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Report Highlights:

In Marketing Year (MY) 2019/20, Chilean table grape production decreased due to drought, and thus, raisin production and exports are expected to follow. Post estimates a seven percent decrease in raisin production totaling 64,904 MT and 62,132 MT in exports. Rainfall has been abundant in the winter of MY2020/21, increasing the potential for higher table grape productivity. Post projects a bounce back in raising production totaling 69,119 MT and 67,049 MT in exports.

Table 1. Production, Supply and Demand Data Statistics:

Raisins	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jan 2019		Jan 2020		Jan 2021	
Chile	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	47,800	0	47,834	0	47,500
Area Harvested	0	45,700	0	45,700	0	45,500
Beginning Stocks	350	410	0	400	0	380
Production	60,000	69,340	0	64,904	0	69,119
Imports	1,500	329	0	1,000	0	1,500
Total Supply	61,850	70,079	0	66,304	0	70,999
Exports	58,000	66,379	0	62,132	0	67,049
Domestic Consumption	3,300	3,300	0	3,500	0	3,500
Ending Stocks	550	400	0	672	0	450
Total Distribution	61,850	70,079	0	66,304	0	70,999
	0	0	0	0	0	0
(HA) ,(MT)						

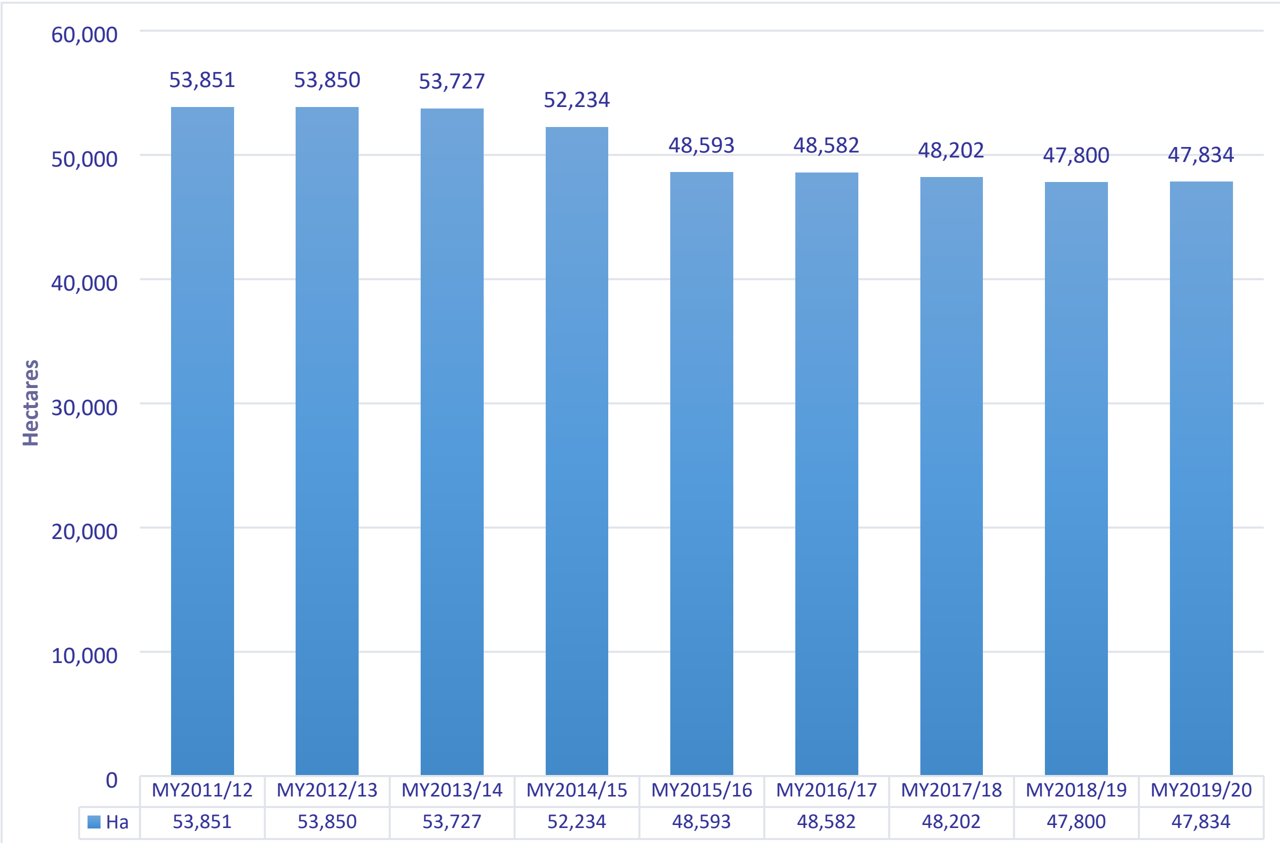
Source of data: Post estimates

Crop Area:

Most Chilean raisins come from orchards that produce fresh table grapes for export. There are only a few orchards that are dedicated exclusively to raisin production. Chile's fresh table grape planted area in MY2019/20 totaled 47,834 hectares (Ha) (See Graph 1). Table grape planted area has remained unchanged for the past five marketing years.

For orchards planted with traditional varieties such as Flame or Thompson, which do not have high demand in the fresh table grape export business, raisin production has become a profitable alternative to reduce the risk of not gaining any profits at all due to increased competition from Peru and consumer demands for new varieties.

Graph 1. Table Grape Planted Area (Hectares)



Source: ODEPA, 2020

Production:

Raisin production volume has not changed significantly in the past marketing years due to increased competition and lower profits compared to the fresh table grape export business. Table grape growers do not dedicate their production exclusively to produce raisins and the existing ones may choose to replace their orchards with a new variety or a new species instead of converting to the raisin production business. Additionally, as the most competitive growers remain in the fresh table grape export business, the percentage of fresh table grapes destined to export markets increases, thus reducing the amount of table grapes available to produce raisins.

In MY2019/20, fresh table grape production decreased by 7.2 percent to 770,000MT, mainly due to drought. In Chile, many table grape growers have access to large water reservoirs, use drip irrigation systems, construct private water reservoirs, and use modern grape varieties, which allows them to remain productive amid drought periods. Therefore, Post estimates a slight year-to-year decrease (7 percent) in raisin production totaling 64,904 MT.

For MY2020/21, Post projects raisin production to increase by 6.5 percent and reach 69,119 MT due to abundant rainfall during the winter (See Table 1 and Table 2).

Table 2: Grape Production Volume (MT) by Type of Production Sector

Production sector	**MY2018/19 (MT)**	**Share (%)**	**MY2019/20 (MT)**	**Share (%)**	**MY2020/21 (MT)**	**Share (%)**
Fresh Table Grapes	830,000	60	770,000	60	820,000	60
Raisin production (fresh basis)	304,333	22	282,333	22	300,667	22
Raisins (dried basis)	*69,340*		*64,904*		*69,119*	
Juice production	179,833	13	166,833	13	177,667	13
Wine production	69,167	5	64,167	5	68,333	5
Total Production	**1,383,333**	**100**	**1,283,333**	**100**	**1,366,667**	**100**

Source: Post Estimates

Consumption:

Chile exports nearly 95 percent of its raisin production to the world since domestic demand is limited. The Chilean confectionery and baking industry consume most of the local raisins. Raisin consumption is estimated to increase by six percent to 3,500 MT in MY2019/20 due to higher domestic demand for snacks, confectionery, and baking products. Households demand for these products has increased slightly during imposed and voluntary confinement due to the COVID-19 pandemic.

Stocks:

Due to logistic difficulties of processing and exporting raisins, such as reduced number of workers, delays in transport and shipping, as a result of the COVID-19 crisis, Post estimates an increase in MY2019/20 stocks to 672 MT followed by a 33 percent decrease to 450 MT in MY2020/21, assuming exporting logistics would normalize.

Trade:

From January to May 2020, Chilean raisin exports to the world decreased by 13.5 percent in volume over the same period in 2019 reaching 18,877 MT (Table 3) and $43 million (SeeTable 4).

Post estimates that in MY2019/20, Chilean raisin exports will decrease to 62,132 MT and bounce back to 67,049 MT in MY2020/21 following an increase in table grape production (See Table 1).

Chilean raisins remain known for their Jumbo caliber, which has gained recognition in the international markets. The Jumbo caliber is a result of producing raisins from orchards that are intended for fresh table grapes exports, which have a large size compared to table grapes from a raisin production orchard.

According to the Chilean Chamber of Commerce, there are many Chilean producers of fresh table grapes. However, there are only 37 raisin exporters and most of them buy leftover table grapes for further processing.

Chilean raisin exporters have diversified its destinations, reaching over 75 countries. Mexico is the top market for Chilean raisin exports (9.4 percent), followed by the United States (9 percent), Peru (7.3 percent), and the United Kingdom (7.1 percent).

The United States was the top market for Chilean raisins until MY 2017/18. However, Chilean exports to the United States decreased by 42.9 percent the following MY because Chilean exporters obtained higher prices in other markets such as Colombia, China, Russia, and the European Union.

Table 3: Chilean Export Statistics, Quantity

Chile Exports to _World						
Commodity: 080620, Grapes, Dried (Including Raisins)						
Quantity (MT)						
Partner	Marketing Year (MY)			January-May		
	MY2017/18	MY2018/19	Variation (%)	Jan - May 2019	Jan - May 2020	Variation (%)
World	62,940	66,379	5.5	21,828	18,877	-13.5
Mexico	6,159	6,231	1.2	2,524	2,370	-6.1
United States	10,464	5,978	-42.9	2,211	1,569	-29.0
Peru	4,846	4,846	-	532	437	-17.9
United Kingdom	5,158	4,729	-8.3	2,080	1,564	-24.8
Colombia	3,329	4,633	39.2	1,655	957	-42.2
China	2,502	4,538	81.4	888	575	-35.3
Russia	3,164	4,115	30.1	1,496	1,123	-24.9
Netherlands	3,064	4,113	34.2	1,737	1,661	-4.4
Ecuador	2,220	2,706	21.9	707	510	-27.9
Spain	1,499	2,010	34.1	733	792	8.1
Denmark	1,439	1,775	23.3	648	607	-6.3
Taiwan	1,572	1,617	2.9	575	703	22.3
Poland	1,160	1,463	26.1	242	628	159.5
Turkey	910	1,428	56.9	418	413	-1.2
Japan	1,319	1,266	-4.0	570	243	-57.4
Others	14,135	14,931	5.6	4,812	4,725	-1.8

Source of Data: Trade Data Monitor, LLC

Table 4: Chilean Export Statistics, Value

Chile Exports to _World						
Commodity: 080620, Grapes, Dried (Including Raisins)						
Value in U.S. dollars						
Partner	**Marketing Year (MY)**			**January-May**		
	MY2017/18	**MY2018/19**	**Variation (%)**	**Jan - May 2019**	**Jan - May 2020**	**Variation (%)**
World	155,686,143	155,046,399	-0.41	52,028,950	43,027,351	-17.30
United States	24,770,909	13,620,871	-45.01	5,230,254	3,330,213	-36.33
Mexico	13,425,491	12,784,034	-4.78	5,408,323	4,328,717	-19.96
Peru	12,902,434	11,616,840	-9.96	1,312,633	1,029,573	-21.56
United Kingdom	12,591,877	11,192,128	-11.12	4,916,582	3,565,361	-27.48
China	6,324,159	10,791,778	70.64	2,194,125	1,257,676	-42.68
Netherlands	7,804,840	10,284,020	31.76	4,315,079	4,131,045	-4.26
Russia	8,261,320	10,278,493	24.42	3,831,591	3,035,948	-20.77
Colombia	6,343,298	8,865,408	39.76	3,159,194	1,790,366	-43.33
Spain	3,776,325	4,834,542	28.02	1,840,882	1,796,025	-2.44
Ecuador	3,806,347	4,569,436	20.05	1,187,944	846,336	-28.76
Denmark	3,302,119	4,041,870	22.40	1,476,333	1,345,844	-8.84
Taiwan	3,746,239	3,754,162	0.21	1,390,646	1,529,415	9.98
Turkey	2,264,432	3,439,250	51.88	954,564	976,235	2.27
France	4,425,185	3,328,824	-24.78	1,155,172	1,495,430	29.46
Poland	3,032,392	3,298,503	8.78	548,987	1,334,608	143.10
Others	38,908,776	38,346,240	-1.45	13,106,641	11,234,559	-14.28

Source of Data: Trade Data Monitor, LLC

Recent Developments in Agriculture and Impact of the COVID-19 Pandemic:

Since the start of the COVID-19 global pandemic, in early March 2020, the Chilean government has focused on maintaining the food supply chain working, promoting open and transparent markets, and implementing sanitary protocols. On March 23, 2020, Minister of Agriculture, Antonio Walker, declared agriculture as an essential activity, thus the entire food chain has continued to work without interruptions.

In particular, the fruit exporting sector adopted sanitary protocols at the various links of the supply chain, including production, processing, and packing facilities while the National Customs Service implemented measures to streamline the fruit export process. Chilean fruit exporters quickly adopted additional sanitary protocols to ensure not only the food supply, but also the safety of the workers, including the use of face masks, installing division panels in work areas and cafeterias, marking hallways to differentiate the entrance and exit of the facilities, increasing sanitization, providing transportation to workers, reducing the number of workers per shift, and continuously training workers on proper implementation of sanitary and health protocols to avoid contagions and spread of the virus.

Nearly five months after the COVID-19 pandemic hit Chile, the government and the agricultural private sector continue to make joint efforts to maintain the food supply chain working for the domestic market and fulfill their international commitments.

Attachments:

No Attachments