were some 11 percent higher than a year earlier. This reflects lower wheat availabilities for milling due to the drop in imports from Argentina.

Maize prices remained stable in July but were 4 percent higher than a year earlier, in line with international trends.
FOOD SECURITY SNAPSHOT
- Early indications point to a recovery of the 2012 wheat crop
- The 2012 maize output estimated at record level
- Prices of bread and potatoes decline

**Early indications for the 2012 wheat crop point to a recovery in production**

Sowing of the 2012 wheat crop is underway in the key growing areas of the Araucanía, Bío Bío and Maule Regions. The area planted is anticipated to decrease for the second consecutive year in response to low domestic prices and relatively higher prices of alternative crops, particularly maize. However, assuming a return to normal yields from the reduced level of 2011, negatively affected by above normal temperatures during the season, the 2012 wheat output is tentatively forecast to increase by some 8 percent to 1.35 million tonnes.

Harvest of the 2012 maize crop was completed in May and production is estimated at about 1.6 million tonnes or 8 percent higher than in 2011. This is the result of an increase in plantings, reflecting high prices, which more than offset a reduction in yields caused by a dry spell, associated with La Niña weather pattern, in the centre-north zone during late 2011 and early 2012.

**Imports of maize to decline**

Maize import requirements in the 2012/13 (February/January) marketing year are anticipated to decline compared to the previous year following the 2012 bumper crop and the average level of the past five years. The lower maize imports reflect also the substitution of maize with cheaper feed crops, such as sorghum.

By contrast, wheat import requirements in 2011/12 (December/November) marketing year are expected at a high level of about 840 000 tonnes or 12 percent above average, following the reduced 2011 crop.

**Prices of bread and potatoes decline**

Bread prices on the Santiago market declined slightly in May but were 4 percent higher than a year earlier. Potato prices have declined in the past five months from the peaks reached in January following a drought-reduced harvest in the centre-north zone. The decline in prices reflects improved availabilities from the new harvest in the main southern producing areas; however, prices still remained 72 percent above their levels in June 2011.
**FOOD SECURITY SNAPSHOT**
- 2011 wheat production higher than in 2010
- Uncertain prospects for maize production in 2012
- Prices of bread and potatoes increase

**Good 2011 wheat production**
The 2011 wheat harvest has just been completed, and preliminary estimates put production at around 1.6 million tonnes, 2 percent up on the 2010 figure, mainly due to an increase in sown area.

**Prospects for the 2012 maize harvest uncertain**
A severe drought, associated with the La Niña weather pattern, is affecting the centre-north zone of Chile, including the Atacama, Coquimbo, Valparaíso, O Higgins and Maule regions. The Government declared an agricultural emergency because of a water shortage in 77 boroughs; and in February it set up the Inter-regional Water Emergency Council to draw up a plan of action to deal with the emergency and combat the effects of the drought, which is expected to last throughout the first quarter of 2012.

Sowing for the 2012 maize crop was completed in December. The estimated sown area is about 13 percent larger than 2011, in response to high prices on the local market. Nonetheless, the effect of the drought on crop development makes it hard to forecast production, since yields could be lower in rain fed areas.

**Prices of bread and potatoes increase**
Bread prices on the Santiago market rose in the second half of 2011, and in January 2012 were 22 percent higher than a year earlier. Potato prices soared from September onwards as a result of the drought, and in January 2012 were 87 percent up year on year.
Reference Date: 14-June-2011

FOOD SECURITY SNAPSHOT
- Good cereal production expected for 2011
- Sowing outlook good for 2012 wheat crops
- Prices of bread and potatoes show a downward trend

Good 2011 maize production despite water shortage

The 2011 maize crop has been harvested. Although some areas of the country suffered drought conditions, the main cereal production areas (regions VI, VII, VIII and IX) experienced favourable weather conditions. Satellite images of these areas revealed normal or above average crop conditions during the agricultural season. Early estimates indicate that 2011 production of maize will stand at around the same level produced in 2010.

In view of the persistent shortage of water in the centre of the country at the beginning of June, the government declared a state of emergency in the province of Petorca, the town of Quilpué in the Valparaiso region (region V) and the town of Los Vilos in the Coquimbo region (IV), for six months. The government is also providing food and veterinary assistance to farmers affected by the drought.

Sowing outlook good for 2012 wheat crops

The 2011/12 wheat crops, which will be harvested at the end of the year, are currently being sown. In the IX Araucanía region, known as the breadbasket of Chile, where over 50 percent of the annual output is produced, weather conditions are favourable for field operations with the rainy season starting off well and with low temperatures. It is estimated that the area sown with wheat will increase slightly in relation to the 2010/11 season due to the substantial increase in international prices.

Prices of bread and potatoes show a downward trend and prices of maize stable

Prices of bread in the local market in Santiago have been increasing since the beginning of 2011 as a result of the high prices of wheat in the international market. In the case of potatoes, after increasing from September to November, prices began to fall from December 2010. In June 2011 they were at the lowest level recorded in the last two years - CLP 386.4/kg. The decrease in potato prices is due to substantial increases in yields, which resulted from the high production levels (21.3 tonne/ha, a record figure), a consequence of good weather conditions and increases in the sown area driven by high prices of potatoes recorded the season before. Despite the high level of maize price in the export market, domestic prices of maize in May remained relatively stable as a result of the newly harvested crops reaching the markets.
FOOD SECURITY SNAPSHOT

- Uncertain prospects for the 2011 maize crop
- Prices of bread on the rise but potato prices declining

Uncertain prospects for the 2011 maize crops due to water shortage

Adverse weather conditions during the maize season sowing period of the 2010/11 agricultural campaign affected the sown area which is estimated at a lower level than that of last year. Some areas of the country suffered substantial water shortage, including the main cereal-producing regions (regions 6, 7, 8 and 9). At the beginning of February, the government declared an agricultural state of emergency in the municipalities of La Ligua, Cabildo, Papudo, Petorca and Zapallar in the province of Petorca; the municipality of Nogales, in the province of Quillota, and the municipality of Putaendo, in the province of San Felipe. The government is supplying food and veterinary assistance to the dry land livestock farming industry and to farmers in the irrigation area affected by drought conditions. However, the satellite images in mid-March indicate uncertain prospects for the crops beginning to be cultivated.

Price of bread on the rise

The price of bread in the Santiago local market increased by 3 percent in February compared to January prices, due to the increase in the international price of wheat. However, prices are still 8 percent below levels recorded for February 2010. Price of potatoes, after increasing from September to November, began to decline from December 2010. February’s levels were the lowest registered in the last two years at CLP 419.5/kg. The decline in the price of the potato is due to the substantial increase in production, which resulted from the high yield (21.3 t/ha, a record figure), good weather conditions, and increased sown area driven by the high prices recorded in the previous season.
Chile
Selected retail food prices in Santiago

Chilean Pesos per kg

February 09 - February 11

- Bread
- Potatoes

Source: OECD/FAO
**FOOD SECURITY SNAPSHOT**
- Record low temperatures affecting southern Chile
- Rice production in 2010 declined following unusually cold weather and damage to the irrigation system
- Prices of bread and potatoes continue to decline

### Cold spell brings unseasonably low temperatures and snowfall in central Chile

Since the beginning of July, extremely low temperatures have brought snowfall in the Aysén region, where snow depth exceeded 100 cm and in some areas of the La Araucanía and Bio Bio Region. Elsewhere, the low temperatures caused frost which locally affected vegetable and fruit production. On the other hand, a rainfall deficit was also reported in July in most of the country.

Planting of the 2010 wheat cropping season is nearing completion in the key farming states of Araucanía, Bio Bio and Maule. Good precipitation at the beginning of the cropping season favoured the planting of the crop but the extremely cold temperatures in the last weeks may adversely affect crop development.

### Production of rice in 2010 estimated at 25 percent below last year

Reduced rice production, the harvest of which was completed last May, was gathered following below average temperatures that delayed planting and prolonged the vegetative growing stage of the crop. In addition, the February earthquake caused the localized destruction of irrigation canals that served more than 60 000 hectares and contributed to further yield decreases as many producers, particularly in the Bio Bio Region decided not to harvest the standing crops. As a consequence, paddy production is officially estimated at about 95 000 tonnes, 25 percent lower than in 2009 and the average.

By contrast, official estimates for the maize cultivated area were revised upwards by 14 percent to 122 000 ha while production estimates are put at 1.36 million tonnes, almost similar to last year’s average crop.

### Prices of basic food continue to decline

Bread prices have remained relatively low throughout 2009 and early 2010. Despite the slight increase recorded since April, the Office of Agricultural Studies and Policies (PASO) reported that the domestic price of wheat is not reflecting the recent sharp increase in the international price of this cereal as mills are still well stocked. In addition, according to official reports, the cost of wheat grain does not exceed 17 percent of the final price of bread, which is lower than the cost of other factors such as labour and energy.

In August 2010, the price of potatoes in Santiago reached CLP 475/kg, about 24 percent below the level at the same month in 2008. The price of this staple has continued to decline steadily since September 2009.
After almost two months, the country begins to return to normality. On 22nd of March 2010, one month after the violent earthquake that struck the country, the Government announced the end of the emergency phase. The latest official figures confirm that more than 1.8 million people have been affected, particularly in the regions of Valparaiso, O'Higgins, Maule and Bio Bio.

The Ministry of Agriculture has released preliminary damage estimates for the agricultural sector and, as reported, the earthquake affected an area of approximately 460 000 hectares under irrigation in the departments of O'Higgins, Maule, Bio Bio and Araucania.

Damages to grains storage infrastructures and processing plants (in particular for wheat flour production) and limited access to fuel could delay the maize and rice crops harvesting that are currently underway. However, both the Government and the national industry are already promoting actions of rehabilitation and reconstruction.

Production of 2010 maize and rice is forecast to be lower than 2009

Harvesting of the 2010 maize crop is currently underway and production is estimated at a level below the output obtained in 2009. In October, cold spring temperatures delayed sowing of the maize crop, causing a significant reduction in planted area (estimated at 107 000 hectares, nearly 20 percent below the average of the last 5 years) and a delay in the crop development stage. Additionally, damages to the irrigation system are limiting the supply of water to crops which are currently at their critical grain maturing stage. Official estimates indicate that in Regions VI, VII and VIII (where almost the entire country's maize production is concentrated) output in 2010 could fall by 20 percent compared with the already below average result of 2009.

Similarly, harvesting 2010 rice crop is underway and average yields have been reduced by lower than usual temperatures that delayed planting and prolonged the vegetative growth stage. The destruction of canals of irrigation caused by the earthquake could further aggravate this situation. Therefore, paddy production is tentatively forecast at 117 000 tonnes, almost 10 percent lower than the good result of 2009.

2010 wheat planting is about to start under favourable weather conditions

After several months of erratic rainfall, since April moderate rains combined with an increase in average temperatures have prevailed in the major grain producing areas of the country's central region. If this
good weather persists, it may benefit planting of 2010 wheat cropping season scheduled to start in late April.

**Prices of basic food remain constant**

Bread prices have remained relatively low throughout 2009 and early 2010. In March 2010, prices of potatoes in the market of Santiago have reached CLP 516/Kg, 20 per cent above the price of the same month in 2008. However, since September 2009, the price level of this food has continued to decline steadily.
FOOD SECURITY SNAPSHOT
- Mixed rainfall for summer crops
- Low input costs could increase maize average yields for current season
- Import requirements expected to return to 2007/08 levels

Poor rainfall levels in central and northern regions
The central region of Chile in early December was marked by an increase in temperature and lower precipitation levels, during the planting period for maize and rice, conditions that are generally associated with El Niño phenomenon. The Dirección Meteorológica de Chile has forecast that rainfall will be normal in February and March in the southern regions, but below-average rains are expected in the central and northern regions, including O’Higgins and Maule, which are the two largest cereal producers.

Decline in area planted for cereals
Harvesting of wheat is ongoing while harvesting of maize is scheduled to start in mid February. Reports from the Ministry of Agriculture and the Millers’ Association Centre have indicated that conditions for wheat production were more favorable this season compared to last year due to the sufficient rainfall volumes and good precipitations distribution throughout the growing period September to November. However, the areas sown for maize and wheat, the principal grains grown in the country, have declined by 16 and 10 percent respectively for the 2009/10 season. Despite this drop, the reduction in fertilizers costs is likely to increase yields.

Policies to support cereal production
The Ministry of Agriculture has implemented a number of policies to improve the participation of small scale wheat farmers in the supply chain. One such policy includes the dissemination of a single import price for wheat, which producers can use to determine their planting intentions, based on the domestic production costs and the import price.

Furthermore, storage facilities for 400 quintals of cereals will be put at the disposal of small scale farmers to store their cereals as a prices support strategy.

Maize import requirements return to the average level of the 2007/08 commercial season
It is forecast that 1.7 million tonnes of maize and 1.1 million tonnes of wheat will have to be imported for the 2009/10 commercial season (July/June). Maize imports are returning to the 2006/07 and 2007/08 commercial season levels even though they have risen sharply over last year when national demand fell due to high international prices. As of December 2009, the consumer price index for cereals and flour declined by 2.3 percent, compared to the level a year earlier. In addition, food prices throughout 2009 have remained relatively stable.
FOOD SECURITY SNAPSHOT

- Favourable weather forecasts for summer crops
- Low input costs could increase maize average yields during next cropping season
- Import requirements expected to return to 2007/2008 levels

Good rainfall is forecasts for autumn-winter crops

The Dirección Meteorológica de Chile has forecast that rainfall will be above normal in the quarter September-November. The annual crops sown in autumn-winter will have adequate moisture to develop normally. Heavy rainfall is expected on the rangelands which will ensure a greater supply of green fodder crops in the spring, favoring livestock production in the southern regions.

The 2010 maize crop will be sown at lower production costs than last year

Sowing of the 2010 maize crop began in September in Departments VI, VII and the north of Department VIII, for harvesting in February 2010.

Production costs are currently around the historical averages, with a 40 percent fall in the price of urea since July 2008. Despite the preliminary sowing forecasts of approximately 123 000 hectares, which was about 3.5 percent less than in 2008, favourable fertiliser prices should guarantee higher yields in the forthcoming season with similar output to last year’s.

The 2009 maize harvest has now been completed throughout the country. Official data are consistent with the early production forecasts of 1.2 million tonnes.
Maize import requirements have returned to the average level of the 2007/2008 commercial season

It is forecast that 1.7 million tonnes of maize and 1.1 million tonnes of wheat will have to be imported for the 2009/2010 commercial season (July/June.

Maize imports are returning to the 2006/2007 and the 2007/2008 commercial season levels even though they have risen sharply over last year when national demand fell due to high international prices.

Chile
Selected food prices

Source: Instituto Nacional de Estadísticas de Chile