

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: 7/31/2014

GAIN Report Number: CI1408

Chile

Raisin Annual

2014 Chilean Raisin Annual Report

Approved By:

James P Butterworth, Agricultural Attaché (A)

Prepared By:

Luis Hennicke, Agricultural Specialist

Report Highlights:

Chile's raisin production is forecast to decrease during the present Marketing Year due to fewer grapes available for drying purposes.

Executive Summary:

For in 2013/14 (Jan-Dec 2014), raisin production is expected to be less than the previous year because fewer table grapes were discarded this year. A heavy frost last September significantly decreased the production of table grapes and total raisin output.

Commodities:

Raisins

Production:

Raisin production in 2012/13 (Jan-Dec 2013) was less than FAS Chile had forecast. A smaller harvest of table grapes combined with a strong demand for fresh grapes reduced production of raisins. For 2013/2014 (Jan-Dec 2014) a further decrease in production is expected. A heavy frost in September 2013 decreased total output of table grapes. As a result, fewer grapes were available for raisin production. For 2014/2015 the industry expects an increase in total raisin output as grape production is expected to recuperate.

In Chile there are almost no grapes planted solely for raisin production. Raisins come mostly from discarded table grapes that do not make it for exports or domestic fresh consumption. Given that raisins are almost a by-product of table grape production, factors other than raisin yield drive producers' choice of which varieties to plant and grow. Raisins are produced mainly from Thompson and Flame Seedless varieties. Recently, some table grape producers have been uprooting plantings of those varieties and replacing them with varieties which yield a greater overall return. These increasingly popular varieties include Autumn Royal, Black seedless, Crimson seedless, Superior, and Red Globe. For more detailed information about Chile's table grape production, see [FAS GAIN report 2013 "Fresh Deciduous Fruit Annual," #CI1325](#)

Sun drying is the most common drying method. Grapes are laid on plastic film in open fields, where they are sun-dried for 15 to 20 days. There also are many facilities that use drying tunnels. After the drying process is completed, the raisins are washed and any stems are removed, then they are sized and packed.

Additional increases in production of raisins in the coming year will depend on foreign demand, prices of raisins, and production of table grapes. FAS Chile is forecasting raisin production at approximately 65,500 metric tons. Raisin production is expected to level off because, as mentioned above, the table grape varieties that are most commonly used for raisin production are being replaced by more profitable varieties. 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.

Chile is the world's sixth largest raisin producer and the fourth largest exporter. Additionally, it is the southern hemisphere's largest raisin exporter. Is also the largest supplier of raisins to the United States. Normally, the main destination for Chilean table grapes product is the fresh fruit export market (60%), followed by raisin production (21%), grape juice (9%), and wine (9%). Chile's raisin production capacity, i.e., the installed capacity to process table grapes into raisins, is estimated at 340,000 MT of table grapes, which, using a 4:1 drying factor would yield 85,000 MT of raisins. Presently approximately a little over 270,000 MT of table grapes are processed into raisins, which is 79 percent of total capacity. Table grapes are harvested from November through March, depending on the geographic area of production and variety of grapes harvested. Drying of grapes to raisins is done during the summer months, which in Chile is December through March, and processing is normally done from April through July. There are some processing plants that process throughout the entire year.

Consumption:

Chile's best quality raisins are exported. As with most of Chile's fruit production, the domestic market normally receives raisins that were rejected by exporters. Since the 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. In recent years, the UK and Russia have been Chile's major single-country export markets. Latin America, as a regional market, accounts for half of Chile's raisin exports, most of which are lower quality raisins. Although raisins are exported year round, over 80 percent of total exports occur during May through November.

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 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 CY2013 averaged US\$2,816/MT, up from CY2012 average price of US\$2,399/MT.

Production, Supply and Demand Data Statistics:

Raisins Chile	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	62,470	0	62,570		62,570
Area Harvested	0	53,125	0	53,250		53,250
Beginning Stocks	400	400	400	368		368
Production	71,000	68,500	76,000	62,200		65,500
Imports	2,300	1,922	600	100		600
Total Supply	73,700	70,822	77,000	62,668		66,468
Exports	70,000	67,154	74,000	59,000		62,500
Domestic Consumption	3,300	3,300	2,500	3,300		3,300
Ending Stocks	400	368	500	368		668
Total Distribution	73,700	70,822	77,000	62,668		66,468
HA, MT						

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.

