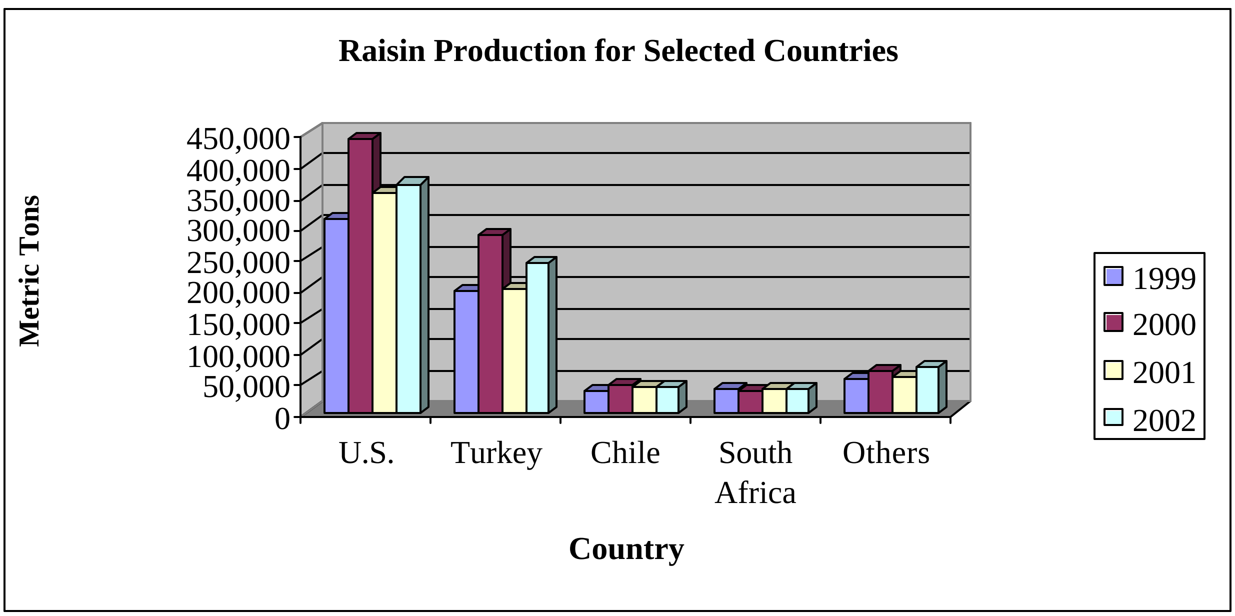
Dried Fruit (Raisin) Situation and Outlook In Selected Countries

Raisin production in key producing countries in 2002/03 is forecast at 762,154 metric tons, a 10-percent increase from the previous year. In selected northern hemisphere countries, production is forecast to increase by 9 percent in 2002/03 (September 2002 - August 2003). Production in Turkey and Greece is projected to increase by a combined 18 percent as recently planted orchards begin to add to production yields and favorable weather conditions prevail. Mexico's production is expected to fall slightly due to adverse economic conditions. In the southern hemisphere, total raisin production in Australia, Chile and South Africa is forecast at 112,000 metric tons (tons), a 22-percent increase from the previous year. Overall, total exports from these selected countries are expected to increase due to the larger crops and the implementation of more aggressive exporting strategies.

GLOBAL PRODUCTION & TRADE

The United States and Turkey are the largest raisin producers in the world. Combined, these two countries are expected to generate more than 553,802 tons of raisins in 2001/02. This accounts for more than 80 percent of the production among the world's key raisin producing countries.

The top four producers in 2001/02 are the United States (353,802 tons), Turkey (200,000 tons), Chile (41,500 tons) and South Africa (37,000 tons). Other major producers include Greece, Australia and Mexico.



Key Raisin Producing Countries in the Northern Hemisphere

Greece

Normal temperatures prevailed during the 2001/02 raisin growing season resulting in a 5-percent production increase. Raisin production for 2002/03 (September 2002 – August 2003) is expected to increase to 29,000 tons as a result of continued favorable weather conditions.

Lower priced exports from Turkey adversely affected Greece's trade activity in 2001/02. Traditional export markets for Greek raisins, including the United Kingdom (U.K.) and Germany, were primarily supplied with lower-priced Turkish sultanas. Traders reported that export prices (FOB Basis) for Greek sultanas fluctuated between 0.85-0.87 euros/kg for grade No 2. and 0.83-0.84 euros/kg for grade No. 4. According to local sources, Turkish sultanas entered the market with an FOB price at about 0.66 euros/kg. Greek raisin exports are expected to rebound in 2002/03 as the Turkish lira appreciates.

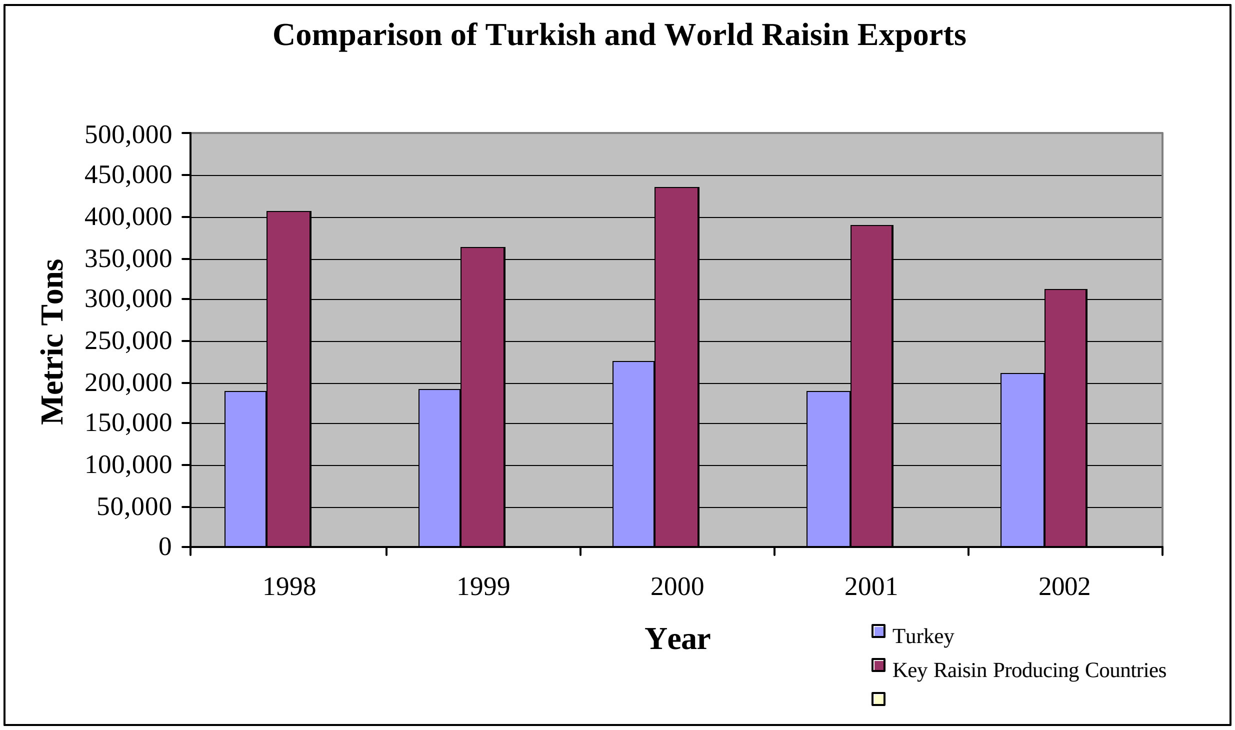
Raisin imports to Greece are minimal. In 2001/02, imports totaled 500 tons and trade conditions are unlikely to change.

Turkey

2001/02 raisin production is expected to be slightly lower due to lower supplies and appreciation of the Turkish lira. The 2002/03 crop is forecast to increase by more than 26 percent as weather conditions and recently-planted orchards begin to bear fruit. The industry has, in recent years, sought to improve the quality of Turkish raisins through better growing, harvesting, and drying techniques designed to improve cleanliness. Improvements have included the widespread use of trellises, increasing use of small plastic harvest crates (rather than sacks to minimize compaction), and the widespread use of concrete drying beds and/or plastic sheeting. Private processors have financed most of these improvements and much of the capital was derived from higher export prices obtained as a result of the EU's minimum import price system. In general, Turkish raisins are lighter in color and rounder than California raisins. The color difference is due to the fact that lye is used to speed the drying of Turkish sultanas.

Turkey exports approximately 80 percent of its raisin production annually and is the largest raisin exporter in the world. Turkey's exports account for nearly 50 percent of all the raisin exports shipped among the key raising producing countries in the last four years. In 2002/03, an anticipated larger raisin crop is expected to increase exports by 11 percent to 210,000 tons. Germany, the United Kingdom, the Netherlands and Italy are the leading export markets for Turkish raisins. Due to increased global competition from South Africa, Australia and Greece, the Turkish Government has attempted to find new markets for Turkish exporters and continues its efforts to expand its presence in the United States market.

Raisin imports by Turkey remain relatively small at 1,000 tons. Although the government recently announced that the import duty on raisins of all origins was being reduced from 56.7 percent to 56.1 percent, this minimal reduction is unlikely to have an effect on raisin imports.



Source: FAS Agriculture Attaché Reports

Mexico

Lower prices and lack of available credit are likely to decrease 2002/03 production by 12 percent to 13, 200 tons. Lower domestic and international prices are diverting some raisins for the wine and juice markets. Declining water resources are exacerbating the worsening conditions and are also expected to limit future raisin expansion.

Exports in 2002/03 are forecast to remain at 6,000 tons as a result of continued low raisin prices. The highest quality production is usually exported, mainly to the United States, and the rest is packaged for domestic consumers or used as food ingredients by the domestic baking and food processing industries.

Lower quality imports generally fill the void left by lower domestic production and raisin exports. In 2001/02, imports totaled 11,200 tons, primarily supplied by lower quality and lower-priced imports from Chile. Chile accounted for 86 percent of the total 1999/2000 and 2000/01 rais[illegible] Imported raisins, other than from the United States and Chile, have an import tariff of 2[illegible] percent. Under the North American Free Trade Agreement (NAFTA), both Mexico and the United States allow raisins to enter duty-free. Chilean raisins also enter duty-free under the existing Chile-Mexico FTA.

United States

Raisin production for 2001/02 is estimated at 353,802 tons, down 20 percent from the previous year's record. Large stock levels and depressed prices continue to hamper the U.S. raisin industry. The 2002/03 crop is forecast to increase by 4 percent to 368,000 tons.

Large stock levels and competitive prices are expected to increase U.S. raisin exports for 2001/02 and 2002/03. U.S. raisin exports for August-April 2001/02 are up almost 2 percent from the same period in 2000/01. U.S. export to Malaysia jumped sharply during this period to 1,209 tons from 476 tons. The United Kingdom, Japan and Canada remain major markets for U.S. raisins.

Overall U.S. raisin imports are 17 percent higher between August-March 2001/02 compared to the same period a year ago, as a result of lower-priced products coming in from South America. Raisin imports from Argentina have risen significantly to 1,846 tons from 707 tons. Mexico's exports to the U.S. are up 16 percent. Imports are forecast to decline slightly as domestic prices for raisins continue to fall in 2002/03.

The Raisin Administrative Committee (RAC) requested $2,900,000 in Market Access Program (MAP) funding to continue marketing activities in Asia, Scandinavia and the United Kingdom in 2002. RAC=s main strategy will be to convince the trade sector of the value added qualities of raisins. Activities for this sector will include a variety of technical (baking) seminars, trade shows and new product development contests to communicate the message that raisins have value added qualities. In certain countries RAC adds a consumer strategy that focuses on the quality, nutrition and use of California raisins. The activities would be mostly in-store promotions and Public Relations. Their program in the U.K. includes funds for branded activities, which includes print advertising, features in store magazines, and trade and consumer advertising. Additionally, RAC also requested Emerging Market funds for China and Estonia to assist in capitalizing our perceived opportunities in the confectionary and baking industries. These proposals are under consideration.

Key Raisin Producing Countries in the Southern Hemisphere

Australia

In 2001/02, the raisin crop produced its lowest yields in history due to poor seasonal conditions. Low raisin prices and diversion of crops to wine production are also contributing to the decreased production of 13,676 tons. Favorable weather conditions and reduction in wine grape prices are expected to return raisin production to its normal levels in 2002/03; the raisin crop is forecast at 31,000 tons.

Exports are expected to rebound to 5,200 tons as a result of the larger production in 2002/03. Germany, the United Kingdom and Canada remain as leading export markets for Australia's raisins.

Australia is expected to import 15,000 tons of raisins from the world in 2002/03. Turkey remains the dominant raisin supplier to Australia, followed by Iran and Greece.

Chile

In 2001, the raisin crop fell 8 percent as the availability of discarded table grapes decreased. Raisin production for 2002 is anticipated to be at 42,000 tons, similar to the previous year, as weather conditions remain relatively stable. 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 wine varietals 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.

Chilean raisins are primarily exported to the Latin America region including Mexico, Brazil, Colombia, Peru and Venezuela. The Netherlands, the U.K., and France are its leading European export markets. More than 90 percent of Chile's raisin production is exported.

No imports entered Chile in the past three years. A flat 8-percent import tariff was charged in 2001. This rate is expected to fall to 7 percent in 2002, and stay at 6 percent starting in 2003. In addition, an 18-percent value-added tax is charged on all consumer items, both domestic and imported.

South Africa

The raisin crop is forecast to increase by 5 percent in 2002/03 to 39,000 tons. Lower prices for juice and wine are expected to divert grapes to raisin production and are likely to contribute to the larger crop. Favorable weather conditions are expected to increase the 2001/02 crop by 8 percent to 37,000 tons.

The devaluation of the rand is anticipated to contribute to a 4-percent increase in South African exports in 2001/02, with foreign shipments going to European markets including Germany, the Netherlands, the U.K., Portugal and France. Canada and Japan are also leading export markets. Raisin imports by South Africa are minimal.

(***The FAS Attaché Report search engine contains reports on the Dried Fruit industries for 6 countries, including Australia, Chile, and South Africa. For information on production and trade, contact Rey Santella at 202-720-0897. For information on marketing contact Kristin Kezar at 202-690-0556.***)

RAISINS: PRODUCTION, SUPPLY, AND DISTRIBUTION

Marketing Year (August/July) 1998/99 - 2002/03

(Tons)

Country/ Marketing Year 1/	Beginning Stocks	Production	Imports 3/	Exports	Domestic Consumption 2/	Ending Stocks
NORTHERN HEMISPHERE						
Greece						
1998/99	2,930	28,000	4,000	24,000	4,500	6,430
1999/2000	6,430	22,500	1,000	23,000	4,500	2,430
2000/01	2,430	28,000	1,000	21,500	4,000	5,930
2001/02	5,930	28,500	500	24,000	7,430	3,500
2002/03 F	3,500	29,000	500	24,000	6,700	2,300
Turkey						
1998/99	28,593	250,000	3,131	188,247	30,000	63,477
1999/2000	63,477	195,000	1,550	192,433	30,000	37,594
2000/01	37,594	285,000	3,101	226,232	30,000	69,463
2001/02	69,463	200,000	1,000	190,000	41,000	39,463
2002/03 F	39,463	240,000	1,000	210,000	40,000	30,463
Mexico						
1998/99	0	20,000	4,474	13,142	11,332	0
1999/2000	0	12,000	8,278	7,783	12,495	0
2000/01	0	13,000	11,186	4,728	19,458	0
2001/02	0	13,500	11,200	6,000	18,700	0
2002/03 F	0	13,200	11,400	6,000	18,600	0
United States						
1998/99	146,273	227,703	24,579	110,591	196,632	91,332
1999/2000	91,332	310,529	17,370	79,995	204,252	134,984
2000/01	134,984	439,531	11,899	109,055	200,941	276,418
2001/02	276,418	353,802	20,000	110,000	203,000	337,220
2002/03 F	337,220	368,000	18,423	111,000	202,731	409,912
Total Northern Hemisphere						
1998/99	177,796	525,703	36,184	335,980	242,464	161,239
1999/2000	161,239	540,029	28,198	303,211	251,247	175,008
2000/01	175,008	765,531	27,186	361,515	254,399	351,811
2001/02	351,811	595,802	32,700	330,000	270,130	380,183
2002/03 F	380,183	650,200	31,323	351,000	268,031	442,675
Australia						
1998/99	4,000	38,500	11,481	14,485	32,196	7,300
1999/2000	7,300	21,119	16,885	5,599	35,105	4,600
2000/01	4,600	26,667	17,353	6,401	35,300	6,919

2001/02	6,919	13,676	17,400	4,416	32,579	1,000
2002/03 F	1,000	31,000	15,000	5,200	35,000	6,800
Chile						
1998/99	3,041	27,820	0	27,017	3,500	344
1999/2000	344	36,000	0	32,563	3,500	281
2000/01	281	45,000	0	41,576	3,500	205
2001/02	205	41,500	0	38,000	3,500	205
2002/03 F	205	42,000	0	38,400	3,500	305
South Africa; Republic of						
1998/99	5,744	40,358	0	28,214	12,600	5,288
1999/2000	5,288	38,142	1	20,926	13,000	9,505
2000/01	9,505	34,000	1	25,900	12,000	5,606
2001/02	5,606	37,000	1	27,000	10,500	5,107
2002/03 F	5,107	39,000	1	28,800	11,200	4,108
Total Southern Hemisphere						
1998/99	12,785	106,678	11,481	69,716	48,296	12,932
1999/2000	12,932	95,261	16,886	59,088	51,605	14,386
2000/01	14,386	105,667	17,354	73,877	50,800	12,730
2001/02	12,730	92,176	17,401	69,416	46,579	6,312
2002/03 F	6,312	112,000	15,001	72,400	49,700	11,213
Grand Total						
1998/99	190,581	632,381	47,665	405,696	290,760	174,171
1999/2000	174,171	635,290	45,084	362,299	302,852	189,394
2000/01	189,394	871,198	44,540	435,392	305,199	364,541
2001/02	364,541	687,978	50,101	399,416	316,709	386,495
2002/03 F	386,495	762,200	46,324	423,400	317,731	453,888

Source: U.S. Foreign Agricultural Attaché Reports, USDA, National Agricultural Statistics Service.

1/ Northern Hemisphere marketing years begin August 1, and September 1 in Turkey. Marketing years for Southern Hemisphere raisins, (which are harvested early in the second of the split years shown) begin Jan. 1, and March 1 in Australia

2/ Domestic consumption figures include raisins used for feed and distillation purposes. 3/ Imports include currants. U.S. production data have been converted to a packed weight basis in order to align them with the other supply and distribution statistics.

F = Forecast

U.S. EXPORTS OF RAISINS
Marketing Year (August/July) 1998/99 - 2000/01
and 2000/01-2001/02 August/March Comparisons
(Tons)

Destination	1998/99	1999/00	2000/1	August/March 2000/01	August/March 2001/02	Percent Changed
North America						
Canada	12,121	10,722	11,793	8,257	8,121	-1.65%
Mexico	896	1,173	630	579	270	-53.35%
Subtotal	13,017	11,895	12,422	8,836	8,391	-5.04%
European Union						
Sweden	4,368	3,527	4,805	3,493	3,236	-7.35%
Finland	2,270	1,725	1,614	1,318	1,371	4.08%
Denmark	5,148	3,177	3,852	2,750	2,052	-25.36%
United Kingdom	22,195	11,516	24,101	15,901	16,457	3.50%
Netherlands	3,471	2,812	5,551	4,038	2,853	-29.34%
France	669	625	275	161	276	71.18%
Germany	5,092	3,280	7,095	4,418	4,260	-3.60%
Spain	587	499	505	294	572	94.59%
Belgium-Lux.	926	691	889	594	631	6.32%
Italy	221	117	320	278	57	-79.60%
Ireland	110	75	72	47	46	-1.71%
Subtotal	45,057	28,042	49,079	33,291	31,811	-4.45%
Asia						
Singapore	2,776	2,162	2,025	1,470	1,285	-12.57%
Malaysia	686	577	907	476	1,209	153.89%
Korea, Republic of	1,654	1,122	2,304	1,723	1,999	15.97%
Hong Kong	1,763	1,368	2,436	1,956	2,022	3.41%
Taiwan	3,887	2,639	3,835	2,772	2,786	0.50%
Japan	30,014	22,760	22,840	15,059	15,132	0.48%
Subtotal	40,779	30,627	34,347	23,456	24,433	4.16%
Other Countries						
New Zealand	1,312	1,003	1,319	929	724	-22.02%
Norway	2,309	2,045	2,384	1,730	1,617	-6.55%
All Others	8,117	6,383	9,504	6,632	8,950	34.95%
Grand Total	110,591	79,995	109,055	74,874	75,927	1.41%

Source: U.S. Bureau of the Census

U.S. IMPORTS OF RAISINS

Marketing Year (August/July) 1998/99 - 2000/01

and 2000/01-2001/02 August/March Comparisons

(Tons)

Origin	1998/99	1999/2000	2000/01	August/March 2000/01	August/March 2001/02	Percent Changed
CHILE	4,362	5,747	4,680	2,371	2,412	2%
MEXICO	11,070	6,305	3,849	3,067	3,561	16%
SOUTH AFRICA, REPUBL	963	1,286	1,385	853	669	-22%
ARGENTINA	1,799	2,488	1,380	707	1,846	161%
IRAN	0	9	221	146	117	-20%
PAKISTAN	349	608	192	185	39	-79%
TURKEY	1,412	368	52	32	46	41%
CHINA, PEOPLES REPUB	15	0	45	42	1	-97%
UNITED ARAB EMIRATES	0	16	42	42	0	-100%
AFGHANISTAN	4,287	419	17	17	0	-100%
UZBEKISTAN, REPUBLIC	137	0	17	0	0	0%
MACAU	0	0	15	0	0	0%
LEBANON	0	1	5	5	5	9%
AUSTRALIA	2	0	0	0	0	0%
CANADA	0	31	0	0	7	0%
GERMANY	20	0	0	0	0	0%
REST OF WORLD	164	92	0	0	0	0%
Grand Total	24,759	17,370	11,899	7,466	8,702	17%

Source: U.S. Bureau of the Census