

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 7/6/2012

GAIN Report Number: CI1222

Chile

Raisin Annual

Grape and Raisins

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 and a strong export demand.

Executive Summary:

For in 2011/12 (Jan-Dec 2012), raisin production is expected to be larger when compared to the previous year, as the availability of discarded table grapes is larger this year and a strong export demand export as well.

Commodities:

Raisins

Production:

Raisin production in 2010/11 (Jan-Dec 2011) was much larger than previously estimated. Higher prices for raisins in the export market, an increased availability of grapes due to a deteriorating market for fresh grapes and excellent weather which allowed drying and producing a good quality raisin, are the main reason for this significant expansion of raisin production.

Increasing labor costs coupled with a continued revaluation of the peso against the dollar is affecting revenues for table grape producers and means a loss of competitiveness for table grapes, as other countries in the Southern Hemisphere (like Peru) are increasing production and exports to the same markets and are the main reasons for a deterioration of the fresh table grape export market for Chilean producers.

For 2011/12 (Jan-Dec 2012) another expansion in production and exports are expected as international prices for raisins are firm and excellent drying weather for raisin production during last summer and fall will result in a larger and good quality product. Additionally, higher than normal temperatures and excess heat during this summer affected table grape quality in some areas which were then destined for raisins. 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. In Chile raisins are produced mainly from Thompson and Flame Seedless varieties. Other varieties that are becoming more popular are Autumn Royal, Black seedless, Crimson seedless, Superior and Red Globe. 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. There are also a large number of facilities that use drying tunnels. 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 year additional increases in production of raisins will depend on foreign demand and prices of raisins. Industry sources have indicated that the estimated production will probably not exceed 90 thousand metric tons, as an increasing area of table grape orchards mostly used and suitable for drying into raisins are being uprooted, as a result of the falling economic returns for fresh table grapes. Additionally raisin producers compete with grape juice and wine producers and the availability of grapes for drying will depend on the demand of grapes needed by these producers. Over 95 percent of Chilean raisin production is destined for the export 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 limited.

Trade:

Over 95 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 the upcoming year, exports are expected to increase again due to the greater availability of raisins. Raisins are normally exported year round, 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 CY2011 averaged US\$2,391/MT, up from CY2010 average price of US\$1,872/MT.

Production, Supply and Demand Data Statistics:

Raisins Chile	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	62,411	0	62,462		62,470
Area Harvested	0	53,085	0	53,118		53,125
Beginning Stocks	100	100	100	459		359
Production	67,000	72,500	70,000	79,000		80,000
Imports	500	423	300	400		400
Total Supply	67,600	73,023	70,400	79,859		80,759
Exports	65,000	70,164	68,000	77,000		78,000
Domestic Consumption	2,500	2,400	2,300	2,500		2,500
Ending Stocks	100	459	100	359		259
Total Distribution	67,600	73,023	70,400	79,859		80,759
HA, MT						

Export Trade Matrix

Country	Chile		U.S.		
Commodity	Raisins		Others		
Exports for:	2010	2011	2010	2011	
Time Period	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	
Units:	Volume	Value	Volume	Value	
U.S.	8,127	14,971	8,998	19,185	
Russia	6,601	17,048	México	7,743	16,265
U.K.	6,209	13,269	Peru	6,394	14,703
Peru	5,896	12,753	U.K.	5,774	13,619
Colombia	5,269	11,068	Colombia	5,348	11,308
México	4,845	8,828	Russia	3,955	10,641
Netherlands	3,679	9,282	Venezuela	3,867	11,672
Venezuela	3,548	10,664	Netherlands	3,208	8,473
Ecuador	2,043	4,083	Germany	2,425	5,695
Denmark	1,720	3,338	Ecuador	1,696	3,488
Poland	1,626	3,765	Taiwan	1,578	3,532
Total for Others	41,436		41,988		
Others not Listed	13,982		19,179		
Grand Total	63,545	118,943	70,164	167,789	

Time Period	Jan-May					
	2011		2012			
Exports for:						
U.S.	1,905	3,932	U.S.	3,898	8,459	
Others			Others			
Colombia	1,710	3,707	México	2,283	4,602	
México	1,521	3,045	Colombia	2,216	4,638	
U.K.	1,205	2,851	U.K.	1,607	3,792	
Russia	1,166	2,824	Netherlands	1,453	3,682	
Netherlands	1,037	2,664	Russia	1,371	3,324	
Germany	1,015	2,436	Peru	1,203	2,689	
Peru	878	1,925	Germany	1,199	2,877	
Spain	550	1,296	Taiwan	738	1,637	
Taiwan	543	1,209	France	715	2,337	
Denmark	492	1,143	Spain	695	1,650	
Total for Others	10,116			13,478		
Others not Listed	4,171			3,325		
Grand Total	16,192	37,926		20,701	47,846	

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