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Date: 7/18/2018
GAIN Report Number: CI1817

Chile

Raisin Annual

2018

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Report Highlights:

Chile’s raisin production relies on inputs from table grape production from the northern regions in Chile, which offer the best climatic conditions for raisin production. Grape orchards for raisin production are almost nonexistent. Table grapes planted area has declined since MY2013/14 and in MY2017/18 totaled 48,202 hectares (ha). The United States remains Chile’s top market for raisins. Chile’s production and exports are forecast nearly unchanged. Post estimates that MY2017/18 exports will remain flat at 51,960 metric tons (MT) and decrease slightly to 51,000 MT in MY2018/19 following the decrease trend in table grape planted area production.

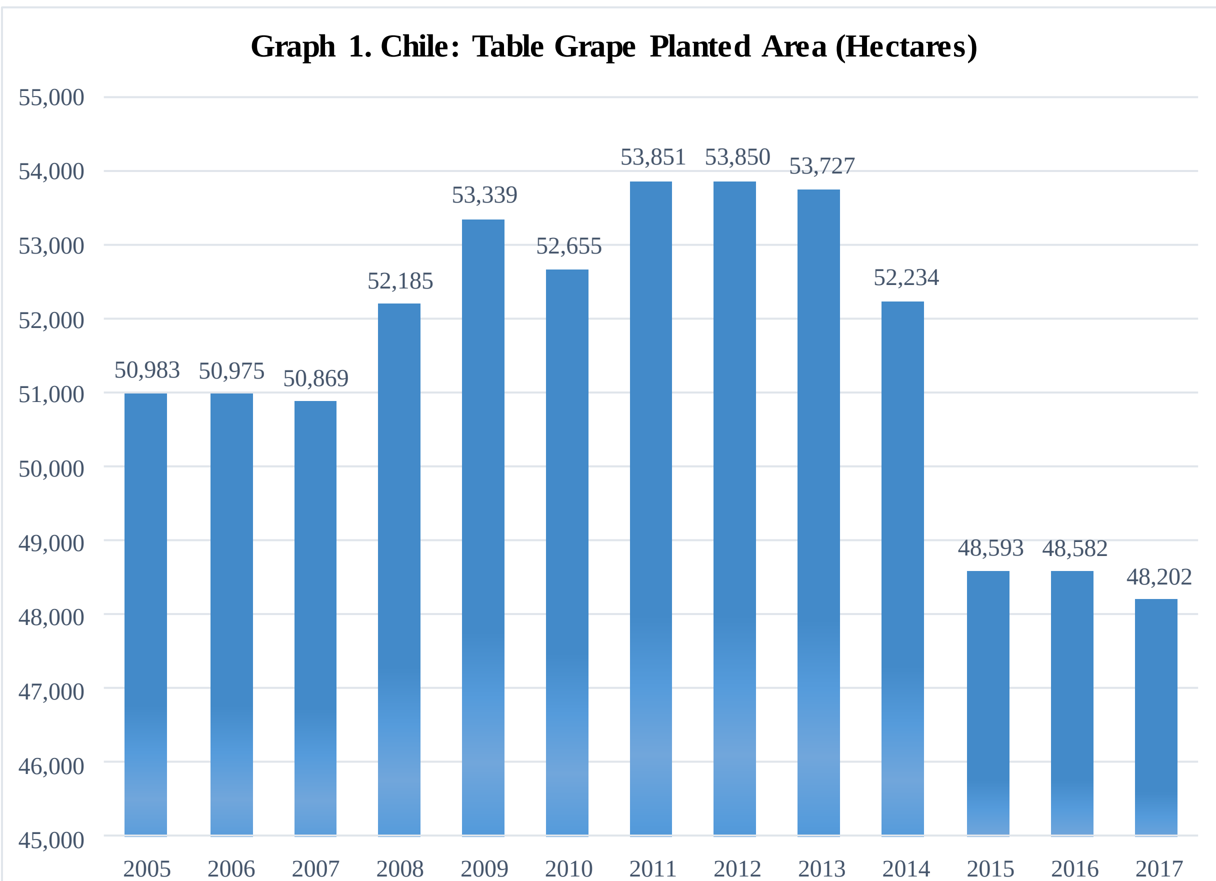
Commodities:
Raisins

Crop Area:

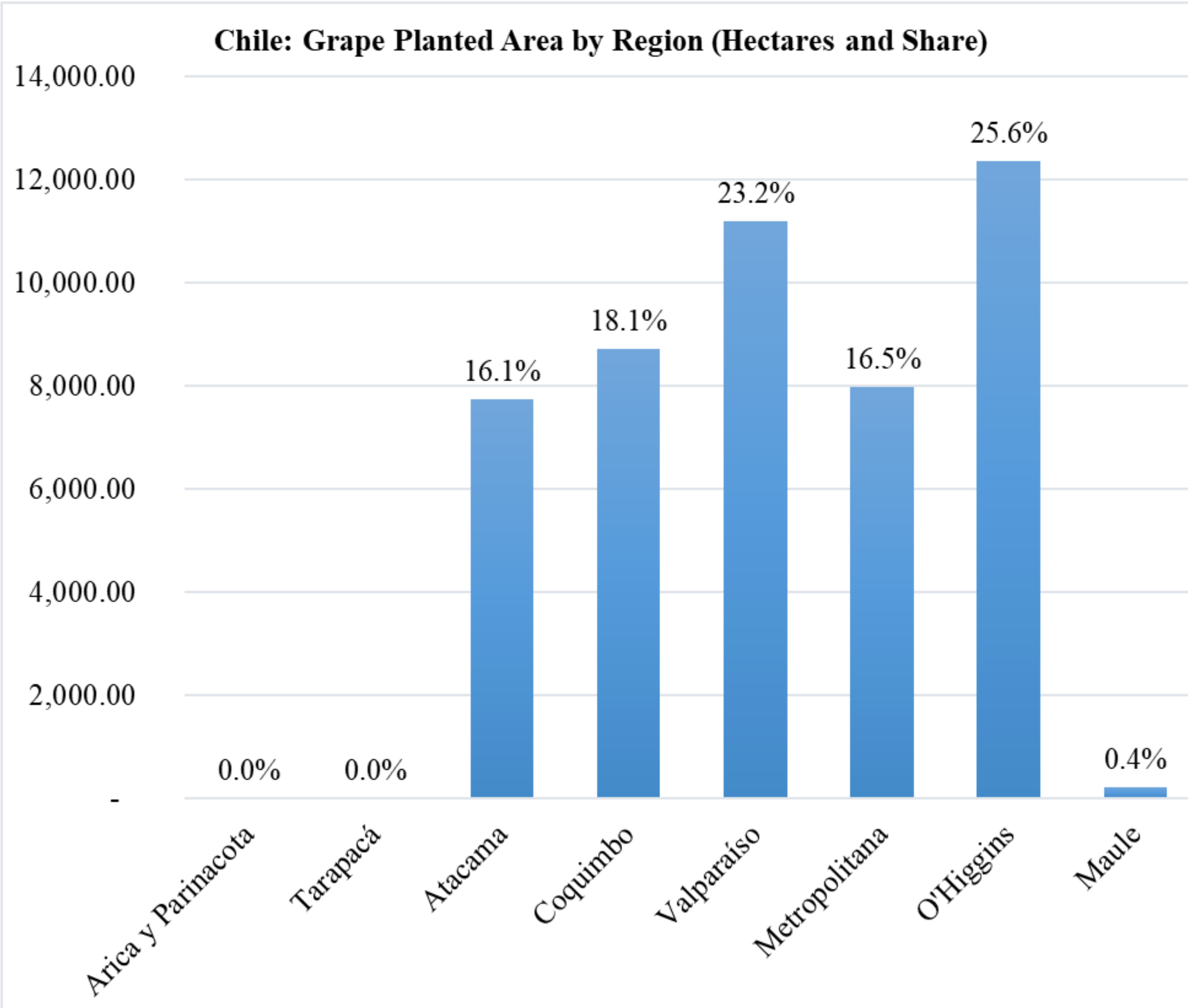
There is a high correlation between Chilean fresh table grape and raisin production since Chilean growers focus all efforts in exporting the majority of the production fresh to various markets. Chile's food processing industry is the largest consumer of grapes that does not comply with conditions for fresh exports to produce raisin, wine, or juice. As a result, the caliber (size) of Chilean raisins exports is higher than in other producing countries, which allows for differentiation and higher prices.

Chile's table grapes planted area has declined since MY2013/14 and in MY2017/18 planted area totaled 48,202 ha (Graph 1). Chilean table grapes have faced declining profits in export markets due to increasing competition from other exporting countries as well as increasing demand for quality, caliber, and new varieties. Chile's table grapes planted area is located between Atacama and Maule region (Graph 2).

Table grape planted area is not increasing, and grape orchards for raisin production are almost nonexistent.



Source: ODEPA 2018



Source: ODEPA 2018

Production:

Most raisins are produced from table grapes from the northern regions of Atacama, Coquimbo and Valparaiso. In all of these regions, water availability has been low in the past due to long periods of droughts, and it continues to be a problem in Valparaiso region. In Atacama and Coquimbo regions, abundant rainfall in MY2016/17 allowed water reservoirs to secure water for irrigation of table grape orchards for at least three marketing years. The regions Metropolitana O'Higgins, and Maule do not have the optimal climatic conditions for raisin production since the majority of raisins are sun dried, temperature is in average lower in these regions and the probability of rainfall is higher than in the northern regions. The varieties used for raisin production are mainly Flame seedless and Thompson seedless. Other varieties used in less extent are Crimson Seedless and Black Seedless.

The raisin industry has not surpassed 60,000 MT in the past three marketing years. According to a study from the Chilean Foundation for Agricultural Innovation (FIA), Chile has the potential to increase its production volume of raisins since it is a profitable business and it is less risky than fresh table grape production. Furthermore, the FIA study asserts that the development of the raisin sector would require development of grape orchards exclusively for raisin production, further organization between producers, processors, and exporters as well as develop standards and procedures within the production and export value chain.

Post estimates that raisin production in MY2017/18 will remain flat at 53,960 MT (270,000 MT fresh basis) or 19 percent of overall table grape production (table 1) and will decrease slightly to 52,000 MT in MY2018/19 as a result of the declining grape planted area (table 3).

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

Production sector	**MY2015/16 (MT)**	**Share (%)**	**MY2016/17 (MT)**	**Share (%)**	**MY2017/18 (MT)**	**Share (%)**
Fresh Table Grapes	867,800	62	911,000	64	895,000	63
Raisin production (fresh basis)	278,105	20	258,940	18	270,000	19
Raisins (dried basis)	*55,621*		*53,702*		*53,960*	
Juice production	179,305	13	187,012	13	184,000	13
Wine production	68,259.26	5	71,928	5	71,000	5
Total Production	**1,393,469**	**100**	**1,428,880**	**100**	**1,420,000**	**100**

Source: Post Estimates

Consumption:

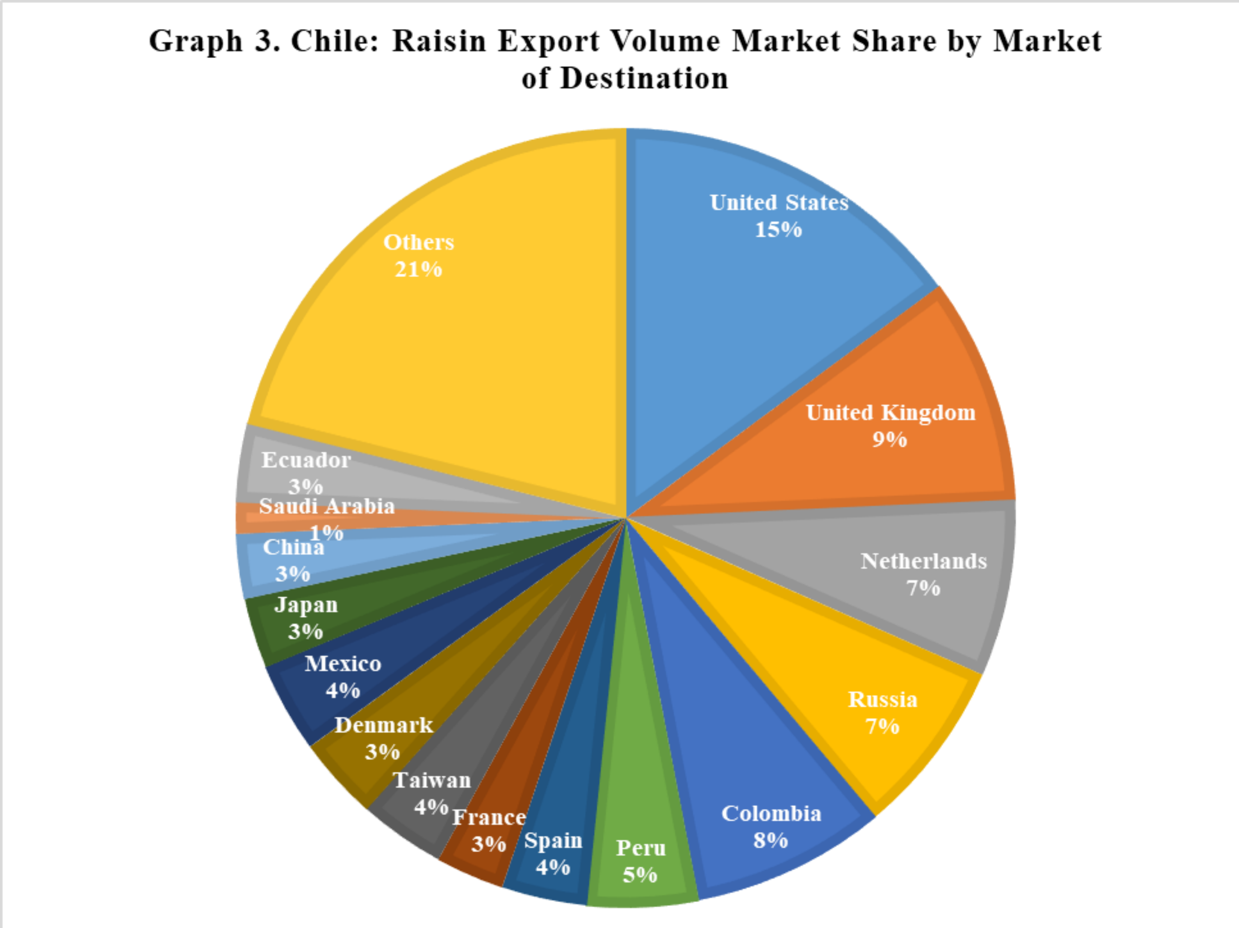
The confectionary and baking industry is the largest consumer of raisins in Chile. Raisins are also consumed as snacks. Post estimates domestic consumption to remain flat at 3,500 MT since there has not been any developments to increase demand and domestic consumption is influenced available prices, competition from fresh table grapes, exports, etc.

Trade:

Eighty companies export raisins from Chile. However, the top five companies hold 40 percent of the value of exports. From January to May 2018, Chilean raisins exports to the world grew 8 percent over Jan – May 2017 reaching 17,608 MT (table 2). Fifteen percent of Chilean raisin exports go to the United States (graph 3) making it the top market, followed by the United Kingdom (9 percent of export volume) and the Netherlands (7 percent of export volume). Exports to the United States increased by 56 percent in MY2017/18 over MY2016/17.

In MY 2017/18, fresh table grape exports were ahead of time, thus, export volumes at the beginning of the export season, January and February, were higher, but at the end, overall export volume remained flat compared to MY2016/17. Raisins exports in January, February, and May 2018 were higher than the previous MY (graph 4) but declined in March and June. Raisins export season usually peaks from June to August (graph 3).

Post estimates that MY2017/18 exports will remain flat at 51,960 MT and decrease slightly to 51,000 MT in MY2018/19 following the decrease trend in table grapes planted area production (table 3).

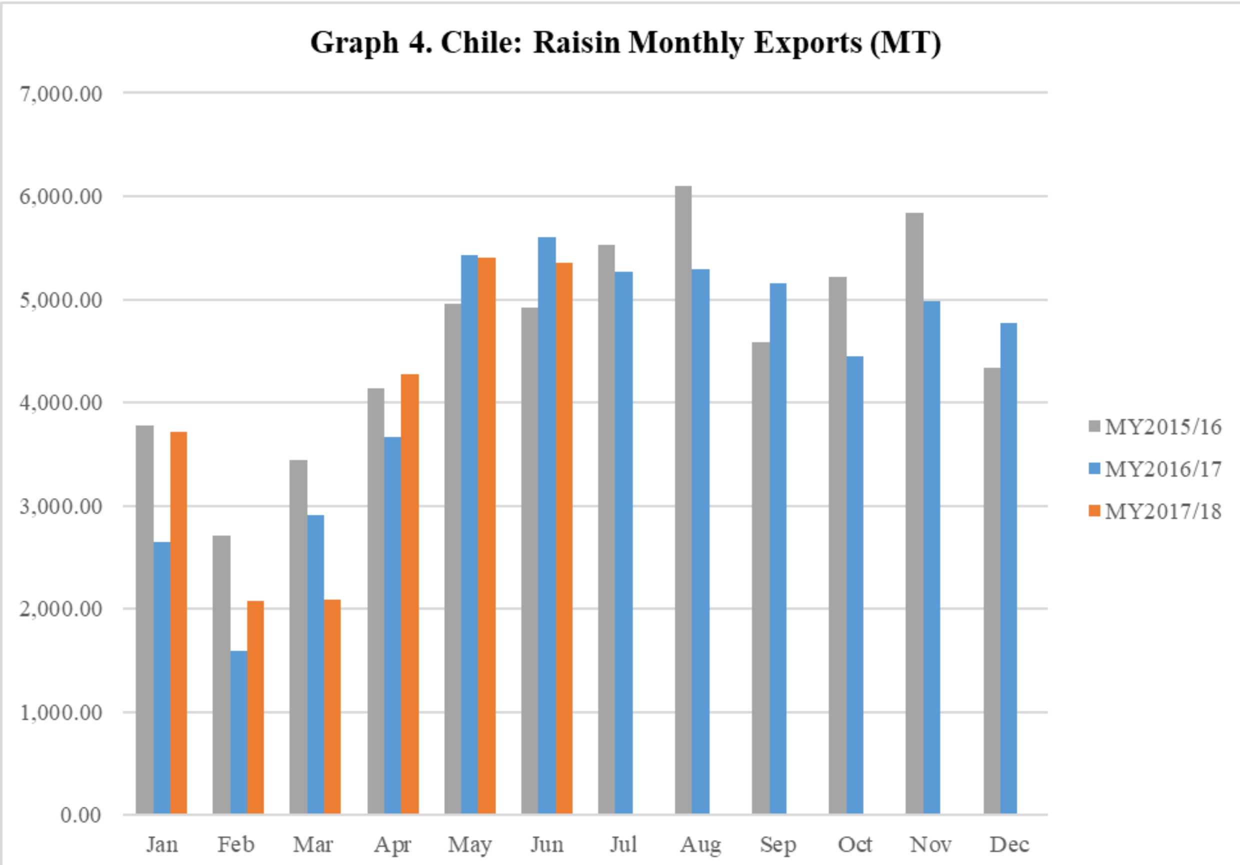


Source of Data: Chilean Customs - Servicio Nacional de Aduana.

Table 2: Chilean Export Statistics

Chile Export Statistics Commodity: 080620, Grapes, Dried (Including Raisins)						
Year To Date: January - May						
Partner Country	**Quantity (MT)**			**Value (USD)**		
	Jan - May 2017	**Jan - May 2018**	**Variation (%)**	**Jan - May 2017**	**Jan - May 2018**	**Variation (%)**
World	**16,263**	**17,608**	**8%**	**37,197,618**	**42,032,772**	**13%**
United States	1,679	2,619	56%	3,521,867	5,919,734	68%
United Kingdom	1,627	1,657	2%	3,569,978	3,769,349	6%
Netherlands	1,376	1,290	-6%	3,483,550	3,235,035	-7%
Russia	657	1,292	97%	1,821,263	3,127,792	72%
Colombia	1,318	1,417	8%	2,334,823	2,694,817	15%
Peru	640	811	27%	1,446,825	2,075,717	43%
Spain	610	623	2%	1,361,333	1,535,223	13%
France	725	500	-31%	2,131,965	1,481,180	-31%
Taiwan	990	632	-36%	2,014,367	1,384,839	-31%
Denmark	528	607	15%	1,133,951	1,354,540	19%
Mexico	926	657	-29%	1,600,433	1,283,818	-20%
Japan	435	514	18%	988,242	1,240,561	26%
China	282	472	67%	598,889	1,123,258	88%
Saudi Arabia	99	230	132%	356,670	1,048,356	194%
Ecuador	354	572	62%	534,000	934,180	75%
Others	4,017	3,715	-8%	10,299,462	9,824,373	-5%
Marketing Year						
Partner Country	**Quantity (MT)**			**Value (USD)**		
	MY2015/16	**MY2016/17**	**Variation (%)**	**MY2015/16**	**MY2016/17**	**Variation (%)**
World	**55,621**	**51,788**	**-7%**	**116,889,475**	**116,574,016**	**0%**
United States	7,126	6,245	-12%	13,875,195	13,129,515	-5%
United Kingdom	5,802	4,781	-18%	12,562,099	10,863,446	-14%
Peru	4,482	4,106	-8%	10,143,792	9,071,190	-11%
Netherlands	3,520	3,298	-6%	8,354,912	8,204,527	-2%
Colombia	4,168	3,768	-10%	7,072,796	6,689,646	-5%
Russia	3,667	2,038	-44%	8,294,030	5,770,478	-30%
Mexico	3,813	3,170	-17%	6,147,443	5,651,602	-8%
Taiwan	2,497	2,498	0%	5,082,149	5,505,266	8%
France	1,311	1,748	33%	3,313,052	4,987,662	51%
Spain	1,796	1,846	3%	3,898,688	4,158,343	7%
China	1,019	1,869	83%	2,182,915	4,002,445	83%
Ecuador	1,830	2,157	18%	2,765,833	3,370,099	22%
Poland	848	1,316	55%	1,837,431	3,209,676	75%
Denmark	1,683	1,447	-14%	3,426,950	3,063,171	-11%
Italy	813	792	-3%	2,294,711	2,568,901	12%
Others	11,246	10,709	-5%	25,637,479	26,328,049	3%

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



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

Table 3. Production, Supply and Demand Data Statistics:

Raisins	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2019	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	48,582	0	48,202	0	47,800
Area Harvested	0	46,200	0	46,000	0	45,700
Beginning Stocks	500	500	500	500	0	500
Production	59,000	53,702	60,000	53,960	0	52,000
Imports	2,300	1,586	2,500	1,500	0	2,000
Total Supply	61,800	55,788	63,000	55,960	0	54,500
Exports	57,000	51,788	59,000	51,960	0	51,000
Domestic Consumption	4,300	3,500	3,500	3,500	0	3,500
Ending Stocks	500	500	500	500	0	0
Total Distribution	61,800	55,788	63,000	55,960	0	54,500
(HA) ,(MT)						

Source of data: Post estimates