



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Required Report - public distribution

Date: 10/19/2000

GAIN Report #CI0040

**Chile**

**Dried Fruit**

**Semi-Annual**

**2000**

Approved by: Lewis J. Stockard, Agricultural Attache  
U.S. Embassy, Santiago

Prepared by: Luis Hennicke, Agricultural Specialist

---

**Report Highlights:**

**Chile's raisin and prune production and exports are expected to remain at levels similar to last season.**

---

Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Santiago [CI0040], CI

## Table of Contents

|                                    |        |
|------------------------------------|--------|
| General Summary                    | Page 1 |
| Raisins                            | Page 2 |
| PS&D Table - Raisins               | Page 2 |
| Production                         | Page 2 |
| Consumption                        | Page 3 |
| Trade                              | Page 3 |
| Export Trade Matrix - Raisins      | Page 4 |
| Stocks                             | Page 4 |
| Policy                             | Page 4 |
| Prices                             | Page 5 |
| Dried Prunes                       | Page 5 |
| PS&D Table - Dried Prunes          | Page 5 |
| Production                         | Page 5 |
| Area Planted                       | Page 6 |
| Consumption                        | Page 6 |
| Trade                              | Page 6 |
| Export Trade Matrix - Dried Prunes | Page 7 |
| Stocks                             | Page 7 |
| Prices                             | Page 7 |

## **Executive Summary**

For MY1999 (Jan-Dec 2000), estimated raisin production and exports are slightly lower than last year, but significantly larger than previously forecast due to a larger supply of lower-quality table grapes which did not meet minimum export standards. The MY1999 (Jan-Dec 2000) prune crop came in smaller than last year, also due to weather. Fruit size should be larger and of an excellent quality. For MY2000, both raisin and prune production and exports are expected to remain at levels similar to this year, as bad spring weather will most likely have the same effect as last year.

## Raisins

### PS&D Table - Raisins

| PSD Table                 |                  |              |              |              |            |              |
|---------------------------|------------------|--------------|--------------|--------------|------------|--------------|
| Country                   | Chile            |              |              |              |            |              |
| Commodity                 | Raisins (HA)(MT) |              |              |              |            |              |
|                           | Revised          | 1998         | Preliminary  | 1999         | Forecast   | 2000         |
|                           | Old              | New          | Old          | New          | Old        | New          |
| Market Year Begin         |                  | 01/1999      |              | 01/2000      |            | 01/2001      |
| Area Planted              | 49000            | 49000        | 49000        | 49000        | 0          | 49000        |
| Area Harvested            | 44000            | 44000        | 44000        | 44000        | 0          | 44000        |
| Beginning Stocks          | 344              | 344          | 281          | 281          | 781        | 281          |
| Production                | 36000            | 36000        | 31000        | 35000        | 0          | 34000        |
| Imports                   | 0                | 0            | 0            | 0            | 0          | 0            |
| <b>TOTAL SUPPLY</b>       | <b>36344</b>     | <b>36344</b> | <b>31281</b> | <b>35281</b> | <b>781</b> | <b>34281</b> |
| Exports                   | 32563            | 32563        | 27000        | 31500        | 0          | 30500        |
| Domestic Consumption      | 3500             | 3500         | 3500         | 3500         | 0          | 3600         |
| Ending Stocks             | 281              | 281          | 781          | 281          | 0          | 181          |
| <b>TOTAL DISTRIBUTION</b> | <b>36344</b>     | <b>36344</b> | <b>31281</b> | <b>35281</b> | <b>0</b>   | <b>34281</b> |

## Production

Based on our new raisin production estimate for MY1999 (Jan-Dec 2000), output is expected to be significantly higher than our previous forecast. 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.

Although it is still too early for an accurate forecast for MY2000 (Jan-Dec 2001) production, because weather can play an important role in the quality of the table grape production, total raisin output is expected to be large again, 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 varietal grapes for wine 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 no incentive to supply the Chilean 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. Our new MY1999 export estimate is revised up from the previous forecast, primarily because production was larger. For MY2000, exports will depend on total final production, but are currently expected to be at a level similar to the previous year. The Latin American market accounted for close to 65 percent of Chile's raisin exports in 1999, but shipments to the U.S. more than doubled over the previous year.

**Export Trade Matrix - Raisins**

|                     |         |             |       |
|---------------------|---------|-------------|-------|
| Export Trade Matrix |         |             |       |
| Country             | Chile   |             |       |
| Commodity           | Raisins |             |       |
| Time period         | Jan-Dec | Units:      | M.T.  |
| Exports for:        |         |             | 1     |
| U.S.                | 2036    | U.S.        | 5316  |
| Others              |         | Others      |       |
| Brazil              | 4116    | Mexico      | 5126  |
| Peru                | 3754    | Brazil      | 3707  |
| Colombia            | 3525    | Peru        | 3638  |
| Mexico              | 3357    | Colombia    | 3580  |
| Venezuela           | 1867    | Venezuela   | 2145  |
| U.K.                | 1715    | U.K.        | 1453  |
| Netherlands         | 1307    | Netherlands | 1385  |
| Ecuador             | 1155    | Germany     | 1124  |
| France              | 811     | Ecuador     | 731   |
| Germany             | 701     | France      | 616   |
| Total for Others    | 22308   |             | 23505 |
| Others not Listed   | 2673    |             | 3742  |
| Grand Total         | 27017   |             | 32563 |

**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**

A flat 9-percent tariff is charged for raisin and prune imports. 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 1999 averaged US \$1,404/MT (FOB), up from the calendar 1998 average price of US \$1,374/MT. The average export price for the first 8 months of 2000 was \$1,234/MT which compares to \$1,435/Mt for the same months last year.

## Dried Prunes

### PS&D Table – Dried Prunes

| PSD Table            |              |         |             |         |                      |         |
|----------------------|--------------|---------|-------------|---------|----------------------|---------|
| Country              | Chile        |         |             |         |                      |         |
| Commodity            | Dried Prunes |         |             |         | (HA)(1000 TREES)(MT) |         |
|                      | Revised      | 1998    | Preliminary | 1999    | Forecast             | 2000    |
|                      | Old          | New     | Old         | New     | Old                  | New     |
| Market Year Begin    |              | 01/1999 |             | 01/2000 |                      | 01/2001 |
| Area Planted         | 5000         | 5000    | 5000        | 5000    | 0                    | 5100    |
| Area Harvested       | 3495         | 3495    | 3510        | 3510    | 0                    | 3570    |
| Bearing Trees        | 1597         | 1597    | 1793        | 1793    | 0                    | 1820    |
| Non-Bearing Trees    | 688          | 688     | 492         | 492     | 0                    | 510     |
| Total Trees          | 2285         | 2285    | 2285        | 2285    | 0                    | 2330    |
| Beginning Stocks     | 3564         | 3564    | 2554        | 2554    | 484                  | 384     |
| Production           | 21500        | 21500   | 17600       | 19000   | 0                    | 20000   |
| Imports              | 0            | 0       | 0           | 0       | 0                    | 0       |
| TOTAL SUPPLY         | 25064        | 25064   | 20154       | 21554   | 484                  | 20384   |
| Exports              | 21340        | 21340   | 18500       | 20000   | 0                    | 19000   |
| Domestic Consumption | 1170         | 1170    | 1170        | 1170    | 0                    | 1170    |
| Ending Stocks        | 2554         | 2554    | 484         | 384     | 0                    | 214     |
| TOTAL DISTRIBUTION   | 25064        | 25064   | 20154       | 21554   | 0                    | 20384   |

## Production

The poor weather conditions which affected most stonefruit production last spring also had a negative effect on plums, but less so than initially reported in April 2000 for MY1999 (Jan-Dec 2000). Although rain and cold weather during the bloom period affected most stonefruit production, the fruit drop had a positive effect on the size of the fruit. This was followed by sunny, dry weather during late summer and fall, which allowed plums to dry rapidly, resulting in good quality.

Rainstorms and hail in most fruit growing areas again this spring is expected to affect plum production for prunes. Although it is still too early to accurately evaluate the possible damage, industry sources indicate that production in MY2000 could be similar to that of MY1999 in size and quality. Further, our forecast of a 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 slightly 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**

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.

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.

**Export Trade Matrix – Dried Prunes**

|                     |              |                 |       |
|---------------------|--------------|-----------------|-------|
| Export Trade Matrix |              |                 |       |
| Country             | Chile        |                 |       |
| Commodity           | Dried Prunes |                 |       |
| Time period         | Jan-Dec      | Units:          | M.T.  |
| Exports for:        | 1998         |                 | 1999  |
| U.S.                | 4            | U.S.            | 65    |
| Others              |              | Others          |       |
| Brazil              | 5385         | Mexico          | 6800  |
| Mexico              | 4924         | Brazil          | 3453  |
| Spain               | 2690         | Spain           | 2437  |
| Peru                | 1145         | Germany         | 2073  |
| Germany             | 1056         | Peru            | 1086  |
| Colombia            | 806          | Venezuela       | 934   |
| Venezuela           | 755          | Colombia        | 891   |
| Netherlands         | 316          | Italy           | 521   |
| Ecuador             | 273          | Netherlands     | 380   |
| Finland             | 228          | Trinidad&Tobago | 351   |
| Total for Others    | 17578        |                 | 18926 |
| Others not Listed   | 1258         |                 | 2349  |
| Grand Total         | 18840        |                 | 21340 |

**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 increased slightly from US\$1,133 per MT (FOB) in the first 8 months of calendar 1999 to US\$1,328/MT for the same period in calendar 2000.