USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 10/11/2006

GAIN Report Number: CI6030

Chile

Dried Fruit

Annual

2006

Approved by:
Joseph Lopez, Agricultural Attaché
Office of Agricultural Affairs

Prepared by:
Luis Hennicke, Agricultural Specialist

Report Highlights:
Chile's raisin production and exports are expected to increase due to a larger availability of discarded table grapes, prunes will also expand as a result of expanding planted area and a strong export demand.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Santiago [CI1]
[CI]

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Executive Summary

For MY2005 (Jan-Dec 2006), raisin production and exports are expected to rise when compared to the previous year, as the availability of discarded table grapes increases. A similar scenario is expected for prunes. The MY2005 (Jan-Dec 2006) crop is expected to be larger than last year's output, as production area keeps expanding. For MY2006 (Jan-Dec 2007), another increase in production of raisins and prunes is expected, as more of the recently planted vines become productive.

RAISINS

Production

Raisin production in MY2004 (Jan-Dec 2005) resulted much larger than both, last year's production and our previous estimates. Increased production of table grapes together with less demand for these grapes by the wine industry, allowed producers to dry larger amounts of discarded table grapes, increasing raisin production. Raisin production in Chile is based on lower quality table grapes and those rejected from the table grape export process. The wine and concentrated juice industries are the main competitors for table grape leftovers.

As table grape production keeps increasing in Chile, raisin production is also expected to expand. As a result another small production expansion of raisins is estimated for MY2005 (Jan-Dec 2006). But because weather can play an important role in table grape quantity and quality, it is still too early to accurately forecast MY2006 (Jan-Dec 2007) raisin production. However a slight increase is expected in next year's crop, as higher than normal temperatures during this winter's months (July – August 2005) would probably only affect table grape output slightly and no expansion in total grape production would be expected in spite of new plantings coming into production.

In the coming years raisin output is expected to face less competition from the wine industry as more vineyards with wine varietals come into production. However, a fast growing grape juice industry is expected to increase competition for the discarded table grapes that go into raisin production.

Consumption

Chile's best quality raisins are exported. As with most of Chile's fruits, 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 are both very limited.

Trade

Over 90 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 MY2005 (Jan-Dec 2006), exports are expected to increase due to the greater availability of raisins and strong export demand.

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 the 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 currently 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 CY2005 averaged US$1,540/MT, up from CY 2004 average price of US$1,286/MT.

PSD Table									
Country	Chile								
Commodity	Raisins						(HA)(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Area Planted	47720	47720	47720	47720	47720	47727	0	0	47750
Area Harvested	42000	42000	42000	42200	42200	42400	0	0	42600
Beginning Stocks	768	768	768	468	468	1016	468	468	1016
Production	48900	48900	55900	49200	49200	56000	0	0	56500
Imports	0	0	0	0	0	0	0	0	0
Total Supply	49668	49668	56668	49668	49668	57016	468	468	57516
Exports	46100	46100	52552	46100	46100	52800	0	0	53500
Domestic Consumption	3100	3100	3100	3100	3100	3200	0	0	3400
Ending Stocks	468	468	1016	468	468	1016	0	0	616
Total Distribution	49668	49668	56668	49668	49668	57016	0	0	57516

Export Trade Matrix			
Country	Chile		
Commodity	Raisins		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	12626	U.S.	8272
Others		Others	
Mexico	7049	Mexico	4927
Peru	5221	Colombia	2717
Colombia	4453	U.K.	2658
U.K.	3992	Brazil	1948
Venezuela	3558	Peru	1744
Netherlands	2903	Netherlands	1279
Ecuador	1758	Russia	896
France	1595	Ecuador	762
Russia	1426	France	672
Japan	1113	Poland	667
Total for Others	33068		18270
Others not Listed	6858		5618
Grand Total	52552		32160
Note: Year 2006 data are for January through August only			

PRUNES

Production

Total prune production expanded slightly in MY2004 (Jan-Dec 2005). Good weather and new-planted area coming into production explain most of the output expansion. Additionally, as a result of strong export demand and excellent export prices for prunes, producers invested in improved orchard management practices (pruning and fertilizing), which also resulted in an increase in production.

For next year's output, MY2005 (Jan-Dec 2006), industry sources indicate that plum production destined for prune production is expected to expand as planted area keeps expanding and a significant area is going into production.

Chile harvests plums from mid-February through mid-April, entirely by hand. According to industry this greatly enhances the fruit quality, as it is picked at peak ripeness and maturity. Prunes are mainly sun-dried, although there are also some drying tunnels.

Area Planted

Industry sources report that producers are increasing planted area significantly; mainly as a result of good prices they've received for plums during the last few years and a lack of better economic alternatives for many growers. This additional planted area is starting to bear fruit and is expected to increase total production over the next few years. These same sources have indicated that total production should level off in about 4 to 5 years at around 80 to 100 thousand metric tons a year.

Plum trees for prune production are planted from Regions V (San Felipe) through Region VII (Talca). The largest planted area is located in the Metropolitan Region and Region VI, where roughly 90 percent of all plum trees are found.

Consumption

As with most of Chile's fruits, the domestic prune market is a residual market, normally taking less than 10 percent of domestic production. Domestic demand is principally for lower-priced prunes. These are either consumed directly or are processed into foods like juice or ingredients for the bakery industry or yogurt.

Trade

The EU is Chile's largest prune export market, receiving over 30 percent of total exports, followed by Mexico with almost 23 percent.

There are over 45 firms operating in Chile's prune export business. However, three exporters account for nearly 70 percent of total export volume. One firm, Prunesco, accounts for a little over 40 percent of Chile's exports.

Stocks

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 rose from US$1,584 per MT (FOB) in CY2004 to US$2,355/MT in CY2005.

PSD Table									
Country	Chile								
Commodity	Prunes (Plums, Dried)						(HA)(1000 TREES)(MT)		
	2004	Revised		2005	Estimate		2006	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Area Planted	6010	6010	6010	6100	6100	7000	0	0	8000
Area Harvested	5200	5200	5200	5250	5250	5500	0	0	6000
Bearing Trees	2308	2308	2308	2400	2400	2440	0	0	2663
Non-Bearing Trees	442	442	442	390	390	760	0	0	997
Total Trees	2750	2750	2750	2790	2790	3200	0	0	3660
Beginning Stocks	2280	2280	2280	1980	1980	4602	2180	2180	2302
Production	38000	38000	38000	39100	39100	42000	0	0	50000
Imports	0	0	0	0	0	0	0	0	0
Total Supply	40280	40280	40280	41080	41080	46602	2180	2180	52302
Exports	36500	36500	33878	37100	37100	42300	0	0	47300
Domestic Consumption	1800	1800	1800	1800	1800	2000	0	0	2000
Ending Stocks	1980	1980	4602	2180	2180	2302	0	0	3002
Total Distribution	40280	40280	40280	41080	41080	46602	0	0	52302

Export Trade Matrix			
Country	Chile		
Commodity	Prunes (Plums, Dried)		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2005		2006
U.S.	1984	U.S.	2713
Others		Others	
Mexico	7508	Mexico	3969
Germany	4731	Germany	3017
Russia	3461	Russia	2585
U.K.	2231	U.K.	1865
Brazil	1694	Italy	1554
Poland	1422	Poland	915
Italy	1330	Brazil	900
Venezuela	1127	Colombia	527
Peru	827	Venezuela	489
Colombia	795	Peru	480
Total for Others	25126		16301
Others not Listed	6768		4912
Grand Total	33878		23926
Note: Year 2006 data are for January through August only			