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Report Name: Retail Foods

Country: Chile

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Report Highlights:

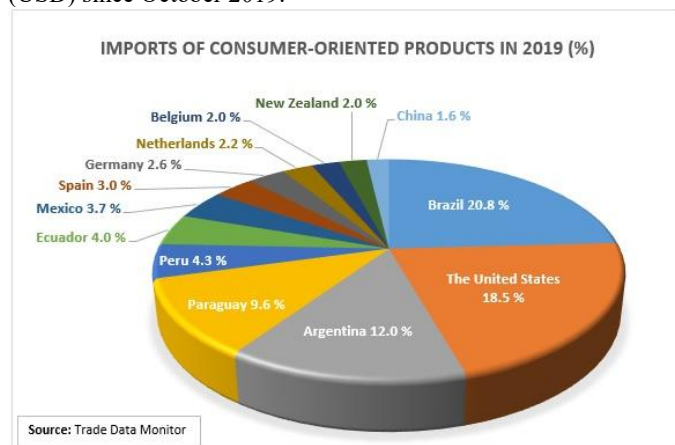
The United States is the second largest supplier of U.S. consumer-oriented products to the Chilean retail industry, shipping a record of \$699 million in 2019. Based on market size, market growth rate, and the United States' competitive position in the market, the following products have the greatest potential for sale in the Chilean retail food sector: meat products (pork, poultry and beef), beer, cheese, prepared food, almonds, fruit juices, fresh fruits, snack foods, sauces, mixed condiments and seasonings, and pet food. Since President Piñera declared the state of emergency in mid-March due to the COVID-19 outbreak, the retail food sector in Chile has been considered an essential or critical activity and continued to operate without interruptions while implementing strict sanitary measures to avoid the spread of the COVID-19 among workers and customers. As a result of social distancing measures and strict quarantines, food retailers saw an increase in online sales that may continue in the long term.

MARKET FACT SHEET: CHILE

Chile is a South American country that borders the South Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 regions, of which Santiago, the capital of Chile, is the most densely populated with 7.5 million out of the 18.8 million citizens, and where most food consumption occurs. In 2019, Chile's Gross Domestic Product (GDP) reached \$282 billion and grew only 1.1 percent due to social unrest that resulted in a 4.1 percent decrease in GDP in the last quarter of 2019. GDP per capita in current prices reached \$14,797 in 2019 (based in Chilean Central Bank data). This is the highest GDP per capita in the Latin American region and the main driver for consumer spending. The Central Bank of Chile estimated that the economy would contract between 5.5 percent and 7.5 percent in 2020 as a result of the COVID-19 pandemic. Total consumption is projected to have a real growth of 1.1 percent in 2020.

U.S. exports of agricultural & related products reached \$1.1 billion in 2019, which represents a 13 percent increase over the same period in 2018.

During the first four months of 2020, U.S. exports of agricultural products to Chile increased by 4.4 percent over the same period in 2019, totaling \$335.3 million, pushed by an import surge in bulk and intermediate agricultural products. In contrast, consumer-oriented agricultural products exports decreased by 5.8 percent. Factors behind this decline are related to COVID-19 related sanitary measures in place since mid-March and the depreciation of the Chilean peso (CLP) against the U.S. dollar (USD) since October 2019.



Imports of Consumer-Oriented Agricultural Products

In 2019, Chile imported \$3.7 billion worth of consumer-oriented agricultural products from the world and \$699 million from the United States, an 18.5 percent increase over 2018, and the highest level of exports recorded so far. The top U.S. agricultural exports to Chile are beer, poultry, pork, dairy products, beef, condiments and sauces, and nuts.

Food Processing Industry

Chile has a modern and developed food processing industry that represents 25 percent of Chile's economy, and is forecast to grow to more than 35 percent by 2030. The food processing industry represents 18 percent of the national GDP. Chile is among the top fifteen agricultural exporters in the world, and its main

agricultural exports are wine, blueberries, cherries, grapes, prunes, dehydrated apples, salmon and mussels.

Quick Facts

Imports of Consumer-Oriented Products 2019: \$699 million

List of Top 10 Growth Products in Chile:

1. Meat products (beef, pork and poultry)
2. Beer
3. Dairy products (cheese and ice cream)
4. Prepared food (frozen meals and peanut butter)
5. Tree nuts (almonds and pistachios)
6. Fresh fruits (apples, lemons and oranges)
7. Dog and cat food
8. Snack foods
9. Sauces, mixed condiments and seasonings, and
10. Egg and egg products

Top Chile's Food Retailers (by market share in 2019):

1. *Walmart Chile (Lider, Express de Lider, Super Bodega, aCuenta and Central Mayorista)*
2. *Cencosud (Jumbo and Santa Isabel)*
3. *SMU (Unimarc, Mayorista 10, Alvi, OK Market and Telemercado)*
4. *Falabella (Tottus)*

GDP/Population 2019

Population: 18.8 million

GDP: \$282 billion

GDP Per Capita: \$14,797

Sources: Trade Data Monitor (TDM), Euromonitor, and trade interviews

Strengths/Weaknesses/Opportunities/Threats:

Strengths	Weaknesses
Chile has one of the highest credit ratings and highest income per capita in Latin America.	Relatively small-size market compared to neighboring countries.
Opportunities	Threats
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products as of January 1, 2015.	Chileans are price sensitive, especially during economic slowdown.

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Foreign Agricultural Service homepage: www.fas.usda.gov

SECTION I. MARKET SUMMARY

Chile has been one of Latin America's fastest-growing economies in the last decade enabling the country to have a modern and dynamic food retail industry. Chile's food retail sales reached \$14.3 billion in 2019. The Chilean retail sector is composed of a mix of large supermarkets, mid-sized grocery stores, convenience stores, gas station markets, and thousands of smaller independent neighborhood mom-and-pop shops. Online food sales show some dynamic, but it is still a niche market. The main food and beverage distribution channels are supermarkets with a market share of about 62 percent. According to the National Institute of Statistics (INE), in 2019, 1,382 stores, including hypermarkets, supermarkets and other small food retail stores with a minimum of three checkouts comprise the Chilean food retail sector and 34 percent of them are in the Metropolitan region.

Chile is becoming increasingly urbanized, not only in the Metropolitan region (Santiago), but also in other cities. The retail food industry has been adjusting to this trend especially grocery retailing that has been adopting a convenience store or convenience shop model through convenience store chains, gas station markets, and smaller supermarkets. Supermarkets and hypermarkets still have the largest market share for Chile's food retail sales accounting for nearly 50 percent of the total value.

Chile's main supermarket groups are:

- [*Walmart Chile*](#), the largest supermarket chain in Chile in terms of revenue with a market share of approximately 41.9 percent, operating around 363 stores under the [*Lider*](#) and [*Express de Lider*](#) brands.
- [*Cencosud*](#) is the second largest player in Chile with a market share of approximately 34 percent, operating around 247 hypermarkets and supermarkets under the [*Jumbo*](#) and [*Santa Isabel*](#) brands.
- [*SMU*](#) is the third largest chain with a market share of 21 percent, operating 290 stores under [*Unimarc*](#) brand, and
- [*Tottus*](#) (owned by [*Falabella*](#)) with four percent of market share, is the fourth largest chain in terms of revenue, operating 69 hypermarkets and supermarkets.

Recent developments in Chilean consumer trends:

- Chilean consumers have become increasingly informed, comparing and looking for promotions and variety before making a purchasing decision and searching for lower prices even if this means not purchasing all their groceries from one store. This is an opportunity for private label products with more accessible prices than traditional items. Private label products have increased in variety and presence in modern grocery stores by expanding to other food product categories. Private label market share is close to 12 percent of supermarket sales.
- Another determining aspect that is driving consumers' behavior is the adoption of technology. Since Chile enjoys high internet penetration and vast access to technology, consumers have turned to online shopping as a convenient and cost-efficient solution.
- The COVID-19 pandemic accelerated the trend towards online shopping, especially for groceries. Online shopping increased 60 percent in May 2020 compared to the same month in 2019. The forecast for the remainder of 2020 (after quarantine measures are lifted) is that consumers will continue to buy grocery items online, but at less than 50 percent.
- Chilean consumers' purchasing habits have changed as a result of strict social distancing measures that may last even after the COVID-19 pandemic is over.

- The most important factor for Chilean consumers’ purchasing decisions is store location, followed by price, and promotional activity.
- The number of habitants per home has gradually decreased in Chilean cities. The traditional large family structure has also changed, and single-person households that need no more than 20 square meters to live without a problem have become common. These trends are shaping the way Chileans live and buy groceries. Smaller households and less storage space imply more frequent purchases from grocery stores located near their homes or jobs.

Recent developments in the Chilean retail sector:

- Eventhough economic expectations were positive, 2019 was marked by a slowdown in the economy as a result of social unrest. In fact, food retailers faced unexpected problems in October 2019 when social unrest led to riots and looting. The immediate aftermath significantly affected the prospects of the retailing industry during the last quarter of 2019 and first months of 2020.
- Since mid-March 2020, when President Piñera declared the state of emergency due to the COVID-19 outbreak, the Chilean retail sector implemented strict sanitary protocols and quickly adapted to meet consumer demands for online delivery services.
- As a result of the COVID-19 pandemic, local suppliers/distributors to supermarkets and mom-and-pop stores have also increased or developed e-commerce or online platforms to reach consumers directly. The “#stay at home” campaign and the extension of quarantines in Chilean middle to high income neighborhoods stimulated growth in online shopping resulting in increased sales of basic grocery items by 173 percent.
- The main supermarket chains implemented several initiatives to face the COVID-19 pandemic, such as increasing storage and logistics capacity, night shifts, development of dark stores (supermarkets that only provide delivery services), and the reduction of outlets to install e-commerce warehouses, due to growth of sales up to eight times on their digital platforms. For example, *Cencosud* had an average of 1,500 daily online orders and currently exceeded 5,000. *Walmart Chile* increased its demand for the online service from three to eight times, and has increased its storage capacity by 30 percent.
- An increased variety of products can be found in grocery stores as commercial and demographic influences have impacted the Chilean food retail sector. Chilean food retailers have included “ethnic” fruits, vegetables and spices to their assortments in order to address diverse immigrant community demands.

Advantages	Challenges
Clear rules and transparent regulations offered by the government allow for fair competition.	There are stricter regulations surrounding fresh products to avoid the spread of diseases that may affect local production.
Food retailers are eager to introduce new products to meet the growing consumer demand of the middle to upper income consumers in particular.	Chile is a competitive market, which has 29 free trade agreements that cover 65 markets including the European Union (EU), China, Central America and South American countries.
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products as of January 1, 2015.	Chilean brands have increased their market share at the expense of global brands.
Chile’s largest retailers have operations in other Latin American countries making it a	Strong competition from other producing countries such as Brazil, Argentina and Paraguay (see below

gateway to other Latin American markets.	Section III. Competition).
American brands are well regarded as high quality with many brands already present in the market.	Facing new technologies like web-based grocery sales.
Equal playing field for imported and local products.	Chileans are price sensitive, especially during economic slowdown.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

The United States Department of Agriculture, Foreign Agricultural Service (FAS) in Santiago, Chile, advises U.S. exporters to check that their products meet the most up to date Chilean regulations to ensure a straightforward entry strategy into this market. FAS Santiago maintains listings of potential importers and develops sector-specific information to help you introduce your product in Chile. [State Regional Trade Groups \(SRTGs\)](#) and [Trade Associations](#) are in constant contact with FAS Santiago staff and are valuable partners when approaching the market. SRTGs are non-profit trade development organizations that help U.S. food producers and processors to enter overseas markets. SRTGs are funded by USDA/FAS and private industry. SRTGs and Trade Associations conduct promotional activities to increase exports of U.S. high-value food and agricultural products.

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

FAS Santiago staff recommends U.S. exporters to exhibit or attend Chilean trade shows, particularly the U.S. Pavilion at the [Espacio Food & Service](#) show (September 28-30, 2021), Chile’s major food show. The show is recognized as the most important annual meeting in the Chilean food industry and provides the opportunity to connect with over 28,000 Chilean and international buyers.

For more information, please contact the show organizer, [Kallman Worldwide, Inc.](#)

Critical considerations of market entry include the following:

Market Analysis:

- There are a wide variety of food products in Chile’s retail sector due to the market openness. Thus, the U.S. exporter must be clear as to what role the product will have in the market and how it will be positioned in relation to other competitors.
- Supermarkets have limited shelf space and usually different brands are available.
- Supermarkets will assess if their new product margin is attractive in comparison to other brands, which is mainly a cost-benefit decision.

Market Access:

- The main entry for imports to Chile is via seaports, the most important ones are San Antonio and Valparaiso. Once goods have entered Chile, they are transported via highways.
- Enter through the big supermarket chains or find a partner/distributor.
- Supermarkets chains will allow a new product to have a countrywide presence, and these chains carry a more diverse variety of products.
- Trying to enter the Chilean retail market through smaller stores can be a bit more challenging, due to the more limited variety of products small stores could handle. In addition, this sector is more focused on price than variety.

- Another possibility is to enter through a business partner or distributor that would sell the product to different types of stores. The advantage is that the distributor has a variety of clients and could sell a larger volume of the product.

Market Structure

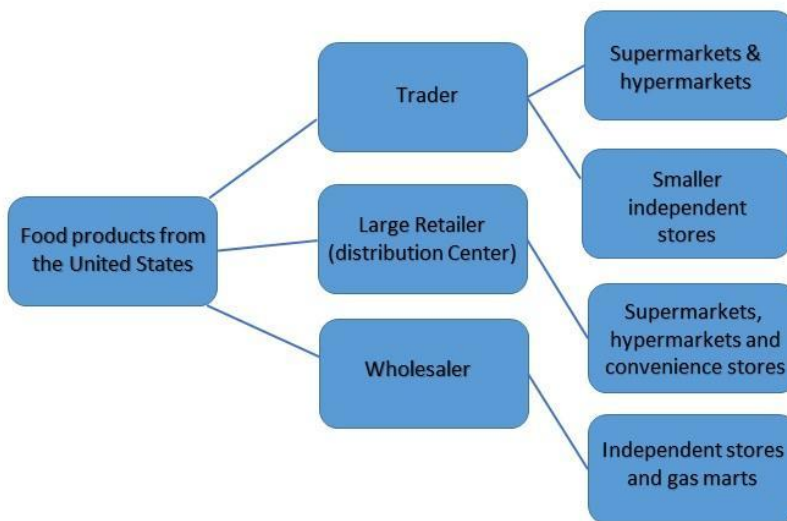
Chilean main supermarket chains use two systems for delivering imported and local products to retail food stores in Chile: distribution through suppliers, where suppliers deliver products directly to each of the stores and centralized distribution, where suppliers deliver products to different distribution centers of the supermarket chain, and it later distributes products to its stores. The centralization of the distribution allows achieving operational efficiencies, especially considering the geographical characteristics of Chile.

Imported food and beverage products for the food retail sector enter Chile throughout the following players:

- Wholesalers and producers import large quantities to distribute to smaller independent stores.
- 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.
- Distributors that supply gas stations for their countrywide operations on the gas marts.

Most of the independent stores get their products at a discounted 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.

Table 3. The following diagram illustrates how products are imported and distributed in Chile:



The distribution flowchart is very simple, and there are no regulations limiting the number of actors who can import. The import process is as cost-effective as possible, using economies of scale whenever possible.

Chilean food processing companies mainly sell to supermarkets and hypermarkets (60 percent of all processed food). A smaller share of packaged food is sold through traditional grocery retailers such as independent small grocers or food/drink specialists (38.4 percent).

Company Profiles & Top Host Country Retailers (links vs text)

Chilean main players in their formats are:

WALMART CHILE S.A.	<i>Walmart Chile</i> is the largest supermarket chain in Chile in terms of revenue with a market share of approximately 41,9 percent. <i>Wal-Mart Chile</i> continues to dominate with a 57 percent value share during 2019 with its hypermarket format <i>Hiper de Lider</i> brand.
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Ownership	<i>Walmart Stores, Inc. (USA)</i>	
Formats	Hypermarkets	<i>Hiper de Líder</i> (www.lider.cl)
	Supermarkets	<i>Líder</i> (www.lider.cl) <i>Express de Líder</i> (www.lider.cl)
	Wholesale Discount Stores (Discounters)	<i>Central Mayorista</i> (www.centralmayorista.cl) <i>Super Bodega aCuenta</i> (www.superbodegaacuenta.cl)
Total Number of Stores	371	
Sales Surface	1,524,631 square meters	
Private Labels	<i>Líder, Great Value, aCuenta and Selección</i>	
Supermarkets business in other countries of South America	Argentina (<i>Walmart</i>) Brazil (<i>Big Bompreço</i>)	

<i>CENCOSUD CHILE S.A.</i>	<i>Cencosud S.A</i> operates different retail formats, from department stores to supermarkets, where it stands as the second biggest player in value terms with the <i>Santa Isabel</i> brand. <i>Jumbo</i> 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 <i>Jumbo</i> a great differentiation in the supermarket industry.	
Ownership	Cencosud S.A. (Chile)	
Formats	Hypermarkets	<i>Jumbo</i> (www.jumbo.cl)
	Supermarkets	<i>Jumbo</i> (www.jumbo.cl) <i>Santa Isabel</i> (www.santaisabel.cl)
Total Number of Stores	247	
Sales Surface	591,853 square meters	
Private Labels	<i>Jumbo Artesanal, Jumbo Ready, Jumbo Premium, Cuisine & Co. and Santa Isabel</i>	
Supermarkets business in other countries of South America	Argentina (<i>Jumbo, Disco and Vea</i>) Brazil (<i>Gbarbosa, Bretas, Perini and Prezunic</i>) Peru (<i>Wong and Metro</i>) Colombia (<i>Jumbo and Tiendas Metro</i>)	

<i>SMU S.A.</i>	<i>SMU</i> , through its <i>Unimarc</i> brand, is the third player in terms of revenues with a market share of approximately 20.1 percent according to their 2019 annual report.	
Ownership	<i>SMU S.A.</i> (Chile)	
Formats	Hypermarkets	<i>Unimarc</i> (www.unimarc.cl)
	Supermarkets	<i>Unimarc</i> (www.unimarc.cl)
	Convenience stores	<i>OK Market</i> (www.okmarket.cl)
	Wholesale Discount Stores (Discounters)	<i>Mayorista 10</i> (www.mayorista10.cl) <i>Club Alvi Mayorista</i> (www.alvi.cl)

	On-Line Grocery Sales and On-Demand Delivery Formats (Apps)	<i>Telemercados</i> (www.telemercados.cl)
Total Number of Stores	513	
Sales Surface	552,484 square meters	
Private Labels	<i>Unimarc Tú Día Es Más Fácil</i> and <i>Unimarc Más Ahorro</i>	
Supermarkets business in other countries of South America	Peru (<i>Mayorsa</i> and <i>Maxiahorro</i>)	

TOTTUS S.A.	<i>Tottus</i> is the fourth largest chain in terms of revenue with a market share of approximately 4 percent according to their 2019 annual report.	
Ownership	<i>Falabella S.A.I.C.</i> (Chile)	
Formats	Hypermarkets	<i>Tottus</i> (www.tottus.cl)
	Supermarkets	<i>Tottus</i> (www.tottus.cl)
Total Number of Stores	69	
Sales Surface	224,901 square meters	
Private Labels	<i>Tottus</i>	
Supermarkets business in other countries of South America	Peru (<i>Tottus</i> and <i>Hiperbodega Precio Uno</i>)	

Wholesale Discount Stores (Discounters) and Warehouse Clubs

Wholesale discount stores are fewer in number compared to the other types of stores, and serve mainly independent stores. This segment includes stores that supply restaurants, final consumers and mom-and-pop businesses near neighborhoods in urban areas. They provide most common store products with wholesale prices. The average of SKUs (stock-keeping unit) per store is 4,700 to 5,300.

There are around 249 wholesale discount stores owned mainly by the big retailer chains like *Walmart Chile* and *SMU*. *Mayorista 10* and *Alvi* from *SMU*, and *SuperBodega aCuenta* and *Central Mayorista* from *Walmart Chile* offer attractive prices but with different approaches: *Mayorista 10* and *SuperBodega aCuenta* more oriented to final consumers, *Central Mayorista*, and *Alvi* to merchants. Other wholesale discount stores are *Distribuidora Fruna* and *La Caserita*.

There are currently no warehouse clubs in Chile.

Convenience Stores

Convenience stores cater to the middle -upper class segment of the population by offering good service, convenient locations, a variety of foods and snacks. The assortment of products is approximately 1,100 SKUs on average, and includes a wide variety of prepared dishes, chocolates, beverages, bakery products and tobacco. Chilean consumers limited the items purchased to a minimum, buying only essentials, and leaving larger purchases for a weekend trip to the supermarket.

There are only two large convenience store chains in Chile: *OK Market* (Chile) and *Oxxo* (Mexico), former Big John. Convenience stores achieved outstanding performance during 2019 due to successfully meeting convenience and proximity demands.

Gas Marts

The top gas marts operating in Chile are: [Spacio 1](#), operated by Petrobras (Brazil); [Pronto](#) and [Punto](#) operated by [Copec](#) (Chile), and [Upa!](#) operated by [Shell](#). There are 650 gas marts throughout the entire country. They are very popular for travelers moving through the countryside and during the holiday season. In the city, gas marts serve as a quick stop for a beverage or snack.

Gas stations specialize in having beverages (juices, water, and sodas), snacks (sweet and salty), sandwiches, energy drinks, crackers, ice cream cookies and some imported convenience items, including snack food, beverages and confectionery. Large gas marts offer coffee, pastries, and restaurant service. The restaurants are usually the fast food type. Some may incorporate a drugstore (of another brand).

Online Grocery Sales and On-Demand Delivery Formats (Apps)

Since 2015, [Cornershop](#), an on-demand grocery delivery service with personal shoppers, has gained increased popularity. Consumers understand the benefit of carrying out large volume purchases through an application (mobile app) and obtaining their groceries in less than 90 minutes. *Cornershop* partnered with *Walmart Chile* and *Cencosud* in 2017. In July 2020, [Uber Technologies, Inc.](#) acquired 51 percent of *Cornershop*. This means that Uber and Uber Eats delivery services are now available in nineteen cities in Latin America, Canada, and in the main cities of Chile.

Walmart Chile implemented *Walmart Stores'* omni-channel strategy through www.lider.cl and pick-up and delivery service. Furthermore, *Walmart Chile's* direct competitor *Jumbo* has developed its own on-demand grocery delivery platform, www.jumboahora.cl offering similar delivery promises as *Cornershop*.

Delivery Apps operating in the Chilean market include [Rappi](#) (from Colombia) and [PedidosYa](#) (from Uruguay), which absorbed *Glovo* operations in Chile (from Spain), offer a similar on-demand grocery delivery service, but focus on smaller volume orders/deliveries than *Cornershop*, similar to purchases made in-store in supermarkets. The boom in delivery services led *Rappi* to partner with supermarket brands like *Jumbo* and *Santa Isabel* (*Cencosud*), *Tottus* (*Falabella*) and *Unimarc* (*SMU*). *PedidosYa*, on the other hand, has the flexibility to deliver from any store within a designated area, which includes supermarkets and convenience stores. Consumers busy lifestyles and their habit of continuously being connected to mobile devices has led them to gain confidence in performing transactions and buying through mobile apps more frequently. On-demand delivery service players have also released “prime” versions of their delivery services, which allows the user to decide for unlimited free shipping for a monthly fee, to boost the number of purchases and quickly increase use of their mobile apps.

Traditional Grocery Retailers

Traditional grocery retailers are the most common store format in Chile totaling 220,151 stores. They cater to customers in neighborhoods where larger supermarkets are not present and do not normally carry imported packaged products. Mom-and-pop stores also known as *almacenes de barrio* are neighborhood food stores that offer a mix of vegetables, fruits, seafood, meats, liquor, bakery, pastries and snacks. Other traditional grocery retailers are open markets also known as *ferias libres*. According to the *Asociación Chilena de Ferias Libres* (Chilean Association of Open Markets), these markets distribute 70 percent of the local production of fruits and vegetables in Chile.

Specialized Stores

Specialized stores are small stores that sell healthy products and special diets products like gluten-free products. These stores are for a niche group of the population who can afford products that are more expensive. They offer nearly 60 percent of local Chilean products and 40 percent of imported products.

Other specialized stores include:

Liquor stores – “*Botillerías*”

Vegetables and fruits stores- “*Verdulerías*”

- Butcher shops – “Carnicerías”**
- Pet food stores – “Tiendas de Alimentos para Mascotas”**
- Bakery and Pastry shops – “Panaderías y Pastelerías”**
- Fish and seafood stores- “Pescaderías”**

SECTION III. COMPETITION

Because of the U.S.-Chile FTA, Chile dropped all tariffs on agricultural products to “zero” as of January 2015. The United States and Chile are strategic partners whose agricultural relationship has been guided by collaboration and trade capacity building allowing Chile to become a regional leader with a competitive trade market. U.S. food and agricultural exports to Chile totaled \$1.1 billion in 2019, which represents a 13 percent annual growth over 2018.

Chile Imports from World				
Commodity: Consumer-Oriented Products				
Calendar Year: 2017 - 2019				
Partner				Market share (%)
	2017	2018	2019	2019
World	\$3.437.210.546	\$3.701.186.983	\$3.777.859.073	100
Brazil	\$600.258.058	\$808.415.624	\$787.200.704	20,8
United States	\$633.994.749	\$618.707.542	\$699.516.130	18,5
Argentina	\$451.011.614	\$484.182.771	\$452.739.327	12,0
Paraguay	\$446.634.194	\$329.435.602	\$363.981.498	9,6
Peru	\$106.662.985	\$114.614.309	\$163.080.023	4,3
Ecuador	\$106.197.786	\$143.940.355	\$149.349.324	4,0
Mexico	\$125.695.257	\$142.114.114	\$138.307.011	3,7
Spain	\$93.705.157	\$112.939.275	\$112.465.801	3,0
Germany	\$74.343.976	\$88.200.019	\$99.583.249	2,6
Netherlands	\$87.578.692	\$108.141.428	\$82.058.879	2,2
Belgium	\$97.898.784	\$94.331.426	\$75.059.104	2,0
New Zealand	\$67.949.358	\$65.795.112	\$74.410.141	2,0
China	\$44.892.964	\$56.706.892	\$60.067.646	1,6
Source: Trade Data Monitor (TDM) - Chile National Customs Office				

The United States is the second largest supplier of agricultural and related products to Chile, with a 15.4 percent market share following Argentina with 24 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 consumer-oriented agricultural products after Colombia. Competition from MERCOSUR and Peruvian suppliers remains fierce for consumer-oriented products, grains, soybean products, and pet food. The Chilean food processing sector also competes with imported food products.

Brazil, the United States, Argentina, Paraguay, and Peru are the dominant suppliers of consumer-oriented agricultural products to Chile’s retail industry.

In 2019, Brazil was the top supplier of consumer-oriented products with a market share of 20.8 percent. Top Brazilian products exported to Chile are beef, poultry, pork, chocolate (candy), and pet food.

The U.S. is the second largest exporter of consumer-oriented products to Chile with a market share of 18.5 percent after Brazil. Pork, dairy products (cream cheese and mozzarella), beer, poultry and beef are their main products exported to Chile. U.S. pork and U.S. egg & egg products exports grew 58.76 percent and 49.28 percent respectively from 2018 to 2019. The U.S. also exports products such as prepared food, sauces, condiments & mixed seasonings, almonds, fresh fruits, and pet food.

Argentina is the third largest exporter of consumer-oriented products to Chile with a market share of 12 percent. Argentina's main exports to Chile include beef, dairy products, pasta, pet food, and poultry.

Peru is the fourth largest consumer-oriented products exporter to Chile, with 4.3 percent market share. Peru's strength is its production of processed foods such as fresh fruit, prepared food, processed fruits, processed vegetables and beer, which have very competitive prices in relation to other suppliers.

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

The best product prospects can be divided into 3 categories listed below:

Products Present in the Market which have Good Sales Potential

1. **Meat products (pork, poultry and beef):** Retail stores offer a variety of beef cuts suitable for the BBQ/grill or "asado", which is a tradition amongst Chilean consumers. These beef cuts are characterized for having a high-fat content, which gives the beef a better flavor. According to industry experts, these cuts can be packaged at a low cost for U.S. producers, but are sold at a premium price in Chile given their U.S. origin.
2. **Beer/craft beer and distilled spirits:** Chile is the largest consumer of alcohol per capita in Latin America, reaching 61.3 liters per capita.
3. **Dairy products:** The United States is the second largest supplier of dairy products to Chile after New Zealand, and the main supplier of cheeses to Chile, with a market share of 27.55 percent of all cheeses imported. U.S. cheese exports to Chile reached \$47 million in 2019 and is mostly made up of cream cheese, mozzarella, and cheddar. According to FAS Santiago sources, U.S. dairy products exports are attractive due to their quality and competitiveness in relation to other suppliers.
4. **Prepared food and frozen meals:** Supermarkets have increased shelf space for frozen food products and meals. For example: pasta, pizza, and frozen dough.
5. **Tree nuts:** Almonds and pistachios.
6. **Fruits juices:** There is increasing opportunity for all natural, no-sugar added orange, grapefruit, grape juices in particular.
7. **Fresh fruits:** apples, lemons, and oranges.
8. **Pet food:** Dog and cat food.
9. **Snack foods.**
10. **Sauces, mixes, condiments and seasonings:** especially those in retail big format.

Products Not Present in Significant Quantities, but which have Good Sales Potential

(Products consumed in Chile in small quantities that have none or few U.S. suppliers)

1. **Specialty desserts**
2. **Energy drinks**
3. **Premium ice creams**
4. **Value-added supplement milk**
5. **Premium cheeses:** cheddar and mozzarella cheese in sliced format, blue cheese, parmigiano, asiago, monterey jack, mascarpone, swiss, munster, grana, artigiano and fontal cheeses.
6. **Egg and egg products.**
7. **Ready to serve soups and broths:** with natural ingredients.

Product 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 (29) with 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.

Please find attached Tables of 2019 Top Consumer-Oriented Products Imported from the World and from the United States.

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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

Attachments:

[2019 Top Consumer-Oriented Products Imports from the World.xlsx](#)

[2019 Top Consumer-Oriented Products Imports from the U.S..xlsx](#)