From Grapes to Wine: 
an Overview of a Chilean Success Story

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Abstract:

The purpose of this (evolving) paper is to present a descriptive analysis of recent developments in the Chilean grape and wine production sub-sector over the last three decades. The paper starts with a background of policies that arguably set the foundation for the expansion of the agricultural sector particularly the fruit subsector and wine production. The paper then presents an overview of the recent evolution of global wine markets with special attention given to Chile’s participation, followed by a discussion of organic viticulture in Chile. This preliminary and evolving analysis suggests that the path the Chilean wine industry has followed is consistent with the evolution of market demand, which continues to shift toward higher quality wines, produced in a friendly environment. Chile is poised to capitalize on the further growth in the demand for wine, as it becomes increasingly perceived as a functional food. In addition, the relative geographical isolation of the country affords it a comparative advantage in organic production, which is likely to be another expanding market niche.