

Voluntary Report – Voluntary - Public Distribution

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Report Name: US Agricultural Exports to Chile Stand Firm

Country: Chile

Post: Santiago

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Report Highlights:

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 the COVID-19 pandemic sanitary measures in place since mid-March, and the depreciation of the Chilean peso (CLP) against the U.S. dollar (USD) since October 2019.

U.S. Exports of Consumer-Oriented Products to Chile Show Slight Drop in Demand, but Increased Demand for Bulk and Intermediate Agricultural Products Despite COVID-19

From January to April 2020, U.S. exports of agricultural products to Chile totaled \$335.3 million, a 4.4 percent increase in value over the same period in 2019. This increase is explained by the increase of 38.4 percent in exports of U.S. bulk products and 28.3 increase of exports of intermediate agricultural products. In contrast, exports of U.S. consumer-oriented products decreased by 5.8 percent, totaling \$220.1 million or 66 percent of total U.S. exports of agricultural products to Chile.

Since mid-March, the foodservice and tourism industries have been severely hit by COVID-19 related confinement measures implemented to mitigate the spread of the coronavirus. Chilean consumers continue to buy imported food products from specialized stores, supermarkets, and online while staying and cooking at home. Hotels, restaurant, bars, cinemas, and malls remain closed nationwide. Restaurants have been forced to shut down, close temporarily, or have been offering limited *a la carte* menu and online delivery services platforms. However, the main issue impacting imports of U.S. high-value added food products, according to Post contacts, is the strength of the U.S. dollar (USD) against the Chilean Peso (CLP). The USD value increased from CLP 760 per USD in October 2019 to a peak of CLP 860 per USD in March and April 2020. During the last couple of weeks of June, the USD value decreased to CLP 820 per USD.

U.S. exports of consumer-oriented products during the first four months of 2020 compared to the same period in 2019 decreased by 5.8 percent:

- Beef & beef products decreased by 12.6 percent totaling \$17.6 million.
- Poultry & poultry products decreased by 41.2 percent and totaled \$20.6 million.
- Dairy products decreased by 22.5 percent totaling \$24.2 million.
- Pork & pork products increased by 42.9 percent totaling \$53.6 million, becoming the top agricultural export to Chile.
- Tree nuts increased by 19.1 percent and totaled \$9.0 million.
- Beer increased by 8.8 percent totaling \$41.8 million. Beer is the second U.S. agricultural product with the highest export value.

In contrast, U.S. exports of bulk and intermediate agricultural products increased by 38.4 percent and 28.3 percent in value, respectively compared to the same period in 2019:

- Corn exports increased by 1045 percent totaling \$14.6 million.
- Wheat exports increased by 2.1 percent totaling \$19.4 million.
- Soybean meal increased from “0” to \$8.2 million.
- Feeds and fodders increased by 56.5 percent totaling \$40.4 million, becoming the third largest agricultural export to Chile.

Data source: U.S. Census (BICO Report Jan-April, 2020)

Attachments:

No Attachments.