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Prepared By: Maria Herrera

Approved By: Bret Tate

Report Highlights:

Chile has a modern and developed food and beverage processing industry. The Chilean food sector is the second most relevant export sector in the country after mining. There are significant opportunities for imported food ingredients in Chile, as half of all ingredients used by the food processing industry are imported. U.S. products and ingredients which have good sales potential in the Chile market are: bakery products, animal proteins, tree nuts, dairy products, natural flavors, sauces and condiments, and edible oils.

MARKET FACT SHEET: CHILE

Executive Summary

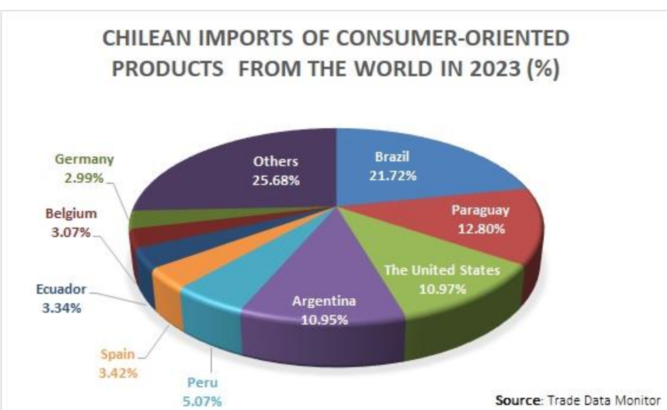
Chile is a South American country that borders the Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 administrative regions. In 2022, Chile had a population of 19.9 million, with 8.3 million living in the Santiago Metropolitan region.

In 2023, Chile's Gross Domestic Product (GDP) in current prices totaled $340 billion, a 0.2 percent increase over 2022. For 2024, the Chilean Central Bank projects a GDP growth that will range between 1.25 and 2.25 percent due to a recovery in consumption. GDP per capita reached $30,208 PPP in 2023 (World Bank), leaving Chile as one of the highest per capita GDPs, in Latin America.

Chile's economy is driven by exports, concentrated primarily in the mining and agricultural sectors - fishery products, forestry, and fresh fruit. In 2023, Chilean agriculture represented 8.5 percent of the country's GDP ($28.9 billion), 24.3 percent of exports ($23.6 billion), and employed around 10 percent of Chile's labor force.

Import of Consumer-Oriented Products

Chile is the third largest market in South America for U.S. agricultural products, after Colombia and Peru, and the second largest market in South America for U.S. consumer-oriented agricultural products. In 2023, consumer-oriented agricultural exports summed $539 million, comprising over 50 percent of all agricultural exports. The top U.S. consumer-oriented products exports to Chile are dairy products, condiments and sauces, pork, poultry, beef and beef products, beer, food preparations, pet food, distilled spirits, chocolate and cocoa products, and tree nuts.



Food Retail Industry

In 2023, the Chilean retail food industry witnessed a robust recovery, with total sales reaching approximately $28.5 billion, a 2.3 percent over 2022. The Chilean retail is made up of large supermarkets, mid-sized grocery stores, convenience stores, and thousands of smaller independent mom-and-pop shops. Supermarkets and grocery stores remained the primary retail channels for food products, accounting for around 53.6 percent of the market share.

HRI Industry

2023's consumer foodservice industry was significantly different from that of 2019. The pandemic prompted many changes, with the advancement of online ordering and home delivery the most significant. For restaurants, online ordering developed from being almost insignificant in 2019 to representing 25 percent of value in 2023. This means that to be successful, restaurants now need to be able to develop an attractive online presence.

Quick Facts

Chile Food & Ag Exports (U.S. billion): $23.6
Chile Food & Ag Imports (U.S. billion): $10.7

Imports of U.S. Consumer-Oriented Products 2023:
$539 million

Top Ten Ag and Related Products Exports to Chile:

1. Feeds, Meals, Fodders	2. Wheat
3. Dairy Products	4. Soybean Meal
5. Condiments & Sauces	6. Pork, and products
7. Poultry, and products	8. Beef, and products
9. Beer	10. Food Preparations

Top Retailers in Chile:
1. Walmart Chile (Líder, Express de Líder, Super Bodega, aCuenta, and Central Mayorista)
2. Cencosud (Jumbo, Santa Isabel and Spid)
3. SMU (Unimarc, Mayorista 10, Alvi, Maxi Ahorro, and Mayorsa)
4. Falabella (Tottus)

Food Industry by Channels (U.S. billion) 2023:

Total Retail Food Sales	$28.9
Supermarket Only Food Sales	$15.5
Total Retail (includes non-food)	$56.9

GDP/Population 2023: $17,347
Population (millions): 19.6
GDP (billions USD): $340
GDP per capita (USD PP): $30,208 PPP

Sources: Trade Data Monitor (TDM), Euromonitor, World Bank, Chilean Central Bank and trade interviews

Strengths/Weaknesses/Opportunities/Threats

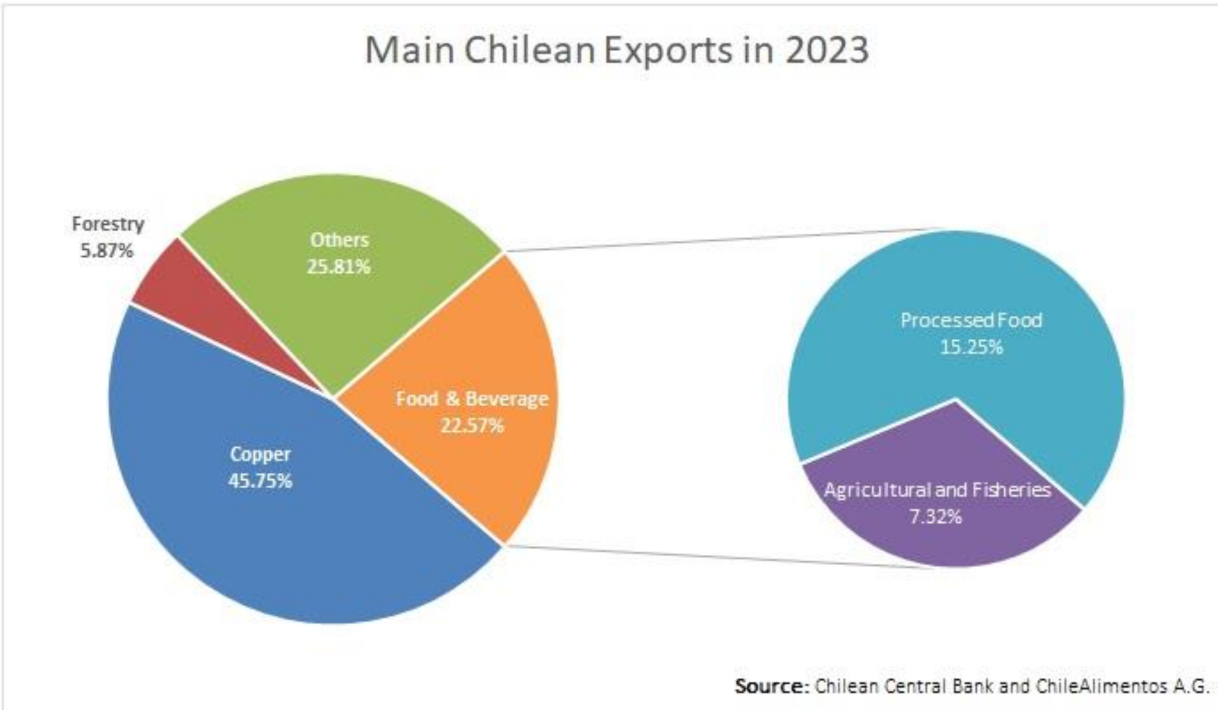
Strengths	**Weaknesses**
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products.	Relatively small-size market compared to neighboring countries.
Opportunities	**Threats**
Chile has the highest income per capita in Latin America.	High inflation in recent years.

Data Sources: Global Agricultural Trade System; Trade Data Monitor; Chilean Central Bank; World Bank; Chilean National Institute of Statistics; Euromonitor.

SECTION I. MARKET SUMMARY

Chile is an open economy with a developed and competitive food industry. The food processing industry is one of the largest segments of the Chilean economy. The food and beverage processing industry represents 15.4 percent of Chile's exports, at $14.5 billion in 2023. The sector contributed 3.8 percent to national GDP in 2023 and employed over 360,000 workers. Chile is known for exporting a wide variety of products including salmon, fresh fruit, wine, and forestry products. In 2023, Chile exported 27.5 percent of its agricultural and related products to the United States, totaling $6.5 billion, and making it the top export market for this category of products. While Chile is an agricultural producer and exporter of many high-value agricultural products, there are certain products where the domestic supply is not enough to cover domestic consumption needs, such as wheat, corn, pulses, beef, and dairy.

Figure 1: 2023 Chilean Exports by Product Category



Chile exports 92 percent of the food it produces to markets with trade agreements such as China, the United States, European Union, Japan, and the Southern Common Market (MERCOSUR). Since 2015, when all duties were removed under terms of the U.S.-Chile Free Trade Agreement, U.S. agricultural exports to Chile have increased 30 percent to $1.0 billion. Chilean food processors sell their products nationally or internationally. The Foreign Investment Agency of Chile (*InvestChile*) reports that 54 percent of Chile's total food production is destined for the domestic market, and 46 percent is exported to more than 180 countries worldwide. Chilean food processing companies report rising production and marketing costs for food products.

Chilean regulation requires labeling of food products high in sugar, saturated fat, calories, and sodium. The Chilean food industry continues searching for new formulations and different ingredients to avoid mandatory labeling associated with the regulation.

Table 1: Advantages and Challenges Facing U.S. Exporters

Advantages	Challenges
The United States is a strong trading partner for Chile: the U.S.-Chile Free Trade Agreement (FTA) facilitates commerce.	Chilean importers do not depend on products or food ingredients from a specific region.
The United States is recognized as a reliable supplier of high-quality food products.	Chilean consumers are used to competitive prices due to the openness of the economy.
Demand for healthier ingredients has increased.	The United States competes with MERCOSUR and European countries in the ingredients sector.
U.S. products and ingredients are perceived as innovative and trendy, and Chilean consumers are likely to pay higher prices for them.	Chileans are price-sensitive, especially during economic slowdowns.
Consumers' demand for premium processed foods and beverages continue to increase year after year.	
Chilean food processing companies use global certifications and standards.	

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Chile is a highly competitive market for food ingredients. Prospective U.S. exporters should consider Chile as a long-term market. U.S. exporters of food ingredients have two main ways of entering the Chilean market: by selling to importers/distributors or exporting directly to Chilean companies. The use of distributors, agents, or representatives depends on the type of product and the size of the food processing company. Larger food processors prefer to buy directly to benefit from competitive prices and avoid paying commissions to intermediaries. Smaller processors are more likely to buy from Chilean importers/distributors. Importers and distributors offer various packaging, quality control, and inspection services.

Alternatively, U.S. food ingredients exporters that plan to sell large volumes of their products can establish a local subsidiary or set up a regional office. Once successfully established, these producers may expand operations and use Chile as an exporting platform for other countries in Latin America. Establishing domestic production guarantees customer service, product quality, and helps establish a solid local presence.

Personal relationships are essential in Chile. Post recommends building connections to become a trusted business partner. These connections may rely on good customer services, personal visits, and extensive follow-up. A personal relationship can be achieved either directly or by hiring a local representative. It is worth noting that the reputation of a U.S. supplier is strongly affected by the quality of its representative.

U.S. suppliers should offer solid business proposals to potential buyers that compete in quality, price, and payment conditions. Exporters of new-to-market products should approach buyers with a well-organized plan that outlines product specifications, shipment terms, and financial obligations.

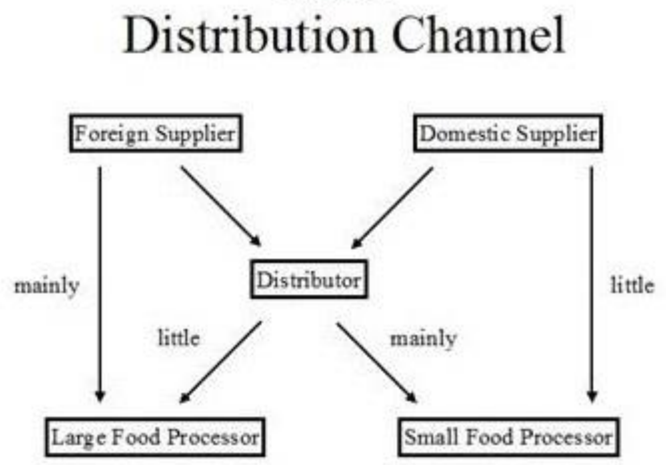
Import Procedures

For details on how to export to Chile, please refer to Chile's Global Agricultural Information Network (GAIN) reports: Exporter Guide, FAIRS Export Certificate Report, FAIRS Country Report, and 2016 Nutritional Labeling and Advertising Law.

Distribution Channels

The distribution flow varies according to the origin of ingredients and the size of the food processor. While local inputs are mainly sourced directly from the producer, foreign products are commonly purchased from distributors and food ingredients importers. Large food processors can import directly due to their production volume and expertise.

Figure 2



Market Structure

According to data from the Chilean Internal Revenue Service (SII), in 2022, there were 33,138 food and beverage processing companies in Chile, which represents 24.2 percent of the total number of firms in the country. Some large international companies use their production plants in Chile to serve other markets in Latin America. Chilean food processing companies sell 60 percent of all processed food products to supermarkets and hypermarkets. A smaller share, 38 percent, of packaged food is sold through traditional grocery retailers such as independent small grocers or food/drink specialists. *Agrosuper*, *Nestlé*, *Carozzi*, and *Coca-Cola* are among the largest food and beverage processing companies in Chile.

According to Chilean Food Processing Companies Association (*Chilealimentos A.G.*), the Chilean food industry mainly produces processed fruit and vegetables; chocolates and confectionary products; wine, beer, and drinks; beef, pork, and poultry products; potato chips and similar snacks; dairy products; frozen meals; pasta and noodles; oils; sugar and sweeteners; pet food; breakfast cereals; and seafood.

Main Food Processing Companies (Company Profiles and Company Products)

Table 2: Main Food Processing Companies in Chile

Company	Key Products
Agrosuper S.A.	Chicken, pork, turkey, salmon, and processed foods
Agrícola Ariztía S.A.	Chicken, turkey, sausage, eggs, cheese, and butter
Cial Alimentos S.A.	Ham, sausage, processed meats, and frozen meals
Colún Ltda.	Dairy products
Embotelladora Andina S.A.	Production and distribution of bottled fruit drinks, mineral water, energy drinks, iced tea, and carbonated beverages, including Coca-Cola. The company also manufactures processed fruit
Empresas Carozzi S.A.	Pasta, rice, noodles, chocolates, candy, snacks, jams, breakfast cereals, confectionary, sauces, tomato paste, desserts, fruit pulp, flour, beverages, olive oil, and pet food
Evercrisp Snack Productos de Chile S.A. (PepsiCo, Inc.)	Snacks, potato chips, cookies, breakfast cereals, oat products, soft drinks, energy drinks, iced tea, cranberry juice, and orange juice
Nestlé Chile S.A.	Coffee, dried milk, baby food and purees, breakfast cereals, chocolates, cookies, candies, dairy products, pet food, ice cream, infant formula, and sauces and condiments
Soprole S.A.	Dairy products
Tresmontes Lucchetti S.A. (Grupo Nutresa)	Pasta, snacks, canned tuna, powdered chocolate, instant coffee, tomato sauces, soups, cooking oil, tea, and powdered juice
Watt's Alimentos S.A.	Fruit (including juice, nectar, jam); dairy products; oil (cooking oil and margarine); frozen fruit and vegetables; fresh pasta; canned legumes and fruit, and wine

Chilean processed foods have solid and well-positioned brands (*Carozz*i, *Watt's, Tresmontes, Lucchetti*, etc.) with high level of consumer loyalty. Chilean consumers have increasing concerns about health-related issues, opening the market to products and ingredients marketed as healthy. In addition to healthy products, many Chilean consumers can afford to buy high-end U.S. products like beef, pork, dairy products, and distilled spirits. There is intense competition among food importers seeking to maintain or expand their market share. U.S. food ingredients exporters need to consider the longer freight time and higher transport costs to Chile than regional competitors. Nearby competitors like Argentina, Brazil, and Peru operate with relatively low shipping costs.

SECTION III. COMPETITION

There are significant opportunities for imported food ingredients in Chile, as the food processing industry imports half all ingredients. The United States is the third largest supplier of ingredients to Chile (Table 3). Argentina is the top supplier, sending mostly corn, vegetable oils, dairy products, and milled grains. From Brazil, Chile imports sugar and sweeteners, dextrin, peptones and proteins, cocoa products, and corn. The United States supplies a wide variety of ingredients (Table 4), which include wheat, dairy products, food preparations, condiments and sauces, almonds, and bakery ingredients. Paraguay supplies corn, rice, vegetable oils, and animal fats to Chile. Canada supplies mostly wheat, grains, pulses, and dairy products.

Table 3: Chilean Food Ingredients Imports from the World (by country)

Partner Country	Import Value		Share (%)	Variation (%)
	2022	2023	2023	2022/2023
The World	$4,668,416,214	$4,148,988,655	100	-11.13
Argentina	$2,039,287,236	$1,381,333,763	33.62	-32.26
Brazil	$350,882,116	$463,563,185	11.28	32.11
United States	$432,890,871	$403,040,925	9.81	-6.9
Paraguay	$311,437,776	$357,066,835	8.69	14.65
Canada	$247,996,559	$235,523,368	5.73	-5.03
Colombia	$150,789,248	$147,732,674	3.6	-2.03
Uruguay	$82,833,188	$127,390,259	3.1	53.79
Peru	$119,806,280	$108,140,445	2.63	-9.74
Guatemala	$96,212,569	$105,803,628	2.58	9.97
Germany	$58,259,170	$94,582,488	2.3	62.35
China	$88,200,025	$79,759,481	1.94	-9.57
Mexico	$73,603,075	$73,974,364	1.8	0.5
The Netherlands	$70,932,336	$68,326,905	1.66	-3.67
New Zealand	$49,956,618	$47,191,034	1.15	-5.54
Spain	$52,601,128	$40,872,480	0.99	-22.3
Others	$408,199,173	$374,192,691	9.11	-8.19
Source: Trade Data Monitor, LLC				

Note: Ingredients include the following categories of products: Animal Fats; Chocolate & Cocoa Products, Coarse Grains (ex. Corn), Cocoa Beans, Coffee, Roasted and Extracts, Coffee, Unroasted; Condiments & Sauces, Corn, Dairy Products, Dextrin, Peptones & Proteins, Eggs & Products, Essential Oils, Fruit & Vegetable Juices, Industrial Alcohol & Fatty Acids, Milled Grains & Products, Oilseeds, Palm Oil, Peanuts, Pulses, Rice, Soybean Oil, Spices, Sugar & Sweeteners, Tree Nuts, Vegetable Oils, and Wheat

Table 4: Chilean Imports of Food Ingredients from the United States by Product

Partner Country	Import Value		Share (%)	Variation (%)
	2022	2023	2023	2022/2023
Total	$432,890,871	$403,040,925	100.00	-6.9
Wheat	$111,201,072	$107,412,758	26.65	-3.41
Dairy Products	$107,684,654	$93,864,406	23.29	-12.83
Condiments & Sauces	$68,130,005	$66,048,199	16.39	-3.06
Vegetable Oils	$22,346,473	$22,775,887	5.65	1.92
Essential Oils	$22,977,064	$21,390,225	5.31	-6.91
Tree Nuts	$27,561,179	$19,042,727	4.72	-30.91
Chocolate & Cocoa Products	$16,995,211	$16,640,167	4.13	-2.09
Dextrins, Peptones, & Proteins	$16,446,717	$13,661,307	3.39	-16.94
Coffee, Roasted and Extracts	$8,585,252	$9,719,093	2.41	13.21
Corn	$802,465	$7,908,610	1.96	885.54
Milled Grains & Products	$5,021,256	$6,149,683	1.53	22.47
Pulses	$3,087,729	$3,710,603	0.92	20.17
Sugars & Sweeteners	$3,453,182	$3,414,469	0.85	-1.12
Animal Fats	$2,853,241	$3,299,699	0.82	15.65
Fruit & Vegetable Juices	$5,934,843	$2,877,315	0.71	-51.52
Industrial Alcohols & Fatty Acids	$2,796,922	$1,458,555	0.36	-47.85
Soybean Oil	$2,659,953	$1,249,376	0.31	-53.03
Eggs & Products	$1,959,309	$862,592	0.21	-55.97
Spices	$827,815	$791,980	0.20	-4.33
Oilseeds	$362,706	$375,543	0.09	3.54
Rice	$668,112	$302,368	0.08	-54.74
Peanuts	$191,910	$70,254	0.02	-63.39
Coarse Grains (ex. corn)	$111,198	$12,993	0.00	-88.32
Palm Oil	$34,220	$1,958	0.00	-94.28
Coffee, Unroasted	$198,383	$158	0.00	-99.92
Cocoa Beans	0	0	0.00	0
Source: Trade Data Monitor, LLC				

In 2023, U.S. agricultural exports to Chile totaled $1.1 billion, a 4.72 percent decrease from 2022. The United States is the third largest supplier of agricultural and related products to Chile, after Argentina and Brazil, holding a 11 percent market share.

Chile is the third largest market in South America for U.S. agricultural products, after Colombia and Peru, and the second largest market in South America for U.S. consumer-oriented agricultural products with $539 million of exports in 2023. Competition from MERCOSUR and regional suppliers remains fierce for consumer-oriented products, grains, soybean products, and pet food.

SECTION IV. BEST PROSPECTS CATEGORIES

Figure 3 shows the top Chilean prospects ingredients in 2023. All the ingredients in Table 5 had high levels of import value and positive levels of annual growth in 2023. The ingredient with the highest level of import value in 2023 was wheat, which is used in the by Chilean mills to manufacture bread, pasta, and other bakery products. The second top ingredient is food preparations, which includes a variety of food ingredients such as flavored or colored syrup, gelatin, and frozen food preparations. Essential oils that are used in the food and drink industry include flavored oils used to manufacture carbonated beverages.

Figure 3: Top Prospects of Ingredients in 2022

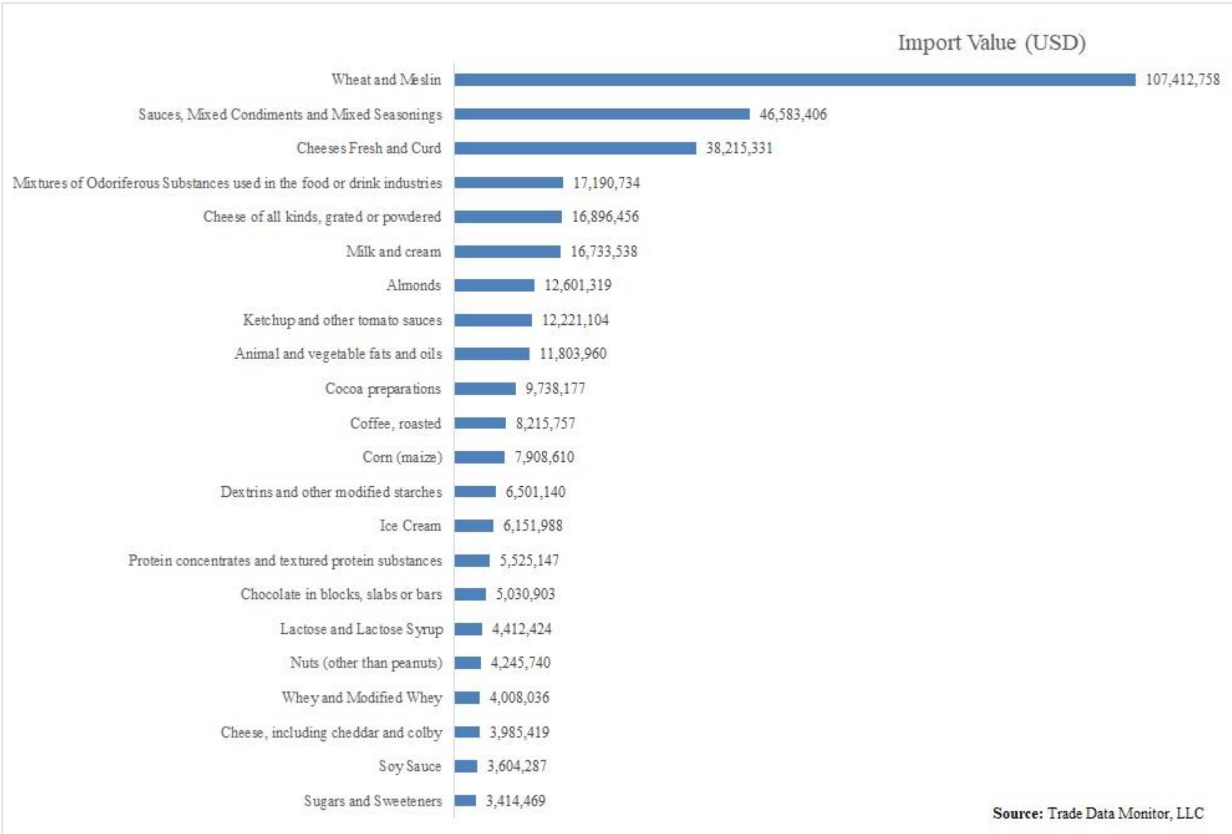


Table 5: Products with Good Sales Potential

Products present in the market which have good sales potential	Products not present in significant quantities, but which have good sales potential
• Wheat • Bakery Ingredients • Essential oils (beverage industry) • Vegetable oils • Condiments and sauces (mayonnaise, ketchup, bbq sauce, and salad dressing)	• Flours and starches • Plant extracts • Animal and vegetable fats or oils • Corn • Whey • Peptones and other protein derivatives

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Ministry of Agriculture - Office of Agricultural Policies and Studies (ODEPA) Teatinos 40 Piso 7 – Santiago Tel.: +56 2 800-360-990 www.odepa.gob.cl	Ministry of Economy, Development and Tourism National Institute of Statistics (INE) Morandé 801 Piso 22 – Santiago Tel.: +56 2 3246-1010 – 3246-1018 ine@ine.cl www.ine.cl
Ministry of Agriculture - Agriculture and Livestock Service (SAG) Av. Bulnes 140 – Santiago Tel.: +56 2 2345-1100 Office Directory: https://www.sag.gob.cl/directorio-oficinas www.sag.gob.cl	Ministry of Health Seremi de Salud (SEREMI) Padre Miguel de Olivares 1229 – Santiago Office Directory: https://www.minsal.cl/secretarias-regionales-ministeriales-de-salud/ https://seremi13.redsalud.gob.cl/
Chilean Institute of Public Health Av. Maratón 1000 – Ñuñoa, Santiago Tel.: +56 2 2575-5101 - 2575-5202 oirs@ispch.cl www.ispch.cl	Instituto de Nutrición y Tecnología de los Alimentos – INTA Universidad de Chile Av. El Líbano 5524 Casilla 138 Correo 11 Santiago Tel.: +56 2 2978-1411 / 2978-1400 www.inta.cl
National Customs Agency Plaza Sotomayor 60 – Valparaíso Tel.: +56 2 600-570-7040 www.aduana.cl	

Attachments:

No Attachments