Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution
Date: 10/22/2001
GAIN Report #CI1028

Chile

Dried Fruit

Annual

2001

Approved by:
Lewis J. Stockard, Agricultural Attache
U.S. Embassy
Prepared by:
Luis Hennicke, Agricultural Specialist

Report Highlights:
Chile's raisin and prune production and exports are expected to remain at levels similar to the previous year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Santiago [CI1028], CI

Table of Contents

Executive Summary

For MY2000 (Jan-Dec 2001), estimated raisin production and exports are lower than last year, as the availability of discarded table grapes fell. The MY2000 (Jan-Dec 2001) prune crop is expected to be similar to last year, as weather has been good. Fruit size and quality should be good. For MY2001 (Jan-Dec 2002), both raisin and prune production and exports are expected to remain at levels similar to this year.

Raisins

Production

Chilean raisin production in MY1999 (Jan-Dec 2000), resulted significantly higher than our previous estimate, as bad weather, which affected the quality of the fresh table grape production, contributed to make a larger amount of discarded grapes available for raisin production. Additionally, the wine industry demanded smaller amounts of table grapes, as new wine vineyards are coming into production. As a result, more grapes were dried for raisins than previously expected. For MY2000 (Jan-Dec2001) raisin production is expected to be larger than our previous estimates but smaller than the previous year. A slightly lower availability of discarded table grapes reduced raisin production.

Although it is still too early for an accurate forecast for MY2001 (Jan-Dec 2002) production, because weather can play an important role in the quality of the table grape production, total raisin output is expected to be at a level similar to the previous year. Raisin production in Chile is based on lower quality table grapes and those rejected from the export process. It is expected that in the next few years, competition from the wine industry for discarded table grapes will disappear as vineyards recently planted with wine varietals continue coming into production. Such a development will significantly increase the annual availability of discarded table grapes for either juice concentrate or raisin production.

Over half of Chile's raisin production consists of large-sized grapes which have the smallest demand and lowest world prices. Some large-sized raisins do receive price premiums for use in snack foods, but this applies to only the very best quality product.

Consumption

Chile's best quality raisins are exported. Because domestic raisin consumption is small, it does not influence production or trade decisions. In addition, since prices paid for exported raisins are reportedly much higher than prices in the domestic market, there is little incentive to produce for the local market. As a result, the domestic market normally receives raisins rejected for export. The main end-users of raisins are the baking, pastry and ice cream industries. Raisins are primarily utilized in finished products such as cakes, cookies, ice cream or empanadas (meat pies). Non-industrial usage and snack consumption are both very limited.

There are no official Chilean statistics kept on domestic raisin consumption. Figures in the PS&D are derived from estimated production, official export statistics, and estimated final stocks.

Trade

Over 90 percent of Chilean raisin production is exported. Exports for MY1999 (Jan-Dec 2000) resulted significantly higher than our previous estimates due to a significant increase in production which was combined with a strong export demand. For MY2000, as a lower output is expected, exports will be accordingly smaller than the previous year. The Latin American market accounts for over 50 percent of Chile's raisin exports.

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. Consequently, variations in the ending stock level from one marketing year to the next only signify that raisins have not yet been shipped to their destination.

Policy

The Chilean government plays no role in raisin production and exports. For imports, a flat 8-percent tariff is charged in 2001, which will fall to 7 percent in 2002, and stay a 6 percent starting in 2003. In addition, an 18-percent value-added tax is charged on all consumer items, both domestic and imported.

Prices

Raisins are not an important consumer item in Chile. Consequently, no retail or wholesale prices are maintained by government agencies or exporter associations. Export prices for calendar 2000 averaged US $1,181/MT (FOB), down from the calendar 1999 average price of US $1,404/MT. The average export price for the first 8 months of 2001 was $938/MT which compares to $1,258/Mt for the same months last year.

PS&D Table - Raisins

PSD Table						
Country	Chile					
Commodity	Raisins				(HA)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	49000	43800	49000	43900	0	44000
Area Harvested	44000	39400	44000	39400	0	39500
Beginning Stocks	281	281	281	205	181	205
Production	35000	45000	34000	41500	0	42000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	35281	45281	34281	41705	181	42205
Exports	31500	41576	30500	38000	0	38400
Domestic Consumption	3500	3500	3600	3500	0	3500
Ending Stocks	281	205	181	205	0	305
TOTAL DISTRIBUTION	35281	45281	34281	41705	0	42205

Export Trade Matrix - Raisins

Export Trade Matrix			
Country	Chile		
Commodity	Raisins		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	5316	U.S.	6896
Others		Others	
Mexico	5126	Mexico	9335
Brazil	3707	Brazil	4937
Peru	3638	Colombia	4148
Colombia	3580	Peru	4009
Venezuela	2145	Venezuela	2995
U.K.	1453	Netherlands	1611
Netherlands	1385	U.K.	1239
Germany	1124	France	1111
Ecuador	731	Ecuador	1034
France	616	Australia	752
Total for Others	23505		31171
Others not Listed	3742		3509
Grand Total	32563		41576

Prunes

Production

Poor weather conditions which affected most stone fruit production in spring of CY1999 had a smaller negative effect on plums than expected and production resulted slightly larger than initially reported for MY1999 (Jan-Dec 2000). Good weather during most of the growing season will result in both, a higher production than last year and our previous estimates in MY2000 (Jan-Dec 2001).

Although it is still too early to do any estimate on next years production, as of now weather has been good during last winter for a normal production, as a result industry sources indicate that production in MY2001 could be similar to that of MY2000 in size and quality. Further, our forecast of a slightly larger planted/harvested area should result in moderately larger tonnage.

Chile harvests plums from mid-February through mid-April, entirely by hand. This greatly enhances quality since the fruit is picked at peak ripeness and maturity. Industry sources also boast that Chilean plums have a high sugar content and good flavor regardless of size. Prunes are mainly sun-dried, although there are also some drying tunnels.

Area Planted

Industry sources have indicated that, in spite of good economic results obtained by most producers during the last few years, total planted area is expected to increase only marginally in the coming years. Additional orchards planted have mainly replaced older, low-producing trees.

Plum trees for prune production are planted from Regions V (San Felipe) through Region VII (Talca). The largest planted area is located in the Santiago Metropolitan Region and Region VI, where roughly 85 percent of all plum trees are found.

Consumption

As with many of Chile’s fruits, the domestic prune market is a residual market, normally taking less than 10 percent of domestic production. Demand is principally for lower-priced prunes.

Trade

Chilean prunes are ready for shipment from the end of April through November. As with raisins, Latin America is Chile’s main customer, with shipments to the U.S. virtually nil. No significant changes are expected in the coming years.

There are over 45 firms operating in Chile’s prune export business. Three exporters account for nearly 70 percent of total export volume. One firm, Asprocica, accounts for a little less than half of Chile's exports.

Stocks

Normally the prune industry, like the raisin industry, maintains stock levels as low as possible.

Prices

Chile maintains no official retail or wholesale price series for prunes. Farm price information is even scarcer than for raisins. The average international price received for Chilean prunes fell from US$1,128 per MT (FOB) in the first 8 months of calendar2000 to US$1,261/MT for the same period in calendar 2001.

PS&D Table - Dried Prunes

PSD Table						
Country	Chile					

Commodity	Dried Prunes				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	5000	5000	5100	5100	0	5100
Area Harvested	3510	3510	3570	3570	0	3600
Bearing Trees	1793	1793	1820	1820	0	1835
Non-Bearing Trees	492	492	510	510	0	495
Total Trees	2285	2285	2330	2330	0	2330
Beginning Stocks	2554	2554	384	654	214	454
Production	19000	20000	20000	22500	0	23000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	21554	22554	20384	23154	214	23454
Exports	20000	20700	19000	21500	0	22000
Domestic Consumption	1170	1200	1170	1200	0	1200
Ending Stocks	384	654	214	454	0	254
TOTAL DISTRIBUTION	21554	22554	20384	23154	0	23454

Export Trade Matrix - Dried Prunes

Export Trade Matrix			
Country	Chile		

Commodity	Dried Prunes		
Time period	Jan-Dec	Units:	M.T.
Exports for:	1999		2000
U.S.	65	U.S.	22
Others		Others	
Mexico	6800	Mexico	6520
Brazil	3453	Brazil	3242
Spain	2437	Spain	1640
Germany	2073	Germany	1640
Peru	1086	Venezuela	1317
Venezuela	934	Peru	1110
Colombia	891	Colombia	931
Italy	521	Italy	644
Netherlands	380	France	420
Trinidad&Tobago	351	Sweden	312
Total for Others	18926		17776
Others not Listed	2349		2902
Grand Total	21340		20700