Regional Wine Value Chains: trade in value-added flows in Chile

Topic: Regional Analysis
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The wine value chain in Chile has a characteristic regional dimension. Southern areas possess productive capabilities that make the country a recognized exporter of grapes and wine; however, regionally, the distribution of the benefits of the chain is not homogeneous. The objective of this study is to map the structure of value-added flows in the grape and wine chain using an interregional input-output technique. From the demand perspective, forward and backward linkages and interregional flows between grape production and wine production were estimated, allowing the determination of value flows and the potential for upstream and downstream productive development. The results suggest an unequal structure, with a concentration of added value benefits in wine compared to grapes. Southern regions such as Oâ€™Higgins, Maule, and AraucanÃ-a concentrate the benefits of primary grape production, while the affluent Santiago Metropolitan Region concentrates the benefits of the wine consumer market, which adds considerable value. Finally, value transfers from primary and agricultural regions to prosperous areas that manage to add value to the chain are suggested.