



By Steven Maxwell

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Chilean fruit industry stages exchange rate protests



Fresh fruit lobby groups have called for support over the falling value of the US dollar

Agricultural leaders throughout Chile have held protests against the steadily declining value of the US dollar, which they claim is squeezing Chile's fresh produce sector as a result of falling returns and rising production costs.

Chile's two nationwide fresh fruit lobby groups, exporters association Asoex and growers' group Fedefruta, held demonstrations last Thursday, while a number of regional agricultural groups, including Fruséptima, also staged protests. "The nation's whole agricultural sector is facing serious problems," said Fedefruta president Rodrigo Echevarría. "But it is the fresh fruit growers who have been especially hard hit."

"The big issue we are facing is the low value of the US dollar and the unwillingness of authorities to intervene and help," added Fruséptima president Antonio Walker.

According to the protesters, Chile's fruit sector is caught between rising production costs, which are paid in high-valued Chilean pesos, and profits that are calculated in US dollars. The US dollar last week traded at 430 pesos to the dollar, down from the 650 pesos two years ago.

However, it is not just the unfavourable currency exchange rate that is making life difficult for Chile's exporters.

Last year's unexpectedly cold weather and concerns about mid-season overproduction, as well as the low-valued US dollar are having a major impact on the country's clementine deal.

Exporters report that despite many orchards having not fully recovered from last year's freeze (which led to a 40 per cent fall in export volumes from 2007), there is likely to be overproduction in June and July – a time when locally produced fruit dominates the US market.