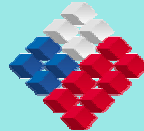
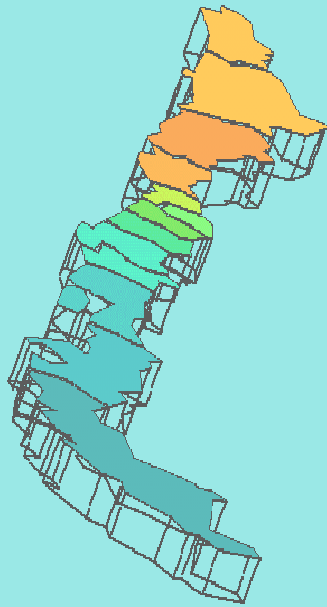


# RECENT DEVELOPMENTS IN CHILEAN AGRICULTURE AND AGRICULTURAL POLICIES



Gobierno de Chile  
ODEPA

**Hugo Martínez**

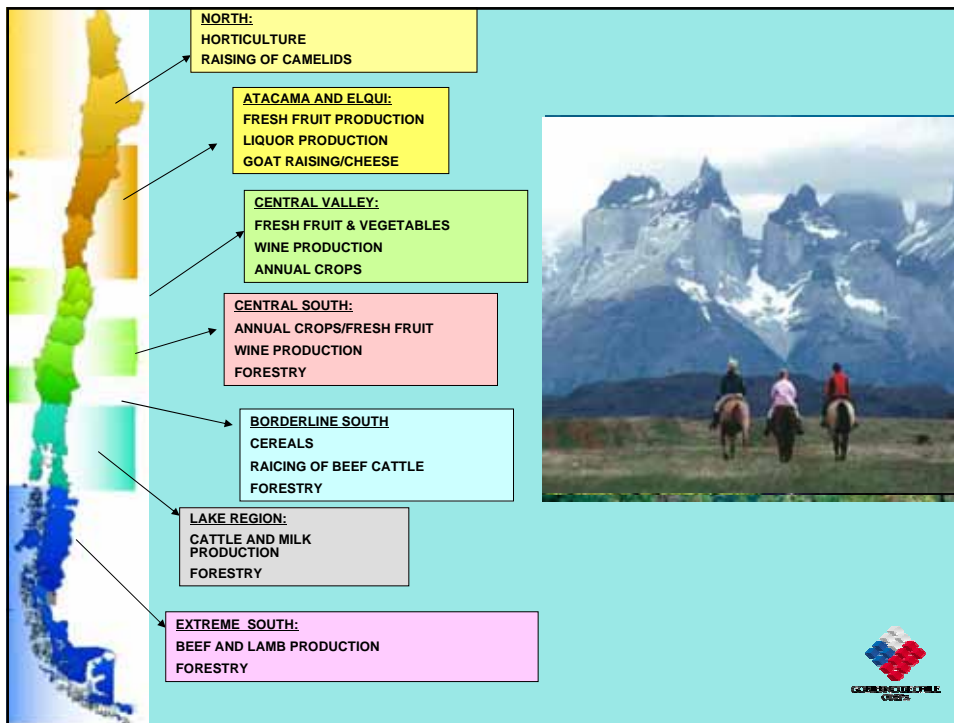
Agrarian Studies and Policies Bureau  
Ministry of Agriculture

## Agricultural sector



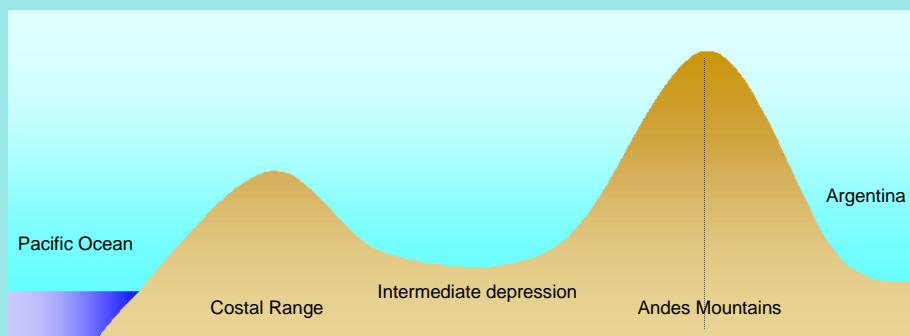
- Total area:** 75 million hectares
- Arable land:** 5.1 million hectares
- Forestry aptitude:** 11.5 million hectares
- Livestock aptitude:** 8.5 million hectares
- Land under conservation:** 14 million hectares

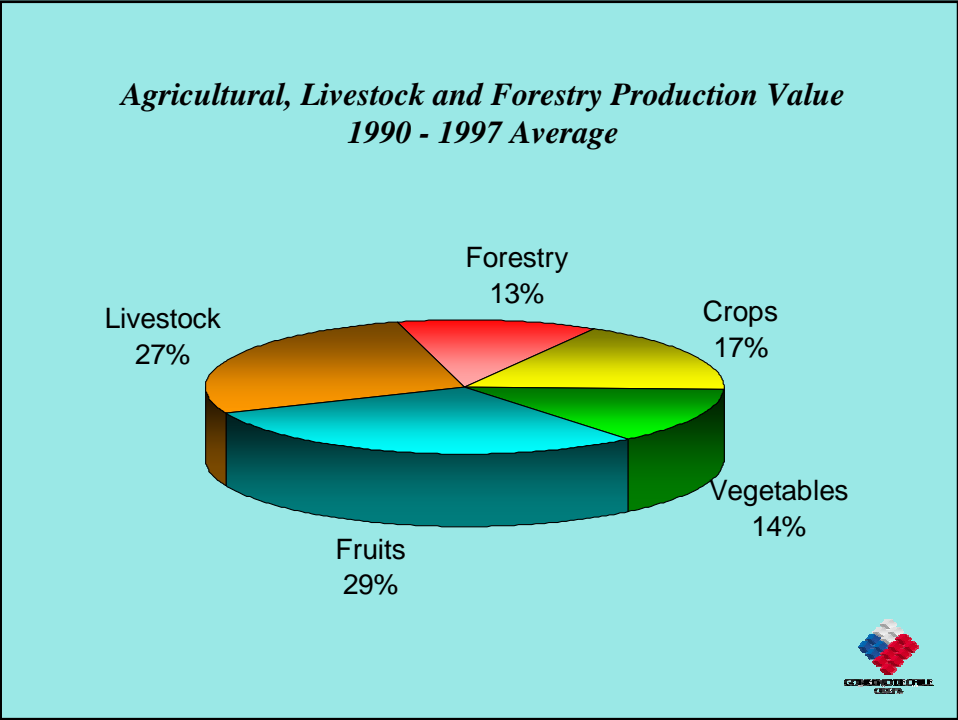
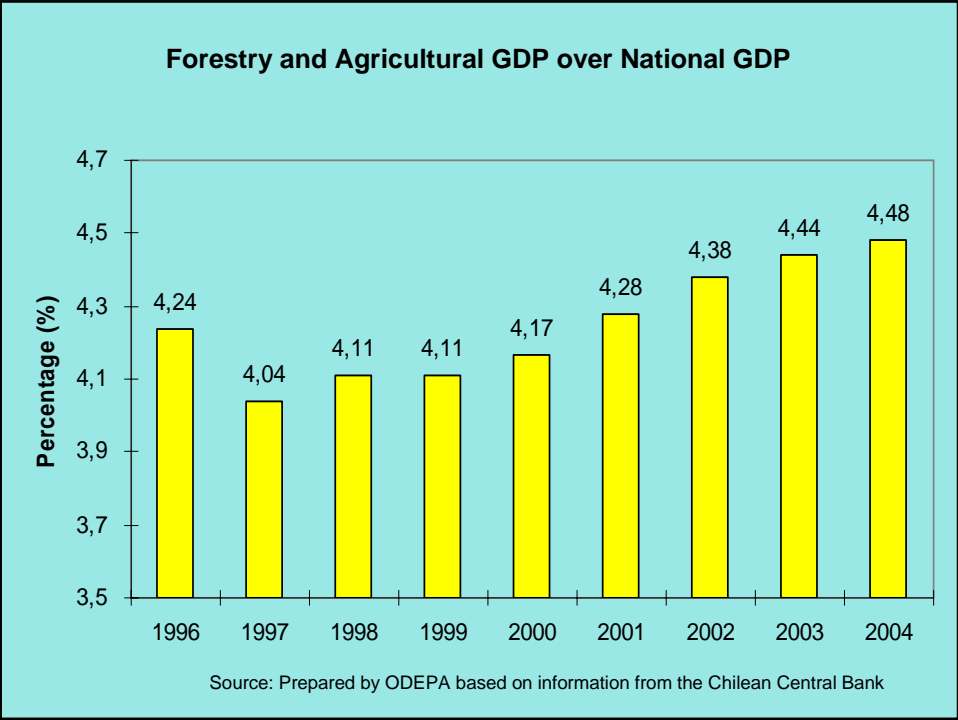




**Continental Chile**

To the east, the high Andean peaks (reaching 6,000 m above the sea level) form a natural border with Argentina and Bolivia. To the west, the Coastal Range heights are smaller, with a maximum of 3,000 m above the sea level in the north, and they gradually decrease towards the south. In between the two ranges lies the so-called Intermediate Depression.





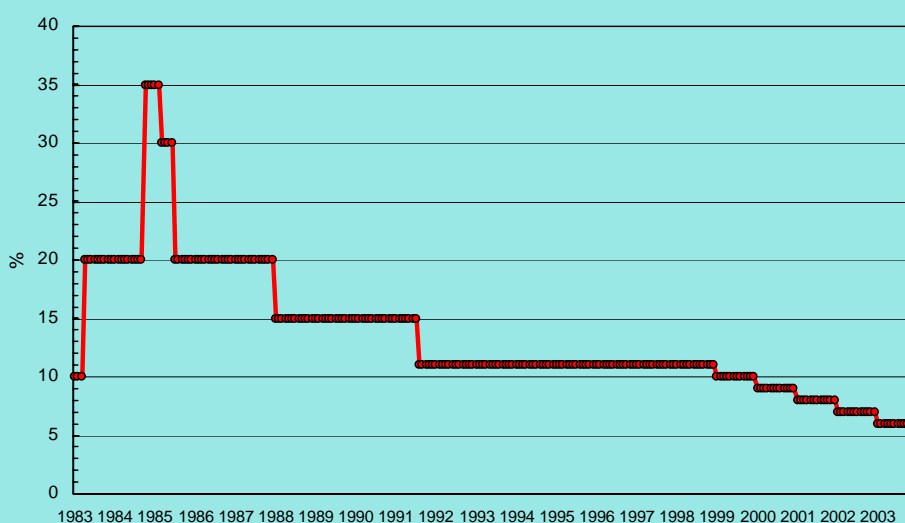
## Number of Farms, Productive Area and Number of Animals by Type of Farmer

Category		Subsistence	Small	Medium	Big	Without activity	No classified	Total
Number of farm	N°	102.766	176.074	17.005	9.399	11.062	13.399	329.705
	%	31,2	53,4	5,2	2,9	3,4	4,1	100,0
Agricultural area	ha	537.820	3.472.276	3.909.808	9.691.475	49.406	19.454	17.680.239
	%	3,0	19,6	22,1	54,8	0,3	0,1	100,0
Annual crops area	ha	31.360	386.410	158.753	376.442	0	2.197	955.161
	%	3,3	40,5	16,6	39,4	0,0	0,2	100,0
Fruit crops area	ha	8.097	61.555	48.780	118.533	0	399	237.363
	%	3,4	25,9	20,6	49,9	0,0	0,2	100,0
Number of Milk Cows	N°	17.180	244.650	120.933	232.404	25	2.420	617.612
	%	2,8	39,6	19,6	37,6	0,0	0,4	100,0

Fuente: elaborado por ODEPA a partir de la información del VI Censo Nacional Agropecuario, INE 1997.



## Ad Valorem General Tariff

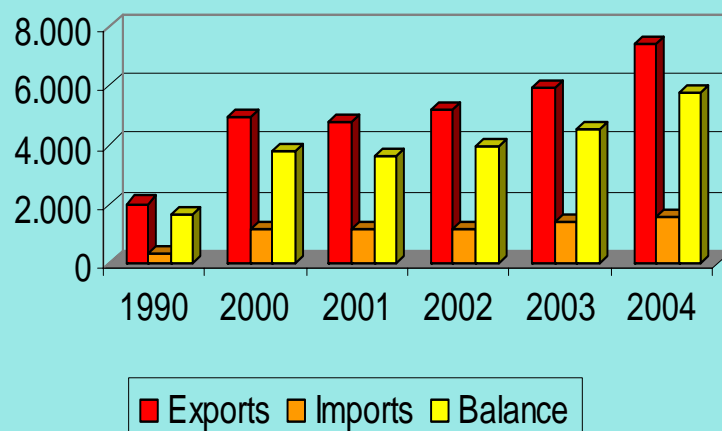


### Changes in Land Use, Regions III<sup>rd</sup> to X<sup>th</sup> Hectares

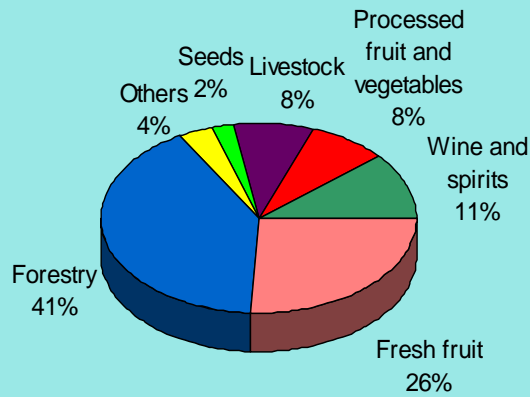
Land Use	Year		Variation	
	1987/88	1997/98	Hectares	%
<b>Annual Crops</b>	1.074.500	775.794	-298.706	-27,8
<b>Fruit Trees</b>	178.670	215.284	36.614	20,5
<b>Vineyards and Pisco</b>	58.190	85.575	27.385	47,1
<b>Vegetables and Flowers</b>	70.180	91.241	21.061	30,0
<b>Artificial pastures</b>	374.610	424.660	50.050	13,4
<b>Fallows</b>	167.990	158.426	-9.564	-5,7
<b>Total (A)</b>	1.924.140	1.750.980	-173.160	-9,0
<b>Improved grassland</b>	432.510	614.804	182.294	42,1
<b>Natural grassland</b>	3.853.880	3.108.978	-744.902	-19,3
<b>Total grassland (B)</b>	4.286.390	3.723.782	-562.608	-13,1
<b>Others lands, include forestry (**)</b>	2.554.540	3.237.285	682.745	26,7
<b>Forestry 1/ (C)</b>	1.181.898	1.737.030	555.132	47,0
<b>TOTAL (A) + (B) + (C)</b>	7.392.428	7.211.792	-180.636	-2,4

FUENTE : Elaborado por ODEPA con información INE e INFOR - CORFO.

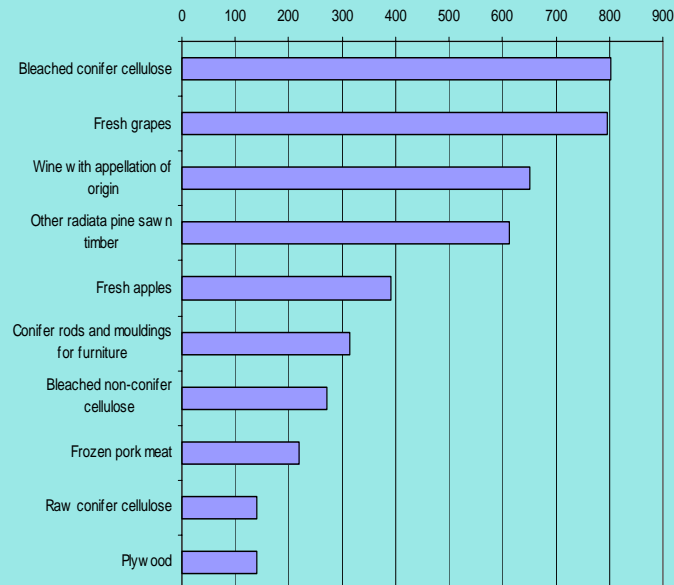
### Foreign trade balance of forestry and agricultural products US\$ millions



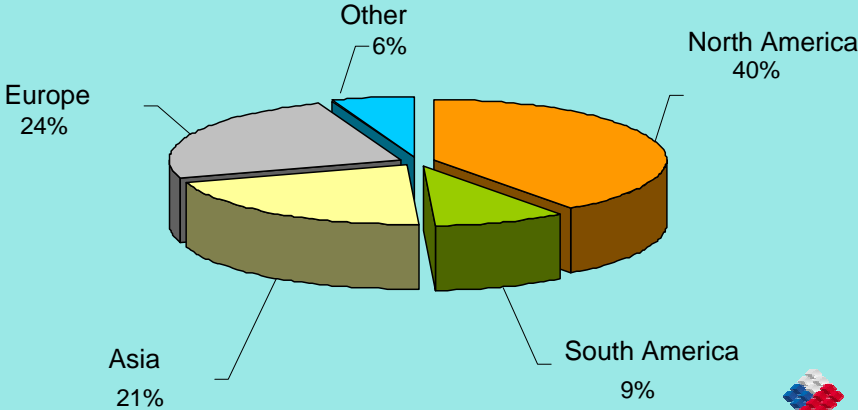
**Chile: Agricultural, Livestock and Forestry Exports  
(2004: US\$7.401 millions)**



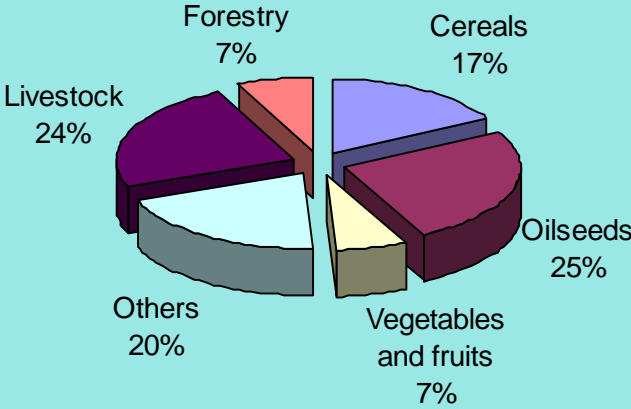
**Main Exported Products year 2004, FOB Value in US\$ Millions**



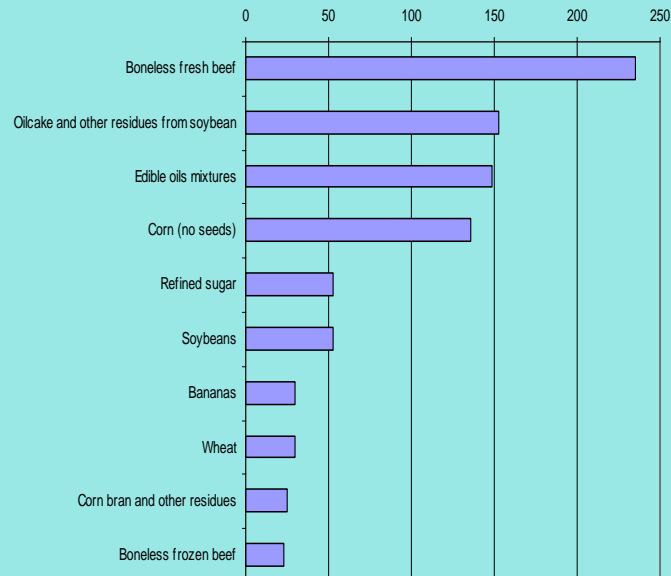
**Agricultural and forestry exports: markets**



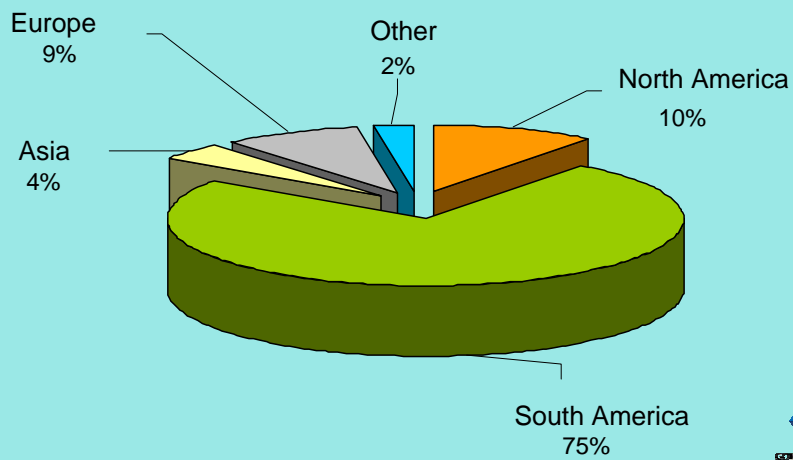
**Agricultural and forestry imports (2004: US\$ 1.606 millions)**



**Main Imported Products year 2004, CIF Value in US\$ Millions**



**Agricultural and forestry imports: origins**





## The Chilean Agriculture is in a Privileged Position to Meet New International Challenges

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- Agricultural and forestry industries offer a wide range of products.
  - It is located in the Southern hemisphere
  - Posses high phyto- and zoo-sanitary standards
  - Well trained human resources
- However, because of their diversity, producers generally lack the scale economies available to competitors located in countries like the United States, Argentina, Canada or Australia.**



## DIALOG AGRICULTURE COMITEE

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- Farmers organization (small and big), Industry organization and Government
- Currently problems solutions
- State Agriculture Policy 2000-2010



# CHILEAN AGRICULTURE POLICY BASIS

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- Competitiveness in an open market context
- Food chain approach
- Sustainable use of the natural resources



## The Chilean Government Policy for the Agriculture and Forestry Sector 2000 - 2010

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1. Trust and security for farmers
2. Market development
3. Natural resources productivity improvement
4. Competitiveness development
5. Clean and high quality agriculture
6. Forestry development
7. A new rural world



## Trust and Security for Farmers

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- The production process which involves the agriculture and forestry activities has turned it into one of the most risky activities of the entire economy.
- Market changes that can take place during the production process, apart from the uncontrollable climate conditions that can affect this activity, make it very vulnerable.
- For that reason it was necessary to define stability guidelines for agriculture to achieve progress towards modernization, through the incorporation of new tools for the successful control of risks.



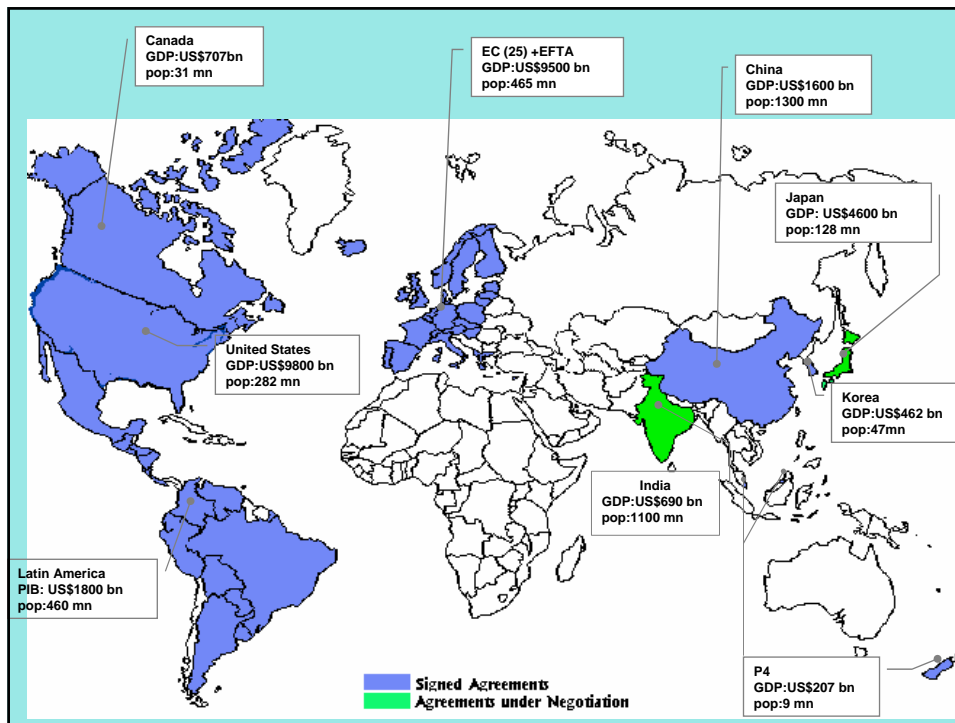
## Market Development

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The goals necessary for the development of our agriculture consist of:

- Progressing towards the aperture of new export markets for national agriculture products.
- Protecting our investments abroad, eliminating trade restrictions.
- Developing exports with more incorporated technology.
- Generating more and better market information to make it more efficient.





## Chile: Trade Agreements

Type	Partner	Year of entry into force
<b>Complementation Agreements</b>		
	Bolivia	1993
	Venezuela	1993
	Colombia	1994
	Ecuador	1995
	MERCOSUR	1996
	Peru	1998
<b>Free Trade Agreements</b>		
	Canada	1997
	Mexico	1999
	Central America Costa Rica, El Salvador	2002
	Korea	2004
	United States	2004
	EFTA Liechtenstein, Island, Norway, Switzerland	2004
	China	2006
<b>Association Agreements</b>		
	European Union	2003
	P4 Brunei, New Zealand, Singapore	2006



## Improvement in Natural Resources Productivity

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The guarantee of sustainability of agriculture is the protection and improvement of productive natural resources. In this area actions are directed at:

- Protecting the sanitary heritage
- Maintaining the quality of irrigation water as well as giving the right incentives to improve irrigation infrastructure
- Controlling land and genetic erosion
- Eradicating specific diseases.



## Development of Competitiveness

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The development of research, of motivating factors for innovation, of actions for promoting increased production, for furtherance of producers' training and for associate work, are the most important elements to maintain and improve the competitiveness of our agriculture.

Progress in these areas is imperative to achieve growth of exports and to the complete incorporation of small and medium-sized producers to the national and international markets.



## Innovation: Key Issues

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- Foundation for Agrarian Innovation
- Technological Consortia
- Agricultural Innovation Council



## Clean and High Quality Agricultural Products

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- Increasing requirements of national and international consumers makes it necessary to establish production systems that will guarantee the final quality of products to be sold.
- Within this framework, public-private articulation acquires special relevance due to the conjoint action that must be carried out to guarantee the compliance with certain production conditions and established regulations which, in turn, will permit the achievement of clean and high quality products.



## Quality Policies

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- Safety use of agrochemicals
- Good agriculture practices
- GMOs biosafety
- Organic agriculture certification system



## Forestry development

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- The integral development of this sector, which consists not only of the production and sale of forest products, but also of the maintenance and protection of bio-diversity, tourism, and recreation in natural environments, is of vital importance to the Government. With this in mind, actions are aimed at:
  - Protection of native forests and its sustainable use.
  - Furthering forest plantations with exotic species.
  - Promoting the use of certification systems which will guarantee sustainable management.



## A New Rural World

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Quality of life of the inhabitants of rural sectors, still maintains an important imbalance with those that inhabit urban areas. The development of a family-based agriculture requires an integral improvement of the quality of life of people living in this environment. The multi-sectorial nature of this problem also requires an inter-institutional approach, where the Ministry of Agriculture should play a crucial role.



## The End

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Thank you very much!

