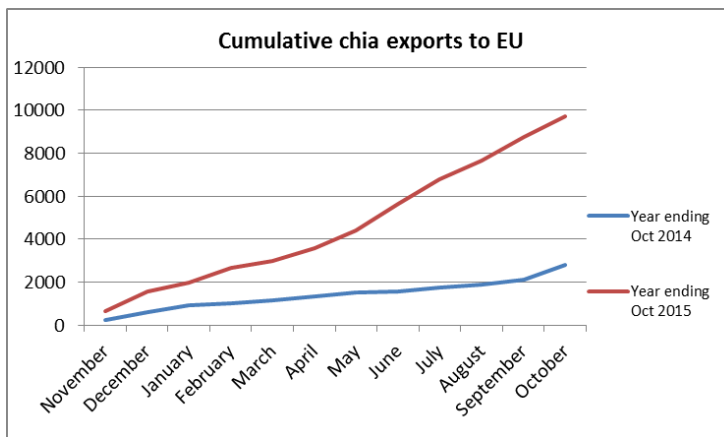


## Chia market: hopeful closing of a turbulent year

At the end of 2015 we look back on a turbulent year in the chia market: in view of abundant stock in origin prices continued to fall; the harvests were much smaller throughout Latin-America; but the market continues to grow, as we will show below.

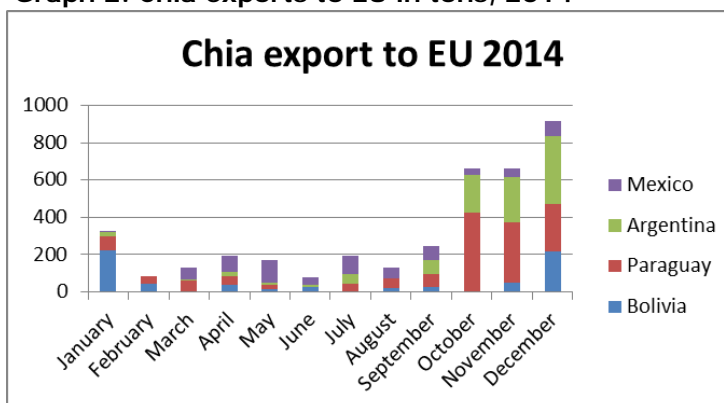
In the year ending October 2015, chia exports to the EU increased 248%, as compared to the year before (Graph 1).<sup>1</sup> This is more than the year-on-year increase of 161% of the year ending in May 2015, as measured previously. Import growth is accelerating even more. Graph 2 and 3 show the monthly imports of chia into Europe.

**Graph 1: Cumulative chia exports to EU from Bolivia, Argentina, Paraguay and Mexico, in tons (Eurostat)**



Source: Eurostat

**Graph 2: Chia exports to EU in tons, 2014**

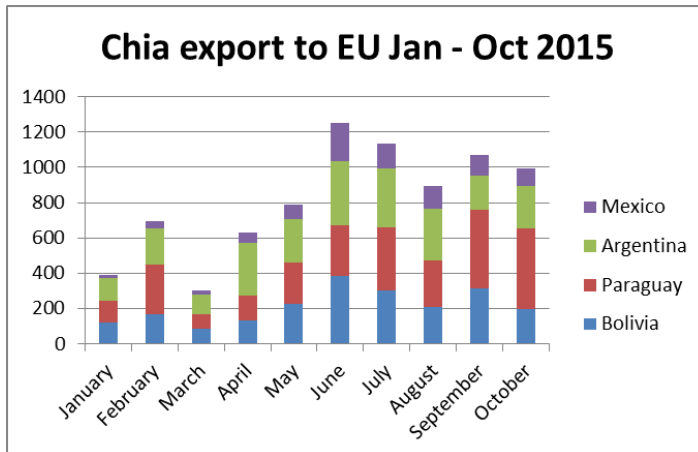


Source: Eurostat

<sup>1</sup> There is no HS code solely for chia, therefore HS code 120799 is used for this analysis of trade figures; chia is the main product within this code for these countries (CBI, 2014).



**Graph 3: Chia exports to EU, in tons, Jan – Oct 2015**



Source: Eurostat.

Prices of chia continue to fall, although not as dramatically as from 2013 to 2014. According to industry sources, the price for organic black chia is currently between US\$3,000 and US\$3,700 per ton depending on the origin, the quality and the delivery term. Conventional chia is sold between US\$1,600 and US\$2,200 per ton. In the last quarter of 2014 the chia prices varied between US\$3,000 and US\$5,300 per ton, while in 2013 the prices were as high as US\$6,000 to even US\$11,000 per ton.

Chia production in the three main producing countries Bolivia, Argentina and Paraguay was reported to have increased 154% in 2014, to 300.000 ha (CBI 2015). Industry sources indicate that this may have fallen to 35000 has in 2015. In addition, very low yields have been reported for Bolivia. Forecasts for 2016 range from 36000 ha (industry sources) to 70000 ha (Informa Economics, personal communication). Assuming a yield of 500 kg per ha, these figures give an indication of annual production. Two big unknowns are the amount of stock still available in origin as well as the quality and acceptability of this product in the market place. A part of this amount is moreover processed into oil.

With the demand growing faster than ever, and only a small volume of new crop projected to come in, observers expect that prices will rebound and start moving upward again. Such a scenario would undoubtedly be good news for producers and exporters, as it would increase their margins and make the trading more easy. If and when this will happen remains to be seen. 2016 will be another interesting year in the chia market.

