

FROST REPORT

Estrategia 03.10.2013

Frost losses amount to U.S. \$ 1,000 million and threaten 50,000 jobs

Agriculture Minister Luis Mayol, he added that about 60 % of the producers concerned have insurance, while others will receive support through working capital bonds.

About 50,000 Chileans may be compromised their jobs because of the frost that affected areas in recent days producing export fruit, especially in the region of O'Higgins, said yesterday the Minister of Agriculture, Luis Mayol.

Meanwhile, Patricio Crespo, president of the National Agricultural Society (SNA), and Cristián Allendes, of the Federation of Fruit Exporters (FEDEFruta) estimated losses for the sector as U.S. \$ 1,000 million.

Mayol said, told Radio Agriculture, which "may be committed between 15% and 20 % of the fruit".

The Agricultural Development Institute (INDAP) analyzes the affected cases to determine the course of action that the government will continue to help farmers, said Mayol, who added that about 60 % of the producers concerned have insurance, while others receive assistance through working capital bonds.

Plantations nectarines, kiwis, walnuts, blueberries, cherries and pears have been the hardest hit, with damage between 10% and 70 %, according Cristián Allendes. In this framework, the Labor Minister, Juan Carlos Jobet, said the government will have "all measures" to avoid a negative effect.

The Secretary of State met with Mayol, the executive vice president of CORFO, Hernán Cheyre, Vice President of BancoEstado, Roberto Palumbo, and President of the Association of Banks and Financial Institutions, George Awad, to discuss the issue.

Next Wednesday will be a special session of the Senate of two hours to discuss the issue.

Estrategia 10.10.2013

Agricultural Emergency Government Decrees in 18 municipalities of the RM

Be allocated about U.S. \$ 800 million.

Amid the finding of damage caused by frost production that have affected agricultural areas of central-south of the country, the government declared emergency yesterday in the 18 rural communes of the Metropolitan Region (RM), with the aim of having greater resources and coordinate further actions that may help producers and farmers affected.

The communes are emergency declared under Colina, Lampa, Til-Til, Buin, Calera de Tango, Paine, Alhue Curacaví, María Pinto, San Pedro, Melipilla, Talagante, El Monte, Father Hurtado, Peñaflores, Isla de Maipo, Pirque and San José de Maipo. In this regard, the Agriculture Minister Luis Mayol said the measure "is in addition to emergency areas for the regions agricultural decreed Sixth,

Seventh and part of the Fifth". In the case of MRI, will be allocated an amount close to the US\$800 million.

El Mercurio 02.10.2013

Agriculture calls to banks and CORFO to expedite solutions to producers due to emergency

Working meeting between ministries and private sector seeks immediate assistance program set to hit. Easing interest rates, subsidies and plans against unemployment are central themes. The severe damage left by the severe frosts in the north - central Mexico led the Ministry of Agriculture to convene a working meeting urgently to discuss the implications of this phenomenon and assess the implementation of measures to help farmers affected.

The meeting will be chaired by Agriculture Minister Luis Mayol, will be held today at 09:30 am and will be attended by Labor Minister, Juan Carlos Jobet, the executive vice president of CORFO, Hernán Cheyre, Vice President of BancoEstado, Roberto Palumbo, and the president of the Association of Banks and Financial Institutions, George Awad.

Among the topics to be covered shall include the financing to producers. Farmers can be sought to renegotiate debts and to be more flexible interest rates. Also, work will be the lines of action to tackle unemployment will cause this phenomenon. According to Mayol, in the sector employs about 500 000 people during the peak period, of which about 50 000 would be affected. Already have learned that a proposed Social Development Corporation Rural Sector to keep active workers.

Mayol said; through INDAP have cadastral smallholders who have insurance, which reached 60 % and the rest were going to help with a bonus of working capital that can go from \$ 100 thousand to \$ 400 thousand per hectare, depending on each case.

The Secretary of State estimated that 25 % of the country's export fruit has been affected by the cold snap, so we would be talking about \$ 600 million, but warns that the figure may increase. Mayol said the GDP growth forecast for 2014 Forestry and Agricultural expected between 3.5 and 4% depend on the effects of frost current study. The Fruit Growers Federation of Chile (FEDEFruta), meanwhile, stood at about U.S. \$ 1,000 million, which will be received by the sector accounts from exports. This is twice as quantified on Friday after weather event occurred during Fiestas Patrias. Cristián Allendes, union president, said the damage estimate has been growing over the days, to see the evolution of the plantations. To this, he said, is compounded by the effect of new frost last weekend.

Among the regions of Atacama and Maule's 30 000 producers of fresh fruit, and 70 % reported a negative effect, ranging from 10% to 100 % of the production, said Allendes.

They ask subsidizing labor An eventual declaration of agricultural emergency area by the Government, which involve release processes for delivery of resources not FEDEFruta mostly excited.

"When these disasters serves a bonus a producer spends \$ 6 million per hectare cost of production in a year and gives \$ 200K not very useful. Why we want subsidy to labor, promotion of investment in machinery or retraining allowance, because this can be an opportunity for some" says Cristian Allendes, president of the guild.

It states that a subsidy to labor, as operated before by Sence, would maintain the employment of 450 000 workers (between permanent and temporary) generated by the industry in the area affected by frost. Otherwise, some 100 thousand people lose their jobs.

El Mercurio 02/10/2013

Fruits businessman choose irrigation, mills and helicopters to mitigate effects of frost

There is no guaranteed success because it depends on the intensity of the frost. High cost curbs the use of these alternatives.

Before the new frost predicted for Thursday and Friday, and fruit farmers seeking ways to mitigate the impact on crops that have not yet been affected by the cold. But not everyone has a handy alternative. According FEDEFruta figures, only 50% of the 30 000 producers between Atacama and Maule have any resources to mitigate the cold. The most used is the sprinkler irrigation, because water acts as a protective coating on leaves and shoots. The problem is that a substantial portion of the affected area is also frost to drought, and this method requires "constant water volume" says Carolina Cruz, agronomist and agricultural adviser. The use of helicopters to "stir" the air is another alternative, but it is not 100 % effective: if the isotherm is very high, there is little effect on air masses shake.

In addition, the cost is 27 UF (\$ 623 mil) daily to have him in the field and another 48 UF (\$ 1.108.000) for an hour of flight. Therefore, it is a modality that uses no more than 3% of farmers. Another alternative is to install windmills (propeller) which fulfill the same function. "I have nectarines and cherry protected propellers and the loss was 40 % less than in other crops" says Paul Garces, a farmer from San Francisco de Moston.

"We use windmills and water spread, but if the frost is polar, ie high, not much to do" says the manager of the Association of Viticulture in Casablanca, Francisco Godoy. Other elements are Lazan hot air turbines driven by tractors.

However, none of these alternatives is fully effective. "With minimum of -6 ° C, little can be done. There is only pray that those that come now are not so low" says Fernando Medina, president of the Central Agricultural Association.

Diario Financiero 03/10/2013

Agro asks financing and subsidy programs to address losses caused by frost

One of worst season of history is expected. Fruit sector credits with banks amounting to U.S. \$ 2,099 million to date. Following the emergency meeting between the government and private sectors to analyze the effects of what is anticipated as one of the worst seasons fruit of history, by the almost complete loss of various species, yesterday the National Agricultural Society (SNA) asked the government and banks more flexibility and time commitment by crossing.

In the "physical and human drama (...) ask a sign of commitment to rural country" said the president of the SNA, Patricio Crespo, who reported that the Banking Association, representing private banking, "and expressed his good intention to cooperate "in this table, as well as several ministers.

During the meeting, the SNA asked the audience, among whom was the Agriculture Minister Luis Mayol, Labor, Juan Carlos Jobet, and representatives of the ABIF, Corfu and BancoEstado to promote bridge financing programs to solve liquidity problems, especially small farmers with poor access to the financial system as well as expand the coverage of funding for the recovery of the gardens, providing subsidies to hiring labor and credit lines for investment in control equipment frost damage.

For his part, Vice President of BancoEstado, Roberto Palumbo was open to making renegotiations and grace periods. While ABIF president, George Awad, said that “the bank is more than willing to reschedule flow... and to the extent that debtors are viable there will be problems in support”he said. According to data provided by the ABIF, futícola sector loans with banks amounted to U.S. \$ 2,099 million.

Meanwhile, Labor Minister Juan Carlos Jobet, said the preliminary estimate of its portfolio on the effects of frost on employment is worrying, particularly by decreasing seasonal jobs, which are mainly for women.

So FEDEFruta president, Cristian Allendes, estimated between 100,000 and 150,000 jobs would be lost in the next six months due to lower production. Then, the union reiterated that the first fruit industry estimates suggest losses of U.S. \$ \$ 1,000 million (see info graphic).

According to the SNA, this phenomenon is more severe frost occurred in the last 84 years, impacting from the Biobío Region of Coquimbo. The Roundtable will meet on Monday and will work to gather information from those affected and to identify and develop tools to help. The entity will be coordinated by the SNA.

Fruit Viconto - linked to the family Guilisasti - informed the SVS that a frost, the company has suffered losses of about 4.85 million kilos of fruit, representing about 45% of its production to the agricultural season from 2013 to 2014. He said among the products that have been most damaged are peaches, nectarines, plums, kiwi green, organic apple wine grapes and, to a lesser extent. “Given the nature of the agricultural market, it is now possible to give an estimate of the effects that this will have on the results of the company”he explained.

Vines affected

About 20% of production Indómita Vineyard Chardonnay, controlled by Grupo Bethia, was affected by frost in September, says Wilfred Leigh, general manager of the vineyard. The executive also said that he was very concerned the Casablanca Valley and this particular strain because it comes early.

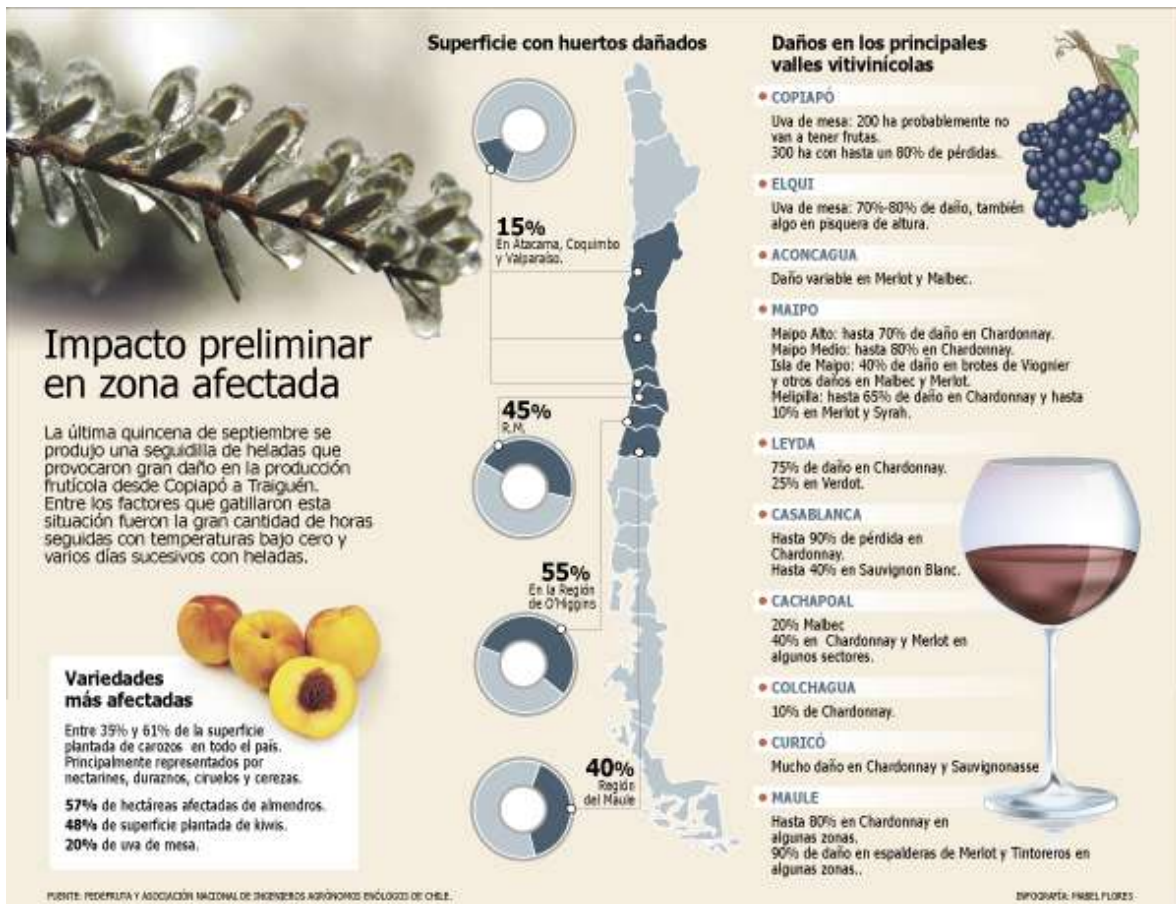
However, he notes that because have a control system could contain spray frost damage in plants. “They all had problems, it was a rather unusual event”he says. (See impact Info graphic wine valleys)

Olives also suffered

Elvio Olave, Olave Oil president, said they were “very concerned”by frost in the “The Oliveto”located in Cholqui, Melipilla.

The employer points out that what was damaged was the floral bouquet of olive and who are not yet able to quantify the damage. "We will only know in November" he says, they can know the status of the fruit.

He points out that the effects of this freeze will be a drop in production, but that this should not affect the price of olive oil as these values are put into the international market.



El Mercurio 03/10/2013

Due to 68 % of fruit affected by frost, Government agricultural emergency decreed today

If implemented this measure, the regional government will release funds to help farmers with damage. FEDEFRUTA estimated to be between 100 000 and 150 000 the jobs that will be lost by frost.

More than two-thirds of the country fruit plantings measured - are damaged by frost that affected from Coquimbo to Biobío, according to a preliminary estimate by the National Agricultural Society (SNA) and FEDEFRUTA.

Of the country's orchards, totaling 300 061 hectares, is estimated to be 205 027 hectares were affected, including blueberries and pears that are currently under evaluation.

Among the most damaged fruit species include nectarines, plums, almonds and peaches. Also, the area has suffered a greater impact is the region of O'Higgins with 55 % of the area planted. It is followed by Gauteng (45%) and Maule (40 %), which are the areas in which the largest number of acres of activity.

Due to strong damage recorded in Region VI, Mayor Román announced yesterday Wladimir signing a decree requests the Ministry of Agriculture to declare O'Higgins Agricultural Emergency Area.

"Many small and medium farmers are suffering with this harsh reality, so we have come to a unanimous agreement with the Core, where all application support and hope to fund resources during the next plenary session" said the mayor.

The office was delivered yesterday by Agriculture SEREMI Region O'Higgins, Mauricio Donoso, and Minister Luis Mayol. "Subsequently, we will present a special program where all small farmers who are not in the records of receiving assistance INDAP regard, which will cost \$ 2 billion, "said Roman.

It was learned today that the Government would declare agricultural emergency in the area. With this measure, the regional government will release funds to help those affected.

Proceeds from the effects of frost, the SNA and FEDEFruta estimated that in the next six months will be lost between 100 000 and 150 000 jobs.

The Agriculture Minister Luis Mayol, noted that one of the side effects of cold snaps this season is that there will be no problem of labor shortage which has been recorded in recent years.

"In the 2011-2012 season as we lacked ODEPA 45 000 people in agriculture in peak times and 70.000 in the last season, which means there is also absorption capacity on that side" he said.

The wine sector is also being hit hard. "The worst affected are the chardonnay and sauvignon blanc in the area where sprouting is more advanced in the Casablanca Valley. Considerable losses there is talk of a 70% chardonnay grapes. Farther south there is damage, but lower because breakouts occur later. Pinot noir is also affected" said Mayol.

This scenario could reverse the situation provided an initial drop in grape prices for the next harvest, overlook stock and weak demand.

Among the measures proposed by the SNA to overcome the emergency are bridge financing programs to solve the problems of liquidity financing to expand coverage for productive recovery of orchards, the hiring subsidy labor ; program design training for skilled workers who do not have jobs, and the improvement and extension of the climatologically monitoring network.

A totaled U.S. \$ 2.099 million fruit sector loans to banking Yesterday was formed a working group that will monitor the crisis of agricultural producers. On Monday dependencies begin to sit in the SNA, an organization that will lead and coordinate the initiative. Collaborate Secretaries of Agriculture and Labor, Corfu, the Association of Banks (ABIF), the Small Business Division BancoEstado FEDEFruta and National Peasant Confederation.

One of the main issues will be the fruit sector obligations with banks amounting to U.S. \$ 2,099 million. In July, the placement of this segment accounted for 27.7 % of total loans made to agriculture and forestry sector. The latter, besides the fruit activity, including agriculture, livestock, forestry. In this regard, "the batteries of measures that can be used are rescheduling, grace periods, increase working capital. Reprogramming rates would be accompanied by reasonable" said Vice President of BancoEstado, Roberto Palumbo. ABIF President, George Awad, said that the

bank will have the best position to renegotiate. But he warned: "Our predisposition is to make viable farmers have the support of the bank".

Estrategia 16.10.2013

Fruit exports will decrease by 22 % This Year by Frost.

According to government it is estimated a loss of 62 million boxes of fresh fruit, which will cause revenues to fall in fruit growers about \$ 411 million.

A 22% annual decrease in the volume of fruit exports from our country would experience 2013-2014 season due to the impact of frost were observed between September and early October, particularly in the central area. This is according to the Ministry of Agriculture through its Office of Agricultural Studies and Policies (PASO), who presented the results of the official cadastre damage.

Thus, it is estimated a loss of 62 million boxes of fresh fruit, or that will make income for fruit producer fall in about \$ 411 million and exports decrease by \$ 823 million this season, according to the study. In addition, sectorial employment decline by about 14,950 jobs in October, 21,627 in November, 23,939 in December and 27,078 in January.

The species most affected was the kiwi, with a loss of 60 % of production, followed by almond, with 50 %. Further back, cherries, peaches and nectarines (40 %) grapes, walnuts, pears, blueberries, raspberry and mandarin (10 %), avocado (7%), blackberries, orange, lemon and apple (5%).

As for the wine industry, it is estimated that revenues will drop by about \$ 60 million and that the strains most affected are Chardonnay (35 %), Sauvignon Blanc (25 %), Pinot Noir (20%) and Merlot (15 %).

Anyway, Mayol today stressed that "frost have no major effects on prices in December and may be affected for a period of 10-15 days, but only on some products" Following diagnosis, the Government, the President of the Association of Chilean Fruit Exporters, ASOEX, Ronald Bown, said "we are very happy" that the official figures are closer and closer to a final number. He added that the sector requires U.S. \$ 200 million working capital to recover the operating conditions of each orchard.

Percentage of planted fruits hectares damaged by frost

Nectarine	61%
Plums	60%
Almonds	57%
Peaches	56%
Kiwis	48%
Cherries	35%
Grapes	20%
Walnuts	18%
Avocados	7%

Percentage of planted surface damaged by region

Coquimbo	8%
Valparaíso	15%
Metropolitana	45%
O'Higgins	55%
Maule	40%
Biobio	4%

El Mercurio 16.10.2013

Frost: U.S. \$ 823 million losses for fruit exporters

Ministry of Agriculture estimated a loss of 20 000 jobs. In turn, anticipated increases in the price of the cherries. The vegetables also would rise; however, in this case the increase would be temporary. A month more severe frosts occur for Chilean agriculture in the last 84 years, Agriculture Minister Luis Mayol, delivered a preliminary land damage caused by the weather phenomenon on exports and employment.

According to the estimate, the impact of cold waves on the fruit will result in a decrease of about \$ 823 million in exports for the 2013-2014 seasons. This equates to a loss of 62 million boxes of fresh fruit. In turn, lower expected production represent 22% of the volume exported in 2012.

Mayol estimated lower returns to fruit producer total U.S. \$ 411 million. The effect on employment will reach, on average, to 20 000. But said the peak would be observed in January 2014 with more than 27 thousand jobs less.

To address this, Mayol explained that along with the Ministry of Labour have enabled measures. "First we will give incentive to hire labor, this is the producer, and is a sum of \$ 85 thousand per month per worker. We are designing policy implementation of the aid, because we do not want in this is injustice and some take advantage," he said. He also noted that it is expediting the completion of job fairs, training and movement of people between regions. "I have information that the III Region needs between 2,500 two thousand temporary, and was a first contingent of San Felipe -Los Andes last week" explained the Minister of Agriculture.

The Kiwis would be the species most affected, with 60 % of production, then came the almond, with 50%, and in third place the cherries, peaches, nectarines and plums, with 40%. This should have an impact on the prices of cherries, although transient, according to the director of PASO, Gustavo Rojas. In the case of the beans and kiwi, the values are close to those of 2012, or even lower, estimated.

The vegetables also would record some hikes, which would occur in a month. However, the situation would tend to stabilize around the month of December. "It will be an oversupply concentrated in a shorter time, since what is replanted after frost will come all at one time to wholesale markets, so it will be a significant price drop" said Rojas. These include Italian squash, bell pepper, watermelon, melon, green beans and corn.

For the wine industry, the minister projected Mayol about U.S. \$ 60 million in lower revenues.