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Chile

Dried Fruit

Annual

2000

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Report Highlights: Chile's dried fruit production and exports are expected to be down this season.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

General Summary

In MY1999 (beg. January 2000), raisin production and exports are expected to fall from last year as a result of a significant fall in raisin export prices due to a weak export demand. This reduced the profitability of harvesting and drying fruit that did not meet the minimum export quality standard for fresh table grapes. The MY1999 (beg. January 2000) prune crop is projected to be smaller than last year, also due to weather. Fruit size should be larger and of an excellent quality.

Raisins

PS&D Table - Raisins

PSD Table						
Country	Chile					
Commodity	Raisins				(HA)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	49000	49000	49000	49000	0	49000
Area Harvested	44000	43000	44000	44000	0	44000
Beginning Stocks	3041	3041	344	344	244	281
Production	27820	27820	27500	36000	0	31000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	30861	30861	27844	36344	244	31281
Exports	27017	27017	24500	32563	0	27000
Domestic Consumption	3500	3500	3100	3500	0	3500
Ending Stocks	344	344	244	281	0	781
TOTAL DISTRIBUTION	30861	30861	27844	36344	0	31281

Production

Raisin production in MY1998 (beginning Jan. 1999) resulted significantly higher than both the previous year and our previous estimate. Outturn had been expected to decline slightly due to smaller table grape production and increased competition by the wine and juice concentrate industries for grapes discarded by the fresh fruit industry because of their unsuitability for export. However, the wine industry was not willing to pay higher prices for discarded table grapes in light of increasing production by newly planted vineyards. As a result, more grapes were dried for raisins than previously expected. Higher prices together with a strong export demand also had a positive effect on total raisin output.

For MY1999, total raisin production is expected to be large, but slightly lower than last year due to weaker export demand and a significant fall in export prices.

During the next few years, competition from the wine industry for discarded table grapes could weaken as vineyards recently planted with varietal grapes for wine continue coming into production. Such a development could 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 prices in world markets. Some large-sized raisins do receive price premiums for use in snack foods, but this applies to only the very best quality product.

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 MY 1999 averaged US $1,404/MT, FOB, up from the MY 1998 average price of US $1,374/MT.

Industry sources have indicated that as a result of a larger than normal supply of discarded grapes, which are dried for raisins, prices for these have fallen from an average of US$0.20 per Kg to US$0.10 per Kg. Unusually bad weather last summer (rain) increased the amount of discarded table grapes that could be used for raisin production.

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 of raisins are both very limited.

In Chile there are no official statistics kept on raisin consumption. Figures in the PS&D are derived from an estimated production figure, an official export number, and an estimated final stock figure.

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 import tariff is charged raisins and prunes. In addition, an 18-percent value-added tax is charged on all consumer items, both domestic and imported.

Trade

Export Trade Matrix - Raisins

Export Trade Matrix			
Country	Chile		
Commodity	Raisins		
Time period	Jan-Dec	Units:	
Exports for:	1998		1999
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

Over 90 percent of Chilean raisin production is exported. Exports in CY 1999 were larger than previously estimated, primarily because production was larger. In CY 2000, exports are going to be smaller as a result of a smaller output. The Latin American market accounted for close to 65 percent of Chile's raisin exports in 1999.

Dried Prunes

PS&D Table - Dried Prunes

PSD Table						
Country	Chile					
Commodity	Dried Prunes				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	4995	4995	5000	5000	0	5000
Area Harvested	3429	3429	3495	3495	0	3510
Bearing Trees	1567	1567	1597	1597	0	1793
Non-Bearing Trees	716	716	688	688	0	492
Total Trees	2283	2283	2285	2285	0	2285
Beginning Stocks	5774	5774	1264	3564	594	2554
Production	15500	17800	17000	21500	0	17600
Imports	0	0	0	0	0	0
TOTAL SUPPLY	21274	23574	18264	25064	594	20154
Exports	18840	18840	16500	21340	0	18500
Domestic Consumption	1170	1170	1170	1170	0	1170
Ending Stocks	1264	3564	594	2554	0	484
TOTAL DISTRIBUTION	21274	23574	18264	25064	0	20154

Production

The MY1997 (beg. January 1998) production figure was revised upwards as a result of additional information obtained from industry sources. Bad weather during the previous winter only affected the size of the fruit, and not total output as had been expected. As a result, MY1997 ending stocks increased significantly.

In MY1998 (beg. January 1999) good weather during most of the growing season, together with a sunny and dry summer, permitted sun drying of all the fruit harvested. This resulted in a significantly larger output than the previous year. However, fruit size remained smaller than normal.

For MY1999 (beg. January 2000) production is estimated to be significantly below last year due to adverse weather conditions during the spring. Rain and cold weather during the bloom period affected most stone fruit production negatively. However, fruit drop has had a positive effect on the size of the fruit, and sunny, dry weather the during late summer and fall has allowed plums to dry rapidly, resulting in good quality.

In Chile plums are harvested from mid-February through mid-April. Harvesting is entirely by hand. This greatly enhances quality since the fruit is picked at peak ripeness and maturity. Industry sources 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, the total planted area has not increased during last year. Additional orchards planted have only 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.

Prices

Chile maintains no official retail or wholesale price series for prunes. Farm price information is even scarcer than data for raisins. The average international price received for Chilean prunes increased slightly from US$1,123 per MT (FOB) in CY 1998 to US$1,150/MT in CY 1999.

Consumption

As with many fresh 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.

Stocks

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

Trade

Export Trade Matrix - Dried Prunes

Export Trade Matrix			
Country	Chile		
Commodity	Dried Prunes		
Time period	Jan-Dec	Units:	
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

There are over 12 firms operating in the 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.

Prunes are ready for shipment from the end of April through November. As with raisins, Latin America is Chile’s main customer. No significant changes are expected in the coming years.