

The Chilean Kiwifruit Committee expects the country's kiwifruit crop will be cut by more than 60%, which would amount to a loss in freight on board (FOB) sales of US\$120 million. 

A release from the committee said the cuts could even rise by another 10 percentage points, depending on the expression of damages.

"Considering the frosts that occurred until yesterday, we can inform that damages have been registered in 100% of kiwifruit-producing zones, where more than 50% of orchards present damages," the release said, published on Oct. 2.

While the estimated loss of US\$120 million is substantial in itself, the industry is yet to calculate the direct losses on farms due to irreparable damages, increased recovery and handling costs, and the increase in unit costs as production will be down.

"The direct negative effects in orchards and therefore the profitability of growers could drive a reduction in the surface area of planted kiwifruit in Chile.

"The frost does not only affect the current season but will also have negative consequences for the production of fruit in the next season if orchards don't work appropriately, as it's also necessary to produce wood and buds of good quality to obtain a normal harvest.

"The frosts could also mean an increase in the incidence of Psa, and therefore increase the affected surface area nationally."

The committee expects the decreased availability of fruit to affect the whole productive chain, with orchards using less labor, particularly during the period of thinning and harvesting.

"Less processing and storage capacity will be needed, which will mean a temporary closure of plants with idle capacity. Seasonal personnel will also be let go for packing processes and fruit storage programs, and the purchases of many inputs associated with exports will be affected, among them transport, materials and services.

"Kiwifruit is one of the species that offers labor alternatives in the fall and winter, and the prolonged season allows for the continuity for permanent staff in fruit centers, especially for qualified personnel. As a consequence of the lower functioning and including the closure of processing plants, this labor sector could see itself seriously affected."

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