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## Chile

## Exporter Guide

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**Report Highlights:**

The United States is Chile's second largest supplier of agricultural and related products, after Argentina. U.S. – Chile agricultural bilateral trade increased by 32% since 2011 to \$5.9 billion in 2015. Based on size, growth rate and the U.S. competitive position in the market, the following products have the greatest potential in Chile: beef (meat), dairy products, poultry, pork (chilled/fresh), pork as ingredient, food ingredients, frozen meals, craft beer and spirits, snack foods, cereals, fruit juices (orange, grapefruit, and grape), pet food, natural/organic foods, feed and wood panels. Chileans spend 23.4% of their annual income on food and imported food products have

grown in popularity over the last five years.

**Post:**

Santiago

**Executive Summary:**

The United States is Chile's second largest supplier of agricultural and related products, after Argentina. U.S. – Chile agricultural bilateral trade increased by 32% since 2011 to \$5.9 billion in 2015. Based on size, growth rate and the U.S. competitive position in the market, the following products have the greatest potential in Chile: beef (meat), dairy products, poultry, pork (chilled/fresh), pork as ingredient, food ingredients, frozen meals, craft beer and spirits, snack foods, cereals, fruit juices (orange, grapefruit, and grape), pet food, natural/organic foods, feed and wood panels. Chileans spend 23.4% of their annual income on food and imported food products have grown in popularity over the last five years.

**Section I. Market Overview**

Agriculture in Chile is essential for the country's economy. Chile's economy is driven by exports, concentrated primarily in copper and its agricultural sectors - fresh fruit, forestry, and fishery products. The agriculture industry is responsible for 25% of Chile's overall trade, and 11% of its total GDP. 20% of Chile's labor force is engaged in agriculture.

Total Chilean agricultural exports (including forest and fishery products) to the world in 2015 reached US\$ 16.8 billion, placing Chile among the largest agricultural and food exporters in the world. Chilean agricultural exports have been growing at a rate of 9.4 percent over the last 5 years. Chile ranks -

- 1<sup>st</sup> in world exports:
  - Fresh table grapes
  - Cherries
  - Blueberries
  - Prunes
  - Dehydrated apples
  - Frozen salmon fillets
- 2<sup>nd</sup> in world exports:
  - Whole shelled walnuts
  - Whole shelled hazelnuts
- Ranks 3<sup>rd</sup> in world exports:
  - Frozen raspberries
  - Raisins
- Ranks 5<sup>th</sup> in world exports:
  - Wine

Chilean agricultural, fish and forestry exports to the United States totaled \$5 billion in 2015 and are expected to reach \$5.3 billion in 2016. The United States is the largest market for Chilean agricultural products. Chilean agricultural and related products exports to the United States increased by 6.2% from January – October 2016 over the same period in 2015 (refer to Table 1).

Chile exports nearly \$4.1 billion in fresh fruits to the world and the United States is its largest market, importing 39 percent (or \$1.6 billion per year) of all Chilean fresh fruits. Table grapes are Chile's largest horticultural export to the United States, which were valued at \$472 million in 2015, followed by blueberries which totaled US\$ 253 million in 2015. The United States is the Chile's second largest supplier of agricultural and related products, after Argentina.

U.S.– Chile agricultural bilateral trade increased by 32% since 2011. U.S. agricultural & food exports to Chile are expected to reach \$866 million in 2016, a 3.1% increase over 2015. The top ten U.S. agricultural exports to Chile by value are corn gluten meal, poultry, dairy products, wheat, beef, beer, pork, vegetable oils, condiments & sauces and prepared foods.

Chile has pursued sound economic policies for nearly three decades. The government is committed to free trade and welcomes foreign investment. The economy grew fast the past decade but after the 2010-2012 period, growth fell to 1.8% in 2014, 2.1% in 2015, and is expected to be 1.9% in 2016 (World Bank Data). The main reasons for the growth slowdown are low copper prices, a decrease in private investment and a decrease in domestic consumption. Inequality remains one of the main social problems but has also shown a reduction. The GINI index has moved from 0.552 in 2003 to 0.509 in 2013 (United Nations Data).

Chile's economy is market orientated and benefits from its 26 free trade agreements (FTAs), and its strong exports account for nearly one-third of its GDP.

Chile's exchange rate at the end of December 2016 was of \$674 Chilean pesos (CLP) against the U.S. dollar (USD).

Chileans spend 23.4% of their annual income on food. With the relatively low rate of birth compared to previous years and the increase in income, this percentage is expected to grow in the following years. In general, Chileans preference for bread, meat, fish, seafood, milk, confectionery, fruit and vegetables continues to increase along with income. In addition, imported food products have grown in popularity over the last five years. The 26 FTAs that Chile maintains with other countries have contributed to the rise in imported food products that can be found on supermarket shelves.

Based on size, market growth rate and the U.S. competitive position in the market, the following products are FAS Santiago's top prospects for the market: Beef (Meat), Dairy Products, Poultry, Pork (Chilled/Fresh), Pork as Ingredient, Food Ingredients, Frozen Meals, Craft Beer and Spirits, Snack Foods, Cereals, Fruits Juices (Orange, grapefruit, grape), Pet food, Natural/Organic Foods, Feed and Wood Panels. Competition from Mercosur suppliers remains fierce for grains, soybean products, meats and pet food. Domestic production and European imports also present a challenge to U.S. processed foods.

## Section II. Exporter Business Tips

- An importer/agent is becoming a necessity. Most supermarket chains prefer to buy new or unknown products from importers/distributors.
- U.S. products can fill gaps in the local market if supported on the ground. Intensive samplings, in conjunction with prominent shelf space in supermarkets are crucial to successfully launch imported products.
- There is 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.
- It is important to differentiate your product against other like products.
- U.S. produced products have a very positive image and are viewed as high-quality and safe.
- The appropriate marketing campaign to inform the consumer about the origin of the brand is important. i.e. American meat cuts are a good example of this strategy as they have an American flag on the packaging that differentiates them from other available meats. Slogans and marketing materials should be understood in Spanish. Be mindful of using slang. The word American coupled with a flag can be favorably used in this market.
- Agents/importers must be able to store imported products until they are tested and approved for sale/distribution by local health officials.
- While regulations are relatively transparent, changes are not widely advertised. Hence, the exporter or his/her representative must monitor the Diario Oficial, where periodical changes are published. One can also visit the websites of the Ministry of Agriculture ([www.sag.gob.cl](http://www.sag.gob.cl)) and the Ministry of Health (<http://www.minsal.cl/>) to seek further updates.
- For labeling and certification requirements for meat, poultry, dairy and fresh produce, consult the USDA office in Santiago's web page at [www.usdachile.cl](http://www.usdachile.cl) under "Import Requirements" and "Food Law."
- Spanish labeling is mandatory for all products.
- Consumers are very brand oriented, but major supermarket chains are introducing and seeking private labels.
- Consumers relate expired shelf life to spoilage, which is one of their major concerns when shopping.
- The market for imported consumer foods is concentrated in the Santiago Metropolitan region, where 40 percent of the country's population lives.
- The Ministry of Health published on June 26, 2015 the implementing regulation to Law 20606 that regulates the labeling of the nutritional compositions of food products, Decree 13, 2015. The Decree aims at targeting food products that are intended for consumption by children under 14 years of age if they exceed specified limits of sodium, sugar, energy (calories) and saturated fats. Food products that exceed the limits will now be required to use black stop signs that state "high in salt, sugar, energy or saturated fat" according to its nutritional composition. One stop sign must be used for each of the critical nutrients in excess. Therefore, some products may have up to four stop signs. Visit USDA's website for more details on New Food Labeling in Chile, FAS Attaché Reports CI1513: <http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>
- The table below identifies advantages and challenges for the U.S. exporter.

**Table 1: Advantages and Challenges for U.S. Exporters to Chile**

<b>Advantages</b>	<b>Challenges</b>
Clear rules and transparent regulations offered by the government allow for fair competition.	Prices for U.S. products may still be higher than local products or imports from nearby countries, even after the FTA. FOB prices for U.S. inputs tend to be at least 10% higher than local prices for equivalent quality.
The purchasing power of Chile's middle and upper-middle income consumers continues to rise.	Chile is a competitive market, which has free trade agreements that cover 65 countries including the European Union, China, Central America and South American countries.
The U.S.-Chile free trade agreement resulted in 0% duties for all U.S. agricultural products as of January 1, 2015.	There has been an increase in the market share of Chilean brands at the expense of global brands.
Chile's largest retailers have operations in other Latin American countries making it a gateway to other Latin American markets.	Chile's new nutritional labeling law requires possible stickering/labeling if thresholds of sodium, saturated fat, sugar and calories exceed certain levels set by the Ministry of Health.
American brands are well-regarded as high quality with many well-known brands already present in the market.	There is a lack of awareness about the all the different types and qualities of some U.S. products by Chilean consumers and importers; i.e. premium quality beef cuts, high quality cheeses and dairy products, health food products etc. that do not exist in Chile. Thus more marketing and knowledge is required.
Equal playing field for imported and local products.	
Chile has one of the highest percentages of non-traditional store sales in Latin America, which allows suppliers to target large retail chains for larger volume sales.	
U.S. food inputs are known for their high quality and meeting respected FDA & USDA standards.	

### **Section III. Market Sector Structure and Trends in the Food Processing Sector:**

- The Chilean food industry is based on the country's agricultural resources and remains, to a significant degree, dependent on agro-based exports. Indeed, the food industry is one of the staples of the Chilean economy, generating around US\$9.4 billion in exports annually. Currently, agriculture and the food industry in Chile represent 25% of Chilean exports. Based on Chile's agricultural resources, it is expected to constitute more than 35% of the total's exports by 2030, showing an increase in this sector. The country's food and beverage industry

is expected to expand annually by 6.6% until 2019.

- Chile's location allows the country to have certain advantages over other countries of the world due to its southern hemisphere location. As crops are harvested during counter-seasons and as the major consumers are from the northern hemisphere, it gives them the opportunity to export to other countries in the counter season. The Chilean food processing industry imports \$173 million of food ingredients/products each year, of which \$40 million is imported from the United States. Chilean industry groups feel they are poised to become one of the main food suppliers to the world. Chile is already amongst the top ten agricultural exporting countries in the world with \$16.8 billion in agricultural exports in 2015. Chile's main agricultural exports are fresh fruit, fish products, wine, forestry products and processed fruits.
- Chile's processed food industry is made up of different sectors such as chilled processed food, frozen processed food, dried processed food and the beverage industry.
- According to Euromonitor, the chilled processed food sector is forecasted to reach \$1.1 billion by 2019. Chilean consumers are looking for more ready-to-eat products, have less time to cook, and there are more women entering the workforce. Within the chilled processed food sector, the main leaders are Cial Alimentos SA with 27.4% market share, followed by Productos Fernández SA with 16.9%, Cecinas Llanquihue with 10.7% and Agrícola Super Ltd. with 8.2%; accounting for 63.2% of the total market share for chilled processed food.
- The two main international brands of frozen processed products are Quickfood Chile with 5% market share and Sadia Chile with 9%. In the frozen processed food sector, the main competitors in the market are Agrícola Super Ltd. with 17.4% market share, Alimentos y Frutos SA with 14.2% and Agrícola Frutos del Maipo Ltd. with 11.2%; accounting for 42.8% of the total market share.
- The main distribution channels for both chilled and frozen processed food are supermarkets and hypermarkets followed by convenience stores.
- The demand for dried processed food in Chile such as rice, dehydrated soup and dried pasta has remained stable. Rice is the most popular side dish. However, due to the increase in health consciousness, brown rice has been recording high sale rates. The main competitors of this sector are Empresas Carozzi SA with a 29.2% market share, followed by Tresmontes Lucchetti SA at 17.10% and Empresas Tucapel SA with a 11% share; accounting for 57.3% of total market share for dried food. The price of dried processed food recorded an increase of 7% due to the popularity of gourmet food with reduced sugar. Sales through the internet, discounters and convenience stores are expected to increase for this sector.
- Within the soft drinks industry, carbonates continue to dominate in soft drinks sales volume and it is expected to continue in the upcoming years. Consumers are seeking products that balance health benefits and good taste. The compound annual growth rate of bottled water and read-to-drink tea is 6% each, for juice 5%, and carbonates will present a 2% growth in volume sales. Coca-Cola de Chile SA maintained its leadership with 60.5% during 2014 and it is forecasted to keep this leadership in the following years, followed by Embotelladoras Chilenas Unidas SA with 16.1% and Aguas CCU – Nestlé Chile SA with 5.7%; accounting for 82.3% of the total volume sales of soft drinks.
- According to Euromonitor, Alcoholic beverages consumption grew 2.1% in 2015, with beer recording the highest per capita consumption levels reaching 43.7 liters per capita. Women are increasingly consuming more beer, especially lager and premium lager. All Spirits, recorded increases in consumption except for rum as consumer preferences have shifted

towards other beverages like whisky, bourbon and gin.

- The alcoholic beverage industry is expected to continue grow around 2.5 % a year. Retail sales of alcoholic beverages are expected to increase 3.2% in 2016 while sales in restaurants decreased by 0.6% due to the economic slowdown experienced since 2015. Cía Cervecerías Unidas SA remains to dominate the market with 54.9% share of volume sales, followed by Anheuser-Busch InBev NV with 17.2% and Viña Concha y Toro SA with 6.1; accounting for 78.2% of the total volumes sales of alcoholic drinks.

### **Hotel, Restaurant and Tourist Industry:**

- Although no official government or industry sales figures exist for the Hotel, Restaurant and Institutional Management (HRI) sectors, the institutional market is the largest of the three in terms of food sales, followed closely by the restaurant sub-sector and fairly distantly by the hotel sub-sector.
- It's estimated that around 15% (almost US\$643 million) of the food found in the HRI market is currently imported, mainly from the United States, Asia, and other Latin American countries.
- Increasingly hectic lifestyles and less time to eat and cook are driving consumers to spend more on eating away from home. This trend is positively impacting all manufacturers, as consumer food service is growing rapidly.
- At-home retail packaged food consumption in Chile is not affected in a noticeable way by consumer food service growth, as this phenomenon is related mostly to Chilean consumers eating out for lunch, or social gatherings in the evening. Thus, most other meals, such as breakfast and everyday dinner, are still eaten at home.
- Expenditure in food service is forecasted to grow at 6.6% rate until 2018.
- Travel and tourism is expected to rise by 4.4% as favorable exchange rates attract more foreigners, and also boost domestic tourism from prohibitive costs of going abroad. Tourism and business travel are two factors that have greatly affected the HRI sector, both for domestic and international visitors.
- Independent players (80% of the food service market) are currently outperforming chained services (with the exception of fast-food), as a result of demonstrating greater attention to local consumer preferences and diversity. However, chained food services are capable of outperforming independent players on price due to superior economies of scale, and are increasing in prevalence.
- Government activism and consumer awareness on health topics are leading to growing demand for health and wellness products in the food service industry.
- The U.S.-Chile Free Trade Agreement (FTA) in 2004 has made U.S. products very competitive in the market, as duties dropped to zero on all imports.
- More Chilean consumers are willing to splurge on higher quality goods and have a higher interest in foreign products. This has shown in increasing emergence of American and European products in supermarkets here such as Tottus and Jumbo.
- The three main institutional companies are Sodexo Chile, S.A., Central de Restaurantes Aramark and Compass Catering, S.A., which together make up 64% of the total sector.
- Institutional food service is a good market for basic staples such as legumes, beef, pork and rice.
- The leading domestic food products sold to the HRI sector are produce, poultry and pork, seafood/fish, fruits and wine. Imported products in these categories presently account for

about 10 percent of the demand. Imported products are mainly beef from Argentina, Brazil and Uruguay; and legumes and cereals from Argentina and Canada.

- Best high-value products prospects in this sector are: diet and light soft drinks, sweet & savoury snacks, spirits and premium fast-food.

### **Travel and Tourism:**

- Growth in international tourist arrivals is likely to remain strong over the forecast period as world economic growth picks up and the Argentinean peso recovers. Chile will continue to focus on attracting long-haul tourists, and this effort will receive additional assistance from the government, which pledged to help double tourism's share of GDP to 10 percent.
- Chile's natural beauty and its good infrastructure attract a growing number of international conventions. Business travel is also on the rise, as a result of Santiago's growing importance as a South American business center. Multinational companies have established their regional headquarters in Chile since the government announce a program that includes mechanisms to avoid double taxation.
- With international flight occupancy rates recovering to around 70 percent, the airlines serving Chile will continue to increase frequencies and destinations. Lan Airlines in particular is planning to expand its operations in Asia to reflect increasing commercial links between Chile and China, Japan and South Korea.
- Antarctica is a popular destination for international cruise line and travelers to Chile in general. The arrival of cruise lines have increased during the past years and the tourist authorities hope that Chilean destinations become one of the most important of the South Pacific. In the past eight years, the number of passengers has increased 500 percent.
- In Chile, the most visited destinations are Patagonia, the Lakes Region, Atacama, Valparaiso, Easter Island and Santiago. Considerable growth is expected given increased investments from the government and popularity of these sites internationally.

### **Retail Sector:**

- There are five main retail groups in Chile: Falabella, Cencosud, Walmart Chile, Ripley and La Polar.
- Falabella and Cencosud have department stores, home centers and supermarket/hypermarkets; Chile has a modern, highly competitive supermarket sector.
- The Chilean market for retail food is composed of a mix of large supermarkets, mid-sized grocery stores, convenience stores, gas station markets and an array of smaller independent neighborhoods "mom-and-pop" shops.
- Most consumption occurs in the Santiago Metropolitan Region since it concentrates 40% of the country's total population. Supermarkets have the largest market share for Chile's food sales, holding 48.2% of total food sales, mid-sized supermarkets hold 12.1% of total sells and Grocery stores have a market share of 21.2%. The most frequently found type of retail store is the grocery store with a total of 69,223 locations
- Chile is becoming increasingly urbanized, not only in the Metropolitan region but also in other provincial or second-tier cities. The retail industry has been adjusting to this trend especially grocery retailing that has been adopting a convenience model through chained convenience stores, forecourt retailers and smaller supermarkets.
- There are important differences between the products carried by both hypermarkets and



supermarkets in the low versus mid to high socio-economic segments. The stores located in low-income areas normally carry a limited number of specialty items (usually higher-priced imported goods), apart from the items destined for massive consumption. Hypermarkets and supermarkets in the mid to high-income areas carry a varied assortment of specialty items with a relatively high degree of imported products. A rise in consumer sophistication in the mid to high socio-economic areas, in terms of products, brands and price, has resulted in increased demand for imported food products. These stores now account for 26 percent of total sales and offer customers fresh bakery goods, fresh seafood, coffee bars, prepared salads, pizzas, meat dishes, and the typical assortment of grocery products. Warehouse outlets and wholesale clubs have not yet made an appearance.

- Nevertheless, despite the increasing selection of products and advances made in the supermarket sector as a whole, compared to the US, the selection of imported specialty products is still limited. About 10-15 percent of products sold in supermarkets are imported, but this segment has grown by 85 percent over the last years.
- The 2004 U.S.-Chile free trade agreement prompted new interest in U.S. products and opened new opportunities for products such as beef, poultry, pork, processed foods and dairy products.

#### **Section IV. Best High-Value Added Product Prospects.**

##### **Category A: Products Present in the Market That Have Good Sales Potential**

1. Beef: Tri-Tip beef cut, Back ribs, short ribs beef cut, Outside Round / Top Round / Top of Bottom Round beef cut: Retail stores offer a variety of cuts suitable for the BBQ/grill or 'asado', which is a tradition amongst Chilean consumers. These 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. Dairy: The United States is the main supplier of dairy to Chile, with a market share of 30% of all dairy imported. The main dairy product the U.S. exports to Chile is cheese; which is estimated to reach \$30 million in 2016 and is mostly made up of cream cheese and mozzarella cheese. Non-fat dry milk (NFDm) followed by cheddar cheese and ice cream make up the remainder of the dairy products imported from the United States. Chilean retailers and importers selling U.S. dairy products find them attractive due to their quality, competitiveness and low prices in relation to other suppliers.
3. Prepared foods exported to Chile are mainly cereals, pasta and infant foods.
4. Fruits juices: there is increasing opportunity for all natural, no-sugar added orange, grapefruit, grape juices in particular. The imports of juice from the U.S. have grown 37% per year in value between 2010 and 2015.
5. Poultry: Chile is the largest market for U.S. poultry in South America.
6. Pork (chilled/fresh): The United States is the main supplier of pork in Chile, offering low prices and a high quality product.
7. Pork as ingredient is primarily used in Chile's sausage and hotdog industry.
8. Food ingredients
9. Frozen meals

10. Beer/craft beer and spirits: Chile is the largest consumer of alcohol per capita in Latin America, reaching 61.3 liters per capita a year. Alcoholic beverages consumption grew 2.1% in 2015, with beer recording the highest per capita consumption levels reaching 43.7 liters per capita.
11. Snack foods
12. Cereals
13. Pet foods
14. Natural/organic foods: there is a growing niche for this product segment.

**Category B: Other Products Not Present in Significant Quantities/ Domestic Demand Exists but Few Suppliers.**

Products consumed in Chile in small quantities that have none or few U.S. suppliers include: skirt steak/outside skirt beef cut, flank steak beef cut, subcutaneous muscle (Malaya) pork and beef cut., beef neck, frozen high quality hamburgers, specialty desserts, energy drinks, premium ice-cream, value-added supplement milk, cheddar cheese in sliced format, mozzarella cheese in sliced format, blue cheese, parmigiana and provolone cheeses.

**Category C: U.S. products not present in the market because they face significant barriers.**

There are no significant barriers to enter the market in Chile.

**Table 2: High-Value Added Product Prospects summary.**

Product Category	Major Supply Sources	Market share	Value 2015(thousand US\$)	Average growth Rate 2010-2015	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Dairy Products	World Total	100.0%	201,236	20%	The U.S. was the major supplier of dairy products 2015 exporting almost 30% of all dairy imports valued at US\$ 60.4 million. Dairy from the U.S. has grown at a 19% annual rate over the period from 2010 to 2015.U.S. dairy products exports are attractive due to their quality, competitiveness and low prices in relation to other suppliers. The U.S. biggest competitor is New Zealand, which has a 21.2% market share and Argentina which has 19.8% market share. Argentina's main dairy exports to Chile are cheese (cheddar) and whole dry milk. New Zealand's main dairy exports to Chile are butter and cheese (cheddar). The main product where Argentina and New Zealand compete is cheese.	Four dairy companies process more than 80% of the milk produced in Chile. Colún is the biggest processing company totaling 538 million liters in 2015. Soprole, the second biggest company, totaled 495 million liters. Nestle processed 371 million liters in 2015 and Watt's S.A. processed 250 million liters.
	United States	30.0%	60,408	19%		
	New Zealand	21.2%	42,574	67%		
	Argentina	19.8%	39,849	2%		
	Uruguay	9.1%	18,228	33%		
	Germany	3.5%	7,142	76%		
	France	3.0%	6,057	25%		
	Others	13.4%	26,978	19%		
Prepared Foods	World Total	100.0%	294,959	8%	The United States is the major supplier of prepared foods and holds 20.1% market share, followed by	
	United States	20.1%	59,258	11%		

	Argentina	11.7%	34,576	-10%	Argentina with 11.7% market share. Prepared foods consist of cereals, formulas, creams, salsas, pastes, infusions and a wide variety of food ingredients and supplements used in the food industry. Argentina has a location advantage, being very close to Chile reduces transportation costs and the shipping times are lower which allows exporting perishable products.	
	Netherlands	8.9%	26,284	25%		
	Peru	8.5%	25,148	3%		
	Mexico	7.8%	23,138	10%		
	Brazil	5.8%	17,178	-1%		
	Others	37.1%	109,377	18%		
<b>Wine &amp; Beer</b>	<b>World Total</b>	<b>100.0%</b>	<b>184,608</b>	<b>25%</b>	Wine and Beer imports increased 25% annually in value between 2010 and 2015. Wine & beer imports are 93% beer and 5% sparkling wine. Chile is a major producer and exporter of wine, so wine imports are not significant. The major suppliers of beer are Mexico and United States. Argentina supplies beer but also sparkling wine which is offered at a competitive price.	Chile has more than 150 companies that produce craft beer. Chile is a producer and exporter of wine. Alcohol consumption has increased 2.1 % in 2015 over 2014. Beer consumption was 43.7 liters per capita in 2015 (Source: Euromonitor).
	Mexico	39.8%	73,393	31%		
	United States	28.4%	52,492	35%		
	Argentina	12.0%	22,203	4%		
	Peru	4.0%	7,409	36%		
	Germany	2.9%	5,291	30%		
	Spain	2.6%	4,745	41%		
	Others	10.3%	19,075	21%		
<b>Beef &amp; Beef Products</b>	<b>World Total</b>	<b>100.0%</b>	<b>831,134</b>	<b>2%</b>	Traditional suppliers have been Paraguay, Brazil and Argentina. Paraguay is the major supplier but has been losing market share in the last 5 years to Brazil and the U.S. Argentina is the second largest supplier and maintains a steady growth in the Chilean market. Paraguay's strength is the production at very competitive prices in relation to other suppliers. Brazil beef exports to Chile have been favored by a high depreciation of their currency (Reais). Argentina is expected to increase beef exports to Chile and to gradually regain market share since all of exports tariffs were eliminated by new elected president Mauricio Macri.	Domestic production is not enough to cover consumption demand in Chile. Chilean production expected for 2017 is around 200 MT and beef consumption remains steady so it is likely that imports will increase in 2017.
	Paraguay	41.6%	345,350	-5%		
	Brazil	32.9%	273,805	20%		
	Argentina	14.2%	118,427	5%		
	United States	6.1%	50,460	55%		
	Uruguay	4.3%	36,011	-12%		
	Australia	0.4%	3,373	-32%		
	Others	0.4%	3,708	-5%		
<b>Poultry Meat &amp; Prods. (ex. eggs)</b>	<b>World Total</b>	<b>100.0%</b>	<b>165,129</b>	<b>6%</b>	Chilean consumers have increased demand for broiler meat mainly because the consumer price is much lower than beef and pork meat. Imports both from United States and Brazil have increased January-June 2016 over 2015 as domestic consumption remains high. The main product that comes from the U.S. is frozen leg quarters and the main product from Brazil is frozen chicken breasts.	Production on CY 2015 was 599 MT, which was a 5.6% increase over 2014. Production has been growing constantly because of low broiler prices compared to beef and the lower prices of grains and feed products used in the industry. Demand of poultry products has been consistently growing.
	Brazil	53.1%	87,698	20%		
	United States	26.2%	43,225	17%		
	Argentina	19.2%	31,644	-14%		
	Areas, not elsewhere specified	0.7%	1,136	-20%		
	Spain	0.5%	865			
	France	0.1%	224	5%		
	Others	0.2%	337	21%		
<b>Pork &amp; Pork Products</b>	<b>World Total</b>	<b>100.0%</b>	<b>101,396</b>	<b>21%</b>	United States is the main supplier of pork, offering low prices and a high quality product. Brazilian pork has had a big drop in unit value, which explains the largest part of why it had	Pork production totaled 523,831.5 MT in CY2015. In 2016 Pork production has been stable and should total 520,000MT.
	United States	27.3%	39,166	30%		
	Canada	23.4%	26,600	8%		
	Brazil	18.1%	22,635	23%		
	Spain	16.0%	10,360	41%		

	Poland	2.6%	1,673			a big increase in exports to Chile (213.7% increase in volume in Jan-June 2016 over 2015). Also, Brazilian Real is highly depreciated against Chilean peso which favors Chilean imports from that country. According to post contacts there is less quality in the Brazilian pork products in relation to other suppliers such as the U.S.	
	Italy	2.4%	609	8%			
	Others	10.2%	353	32%			
<b>Processed Vegetables</b>	<b>World Total</b>	<b>100.0%</b>	<b>135,565</b>	<b>13%</b>			Although Chile is a producer of various vegetables, the majority is sold fresh and the food processing industry is focused in processed fruits and not so much in vegetables. Main processed vegetables are frozen asparagus and frozen corn.
	Belgium	13.6%	34,955	18%			
	United States	13.2%	18,674	28%			
	Argentina	8.2%	15,964	1%			
	Netherlands	7.3%	14,988	13%			
	Peru	5.7%	13,657	15%			
	China	4.5%	12,423	3%			
	Others	47.5%	24,904	16%			
<b>Fruit &amp; Vegetable Juices</b>	<b>World Total</b>	<b>100.0%</b>	<b>41,621</b>	<b>7%</b>			Chile is a producer and exporter of grapes, apples and oranges. Chile does not produce pineapples. Fruits that do not comply with the quality measurements to be exported are destined to the juice industry or to other processing industry (raisins, dried fruits).
	Brazil	47.4%	15,469	8%			
	South Africa	11.2%	6,751	25%			
	United States	8.2%	6,293	37%			
	Argentina	5.6%	5,819	-13%			
	Mexico	4.7%	1,537	58%			
	Thailand	4.5%	1,146	9%			
	Others	18.4%	4,606	7%			
<b>Chocolate &amp; Cocoa Products</b>	<b>World Total</b>	<b>100.0%</b>	<b>137,055</b>	<b>7%</b>			Consumption of chocolate in Chile is 2.5KG per capita a year, one of the highest in Latin America but with room for growth. Consumption of premium chocolates has increased. Chocolate production is destined to massive consumption sold in retail stores and craft chocolate sold in specialized stores. There are 3 main companies that produce chocolate in Chile: Carozzi (Chilean company), Nestle (Swiss company) and Dos en Uno (Owned by Arcor from Argentina).
	Brazil	25.4%	38,495	7%			
	United States	14.8%	14,228	19%			
	Argentina	13.3%	13,368	3%			
	Ecuador	9.8%	10,062	-9%			
	Spain	6.8%	9,297	2%			
	Germany	6.2%	8,584	16%			
	Others	23.7%	43,021	12%			

Source: United Nations Commodity Trade Statistics, United Nations Statistics Division

## **Section V. Key Contacts and Further Information.**

- U.S. Embassy Santiago USDA-Office of Agricultural Affairs  
Av. Andres Bello 2800, Las Condes, Santiago, Chile  
Tel: (56 2) 2330-3704  
Email: [agsantiago@fas.usda.gov](mailto:agsantiago@fas.usda.gov)  
Website: [www.usdachile.cl](http://www.usdachile.cl)
- 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](http://www.asrm.cl)
- Technical Reports: Chile's Food Safety Regulations are available in Spanish and English on the Office of Agricultural Affairs website.  
Food and Agricultural Import Regulations and Standards (FAIRS) Report, Retail Food Sector, HRI Food Service Sector Report and Food Processing Sector Report are available on both the Office of Agricultural Affairs and the FAS websites.  
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

## Appendix – Statistics

**Table A. Key trade and Demographic information, 2016.**

Agricultural imports from All Countries 2015 (U.S.\$ million)/ U.S. Market Share (%)	6,297,031/14.8%
Consumer Food imports From All Countries 2015 (U.S.\$ million) / U.S. Market Share(%)	2,878,694/16.4%
Edible Fishery Imports From All Countries 2015 (U.S.\$ million) / U.S. Market Share(%)	1.295/0.6%
Total Population 2016 (Millions)/Annual Growth Rate (%)	18.2 / 1.0
Urban Population 2016 (Millions)/Annual Growth Rate (%)	15.7 / 1.0
Number of major metropolitan areas 1/	3
Size of middle income and upper classes (millions)/growth rate (%) 2/	11.5/ 4.9
Per Capita Gross Domestic Product 2015 (U.S. \$ current prices)	13,384
Unemployment rate (%)	6.8%
Per capita Food Expenditures (U.S. \$)	1,009
Percent of female population employed	7.2%
Average Exchange rate 2016 (U.S.\$1 = pesos)	680.47

Data Sources: United Nations Commodity Trade Statistics, United Nations Statistics Division; National Statistics Institute (INE); World Bank; Chilean Ministry of Social Development; Asociacion de Investigadores de Mercado (AIM) Chile

1/ Population in excess of 1,000,0000

2/ Average Annual Household income higher than US\$ 8,900

**TABLE B. Consumer Oriented Agricultural Products & Edible Fishery Product Imports**

Chile: Imports of Consumer Oriented Agricultural products &amp; edible fish products

Values in Thousands of dollars

Product	World Total imports			United States imports			U.S. Market Share		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
Beef & Beef Products	917,985	891,050	831,134	67,708	65,863	50,460	7%	7%	6%
Chocolate & Cocoa Products	129,035	142,701	137,055	11,357	12,986	14,228	9%	9%	10%
Coffee, Roasted and Extracts	39,186	51,996	44,272	1,989	2,022	4,565	5%	4%	10%
Condiments & Sauces	41,277	40,073	44,789	21,873	23,136	29,294	53%	58%	65%
Dairy Products	212,197	214,961	201,236	56,399	57,204	60,408	27%	27%	30%
Dog & Cat Food	110,547	115,436	123,793	9,552	13,287	16,143	9%	12%	13%
Eggs & Products	5,228	6,437	7,422	124	117	36	2%	2%	0%
Fresh Fruit	109,269	110,091	119,956	17,396	15,417	9,397	16%	14%	8%
Fresh Vegetables	13,879	8,733	9,761	503	574	691	4%	7%	7%
Fruit & Vegetable Juices	37,514	39,003	41,621	3,039	5,450	6,293	8%	14%	15%
Meat Products (NESOI)	8,580	9,019	13,115	5,634	5,992	6,687	66%	66%	51%
Non-Alcoholic Bev. (ex. juices, coffee, tea)	61,408	64,380	63,934	5,939	6,686	10,026	10%	10%	16%
Nursery Products & Cut Flowers	26,282	29,506	27,815	666	601	512	3%	2%	2%
Pork & Pork Products	112,203	121,839	101,396	63,947	49,941	39,166	57%	41%	39%
Poultry Meat & Prods. (ex. eggs)	169,608	177,682	165,129	47,333	54,816	43,225	28%	31%	26%
Prepared Foods	280,884	303,848	294,959	52,935	59,198	59,258	19%	19%	20%
Processed Fruit	90,325	103,088	112,349	11,317	10,896	10,660	13%	11%	9%
Processed Vegetables	147,839	146,028	135,565	20,489	19,896	18,674	14%	14%	14%
Snack Foods (NESOI)	94,451	95,290	96,574	7,699	9,062	8,649	8%	10%	9%
Spices	8,577	8,681	10,799	125	333	192	1%	4%	2%
Tea	73,366	81,579	77,417	2,459	6,337	2,942	3%	8%	4%
Tree Nuts	30,441	47,599	33,994	24,880	39,914	27,617	82%	84%	81%
Wine & Beer	144,733	192,693	184,608	48,940	53,214	52,492	34%	28%	28%
<b>Consumer Oriented Agricultural Total</b>	<b>2,864,814</b>	<b>3,001,711</b>	<b>2,878,694</b>	<b>482,304</b>	<b>512,942</b>	<b>471,615</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>
<b>Edible Fish products</b>	<b>215,320</b>	<b>203,136</b>	<b>209,364</b>	<b>554</b>	<b>618</b>	<b>1,295</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>

Data Source: United Nations Commodity Trade Statistics, United Nations Statistics Division

**TABLE C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products.**

**Chile: Imports of Consumer Oriented Agricultural Products. Values in thousands of dollars.**

Country of origin	2010	2011	2012	2013	2014	2015	Average Growth Rate	Market Share 2015 (%)
<b>World Total</b>	<b>1,906,041</b>	<b>2,279,050</b>	<b>2,479,486</b>	<b>2,864,814</b>	<b>3,001,711</b>	<b>2,878,694</b>	<b>8.6%</b>	<b>100.0%</b>
Brazil	248,156	383,637	555,235	598,526	520,303	496,720	14.9%	17.3%
United States	186,261	274,182	384,258	482,304	512,942	471,615	20.4%	16.4%
Argentina	423,002	517,332	564,864	597,152	529,157	451,131	1.3%	15.7%
Paraguay	443,854	286,625	687	116,896	276,110	346,606	-4.8%	12.0%
Ecuador	89,227	107,982	116,938	121,795	120,690	118,225	5.8%	4.1%
Mexico	49,066	63,959	85,205	101,376	127,069	117,305	19.0%	4.1%
Peru	51,321	66,548	60,928	81,444	90,198	113,505	17.2%	3.9%
Uruguay	77,683	85,009	124,879	91,250	67,568	68,027	-2.6%	2.4%
Spain	26,788	39,344	36,011	49,683	68,955	64,395	19.2%	2.2%
Netherlands	25,724	29,366	33,375	39,384	48,497	60,479	18.6%	2.1%
China	33,010	39,137	38,839	45,552	51,305	54,152	10.4%	1.9%
Belgium	20,503	27,000	40,492	53,517	57,833	51,040	20.0%	1.8%
Germany	19,171	23,557	30,902	45,363	46,347	49,334	20.8%	1.7%
New Zealand	4,594	10,381	26,215	64,570	72,472	44,677	57.6%	1.6%
Canada	23,321	17,616	15,692	39,327	52,267	41,892	12.4%	1.5%
Others	184,360	307,375	364,966	336,675	359,998	329,591	12.3%	11.4%

Data Source: United Nations Commodity Trade Statistics, United Nations Statistics Division

**Chile Imports, Edible Fish Products. Values in thousands of dollars**

Country of origin	2010	2011	2012	2013	2014	2015	Average Growth Rate	Market Share 2015 (%)
<b>World Total</b>	<b>112,568</b>	<b>196,972</b>	<b>187,162</b>	<b>215,320</b>	<b>203,136</b>	<b>209,364</b>	<b>13.2%</b>	<b>100.0%</b>
China	15,578	54,574	41,957	44,527	54,335	67,999	34.3%	32.5%
Ecuador	39,032	66,347	75,874	92,755	78,066	55,652	7.4%	26.6%
Thailand	20,662	36,035	31,624	47,426	44,568	39,188	13.7%	18.7%
Colombia	15,891	6,396	2,954	3,416	2,119	19,438	4.1%	9.3%
Vietnam	3,156	8,500	9,310	5,110	8,556	9,282	24.1%	4.4%
Spain	1,065	895	1,517	6,067	3,356	7,611	48.2%	3.6%
Peru	1,656	11,080	11,971	5,709	3,978	4,111	19.9%	2.0%
Argentina	2,767	2,719	1,473	3,799	3,556	2,181	-4.6%	1.0%
United States	665	1,051	640	554	618	1,295	14.3%	0.6%
India	0	0	6	142	789	839	419.0%	0.4%
Guatemala	285	0	442	0	0	259	-1.9%	0.1%
Korea, South	2,112	3,079	152	581	199	237	-35.4%	0.1%
Indonesia	0	64	455	969	548	157	25.1%	0.1%
Russia	0	19	101	178	204	130	61.7%	0.1%
Iceland	233	199	229	103	107	128	-11.3%	0.1%
Others	9,466	6,014	8,457	3,984	2,137	857	-38.1%	0.4%

Data Source: United Nations Commodity Trade Statistics, United Nations Statistics Division