

**Required Report:** Required - Public Distribution

**Date:** October 03, 2024

**Report Number:** CI2024-0018

## **Report Name:** Retail Foods Annual

**Country:** Chile

**Post:** Santiago

**Report Category:** Retail Foods

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### **Report Highlights:**

In 2023, the Chilean retail food industry witnessed a moderate recovery, with total sales reaching approximately \$28.5 billion, a 2.3 percent increase over 2022. The Chilean retail sector 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. Technology adoption will be a key driver in shaping the Chilean retail industry landscape, especially with increased investments in e-commerce, artificial intelligence, and automation. Furthermore, focusing on sustainability, health, and personalized experiences will be paramount in meeting evolving consumer demands.

# Market Fact Sheet: Chile

## Executive Summary

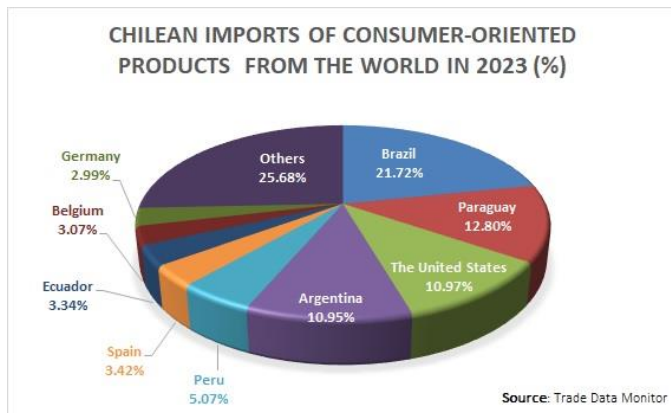
Chile is a South American country that borders the Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 administrative regions. In 2022, Chile had a population of 19.6 million, with 8.3 million living in the Santiago Metropolitan region.

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 with a concomitant 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, 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 second top market in South America for U.S. agricultural and related products and U.S. consumer-oriented products after Colombia. In 2023, consumer-oriented agricultural exports summed \$539 million, comprising over 60 percent of all agricultural exports. The top U.S. consumer-oriented products exports to Chile are dairy products, condiments and sauces, pork, beef, poultry, food preparations, pet food, tree nuts, distilled spirits, chocolate and cocoa products, and beer.



## Food Processing 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.

## HRI Industry

Consumer foodservice industry changed significantly after the pandemic. 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 and Fodders          | 2. Wheat              |
| 3. Dairy Products             | 4. Soybean Meal       |
| 5. Condiments and Sauces      | 6. Pork, and products |
| 7. Poultry, and products      | 8. Beef, and products |
| 9. Beer and Distilled Spirits | 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, Super 10, and Club Alvi)
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:

Population (millions): 19.6  
 GDP (billions USD): \$340  
 GDP per capita (USD PP): \$30,208

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

## Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
<a href="#">The U.S.-Chile Free Trade Agreement</a> 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 (INE), and Euromonitor

## SECTION I. MARKET SUMMARY

Chile was one of Latin America's fastest-growing economies during the last decade, enabling the country to have a modern and dynamic retail food industry. The food retail landscape is dominated by large supermarket chains such as *Walmart*, *Cencosud*, *SMU*, and *Falabella*, but there has also been a surge in smaller, specialized stores and e-commerce platforms. This diversification has created a more competitive market, where convenience, product quality, and pricing play critical roles in consumer decision-making. The steady growth in demand for health-conscious, organic, and sustainably sourced products reflects changing consumer preferences, as Chileans become more attentive to wellness and environmental issues. Chilean supermarkets are the primary food supply channel, distributing 75 percent of the country's food products through around 1,370 retail stores across and employing 150,000 workers, approximately nine percent of the total workforce in the commerce sector. The industry shows above-average participation of women, young people, and foreign workers compared to the overall economy.

Several factors have shaped the market dynamics. Economic stability, coupled with government initiatives to modernize infrastructure and promote international trade, has facilitated access to a wide variety of imported products. Chile's strategic location and well-developed port system make it a key player in Latin American trade, which has helped boost the availability of global food brands. However, inflationary pressures and recent economic challenges, partly exacerbated by the COVID-19 pandemic and global supply chain disruptions, have led to shifts in consumer behavior. Many households are now more price-sensitive, seeking out discounts, promotions, and private-label alternatives to balance quality with affordability.

Looking ahead, the Chilean food retail sector is expected to continue its evolution, with technology playing a larger role in shaping its future. E-commerce and delivery services, which saw a sharp increase during the pandemic, are likely to maintain their popularity. Consumers are expected to demand more transparency in sourcing and sustainability, pushing retailers to adopt greener practices. Additionally, the ongoing rise of health-focused diets and local products will create opportunities for niche markets. To gain a competitive edge, retailers focused on incorporating technologies, improving product offerings, and enhancing customer experiences. Overall, the sector is likely to remain dynamic, with both opportunities and challenges influenced by global economic trends, technological advances, and evolving consumer values.

In 2023, retail food sales totaled \$28.9 billion, showing a continued growth at a moderate rate of 2.3 percent over 2022. Supermarket food sales totaled \$15.5 billion, representing 55.5 percent of total grocery retailer sales in 2022. From 2023-2027, retail food sales in Chile are projected to increase by two percent per year, reflecting steady but slower growth compared to previous years (Euromonitor).

Forward-Looking Trends and Driving Factors in the Chilean retail food sector in 2023  
were:

1. **Sustainability and Ethical Sourcing:** Consumers in Chile are increasingly interested in sustainable products, pushing retailers to offer eco-friendly and ethically sourced food items.
2. **Healthy and Organic Products:** A growing demand for healthy, organic, and natural foods is driving innovation and product diversification in food retail. Chilean consumers have shown a significant interest in healthy food and special dietary options, although official figures regarding the extent of this interest are unavailable. This trend can be attributed to an increased awareness of the importance of balanced diets, the rise of chronic diseases, government initiatives promoting healthier eating habits, and the influence of a health-conscious younger generation. Consumers are actively seeking nutritious options, including organic, locally sourced, and minimally processed foods.
3. **Digital Transformation and E-commerce Growth:** The rise of online shopping, accelerated by the pandemic, has continued, with retailers investing heavily in e-commerce platforms and delivery services. Consumers increasingly seek the convenience of purchasing groceries and food products online. Retailers invested in e-commerce platforms, mobile applications, loyalty programs, and last-mile delivery capabilities to meet changing customer preferences. Online marketplaces and delivery software played a significant role in driving growth in this segment.
4. **Private Label Expansion:** Supermarkets are expanding their private label offerings as a way to offer more affordable alternatives, increasing competition with established brands. The popularity of private-label brands continued to rise in 2023. Retailers leveraged their brand reputation and supply chain capabilities to introduce high-quality, competitively priced private-label products. This strategy enabled them to enhance profitability, differentiate their offerings, and build customer loyalty. Private-label brands were particularly successful in the packaged and non-perishable food categories.
5. **Local and Artisanal Products:** There is a rising trend toward supporting local producers and artisanal goods, with consumers preferring products with a Chilean origin.
6. **Sustainability in Packaging:** There is a push toward reducing plastic usage and adopting sustainable packaging, responding to consumer and regulatory pressures.
7. **Food Security and Supply Chain Resilience:** The focus on strengthening supply chains has become critical due to global disruptions, ensuring availability of key food items.
8. **Inflation and Price Sensitivity:** Economic factors such as inflation are influencing consumer behavior, with a shift toward value-for-money products and discount formats.
9. **Innovation in Plant-Based and Alternative Proteins:** The plant-based food sector is growing, driven by consumer interest in vegan, vegetarian, and flexitarian diets.

Table 1. Chile: Advantages and Challenges

<b>Advantages</b>	<b>Challenges</b>
Clear rules and transparent regulations offered by the government allow fair competition.	Chilean sanitary and phytosanitary controls are strict and inflexible.
Food retailers are eager to introduce new products to meet the growing consumer demand of the middle to upper income consumers.	Chile is a competitive market, which has 31 free trade agreements that cover 65 markets including the European Union (EU), China, Central America, and South America.
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products as of January 1, 2015.	Economic uncertainty increased because of inflation.
Chile's largest retailers have operations in other countries making it a gateway to other markets.	Strong competition from other suppliers such as Brazil, Argentina, and Paraguay.
U.S. brands are regarded as high quality. Many U.S. brands are well-known and present in the market.	Adopting new technologies such as web-based grocery sales.
Equal playing field for imported and local products.	Chilean consumers are price sensitive.

## **SECTION II. ROAD MAP FOR MARKET ENTRY**

### **Entry Strategy**

The Foreign Agricultural Service (FAS) in Santiago advises U.S. exporters to check that their products meet the most up to date Chilean regulations to ensure a straightforward entry strategy into the Chilean market. FAS Santiago maintains listings of potential importers and develops sector-specific information to help introduce U.S. agricultural products in Chile.

For details on how to export to Chile, exporters should refer to Chile's Global Agricultural Information Network reports: [Chile: Exporter Guide](#), [Chile: FAIRS Export Certificate Report](#) and [Chile: FAIRS Country Report](#).

FAS Santiago recommends U.S. exporters to exhibit or attend Chilean trade shows, particularly the U.S. Pavilion at the [Espacio Food & Service](#) show. The show is recognized as the most important annual gathering in the Chilean food industry and provides the opportunity to connect with over 28,000 Chilean and international buyers.

The best market entry approach for new-to-market U.S. food exporters in Chile is as follows:

1. Market Research: conduct comprehensive market research to understand the Chilean food market, including consumer preferences, local tastes, cultural nuances, and regulatory requirements. Identify potential opportunities and competition within the market.

2. **Product Localization:** adapt the food products to suit Chilean market preferences. Consider factors such as flavors, ingredients, packaging, and portion sizes that align with local tastes and cultural preferences. This may involve modifying existing products or creating new ones for the Chilean market.
3. **Identify Distribution Channels:** identify and partner with suitable distribution channels in Chile, such as local importers, distributors, or retailers with an established presence and knowledge of the local market. Establish strong relationships with these partners to ensure effective distribution and market penetration.
4. **Compliance with Regulations:** understand and comply with Chile's local food regulations and import requirements. Ensure products meet all labeling, packaging, and quality standards set by the Chilean authorities. This includes obtaining the necessary certifications and permits for importing food products.
5. **Trade Shows and Exhibitions:** participate in relevant trade shows, exhibitions, and industry events in Chile to showcase the products and connect with potential buyers, distributors, and industry professionals. These events provide an excellent platform for generating awareness, gathering market intelligence, and establishing business contacts.
6. **Networking and Partnerships:** engage in networking activities and develop strategic partnerships with local businesses, industry associations, and government agencies. Building relationships with key stakeholders can provide valuable insights, facilitate market entry, and create opportunities for collaboration.
7. **Marketing and Promotion:** develop a targeted marketing and promotion strategy to create awareness and generate demand for the products in Chile. Utilize various channels such as digital marketing, social media, influencer marketing, and local advertising to reach the target audience effectively.
8. **Pricing and Competitive Analysis:** conduct a thorough analysis of pricing strategies and the competitive landscape in Chile. Consider factors such as local pricing norms, competition from domestic and international food exporters, and the value proposition of the products. Pricing the products competitively while maintaining profitability is crucial for successful market entry.
9. **Pilot Launch and Market Testing:** validate the market entry strategy and make necessary adjustments based on customer feedback. Conducting a pilot launch or market testing phase in the Chilean market is advisable. This will also help refine the product offerings and gauge the response to the products.
10. **Continuous Evaluation and Adaptation:** continuously monitor and evaluate the market performance in Chile. Stay updated with market trends, consumer preferences, and regulatory changes. Adapt the strategies, products, and distribution channels accordingly to maximize the chances of success in the long run.

Remember that market entry is a complex process, and it is essential to seek guidance from trade experts, local consultants, and legal advisors with expertise in the Chilean market to ensure a smooth entry and minimize risks.

## **Market Structure**

The Chilean retail sector is made up of large supermarkets, mid-sized grocery stores, convenience stores, and thousands of smaller independent mom-and-pop shops.

Chilean supermarket chains use two systems to supply products in their stores: distribution through suppliers, where suppliers deliver products directly to each store, and centralized distribution where suppliers deliver products to a distribution center that supplies each store afterwards.

Imported food and beverage products for the food retail sector may enter Chile through the following channels:

- Direct imports: large supermarket chains import directly from foreign producers/exporters and own most of the wholesale supermarkets, which then redistribute to smaller stores as well. They operate large distribution centers that supply the entire country.
- Indirect imports: distributors and wholesalers import products to distribute to retail stores.

Most of the independent stores get their products at discount price from wholesalers. They act as an intermediary as the smaller stores are not able to import entire containers or do not have the logistic capacity to do so.

## **Supermarkets**

Chile's main supermarket groups are:

- [\*Walmart Chile\*](#) operating around 390 stores under [\*Líder\*](#), [\*Express de Líder\*](#), and [\*SuperBodega ACuenta\*](#) brands. *Walmart Chile* is the largest supermarket chain in Chile in terms of revenue with a market share of approximately 33 percent of total retail value in 2023. *Walmart Chile* continues to dominate the market with its *Líder* brand. Chile is the only country in South America where Walmart has a presence, with one million square meters of salesrooms. Walmart also has the strongest private brands program in the market, with over 50 percent market share in food products.
- [\*Cencosud\*](#) is the second largest player in Chile operating around 285 hypermarkets and supermarkets under [\*Jumbo\*](#) and [\*Santa Isabel\*](#) brands. *Cencosud* had 27 percent of total retail value in 2023. *Cencosud* is a Chilean multinational business that also operates in Brazil, Peru, Colombia, Argentina, Uruguay, and the United States. In 2022 *Cencosud* acquired 67 percent of the U.S. supermarket chain [\*The Fresh Market\*](#), which has 160 stores and 314,438 square meters of showrooms. *Jumbo* stands out for having the largest variety of imported products in their supermarket chain. The development of private labels as well as imported brands gives *Jumbo* a great differentiation in the supermarket industry.

- [SMU](#) is the third largest supermarket chain operating 390 stores under [Unimarc](#) brand. *SMU* had a market share of 17.3 percent of the retail value in 2023. It is also the only supermarket chain in Chile with operations in all sixteen country regions. *SMU* also operates in Peru.
- [Tottus](#), owned by [Falabella](#), is the fourth largest supermarket chain, operating 70 hypermarkets and supermarkets. *Tottus* had 6.5 percent of the retail value in 2023. *Tottus* also operates in Peru.

### **Wholesale Discount Stores and Warehouse Clubs**

These types of stores provide most common products at wholesale prices. The average number of different products per store is 4,700 to 5,300 units. There are around 206 wholesale discount stores owned mainly by the large retailer chains like *Walmart Chile* and *SMU*. Chilean wholesalers and warehouse clubs include:

- [Mayorista 10](#), [ClubAlvi Mayorista](#), and [Super 10](#) from *SMU*
- [Central Mayorista](#) from *Walmart Chile*
- Other wholesale stores are [Fruna](#), [La Oferta](#), and [La Caserita](#)

### **Convenience Stores**

In 2023, convenience stores in Chile experienced steady growth and played a vital role in meeting the needs of urban consumers. Convenience stores became popular among consumers due to their convenient locations, extended operating hours, and quick shopping experience. The assortment of products is approximately 1,100 SKUs on average, and includes a wide variety of snacks, beverages, basic groceries, personal care items, ready-to-eat meals, bakery products, and tobacco. In response to evolving consumer preferences, many convenience stores expanded their offerings to include healthier snack options, fresh produce, and grab-and-go meals. Sales in convenience stores have steadily increased over recent years. According to data from *Euromonitor International*, sales reached \$119.9 million in 2018 and grew to \$255.7 million in 2023, representing a 47 percent increase.

The convenience store sector in Chile remained competitive in 2023. Major players like [Oxxo](#), the leading player in 2023, [OK Market](#), and [Pronto](#) expanded their networks and optimized their store layouts to enhance the overall shopping experience. [Spid](#) from *Cencosud* initially launched in 2021 as an online quick commerce platform, expanded its operations in 2023 to include physical locations. Today, it operates 35 hybrid stores (grey stores) located in the *Metropolitan* and *Valparaíso* regions.

Most convenience stores are located within gas stations throughout the country. They are popular for travelers moving through the countryside and during the holiday season, as they serve as a quick stop for a beverage or snack. The top convenience located in gas stations are:

- [Aramco Stop](#) (former *Spacio 1* from *Petrobas*), operated by [Aramco](#)
- [Pronto](#) and [Punto](#) operated by [Copec](#), one of the largest and most recognized in the country.
- [Upa!](#) operated by [Shell](#)



These convenience stores are commonly found along major routes and in cities across Chile, providing travelers with quick access to essential products and fast food.

### **Online Grocery Sales and On-Demand Delivery Formats**

The main apps that offer online grocery sales in Chile are:

- [PedidosYa](#) from Uruguay offers restaurant delivery services and on-demand grocery shopping.
- [Rappi](#) from Colombia offers restaurant delivery and offers on-demand grocery delivery.
- [UberEats](#) from the United States focuses on restaurant deliveries and on-demand grocery delivery services.

Some Chilean supermarkets implemented their own online grocery delivery stores and apps. *Walmart Chile* implemented [Lider.cl](#), a pick-up and delivery service. *Jumbo* developed its own on-demand grocery delivery platform, [Jumbo.cl](#) offering similar delivery services as *Cornershop*. *SMU* implemented [Unimarc.cl](#) and *Tottus* implemented *Tottus.cl App*.

### **Mom-and-Pop Shops**

Traditional grocery retailers are Chile's most common store format, totaling 243,000 stores throughout Chile and employing 420,000 people. These stores account for 40 percent of Chile's food retail sales. The main characteristic of these stores is that they offer mainly food, cleaning, and beverage products to satisfy the consumption needs of middle and low-income areas. These shops are known for their friendly and familiar atmosphere, with owners and staff building strong relationships with their regular customers.

One of the reasons why mom-and-pop shops continue to thrive in Chile is their ability to adapt to the specific needs of the local community. They often stock products in high demand by the residents in their area, which may vary depending on the location. Additionally, many mom-and-pop shops offer credit or informal payment arrangements to loyal customers, allowing them to purchase goods on credit and pay later. Regarding their products, 96.39 percent sell groceries, packaged food, and candy, 93.98 percent sell cleaning products, 87.75 percent sell bread and cold meats, and 86.75 percent sell beverages and alcohol. Most of these independent stores get their products at discount prices from wholesalers. These retailers do not usually carry imported packaged products.

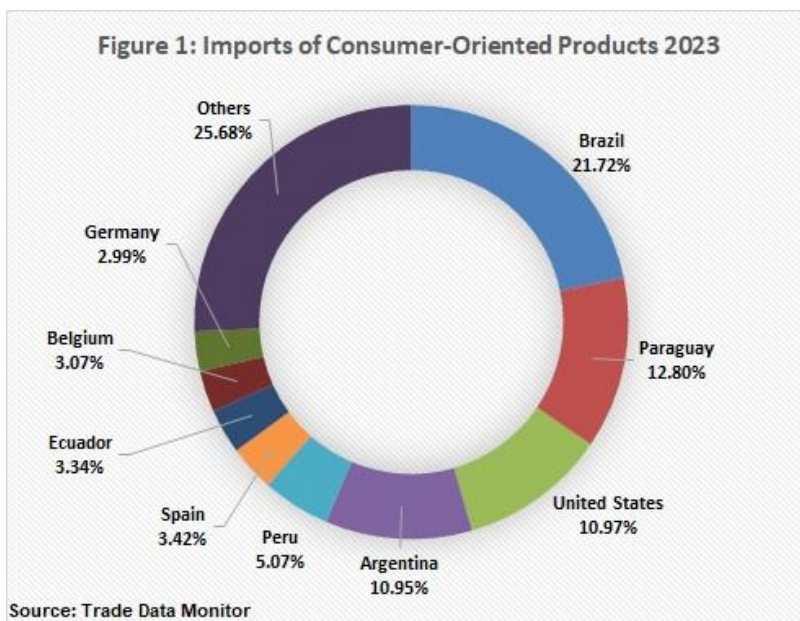
According to the [Asociación Chilena de Ferias Libres](#) (Chilean Association of Open Markets), open markets distribute 70 percent of the local production of fruits and vegetables in Chile.

### SECTION III. COMPETITION

U.S. agricultural exports to Chile totaled \$1 billion in 2023, representing a five percent decrease from 2022. The United States is the fourth largest supplier of agricultural and related products to Chile, after Argentina, Brazil and Paraguay. Chile is the second largest market in South America for U.S. consumer-oriented agricultural products with \$539 million worth of exports in 2023, after Colombia. Competition from MERCOSUR and regional suppliers remains fierce for consumer-oriented products, grains, soybean products, and pet food.

In 2023, the top suppliers of consumer-oriented agricultural products to Chile were Brazil, Paraguay, the United States, and Argentina (See Figure 1).

- Brazil was the top supplier of consumer-oriented products with a market share of 21.72 percent. Top Brazilian exports to Chile are beef, poultry, pork, chocolate (cocoa products), and pet food.
- Paraguay is the second largest consumer-oriented products supplier to Chile, with 12.8 percent market share after Brazil. Paraguay's main export to Chile is beef. Which is very price-competitive within Mercosur suppliers.
- The United States was the third largest supplier of consumer-oriented products to Chile with a market share of 10.97 percent. The main U.S. exports are dairy products, beer, soup and other food preparations, condiments and sauces, beef, poultry, pork, and pet food.
- Argentina was the fourth largest supplier of consumer-oriented products to Chile with a market share of 10.95 percent. Argentina's main exports to Chile include beef, dairy products, pet food, bakery goods and pasta, and poultry.



## **SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES**

The best product prospects are divided into three categories listed below:

### **1. Products Present in the Market, Which Have Good Sales Potential**

- Distilled Spirits
- Dog and Cat Food
- Essential Oils
- Food Preparations
- Beer
- Chocolate and Cocoa Products
- Dairy Products
- Beef and Beef Products
- Tree Nuts
- Condiments and Sauces
- Bakery Goods, Cereals, and Pasta
- Vegetable Oils

### **2. Products Not Present in Significant Quantities, But Which Have Good Sales Potential**

- Soybean Oil
- Beef and Pork Sausage
- Fresh Vegetables
- Sugar, Sweeteners, and Beverage Bases
- Eggs and Products
- Confectionery
- Pulses
- Processed Fruit

### **3. Products Not Present Because They Face Significant Barriers**

Products do not face significant trade barriers to enter the Chilean market. On the contrary, the high number of free trade agreements covering 65 markets, make Chile one of the most open economies in the world where food products from all over the world are offered to consumers. Import tariffs are not considered an import barrier.

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

<b>Chilean Supermarket Association (ASACH)</b> Address: Av. Vitacura 2771, Las Condes, Santiago Tel.: +56 2-2236-5150 Web Page: <a href="http://www.supermercadosdechile.cl/">www.supermercadosdechile.cl/</a>	<b>SEREMI de Salud (Chile's Food Sanitation Regulations)</b> Address: Pedro Miguel de Olivares 129, Santiago Tel.: +56 2-2576-4989 Web Page: <a href="http://www.asrm.cl">www.asrm.cl</a>
<b>National Chamber of Commerce (CNC)</b> Address: Merced 230, Santiago Tel.: +56 2-2365-4000 Email: <a href="mailto:cnc@cnc.cl">cnc@cnc.cl</a> Webpage: <a href="http://www.cnc.cl">www.cnc.cl</a>	<b>Instituto Nacional de Estadísticas – INE (National Institute of Statistics)</b> Address: Av. Presidente Bulnes 418, Santiago Tel.: +56 2-2892-4000 Email: <a href="mailto:ine@ine.cl">ine@ine.cl</a> Webpage: <a href="http://www.ine.cl">www.ine.cl</a>

### Attachments:

No Attachments