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GAIN Report

Global Agricultural Information Network

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Chile

Raisin Annual

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Report Highlights:

Chile's raisin production is estimated to decrease during the present Marketing Year due to a unavailability of grapes for drying.

Executive Summary:

For the season 2012/13 (Jan-Dec 2013), raisin production is expected to be less than the previous year, as the availability of discarded table grapes is smaller this year. A smaller table grape harvest, coupled with a strong demand and better prices for fresh fruit resulted in fewer grapes left over for raisin production.

Commodities:

Raisins

Production:

Raisin production in 2011/12 (Jan-Dec 2012) was smaller than previously estimated. Despite high prices for raisins in the export market a reduced availability of grapes due to a smaller harvest of table grapes and a strong market for fresh grapes reduced the production of raisins. For the coming years industry sources have indicated that due to increasing labor costs coupled with a continued revaluation of the peso against the dollar which is affecting revenues for table grape producers and eroding the fresh table grape export market for the Chilean producers, an increasing number of producers is expected to convert their table grape orchards to raisin orchards.

For 2012/13 (Jan-Dec 2013) another reduction in production and exports are expected as table grape production did not expand and a strong export demand for fresh grapes increased export volume and prices. In Chile there are almost no grapes planted only for raisin production. Raisins come mostly from discarded table grapes that do not make it for exports or domestic fresh consumption. 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 some 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 market.

For the coming year additional increases in production of raisins will depend on foreign demand, prices of raisins and production of table grapes. 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.

Chile is the sixth largest raisin producer and the fourth largest exporter in the world; and the largest exporter in the southern hemisphere. Is also the main supplier of raisins of the United States. The main destination of the table grape production in Chile goes to the fresh fruit export market (60%), followed by raisin production (21%), grape juice (9%) and wine (9%). The raisin production capacity in Chile is estimated at 340,000 MT. Presently approximately a little over 270,000 MT are processed-- that is 82 percent of total capacity. Table grapes are harvested from November through March, depending on the production area variety of grapes harvested. Drying of grapes to raisins is during the summer months, December through March and processing is normally from April through July. There are some processing plants that process throughout the whole year.

Consumption:

Chile's highest 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 is 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 years, volumes of exports will depend on availability of grapes for raisin production. Raisins are exported year round, but the months of heaviest flow are June/July and November/December.

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 quickly. 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 CY2012 averaged US\$2,400/MT, up from CY2011 average price of US\$2,391/MT.

Production, Supply and Demand Data Statistics:

Raisins Chile	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	62,462	0	62,470		62,470
Area Harvested	0	53,118	0	53,125		53,125
Beginning Stocks	420	420	420	468		368
Production	82,000	74,000	80,000	71,400		76,000
Imports	500	2,116	400	1,000		600
Total Supply	82,920	76,536	80,820	72,868		76,968
Exports	80,000	73,568	78,000	70,000		74,000
Domestic Consumption	2,500	2,500	2,500	2,500		2,500
Ending Stocks	420	468	320	368		468
Total Distribution	82,920	76,536	80,820	72,868		76,968

HA, MT

Export Trade Matrix

Country	Chile		2012	U.S.	
	Raisins			Volume	Value
Commodity					
Exports for:	2011				
Time Period	Jan-Dec				
Units:	Volume	Value	Volume	Value	
U.S.	8,998	19,185	10,511	22,782	
Others	Others		Others		
Mexico	7,743	16,265	U.K.	8,258	18,778
Peru	6,394	14,703	Mexico	6,053	12,872
U.K.	5,774	13,619	Russia	6,048	16,454
Colombia	5,348	11,308	Peru	5,341	12,850
Russia	3,955	10,641	Colombia	5,196	11,105
Venezuela	3,867	11,672	Venezuela	4,116	12,757
Netherlands	3,208	8,473	Netherlands	3,371	8,744
Germany	2,425	5,695	Germany	2,106	4,969
Ecuador	1,696	3,488	Brazil	2,104	5,157
Taiwan	1,578	3,532	Denmark	2,063	4,582

Total for Others	41,988			44,655	
Others not Listed	19,178			18,402	
Grand Total	70,164	167,789		73,568	176,523
Time Period	Jan-Jun				
Exports for:	2012		2013		
U.S.	5,131	11,070	U.S.	2,682	6,609
Others			Others		
U.K.	2,817	6,405	U.K.	3,092	8,327
Mexico	2,617	5,264	Mexico	2,751	6,843
Colombia	2,120	4,324	Russia	2,387	7,077
Russia	2,056	5,390	Netherlands	1,886	5,496
Netherlands	1,296	3,241	Colombia	1,723	4,291
Germany	1,215	2,834	Peru	965	2,670
Denmark	1,010	2,270	Spain	926	2,488
Peru	925	2,185	Denmark	883	2,249
Brazil	847	1,972	Taiwan	801	1,940
Spain	689	1,627	Germany	648	1,854
Total for Others	15,591			16,061	
Others not Listed	7,623			6,325	
Grand Total	28,345	66,300		25,068	68,461

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