Required Report - public
tribution

Date: 7/30/2019
GAIN Report Number: CI1909

Chile

Post: Santiago

Raisin Annual 2019

Report Categories:
Raisins

Approved By:
Marcela Rondon, Agricultural Attaché
Prepared By:
Sergio Gonzalez, Agricultural Specialist

Report Highlights:

Raisin production in Chile increased by 21 percent in MY2017/18, reaching 65,000 MT. Post estimates that MY2018/19 and MY2019/20 will yield production volumes of 66,458 MT and 67,000 MT, respectively. The United States remains Chile's top market for raisin exports.

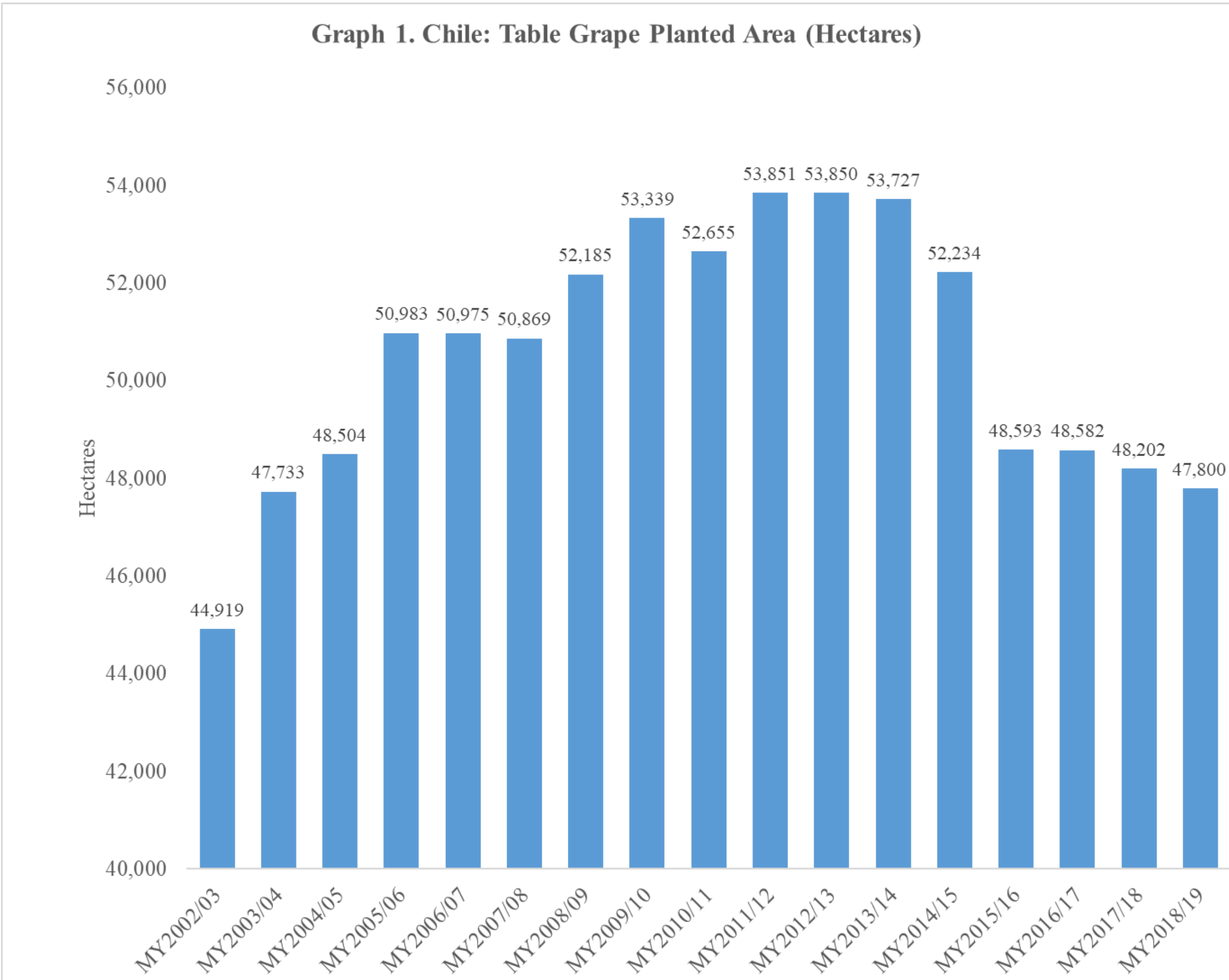
Commodities:
Raisins

Crop Area:

Raisin production relies on fresh table grape production since Chilean growers focus all efforts in exporting fresh table grapes to various markets, mainly to the United States. However, in the past four marketing years (MY), profits from fresh table grape exports have declined due to increasing competition from Peru and California for the U.S. market. Chile's fresh table grape planted area in MY2018/19 totaled 47,800 hectares (Ha), which is 0.8 percent decrease over MY2017/18 (see graph 1).

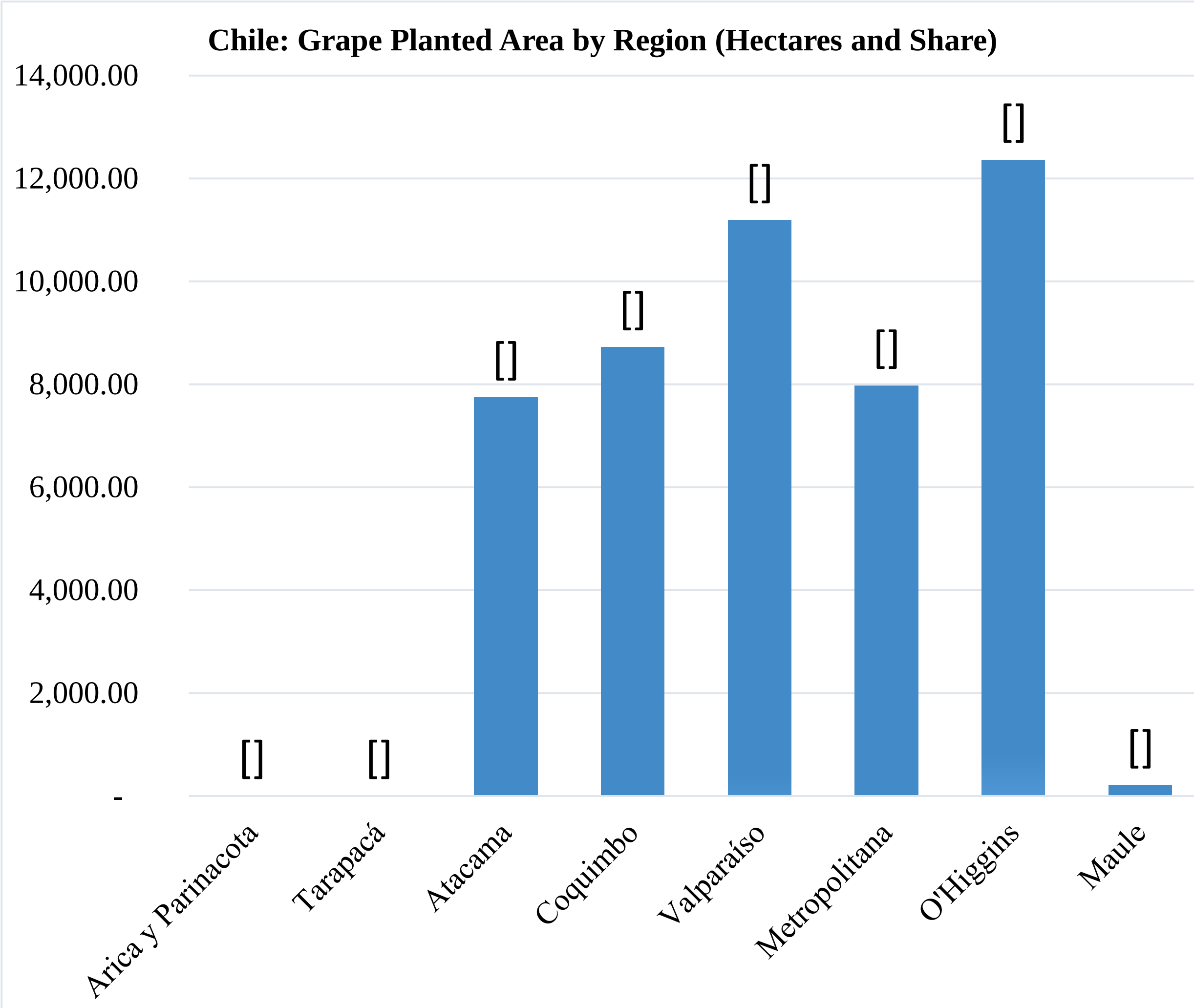
One of the major challenges Chilean producers face is renewing table grape vines with new varieties. Producers who have not renewed their grape vines have difficulties in exporting and risk not making any profits if there are large supplies of table grapes in export markets. This situation is especially problematic for exporters in the northern producing regions of Chile (Atacama and Coquimbo), which constitute 34.2 percent of the table grape planted area in Chile (see graph 2). These northern regions produce the earliest table grapes of the Chilean MY (November and December) to export to the U.S. market, facing competition from the large volumes of table grapes that Peru exports to the United States and from the end of the production season from California.

Raisin production has become a profitable alternative for producers who do not have the capacity to replace grape vines with new varieties in the short term, and for those who risk making no profits in the fresh table grape business.



Source: ODEPA, 2019

Graph 2: Chile: Grape Planted Area by Region (Hectares and Share)



Source: ODEPA 2019

Production:

Grape orchards for raisin production were almost nonexistent before MY2018/19, but the increasing competition that Chilean fresh table grapes face in U.S. markets has decreased profits significantly for Chilean exporters. As a result, many fresh table grape producers, especially in the northern regions of Atacama and Coquimbo, have shifted towards raisin production, seeking for profits.

Table grape production in MY2017/18 remained nearly unchanged compared to MY2016/17 at 910,578 Metric Tons (MT). However, raisin production in MY2017/18 increased by 21 percent and reached 65,000 MT (312,000 MT fresh basis) or 21 percent of table grape production (table 1). In MY2018/19, Post estimates a 4.5 percent decrease in table grape production totaling 870,000 MT. This decline follows a decrease in yields due to unusual high temperatures during the summer and a decrease in planted area, especially around the northern production area in *Copiapó* valley in the Atacama region.

Post estimates that raisin production will decrease slightly to 53,800 MT in MY2018/19 because of the decrease in planted area and table grape production (table 3).

Table 1: Grape Production Volume (MT) by Type of Production Sector

Production sector	MY2016/17 (MT)	Share (%)	MY2017/18 (MT)	Share (%)	MY2018/19 (MT)	Share (%)
Fresh Table Grapes	911,000	64	910,578	61	870,000	60
Raisin production (fresh basis)	258,940	18	312,000	21	319,000	22
Raisins (dried basis)	*53,702*		*65,000*		*66,458*	
Juice production	187,012	13	190,000	13	185,000	13
Wine production	71,928	5	71,000	5	70,000	5
Total Production	**1,428,880**	**100**	**1,483,578**	**100**	**1,444,000**	**100**

Source: Post Estimates

Consumption:

Chile exports nearly 95 percent of its raisin production to the world since domestic demand is limited. Raisin consumption in Chile sits around 3,500 MT per year. The Chilean confectionary and baking industry consume the majority of raisin production.

Post estimates domestic consumption will increase by one percent annually following population growth since there has not been any developments that indicate a shift in domestic demand.

Trade:

From January to May 2019, Chilean raisin exports to the world grew 24 percent over the same period in 2018 reaching 21,828 MT (table 2) and $52 million respectively (table 3).

Chilean raisin exporters have diversified its destinations. In MY2017/18, Chilean raisin exports reached more than 85 countries.

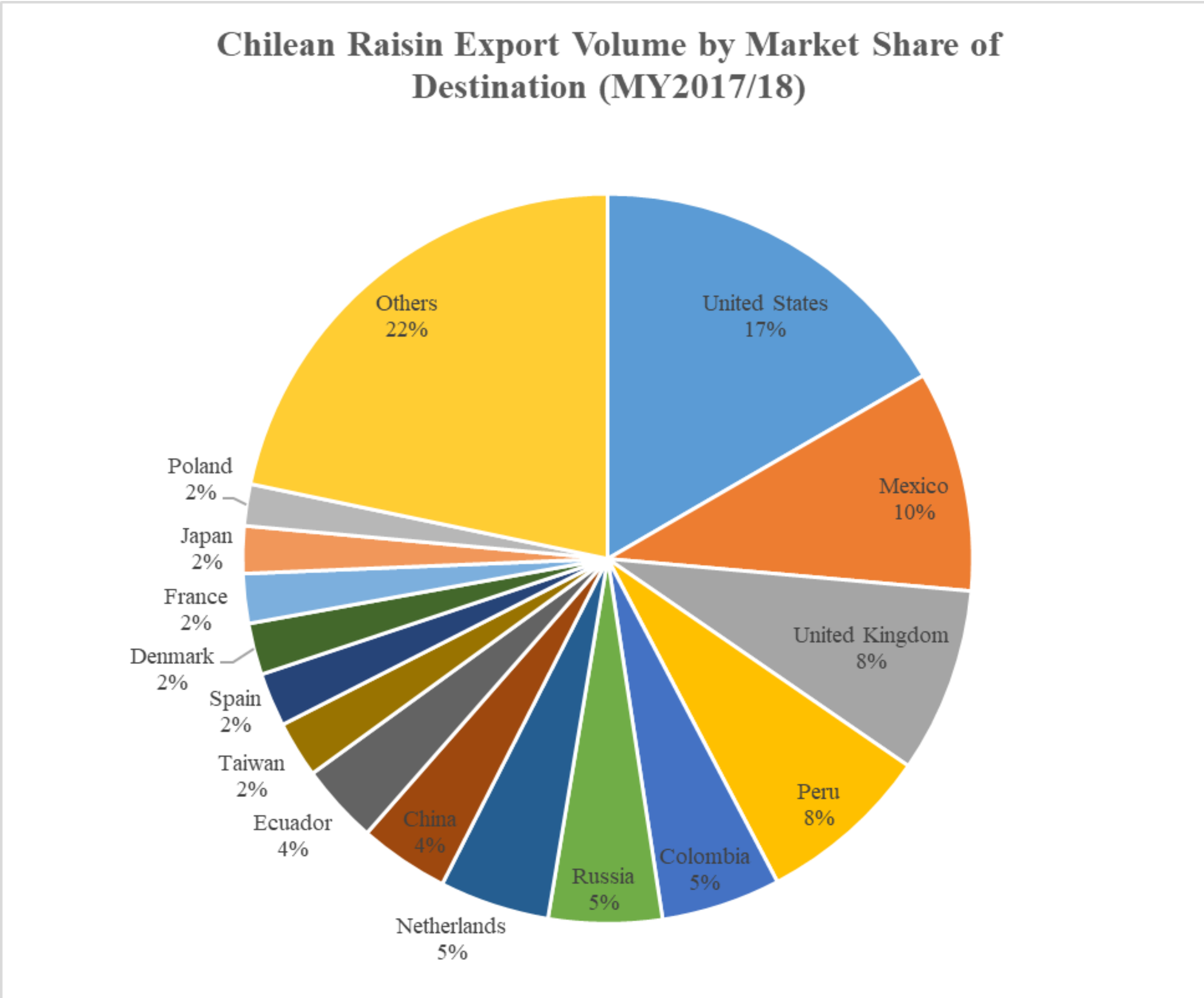
The United States is the top market for Chilean raisin exports (graph 3), followed by Mexico (10 percent of export volume), the United Kingdom (8 percent of export volume), and Peru (8 percent of export volume).

Exports to the United States decreased by 15.6 percent in MY2018/19 over MY2017/18.

Exports to Mexico increased by 284.3 percent (January to May data), due to increased price competitiveness of Chilean raisins in that market. In MY2017/18, Mexico imported 13,071 MT of raisins, from which 50.6 percent came from the United States and 47.7 percent from Chile. However, in MY2017/18, unit values for Chilean raisins increased 19 percent while U.S. prices increased 33 percent.

Post estimates that MY2018/19 exports will increase slightly to 64,458 MT and remain steady around to 65,000 MT in MY2019/20 following a decrease trend in table grapes planted area (table 4).

Graph 3: Chilean Raisin Export Volume by Market Share of Destination (MY2017/18)



Source of Data: Chilean Customs - Servicio Nacional de Aduana.

Table 2: Chilean Export Statistics, Quantity

Chile Export Statistics						
Commodity: 080620, Grapes, Dried (Including Raisins)						
Quantity						
Partner Country	Marketing Year			Year To Date		
	MT2015/16	MY2016/17	MY2017/18	Jan - May 2018	Jan - May 2019	%Change
World	55,621	51,788	62,940	17,608	21,828	23.96
United States	7,126	6,245	10,464	2,619	2,211	-15.56
Mexico	3,813	3,170	6,159	657	2,524	284.26
United Kingdom	5,802	4,781	5,158	1,657	2,080	25.58
Peru	4,482	4,106	4,846	811	532	-34.42
Colombia	4,168	3,768	3,329	1,417	1,655	16.76
Russia	3,667	2,038	3,164	1,292	1,496	15.78
Netherlands	3,520	3,298	3,064	1,290	1,737	34.71
China	1,019	1,869	2,502	472	888	88.07
Ecuador	1,830	2,157	2,220	572	707	23.71
Taiwan	2,497	2,498	1,572	632	575	-8.98
Spain	1,796	1,846	1,499	623	733	17.65
Denmark	1,683	1,447	1,439	607	648	6.7
France	1,311	1,748	1,381	500	428	-14.31
Japan	543	1,115	1,319	514	570	10.94
Poland	848	1,316	1,160	244	242	-0.95
Others	11,516	10,386	13,664	3,701	4,802	29.7

Source of Data: Chilean Customs - Servicio Nacional de Aduana.

Table 3: Chilean Export Statistics, Value

Chile Export Statistics						
Commodity: 080620, Grapes, Dried (Including Raisins) United States Dollars						
Partner Country	Marketing Year			Year To Date		
	MT2015/16	MY2016/17	MY2017/18	Jan - May 2018	Jan - May 2019	%Change
World	$116,889,475	$116,574,016	$155,686,143	$42,032,772	$52,028,950	23.78
United States	$ 13,875,195	$ 13,129,515	$ 24,770,909	$ 5,919,734	$ 5,230,254	-11.65
Mexico	$ 6,147,443	$ 5,651,602	$ 13,425,491	$ 1,283,818	$ 5,408,323	321.27
Peru	$ 10,143,792	$ 9,071,190	$ 12,902,434	$ 2,075,717	$ 1,312,633	-36.76
United Kingdom	$ 12,562,099	$ 10,863,446	$ 12,591,877	$ 3,769,349	$ 4,916,582	30.44
Russia	$ 8,294,030	$ 5,770,478	$ 8,261,320	$ 3,127,792	$ 3,831,591	22.5
Netherlands	$ 8,354,912	$ 8,204,527	$ 7,804,840	$ 3,235,035	$ 4,315,079	33.39
Colombia	$ 7,072,796	$ 6,689,646	$ 6,343,298	$ 2,694,817	$ 3,159,194	17.23
China	$ 2,182,915	$ 4,002,445	$ 6,324,159	$ 1,123,258	$ 2,194,125	95.34
France	$ 3,313,052	$ 4,987,662	$ 4,425,185	$ 1,481,180	$ 1,155,172	-22.01
Ecuador	$ 2,765,833	$ 3,370,099	$ 3,806,347	$ 934,180	$ 1,187,944	27.16
Spain	$ 3,898,688	$ 4,158,343	$ 3,776,325	$ 1,535,223	$ 1,840,882	19.91
Taiwan	$ 5,082,149	$ 5,505,266	$ 3,746,239	$ 1,384,839	$ 1,390,646	0.42
Japan	$ 1,207,658	$ 2,527,615	$ 3,323,822	$ 1,240,561	$ 1,484,337	19.65
Denmark	$ 3,426,950	$ 3,063,171	$ 3,302,119	$ 1,354,540	$ 1,476,333	8.99
Poland	$ 1,837,431	$ 3,209,676	$ 3,032,392	$ 602,642	$ 548,987	-8.9
Others	$ 26,724,532	$ 26,369,335	$ 37,849,386	$10,270,087	$12,576,868	22.5

Source of Data: Chilean Customs - Servicio Nacional de Aduana.

Table 4. Production, Supply and Demand Data Statistics:

Raisins	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	48,202	0	47,800	0	47,200
Area Harvested	0	46,000	0	45,700	0	45,100
Beginning Stocks	500	500	350	410	0	400
Production	57,000	65,000	60,000	66,458	0	67,000
Imports	1,350	1,350	1,500	1,520	0	1,530

Total Supply	58,850	66,850	61,850	68,388	0	68,930
Exports	55,000	62,940	58,000	64,458	0	65,000
Domestic Consumption	3,500	3,500	3,300	3,530	0	3,570
Ending Stocks	350	410	550	400	0	360
Total Distribution	58,850	66,850	61,850	68,388	0	68,930
(HA) ,(MT)						

Source of data: Post estimates