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Chile

Raisin Annual

Dried Fruit

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Report Highlights:
Chile's annual raisin production in MY 2015/2016 is expected to slightly increase to 70,000 MT due to improved climatic conditions during the season and the recuperation of crops left unattended due to the drought in MY 2014/2015, which was followed by flooding of table grape production areas in Chile's northern Atacama region. The flooding in this region led to slightly reduced table grapes production 9.3% and area harvest by about 500 hectares (not significant enough to impact overall production, supply and demand figures). Therefore raisin production was minimally affected. Good weather conditions and the increase in water for irrigation will incorporate other areas to production this season.

Executive Summary:

Chile's annual raisin production in MY 2015/2016 is expected to slightly increase to 70,000 MT due to improved climatic conditions during the season and the recuperation of crops left unattended due to the drought in MY 2014/2015, which was followed by flooding of table grape production areas in Chile's northern Atacama region. The flooding in this region led to slightly reduced table grapes production 9.3% and area harvest by about 500 hectares (not significant enough to impact overall production, supply and demand figures). Therefore raisin production was minimally affected. Good weather conditions and the increase in water for irrigation will incorporate other areas to production this season.

Commodities:

Raisins

Production:

Chile is the world's sixth largest raisin producer and was the third largest exporter in 2014. Additionally, it is the southern hemisphere's largest raisin exporter and largest supplier of raisins to the United States. Normally, the main destination for Chilean table grapes production 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 metric tons (MT) of table grapes, which uses a 4:1 drying factor that could yield up to 85,000 MT of raisins. Presently approximately 270,000 MT of Chilean table grapes are processed into raisins, which is 79 percent of Chile's 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.

In Chile there are almost no grapes planted solely for raisin production. The raisin industry derives its supply from discarded table grapes that do not meet export quality needs for domestic fresh table grape 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 2015 "Fresh Deciduous Fruits Annual" #CI1417

Sun drying is the most preferred drying method. Grapes are laid on plastic film in open fields, where they are sun-dried for 15 to 20 days. The direct exposure to the sun allows the grapes to oxidize and acquire the typical brownish color, the most desired color in the market. There also are many facilities that use drying tunnels that are used mainly to produce the golden variety, where the grapes are dried without oxidation which allows for a golden color to be retained. 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, international prices of raisins, and production of table grapes. FAS Chile is forecasting raisin production at approximately 70,000 MT, and revenues are expected to increase due to the favorable exchange of rate between the peso and the U.S. dollar. Raisin production is expected to level off because, as previously mentioned, 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 for supplies, so 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, while domestic consumption is estimated at only 5,000 MT.

Consumption:
As with most of Chile's fruit production, the domestic market normally receives raisins that were rejected by exporters and its best quality raisins are exported. 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 2014, Venezuela, the United Kingdom and Peru were 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.

Marketing:
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 CY2014 averaged US$2,673/MT, 5.05% less than the previous year.

Production, Supply and Demand Data Statistics:

Raisins Chile	2013/2014			2014/2015			2015/2016			
	Market Year Begin: Jan 2013			Market Year Begin: Jan 2014			Market Year Begin: Jan 2015			
	USDA Offici	Old Post	New Post	USDA Offici	Old Post	New Post	USDA Offici	Old	New Post	

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Area Planted	0	62,570	62570	0	62,570	62,570	0	0	62,070	(HA)
Area Harvested	0	53,250	53250	0	53,250	53,250	0	0	52,750	(HA)
Beginning Stocks	368	368	368	368	368	336	0	0	350	(MT)
Production	62,200	62,200	68500	65,500	65,500	69,200	0	0	70,000	(MT)
Imports	200	100	1922	600	600	114	0	0	253	(MT)
Total Supply	62,768	62,668	70790	368	368	69,650	0	0	70,603	(MT)
Exports	59,000	59,000	67154	62,500	62,500	66,000	0	0	67,003	(MT)
Domestic Consumption	3,400	3,300	3300	3,300	3,300	3,300	0	0	3,300	(MT)
Ending Stocks	368	368	336	668	668	350	0	0	300	(MT)
Total Distribution	62,768	62,668	70790	66,468	66,468	69,650	0	0	70,603	(MT)
TS=TD	0	0	0	0	0	0	0	0	0	

Source: ODEEPA and Post contacts.

Export Trade Matrix					
Country	Chile				
Commodity	Raisins				
Exports for:	2013		**2014**		
Time Period	Jan-Dec				
Units:	**Volume**	**Value**		**Volume**	**Value**
U.S.	6,089	15,474	U.S.	5,442	13,609
Others			**Others**		
Russia	7,695	24,204	Venezuela	7,624	23,558
U.K.	7,218	20,045	U.K.	6,283	17,567
Mexico	5,351	13,407	México	6,141	13,606
Peru	5,223	14,472	Colombia	5,866	13,548
Colombia	4,157	10,572	Perú	5,694	14,433
Netherlands	4,039	12,083	Russia	3,457	10,454
Venezuela	3,863	12,700	Netherlands	2,763	8,335
Taiwan	2,295	5,635	Brazil	2,615	5,715
Ecuador	2,138	4,964	Spain	1,819	5,153
Germany	1,908	5,448	Ecuador	1,810	3,746
Total for Others	43,887			44,072	
Others not Listed	17,178			16486	
Grand Total	**67,154**	**189,105**		**66,000**	**176,460**

	Volume	Value		Volume	Value
Time Period	Jan-Jun				
Exports for:	2014		**2015**		
U.S.	1,964	4,956	U.S.	2,099	4,463
Others			**Others**		
Mexico	2,657	6,111	U.K.	2,514	6,001.10
Colombia	2,464	5,937	Mexico	2,375	4,098.70
U.K.	2,438	6,827	Netherlands	1,204	3,059.50
Russia	1,585	4,776	Peru	1,313	2,881.10
Netherlands	1,255	3,830	Colombia	1,393	2,637.50
Peru	1,040	2,521	Taiwan	853	2,116.70
Brazil	852	1,942	Russia	757	1,902.20
Spain	849	2,421	Spain	702	1,793.60
Taiwan	806	1,965	France	639	1,621.10
Denmark	750	2,057	Denmark	666	1,474.60
Total for Others	14,696			12,416	
Others not Listed	6,476			6,427	
Grand Total	**23,136**	**62,886**		**20942**	**47,482**
Note: Volume in M.T. and Value in Thous.US$ F.O.B.					

Source: ODEPA