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DRIED FRUIT REPORT # 1 – 2019:

January, 2019.

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1. RAISINS:

So far, grape production for this season is growing rather fine, no rain and enough irrigation water is rendering nice crop, sizes, and assuring less problems with quality issues.

In the northern part of Chile (earlier production and varieties), the crop is coming quickly for fresh exports and the remaining is being transported to drying fields when sugar level has increased.

A new grape variety conversion trend is taking place in Chile these last years, affecting the traditional varieties (Flame and Thompsons) offer for fresh and thus for dried, this issue is bringing a doubt whether the remaining volume would be enough to keep fresh and drying industry with a consistent production, too early to predict as this is happening now.

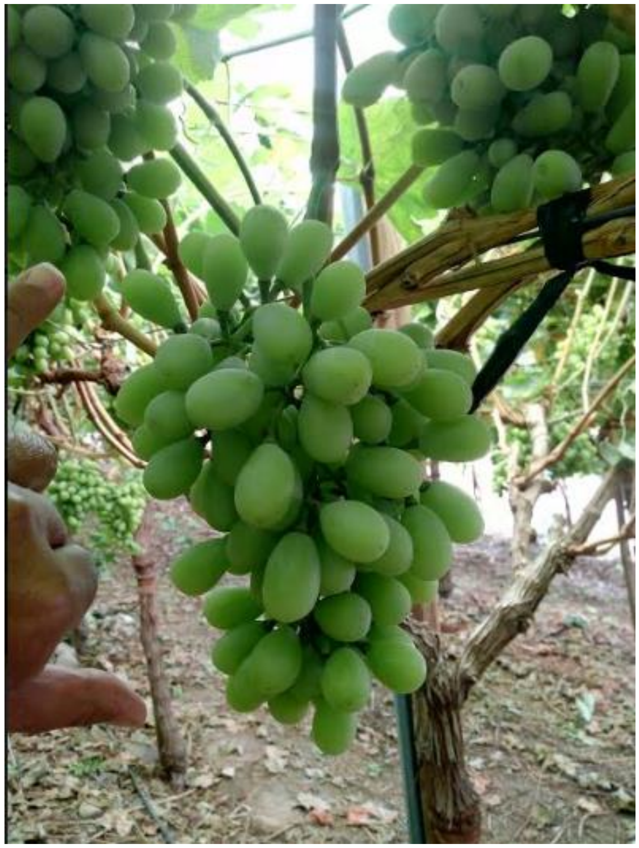
Golden raisin production has not begun yet, harvest for fresh has started on the north and it´s expected to start on the central region on the coming weeks and later for raisins (higher sugar content is required), then the processing for golden would be starting (March), new 2019 crop.

Some industry agents say there is a Golden raisins stock carryover, specially some factories that were reluctant to accommodate prices according past volume / season period and are waiting the new 2019 exercise in order to offer them to clients assuring the production is new one, in negotiations they might be able to reduce prices significantly to push sales, figures are diffuse, however.

The factories that are 100 % on golden business, are much less stocked, if any, and the prices might be higher as they can assure it comes from new crop (serious offers) and thus with proper shelf life performance, SO2 content compliance and golden colour according to market demand, have to be careful about price/ quality comparison, we are strongly advising our clients about this.

Regarding buying price, as the raw material price is still unstable, it´s hard to tell which the starting point would be and how it would react consequently, anyway, as earliest the contracts come it´s easier to select best available lots as the stock is bigger.

Other seedless raisins are just coming from drying facilities to processing, so volume is starting to increase, and orders being sorted out at short.



Check a raisin global summary data chart below, the big picture.

Raisin Production, Supply and Distribution for Select Countries

Metric Tons (Dry Weight Basis)

	2013/14	2014/15	2015/16	2016/17	2017/18	Sep 2018/19
Production						
Turkey	242,635	320,000	220,000	310,000	306,000	280,000
United States	368,408	332,211	352,441	304,723	241,402	263,000
China	165,000	180,000	190,000	165,000	180,000	190,000
Iran	160,000	130,000	139,000	170,000	110,000	150,000
South Africa	46,000	65,900	60,000	62,300	70,500	73,000
Uzbekistan	18,000	52,000	70,000	71,000	65,000	70,000
Chile	69,200	65,000	57,000	53,700	57,000	60,000
Argentina	20,500	37,000	40,000	31,000	41,000	42,000
Afghanistan	31,000	37,000	35,000	26,000	36,500	38,000
Australia	10,000	12,000	15,000	18,000	20,000	20,000
Other	20,000	21,000	19,500	19,000	22,000	19,000
Total	1,150,743	1,252,111	1,197,941	1,230,723	1,149,402	1,205,000
Domestic Consumption						
European Union	330,900	334,800	320,500	335,800	327,300	337,000
China	144,400	186,939	192,400	183,100	200,000	206,000
United States	215,636	238,039	235,136	220,909	205,000	205,564
Japan	30,000	31,000	31,800	35,750	39,700	42,000
Australia	32,175	27,100	30,100	38,700	36,000	37,500
Kazakhstan	13,200	36,500	42,800	53,200	32,100	37,000
Turkey	58,100	55,225	42,500	49,200	30,077	31,800
Brazil	25,400	23,200	25,800	27,800	26,800	28,000
Canada	28,800	26,100	25,200	27,000	26,900	28,000
Iran	29,300	27,800	26,300	36,000	24,300	25,000
Other	221,000	212,950	204,425	214,625	195,100	205,100
Total	1,128,911	1,199,653	1,176,961	1,222,084	1,143,277	1,182,964
Ending Stocks						
United States	120,693	104,944	132,418	103,139	68,564	46,000
Argentina	0	2,000	3,000	1,000	1,500	2,000
Turkey	20,602	28,177	6,177	2,977	1,500	1,200
Chile	300	500	500	500	350	550
Afghanistan	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	141,595	135,621	142,095	107,616	71,914	49,750
Exports						
Turkey	186,900	259,900	201,800	265,700	278,900	250,000
Iran	130,700	102,200	112,700	134,000	85,700	125,000
United States	159,389	127,279	114,497	127,114	107,457	110,000
Uzbekistan	15,200	49,800	67,600	68,100	63,000	67,500
South Africa	35,050	52,900	46,500	48,800	58,000	60,000
Chile	66,000	62,000	55,600	51,800	55,000	58,000
Argentina	16,300	29,700	34,200	27,500	38,000	39,000
Other	78,700	70,000	79,100	51,700	62,300	69,500
Total	688,239	753,779	711,997	774,714	748,357	779,000
Imports						
European Union	328,900	332,800	321,600	333,200	323,200	335,000
Japan	30,000	31,000	31,800	35,750	39,700	42,000
Kazakhstan	13,200	36,500	42,800	53,200	32,100	37,000
China	18,700	29,339	33,600	35,500	35,000	36,000
United States	13,981	17,358	24,666	14,021	36,480	30,000
Brazil	25,400	23,200	25,800	27,800	26,800	28,000
Canada	28,800	26,100	25,200	27,000	26,900	28,000
Russia	34,100	26,600	27,300	29,200	24,100	24,000
Australia	24,375	19,200	20,300	24,400	21,000	23,000
India	12,100	16,100	15,500	15,900	18,000	19,000
Other	143,575	137,150	128,925	135,625	123,250	132,800
Total	673,131	695,347	697,491	731,596	706,530	734,800

The marketing year begins in August of the first year for Northern Hemisphere countries and January of the second year for Southern Hemisphere countries.