

The Chilean kiwifruit industry continues to count the cost of frosts experienced in September, and will only have 86,000 metric tons (MT) of the fruit available for export in the upcoming season as a result; less than half of what was shipped in 2013. In conversation with www.freshfruitportal.com, Chilean Kiwifruit Committee president Carlos Cruzat says while times have been tough, the shortage of fruit will help to keep prices high.



"We calculate that last year we had around 215,000MT and considering this value, we would estimate that we are left with 86,000MT more or less, or in other words we lost close to 130,000MT for the 2014 season," Cruzat said.

"The reduction of 60% in the Chilean supply implies that the supply in the Northern Hemisphere will reduce by 25%...this will be reflected in higher demand that will be unsatisfied, making prices rise. Now, when they go up it is difficult to speculate."

On the committee's website, director Juan Ovalle indicated prices would likely go up by 30%, which Cruzat said "will be beneficial for growers because, eventually, they will have a higher value, a better price. However, this will not be able to compensate the losses they suffered"

He said price increases would be limited by the influence of substitute goods, such as the fruits offered in countries where Chile shipped its kiwifruit.

"The kiwifruit arrives and it competes with winter fruit that is also sent from the Southern Hemisphere, for example apples, and also competes with summer fruits from the Northern Hemisphere. Additionally, it competes with Southern Hemisphere kiwifruit that could have different prices," the industry leader said.

When asked about possible strategies for the sector to keep prices under control overseas, Cruzat declared that "the committee only signals what should be intelligent in the method of delivering fruit and try to have a program that isn't concentrated on great volumes at the start, because when the season starts with good prices the temptation to go very quickly can exist".

"The problem is that everyone makes the same choice so everyone gets there very quickly, and there's so much volume that finally there isn't an undersupply, leading prices to fall."

To reiterate this point, Cruzat said that starting the season quickly would "destroy the price opportunities that are there in the market".

"This is something that exporters have expressed, who fear this could occur."

He highlighted the situation would not mean any extra flexibility for exporters in terms of standards, as it was important to maintain the image achieved by Chile in recent years.

"Despite the season, the parameters with which we have been working in the last five years will not change. We are not going to be lenient, because the way to show what we are doing is serious is to behave seriously, and this is achieved by keeping the minimum quality standards that we adhere to.

"This minimum standard will absolutely not change, and therefore members of the committee will keep respecting the parameters that we have established."

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