USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Required Report - public distribution

Date: 7/29/2011

GAIN Report Number: CI1026

Chile

Raisin Annual

Dried Fruit Report

Approved By:
Rachel Bickford, Agricultural Attaché

Prepared By:
Luis Hennicke, Agricultural Specialist

Report Highlights:

Chile's raisin production is estimated to increase during the present Marketing Year due to a larger availability of grapes.

Executive Summary:

For Marketing Year 2011/12 (Jan-Dec 2011), raisin production is expected to be slightly larger when compared to the previous year, as the availability of discarded table grapes is larger this year.

Commodities:

Raisins

Production:

Raisin production in 2011/12 (Jan-Dec 2011) is expected to be only slightly larger than last year's output in spite of a larger table grape production when compared to the previous year. Adverse weather conditions delayed maturity of Thompson Seedless table grapes in most production areas and a larger demand of grapes by the wine industry did not allow large amounts of discarded table grapes to be available for raisin production. A smaller output of grapes for wine during this season added to an increased in demand for table grapes, which are used for the wine and juice industry, increased prices for the discarded grapes. Additionally, as a result of lower temperatures at the end of the summer months, many producers could not sundry as many grapes as last year (Thompson Seedless grapes). In Chile there are no grapes planted only for raisin production. Raisins come from discarded table grapes that do not make it for exports or domestic fresh consumption which are usually sundried into raisins. Mainly grapes from Thompson and Flame Seedless varieties are used for raisin production. Most of the drying process in Chile is carried out by using the sun to dry grapes. Grapes are laid on plastic film in open fields, where they are sun-dried for a 15 to 20 day period. After the drying process is completed they are washed and cleaned from stems, sized and packed either in bulk or smaller containers depending on the destination market.

For the coming years industry sources expect, production to recover to similar levels than in the past, which is to an estimated 80 thousand metric tons, in spite of an increasing areas of table grape orchards that are suitable for drying into raisins are being uprooted. A large number of farmers who have had negative economic returns with table grape varieties during the last few seasons have decided to uproot their orchards. Additionally, the on-going revaluation of the peso against the dollar is making production for exports less attractive as income is in dollars and cost is in pesos. Raisins are mainly produced for exports; over 90 percent of production is for that market.

Consumption:

Chile's best quality raisins are exported. As with most of Chile's fruit production, the domestic market normally receives raisins rejected for export. Because domestic raisin consumption is small, it does not influence production or trade decisions. The main end-users of raisins are the baking, pastry and ice cream industries. Raisins are primarily used in finished products such as cakes, cookies, and ice cream. Non-industrial usage and snack consumption are very limited.

Trade:
Over 90 percent of Chilean raisin production is exported. The Latin American market accounts for half of Chile's raisin exports and it is generally the destination for the lower quality raisins. For next year, exports are expected to increase again due to the greater availability of raisins. Raisins are normally exported year around, but the months of heaviest flow are June/July and November/December of each year.

Stocks:
Most raisin exporters have a policy of maintaining stock levels close to zero. Whenever possible, exporters prefer to sell or export all of their production. Variations in the ending stock level from one marketing year to the next, generally only means that raisins have not yet been shipped to their destination.

Policy:
The government does not provide direct export subsidies or play any role in setting quality standards for this product.

Prices:
Raisins currently are not a key consumer item in Chile. Consequently, neither the government nor the various exporter associations maintain retail or wholesale prices. Export prices for CY2010 averaged US$2,222/MT, up from CY2009 average price of US$1,520/MT.

Production, Supply and Demand Data Statistics:

Raisins Chile	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		Market Year Begin: Jan 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	56,000	56,000	0	62,411		62,462
Area Harvested	49,100	46,900	0	53,085		53,118
Beginning Stocks	220	220	100	879		707
Production	65,000	81,000	75,000	65,000		75,000
Imports	700	186	600	773		293
Total Supply	65,920	81,406	75,700	66,652		76,000
Exports	63,600	78,277	73,000	63,545		72,800
Domestic Consumption	2,220	2,250	2,600	2,400		2,500
Ending Stocks	100	879	100	707		700
Total Distribution	65,920	81,406	75,700	66,652		76,000
HA, MT						

Author Defined:

Export Trade Matrix:

Country	Chile				
Commodity	Raisins				
Exports for:	2009		**2010**		
Time Period	Jan-Dec	Units:	M.T.		
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	12,917	18,014	U.S.	8,127	14,971
Others			**Others**		
México	10,161	12,350	Russia	6,601	17,048
U.K.	6,746	9,854	U.K.	6,209	13,269
Peru	6,283	7,751	Peru	5,896	12,753
Colombia	5,506	7,133	Colombia	5,269	11,068
Brazil	4,559	6,577	México	4,845	8,828
Venezuela	3,812	11,955	Netherlands	3,679	9,282
Russia	3,809	6,453	Venezuela	3,548	10,664
Netherlands	3,395	5,968	Ecuador	2,043	4,083
Germany	2,241	3,149	Denmark	1,720	3,338
Ecuador	1,767	2,240	Poland	1,626	3,765
Total for Others	48,279			41,436	
Others not Listed	17,081			13,982	
Grand Total	**78,277**	**118,943**		**63,545**	**141,182**
Time Period	Jan-Jun				
Exports for:	2010		**2011**		
U.S.	3,480	5,834	U.S.	2,666	5,460
Others			**Others**		
U.K.	2,395	4,631	México	2,283	4,602
Colombia	2,360	4,778	Colombia	2,216	4,638
México	2,349	4,053	U.K.	1,607	3,792
Russia	2,223	5,212	Netherlands	1,453	3,682
Netherlands	1,435	3,212	Russia	1,371	3,324
Peru	1,408	2,680	Peru	1,203	2,689
Denmark	874	1,585	Germany	1,199	2,877
Venezuela	848	2,018	Taiwan	738	1,637
Spain	834	1,723	France	715	2,337
Ecuador	701	1,317	Spain	695	1,650
Total for Others	15,427			13,478	
Others not Listed	5,214			6,172	
Grand Total	**24,120**	**48,588**		**22,316**	**52,586**

Note: Volume in M.T. and Value in Thous.US$ F.O.B.