

Demand for this product comes mainly as animal consumption (basically poultry and pigs). This sector is open to external competition, with 90% of imports coming from the United States. Another important product of this sector is **seed corn**. Over the last decade, Chile has become an important producer and exporter of this product, due to the favorable climatic conditions and the inverse seasonality with the main final markets (the United States, Europe and Japan). The main competitor for Chilean production in the United States market is Canada.

The Chilean **sugarbeet** sector is an important source of employment. There are between 9,000 and 11,000 producers that employ directly and indirectly some 60,000 people. The market for sugarbeet is characterized by a monopsony, with a sole buyer: IANSA, the national sugar producer. In the early 1980s, the crisis in the agricultural sector resulted in 88% of domestic sugar consumption coming from abroad. Beginning in 1982, a plan to encourage sugarbeet production was put in place. Initially it took the form of a subsidy; since 1986 it has consisted of a price band similar to the one implemented for wheat.

Other important products in this sector are **tobacco**, which is very labor intensive and has experienced fast export growth, and **oleaginous** production. The latter has also been subject to a price band.

The fruitgrowing sector

This sector developed its export potential since the mid 1970s, and quickly became the most dynamic in agriculture. Indeed, the total area covered by fruit plantations grew from 65,000 hectares in 1974 to over 130,000 hectares in recent years. This surge was concentrated mainly in the years 1984 to 1989, with a gradual stabilization in recent years. The structure of fruit plantations is shown in Table 3 of the Statistical Appendix.

The most important product in this sector is grapes, around 80% of which are exported. The main final markets are the United States, with a share of 69% of grape exports, and Europe, which