

## FIRST SPECIAL KIWI COMMITTEE REPORT FOR IMPORTERS.

*In order to change the global view of the Chilean industry, new maturity parameters have been designed to improve the quality and competitiveness of the kiwi in an international scenario.*

*The supply certified by the Kiwi Committee and yielded mostly in early areas of coastal influence consists mostly of sizes 27 and 30 of good internal quality, as can be observed in a high dry matter content and adequate concentration of soluble solids.*

*The Kiwi Committee estimates that exports will grow by 3% to 180 thousand tons this season, 174 thousand tons of which would consist of Hayward kiwi. Moreover, this campaign is expected to be a little later because of weather factors and the new requirements of maturity parameters established by the Committee.*

### Chile's Export Projection.

The Chilean Kiwi Committee projects a total export volume close to 180 thousand tons for the season 2108, up just 3% from the season 2017. Of this volume, around 174 thousand tons would consist of Hayward kiwi and the remaining 6 thousand tons of other varieties.

#### CHILEAN KIWI EXPORTS FORECAST. SEASON 2018

Figures in Tons

VARIETADES	2015	2016	2017	*2018	% Var. 2018/17
Hayward	173.246	172.739	170.385	174.000	2%
Otros	9.457	7.277	4.018	6.000	49%
<b>Total</b>	<b>182.703</b>	<b>180.016</b>	<b>174.403</b>	<b>180.000</b>	<b>3%</b>

Source: Expordata/ASOEX, \*Chilean Kiwi Committee

\*Volume of Hayward includes 95% of volume declared as "Not specified".

The increase in exports would be due to higher production of orchards thanks to good fruitification in spring. Although some reports speak of orchards with higher yield per hectare, the average shows a slight rise; however, the

re are also older orchards with lower yields due mainly to the loss of plants and others with irregular pollination in some ecozones.

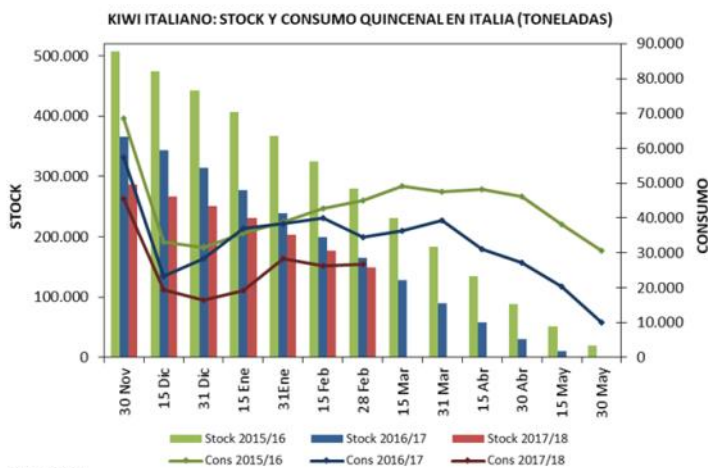
Harvests began towards the end of week 9 with limited volumes of Summer kiwi from the O'Higgins region. More orchards began harvesting with the passing of days, but yielding low volumes. Harvests of Hayward kiwi began under the Kiwi Committee's wing in orchards of the Valparaiso region in week 11. Until now, the fruit has adequate quality parameters and larger sizes than in the 2017 season, yet smaller than in previous campaigns.

Chile has so far exported 5,918 tons of kiwi, 4,348 tons of which consist of the Hayward variety, mainly to North America and the Far East, with shares of 34% and 31% respectively, followed by Latin America with 21%.

## Southern Hemisphere kiwi market outlook. Season 2018.

The expected decline in Italian kiwi stocks this season has allowed for clearer, more receptive markets prior to the start of the Chilean season, similar to the previous week. Current prices for northern hemisphere kiwi are higher than last season.

As of February 28, the Italian stocks added up to just over 149 thousand tons, down 9% from the same date of 2017. Moreover, during the second half of February, the Italian kiwi consumption showed a slightly upward trend (1.5%) from the previous fortnight.



## Long-term trend.

In recent seasons, it has been noted that producing countries, such as Portugal, Spain, and France, have had a greater storage capacity for a longer period (June, July), which, added to the Italian and Greek kiwi supplies, allows for predicting an increase in the northern hemisphere stocks. Since these stocks of good quality and flavor dominate the general market, not only the Italian kiwi stocks must be considered, but all the northern hemisphere supply.

The main kiwi producing countries have begun to diversify their markets. In the case of Italy and Greece, most of their supplies are sent to European countries; however, the shipments to the USA and China (Italian kiwi) and the Middle East (Greek kiwi) have gained prominence in recent years. Furthermore, New Zealand kiwi exports, historically destined to Europe mostly, have increased their volumes sent to China and Japan, especially in the former, where they show a considerable growth since 2013.

The above means that Chile has to take steps to improve the homogeneity and quality of the fruit. Thus, the Kiwi Committee has set new maturity parameters for the Chilean kiwi to make it more competitive.

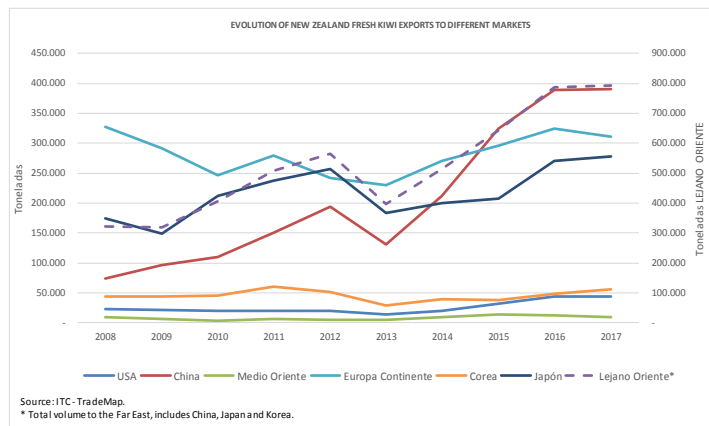
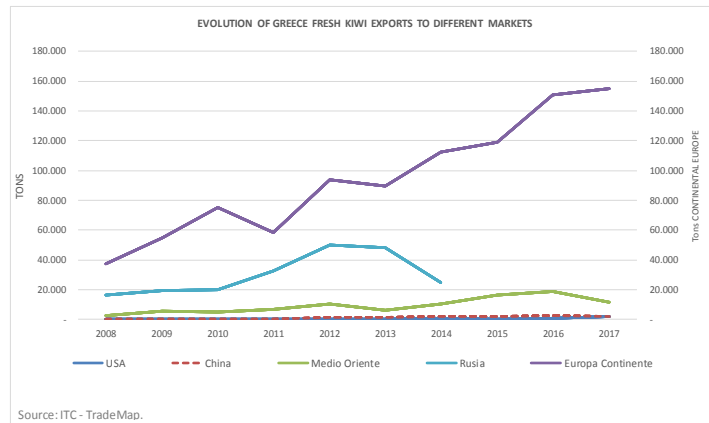
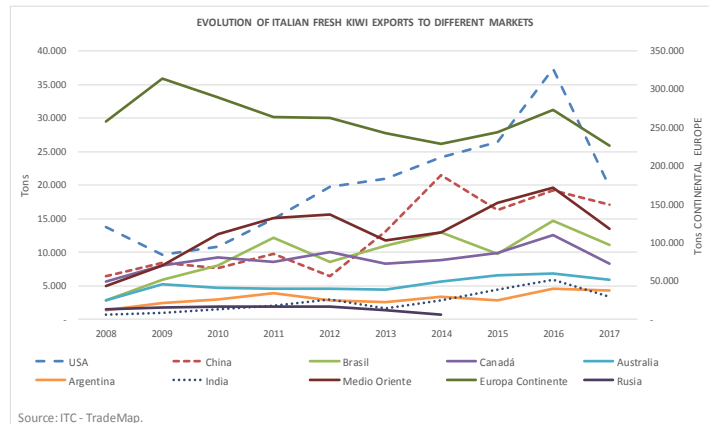
## CHILEAN HAYWARD EXPORTS BY MARKET

Figures in Tons

Mercados	2015	% Part. 2015	2016	% Part. 2016	2017	% Part. 2017
Europa	65.374	36%	51.078	28%	55.692	32%
Latinoamérica	39.417	22%	42.116	23%	36.585	21%
Lejano Oriente	23.173	13%	39.212	22%	33.905	19%
Norteamérica	32.306	18%	27.826	15%	27.694	16%
Rusia	14.487	8%	12.746	7%	13.992	8%
Medio Oriente	7.946	4%	7.038	4%	6.535	4%
<b>Total general</b>	<b>182.703</b>	<b>100%</b>	<b>180.016</b>	<b>100%</b>	<b>174.403</b>	<b>100%</b>

Source: Expordata/ASOEX

Santiago de Chile, march 2018



EXPORTS OF FRESH KIWI WORLDWIDE - MAIN PRODUCER COUNTRIES

ORIGIN	YEAR										% VAR. 2017/2016	% PART. 2017
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
Nueva Zelanda	689.118	648.348	687.468	824.110	844.505	659.953	832.811	1.007.742	1.190.836	1.181.868	-1%	64%
Italia	313.793	384.547	370.580	358.783	360.188	340.839	340.431	349.219	409.092	321.232	-21%	17%
Grecia	57.473	80.323	101.667	98.725	158.120	147.276	152.583	140.084	177.944	176.591	-1%	10%
Chile	158.752	183.733	184.338	180.704	221.465	218.200	102.922	182.703	180.016	174.403	-3%	9%
<b>TOTAL</b>	<b>1.219.136</b>	<b>1.296.951</b>	<b>1.344.053</b>	<b>1.462.322</b>	<b>1.584.278</b>	<b>1.366.268</b>	<b>1.428.747</b>	<b>1.679.748</b>	<b>1.957.888</b>	<b>1.854.094</b>	<b>-5%</b>	<b>100%</b>

Source: ITC-Trademap, Expordata / ASOEX

## CHANGES PROPOSED BY THE COMMITTEE FOR THE 2018 SEASON.

### Chile: New maturity standards of Chilean kiwi

The goal is to increase the harvest parameters so that the fruit has a homogeneous level in quality terms and thus become more competitive. The new standards will be aligned with international parameters, going from dry matter content (MS) of 15.5% to 16.0% and soluble solids (SS) of 5.5° to 6.2° Brix on average, thus guaranteeing right sweetness levels and physiological maturity.

Implementation of the new quality parameters is mandatory for all committee members, though they will be applied progressively within a two-year period.

For this 2018, an average of 5.8° Brix of SS will be requested, with no fruit below 5.0° Brix. In the case of MS, the

average will be 16%, with no fruit below 14.5%, and a tolerance of 2 fruits with a minimum of up to 13.5". If the maturity units of 16% of MS are not met, the growers should wait until the average 6.5° Brix is met, with no more than 10% of the fruit below 5.8° Brix and no fruit below 13.5% of MS.

Finally, in the case of orchards in areas with early potential, an average 5.5° Brix of SS will be requested, with no fruit below 4.8° Brix. As for MS, the average will be 15.5%, with no fruit below 14.5%, and a tolerance of 2 fruits with a minimum of up to 13.5%. Thus, the maturity units that do not comply with the MS of 15.5% should wait until an average 6.5° Brix is reached, with no more than 10% of fruit below 5.8° Brix and no fruit below 13.5% of MS.