

# WARMING TO ITS TASK

ProChile, the export arm of Chile's government, has moved from helping big wine companies to smaller ones. Marcela Burgos investigates.



ProChile is the Chilean government's export promotion bureau. It supports the food sector, which encompasses a wide range of products, including fruit, seafood and wine. Given that wine is one of the few exportable goods that reaches the final consumer labelled with the word "Chile", it makes a valuable contribution to the country's image internationally.

ProChile offers wine exporters several tools, including strategic advice, networking, the chance to have a stand at event venues and – the most desired tool – money from the agricultural fund managed jointly by the Ministries of Foreign Affairs and Agriculture. Since 2014, ProChile has changed how it distributes these funds, mainly to respond to a new industry structure.

## *A new industry*

In Chile there are 800 registered wineries, 320 of which export. Unlike other wine marketing bodies around the world, Wines of Chile is a private organisation that currently represents only 71 of these wine producers. Until 2013, they received 100 per cent of ProChile's annual sector wine funds – a sum of around \$1.8m.

Ever since, Wines of Chile is not seen as representative of the whole industry. The year 2009 saw the birth of MOVI, the

Movement of Independent Vintners, an association of 33 producers of quality wine. A year later came VIGNO, the closest to a DO in Chile, a group of 15 producers who are rescuing the heritage of old Carignan vines in the Maule Valley. In the past eight years, these two associations have debunked the stereotype

image of Chile as a producer of wines that lack personality. While MOVI and VIGNO have consolidated their positioning domestically and internationally, several other small, very specific associations have also sprung up across the country.

With this evolution of the industry comes the "new Chile" that ProChile is eager to show to the world. While it agrees that this new Chile can also include large companies, the reality is that they are mostly small producers who do not add much to the export figures. They do, however, contribute to the country's image in terms of showing the quality potential and diversity of grapes, origin and styles Chile can offer.

## *The way it operates*

There are different ways to benefit from ProChile's funds. Through industry-specific plans, ProChile supports specific goods and services that widen the export basket. Such is the case of wines made from old-vine Carignan, País, Cinsault, Sémillon and Muscat hidden in long-forgotten vineyards in Maule and Bio Bio in southern Chile, which have been acclaimed by both international critics and consumers.

Because these ancestral varieties not only represent national heritage but also have a social impact domestically, ProChile provided airfares and local event organisation to support a commercial mission to the Netherlands

last November. A group of 11 producers was pre-selected according to wine style, volume available and market presence, then a panel tasting chose the final selection. Around 100 local trade buyers attended the event in Amsterdam, which consisted of a morning filled with presentations and tastings followed by a round of business meetings in the afternoon. Participant producer Connie Schwaderer says: "It was exactly what we needed: meetings with potential importers and distributors. There is no value in investing in promotion if the wine is not distributed in the market."

Outside the industry-specific plans, associations can submit projects for ProChile's forestry, agricultural and livestock competition. Thus, for 2018 Wines of Chile won \$1.2m dollars of total co-financing, Curico and Maule Valley trade association \$65,000, Colchagua trade association \$53,000 and MOVI \$28,000. Individual wineries of all sizes can also participate to receive co-financing for their projects: up to 65 percent for small- and medium-sized companies and up to 45 percent for large companies, with a maximum of \$33,000 of public co-financing per project. For example, renowned Syrah producer Polkura – a MOVI member – won two \$10,000 projects this way, which will translate into an importer salesforce trip to Chile and a sales trip to North America.

ProChile is clearly seeking to fulfil its role to spread its support across the wine export industry. This has meant that it has acknowledged the relevance of country image and included qualitative criteria when selecting funding beneficiaries. The current challenge is to continue evolving its policies to ensure the distribution of funds remains representative of the new industry structure while still achieving target figures. Furthermore, it remains to be seen how the presidency of newly inaugurated right-wing businessman, Sebastián Piñera, will impact ProChile's strategic targets and the way it currently operates. ■