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## Chile

**Post:** Santiago

### **RTM Natural Products Expo East 2015**

**Report Categories:**

CSSF Activity Evaluation

**Approved By:**

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**Report Highlights:**

Post recruited five Chilean organic & natural products importers to the Natural Product Expo East (NPEE) Show 2015 in Baltimore, Maryland to develop trade opportunities. Participants had a supermarket tour to gain firsthand knowledge of the U.S. industry. They visited places like Whole Foods, Mom's Organic Market, Walmart and Wegmans. Also, Post's accompanying LES developed new contacts as well for AgSantiago. Post activity resulted in US\$30,000 sales after the mission, where 10 new U.S. products were introduced in the Chilean market. Projected sales increase during the next 12 months as result of the mission will be US\$118,000.

**General Information:**

**1. Event name:** RTM NATURAL PRODUCTS

**2. Beginning/Ending Dates:** September 13-20, 2015

**3. City/Country:** Santiago, Chile

**4. List primary constraints and/or opportunity at which the activity is targeted, as reported in Post's CSSF request and/or CSS:**

CSS Long-Term Goal: FAS Objective 1.1 - Increase effectiveness of FAS market development programs and outreach activities.

Short-Term Objective 1.1.2: U.S. exporters learn about Chile's growing market and take part in FAS activities to gain entry of their products into the market.

Short-Term Objective 1.1.4: Increase sales and use of U.S. agricultural, food and beverage products in the Chilean supermarkets.

**5. Description of the activity:**

Post organized a buyers' mission activity to the Natural Products Expo East 2015 held on September 13-20, 2015 in Baltimore, MD. Natural Products Expo is the world's leading natural products show, showcasing a full range of innovative, high quality products and ingredients.

Post selected the most appropriate food importers to participate in this mission and invited them paying for their airfare. Post organized attendance to the show with New Hope Natural Resource, show organizer and one-on-one meetings with U.S. companies according to Chilean buyers' interests during the mission. With the assistance of Food Export USA, Chilean buyers had a supermarket tour to gain firsthand knowledge of the industry. They visited places like Whole Foods, Mom's Organic Market, Walmart and Wegmans. Chilean buyers were: Inversiones SMS, Aldea Nativa, Goods and Foods and Distribuidora Nuevo Mundo, all of them natural/organic products importers for retail and HRI sectors.

AgSantiago's Marketing Specialist, Maria Jose Herrera attended the mission and show to provide onsite assistance for the Chilean delegation, interpretation and facilitate match-making between U.S. exhibitors and Chilean buyers. During the show, Mrs. Herrera met individually with a large number of U.S. companies and provided them with information about the Chilean market, regulations and importers.

At the same time, Post assisted Food Export USA recruiting a Chilean company for their Natural Products Expo East buyers' mission to Baltimore. Post recruited Comercial Gourmalia (Foodies) for Food Export's buyers' mission. Comercial Gourmalia is a company specializes in natural/healthy and organic foods and one of the top importers and distributors in the Chilean market. They started selling their products on-line and nowadays they also distribute 100% natural, healthy and even organic

products to the major Chilean supermarkets and deli/gourmet stores, restaurants and hotels in Santiago.

Participant had an average of 32 one-on-one meetings with U.S. companies according to their interests during the mission and another 12 during the show.

Although there were no purchases on site, Comercial Gourmalia is in conversations with U.S. companies on various products of their interest. Post is working with Comercial Gourmalia and Food Export in the follow-up step.

## **6. Expected Results and Desired Outcomes:**

Post expected results were:

- Post will recruit stakeholders (to include cooperators, U.S. exporters, Chilean retailers and imports) to participate in FAS supported activities buying missions, matching-making programs, and in store supermarket promotions to gain potential sales for U.S. agricultural and food products.
- Post marketing activities will lead to at least 3 new U.S. food products to gain a foothold in the Chile's retail market.
- Post will lead two buying missions to two major food shows. After 6 months and 12 months respectively, post will follow up to report on sales generated.
- Post will assist at least 3 industry groups with one-to-one meetings with retailers and importers to identify and interested buyer for their products.
- Post will nominate at least 8 importers for Food Export USA's buying missions that will result in future sales 12 months after the mission.

Opportunity: Post identified a growing interest of healthy/natural food products among supermarkets and Chilean food importers. Consumption of natural food products has been growing steadily during the last five years and is becoming a growing trend between Chilean consumers, due to obesity, chronic diseases and poor eating habits.

Healthy and natural food products represent 19% of the sales in the retail food and beverages sector. The sector category had an average growth rate of 12.5% between 2007 and 2012 reaching nearly US\$3 billion in annual sales in Chile.

A survey undertaken by Chile Saludable Program (Government of Chile Healthy Program) reported that 45% of the Chilean consumers will be willing to pay more for better brands and healthy/natural products.

## **7. Actual Results and Outcomes:**

Post activity resulted in US\$30,000 sales after the mission, where 10 new U.S. products were introduced in the Chilean market by three of the Chilean companies who participated in the mission. They are: organic/natural potato chips, snacks, sparkling water with natural flavors, nutritional yeast, dehydrated starters (kombucha, kefir and others), chia cereal bars, squeeze fruit purees with chia, walnut milk, pistachio milk and almond milk.

Projected sales increase during the next 12 months as result of the mission will be US\$118,000.

Post will continue to monitor sales with the U.S. companies.

<b>Results/Outcomes</b>	<b>Expected</b>	<b>Actual</b>
Number of Chileans participating in the buyers' mission.	4	5
Number of new U.S. products introduced to Chilean buyers	40	90
Number of U.S. products introduced in the Chilean market	2	10

## **8. Recommendations/Follow-up Evaluations:**

The Chilean buyers expressed interest in a number of U.S. companies they met during the mission and the show. They have asked samples according to their interest. SRTGs and Post are helping them to contact these companies.

Chilean participants commented that this mission and the Natural Products Expo were a great opportunity to meet a wide variety of U.S. suppliers, learn about new trends, compare competitive products, and find new products and request quotations of products of interest. Unfortunately, some of them noted that the majority of U.S. companies that expressed an interest in exporting do not appear to know how to do it and many failed to have export price information available. Chilean participants also had problems of no response to inquiries sent to U.S. companies met at the show.

Chilean participants suggested that Food Export USA assists U.S. companies in the export documentation and procedures. Some of the Chilean companies are having problems with U.S. companies who participated in the mission checking the export experience of the companies visited in the mission, since some of them have no idea to export internationally. Chilean participants also suggested that U.S. companies participating in the mission receives more information about the Chilean culture, market and export procedures before the activity.

Natural Products Expo continues to be the most important U.S. specialty food show for Chilean healthy food importers. Chilean buyers have a very positive opinion of the show.

Chileans also commented that the organization, timing and schedule were excellent. Post and FoodExport USA staffs were always diligent to solve any problem. They were very professional.

## **9. Costs/Revenue:**

<b>Budget Sources</b>	<b>Costs</b>
FSN Travel costs (lodging, transportation and per diem)	\$5,000
Airfare for 4 Chilean buyers	\$6,000
SRTG's (trade mission expenses, one-on-one meetings agenda, etc.)	\$40,000

Total:	\$51,000
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**10. Pictures of the event:**

