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Report Highlights:

With solid political institutions, a stable macroeconomic environment, and well-functioning financial markets, Chile ranks amongst the highest nations in competitiveness in Latin America and the Caribbean, according to the IMD (World Competitiveness Ranking, 2022). Chile presented excellent export opportunities for U.S. food and beverage exporters in 2021. After record-setting exports in 2020, shipments of U.S. agricultural and related products to Chile reached $1.24 billion in 2021.

Market Fact Sheet: Chile

Executive Summary

Chile is divided into 16 administrative regions. The *Metropolitana* region, where Santiago is located, is the most densely populated with 8.3 million of the 19.8 million total.

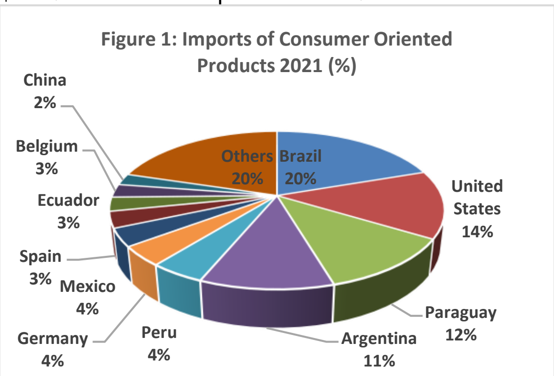
In 2021, after a successful COVID-19 vaccination program and relaxation of associated pandemic restrictions, the Chilean economy bounced back. Chile's Gross Domestic Product (GDP) in current prices totaled $301 billion, a 11.8 percent increase over 2020. For 2022, the Chilean Central Bank estimates a 2.4 percent GDP growth, and for 2023, the Chilean Central Bank projects a contraction in the economy and projects a 1.75 to 0.75 percent decrease in GDP. GDP per capita reached $29,104 PPP in 2021 (World Bank), giving Chile the highest per capita GDP in Latin America.

In 2021, Chilean agriculture represented nearly 9.0 percent of the country's GDP ($24.2 billion), 24.4 percent of exports ($21.9 billion), and employed 10 percent of Chile's labor force.

U.S. agricultural exports to Chile totaled $1.24 billion in 2021, which represents a 26.4 percent increase over 2020. Chile is the second-largest market in South America for U.S. agricultural products, after Colombia.

Imports of Consumer-Oriented Products

Chile is the second largest market in South America for consumer-oriented agricultural products with $830.4 million of exports in 2021.



Source: Trade Data Monitor, LLC.

Food Processing Industry

Food and beverage processing represents 13.5 percent of Chile's agricultural exports, at $12.8 billion in 2021. The food processing industry is the second largest economic export sector after mining. According to the Chilean Export Promotion Agency (*ProChile*), the food processing sector employs over 368,316 workers.

Food Retail Industry

Retail food sales totaled $25.6 billion in 2021, a 7.6 percent increase over 2020. Supermarket food sales totaled $14.4 billion and represented 56.3 percent of total retail food sales in 2021.

HRI Industry

In 2021, with the opening of Chilean borders, the food service sector began to recover. In 2021, consumer food-services sales grew by 42.5 percent, reaching $3.5 billion. In mid-2021, pandemic restrictions began to relax, and restaurants reopened to the public. On October 1, 2022, most COVID-19 restrictions, such as the used of masks and vaccine passes, were lifted.

Quick Facts

Imports of U.S. Consumer-Oriented Products 2021:
$830.4 million

Top Ten Ag and Related Products Exports to Chile:

1. Feeds, Meals, Fodders	2. Beer
3. Pork, and products	4. Dairy Products
5. Beef, and products	6. Condiments & Sauces
7. Corn	8. Food Preparations
9. Poultry, and products	10. Dog & Cat Food

Top Retailers in Chile:
1. Walmart Chile (Líder, Express de Líder, 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 2021:
Population: 19.8 million
GDP: $301 billion
GDP Per Capita: $29,104 PPP

Sources: Trade Data Monitor, Chilean Central Bank and INE

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Chile has the highest income per capita in Latin America.	*Relatively small population 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.	*Increased inflation and economic slow-down in 2023.*

Section I: Overview

Chile is a small country compared to its neighbors (Brazil, Argentina, and Peru) with only 19.8 million people, nearly half of which live in the capital region of Santiago. However, Chile has an open market and the highest *per capita* income levels in the region at $29,104 (PPP) per person. Chile produces and exports large volumes of horticulture products, which are shipped to counter seasonal northern hemisphere markets. The Chilean food processing sector is highly developed; imports account for around half of all ingredients used domestically. The United States is a close trading partner and is considered by Chileans as a reliable supplier of high-quality food and agricultural products.

U.S. agricultural exports to Chile totaled $1.24 billion in 2021, which represents a 26.4 percent increase over 2020. Chile is the second largest market in South America for U.S. agricultural products, after Colombia. It is also the second largest market in South America for consumer-oriented agricultural products with $840 million worth of exports in 2021 and a 21 percent market share in that category of products.

Chilean consumers are eating increasing levels of animal protein, creating opportunities for U.S. beef, pork, poultry, and dairy. Similarly, Chile’s relatively high purchasing power is an opportunity for U.S. exports of beer, distilled spirits, condiments, and confections. The Chilean economy recovered quickly in 2021 due to successful vaccination rollout and to broad vaccine adoption by the public. As such, private consumption increased during the second quarter of 2021.

Table 1: Advantages and Challenges Facing U.S. Exporters

Advantages	Challenges
Clear rules and transparent regulations encourage fair competition.	Chile has free trade agreements with 65 economies worldwide, so it is not dependent on imports from a specific region. Imports that offer the best price and quality are the most attractive.
The purchasing power of Chile’s middle and upper-middle-income consumers continues to rise.	Chilean customers are used to competitive prices due to the openness of the economy.
The U.S.-Chile free trade agreement ensures no duties for all U.S. agricultural products.	Lack of awareness of Chilean consumers and importers of the variety and quality of U.S. products.
U.S. brands are regarded as high quality. Many well-known brands are already popular in the market.	Relatively small-size market compared to neighboring countries.
Demand for premium processed foods and beverages continues to increase.	Chileans are price-sensitive, especially during economic slowdowns.

Section II: Exporter Business Tips

Higher value products are competitive in the Chilean market and Chilean consumers associate U.S. brands with quality. Additionally, Chilean consumers are loyal to some U.S. brands; a fact that could be leveraged by U.S. exporters. Exporters of new-to-market products should approach buyers with a well-organized plan that outlines product specifications, shipment terms, and financial obligations. There are many reliable and efficient Chilean importers and distributors. Most are open to meeting new suppliers in person or through virtual fora.

Chilean consumers have become more health-conscious, further shifting food demand toward products considered wholesome or healthy. This opens potential for products and ingredients marketed as natural. In addition to healthy products, many Chilean consumers can afford to buy high-end U.S. products like beef, pork, dairy products, and distilled spirits. Prepared food and ready-to-eat meals have become part of many Chileans' diets due to quick preparation time, long shelf-life, and availability through many distribution channels. There is room in the market for innovation and meals that focus on health and wellbeing.

A few large retail supermarket chains dominate the Chilean market. These supermarket chains buy from local distributors and through direct import; both channels are potentially accessible to U.S. suppliers. Open markets (wet markets) still exist, but are primarily outlets for fruit and vegetables, or seafood. Chilean consumers lean heavily on online shopping, both direct from traditional retailers and via third party platforms. The lockdowns associated with the COVID-19 pandemic helped to speed the transition to digital purchases. In 2021, 58 percent of consumers made most retail purchases online.

Section III: Import Food Standards and Regulations and Import Procedures

The Chilean National Customs Service (*Servicio Nacional de Aduanas* – SNA) has overall responsibility for the administration of import procedures and the collection of all import duties. The Customs Service controls documentation and carries out physical inspections during customs clearance. All imported food products are also regulated by the Ministry of Health (MINSAL) and the Ministry of Agriculture's Agricultural and Livestock Service (*Servicio Agricola y Ganadero* – SAG). The process of clearance in Chile can be quite expeditious if there are no problems with documentation. Potential exporters should note that Chile requires the use of a registered customs agent for all commercial imports valued over $3,000.

Specific import certificate requirements can be found in the FAIRS Export Certificate report. All imported products must be labeled in Spanish, including nutritional labeling. More information on food product labeling can be found in the FAIRS Country report.

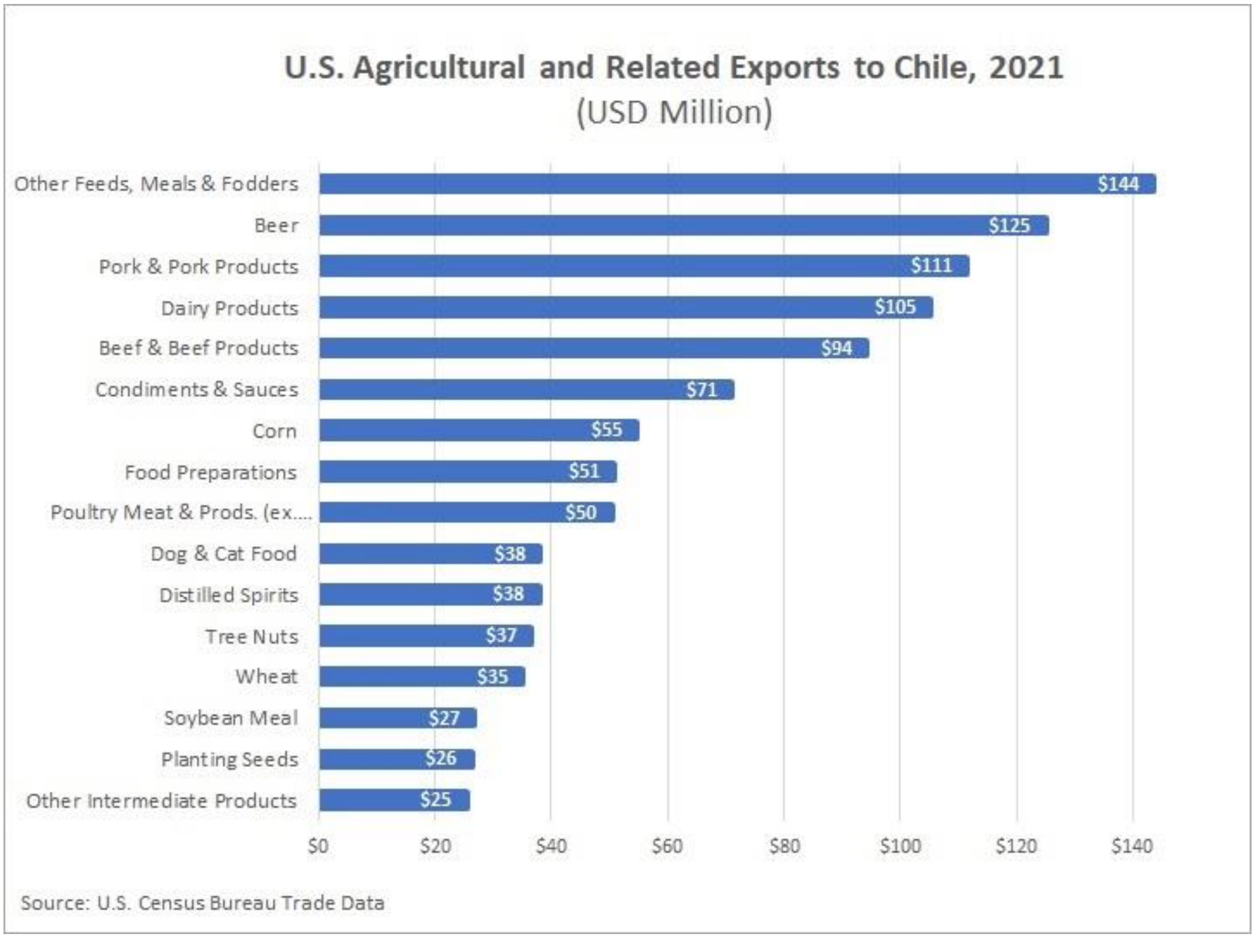
Chile is a member of the World Trade Organization (WTO) and an associate member of the Southern Common Market (MERCOSUR). Currently, Chile has 30 trade agreements covering 65 economies. Patents, trademarks, industrial designs, models, and copyrights are protected in Chile by the provisions of the International Convention for the Protection of Industrial Property (the Paris Convention). For more information, see the FAIRS Country report.

Section IV: Market Sector Structure and Trends

Market Developments

In 2021, U.S agricultural and related exports to Chile reached $1.24 billion, an increase from $985 million in calendar year 2020. Trade data suggest a decrease of 2.0 percent in Chilean purchases from the United States during 2022. The United States is the third largest supplier of agricultural and related products to Chile, after Argentina and Brazil, holding a 11 percent market share. Feeds, beer, pork, dairy and beef dominate U.S. shipments to Chile.

Figure 2: Top U.S. Agricultural and Ag Related Exports to Chile in 2021



In recent years, Chilean imports of beer, cheese and milk powder, and corn gluten meal have steadily increased from the United States. Pork and beef shipments, which had also trended upward in recent years, dropped off in 2022 due to inflationary pressure and competition from regional suppliers. Conversely, in 2022, U.S. wheat exports to Chile increased as South American suppliers redirected shipments toward tighter African and Asian markets.

As with the broader trends in bilateral trade, consumer-oriented product exports from the United States increased in recent years. From 2017 to 2021 US-origin consumer-oriented product shipments grew 26.8 percent, reaching $830.4 million in 2021. As of November, U.S. year-to-date consumer-oriented exports were down 9.1 percent as compared to the same period in 2021. Beef, pork, condiments and sauces explain most of this drop in value.

Best Prospects

Best prospects for U.S. exporters align closely with the broader trends in trade (see Table 2). U.S. beer, cheese, distilled spirits, and beef muscle cuts are considered high quality and are within the purchasing power of many Chilean consumers. U.S. pork cuts remain competitive against regional suppliers and specific U.S. pork products, like bacon or breakfast sausage, offer an opportunity to expand sales beyond commodity pork. U.S. beans and lentils are competitive in the Chilean market and offer an opportunity as a plant-based protein source, though competition from regional producers is significant. Notably, there remains a great deal of loyalty to certain U.S. brands, as demonstrated by the steady demand for U.S. confectionary, sauces and condiments. Included in these two categories are candies/chocolates, syrups, mayonnaise, mustard, ketchup, and barbeque sauces.

Table 2: Best Prospects Products in Chile

Beer and ingredients	Pork and products (bacon)
Dairy products (cheeses)	High quality beef
Condiments & sauces (BBQ, ketchup, etc.)	Food preparations
Poultry and products	Dog & cat food
Distilled spirits (bourbon)	Tree nuts
Candy and confections	Beans and lentils

Retail, HRI, and Food Processing

The Chilean retail sector is composed of over 1,300 supermarkets, mid-sized grocery stores, convenience stores, gas station markets, and small independent neighborhood stores. Around 34 percent of all retail transactions take place in the Santiago Metropolitan Region. Retail food sales reached $25.6 billion in 2021, a 7.6 percent increase over 2020. Supermarket food sales totaled $14.4 billion and represented 56.3 percent of total retail food sales in 2021. In 2021, with fewer COVID-19 restrictions and a successful vaccination campaign, GDP grew by 11.8 percent, pushing consumer spending. Chile's largest supermarkets Walmart, Cencosud, Tottus and Unimarc, represent 62 percent of retail revenues. For detailed information, please see FAS Santiago's Retail Food report.

Chile has a thriving hotel, restaurant, and institutional (HRI) sector. While much of the HRI sector caters to domestic consumers, there is also a well-developed tourism industry. Prior to the COVID-19 pandemic, Chile was ranked as the number one destination for adventure tourism. Chile has both domestic and international hotels and restaurants, many of which offer a wide variety of imported food products. In 2021, consumer food-services sales grew by 42.5 percent, reaching $3.5 billion. In mid-2021, pandemic restrictions began to relax, and restaurants reopened to the public. On October 1, 2022, most COVID-19 restrictions, such as the use of masks and vaccine passes, were lifted. In 2023, Post expects the food service sector to continue expanding and presenting opportunities for U.S. exporters following the expansion in tourism and food service consumption. These gains may be somewhat limited by a slower economy. For detailed information, please see FAS Santiago's Hotel, Restaurant and Institutional Food Service report.

Chile has a developed food processing industry that represents 13.5 percent of Chilean exports, at $12.8 billion in 2021. Chilean food processors sell their products domestically or internationally and import about half of food ingredients. Some large international companies use their production plants in Chile to serve other markets in Latin America. Chilean consumers have an increasing concern for health-related issues, and the food processing industry continues to adapt to shifting demand. There continue to be opportunities for U.S. ingredients in Chile, specifically additives, preservatives, thickeners, and sweeteners. For detailed information, please see the Food Processing and Ingredients report.

Table 3: Overall Competitive Situation for Consumer-Oriented Products:

Product Category/Total Chilean Import	Largest Suppliers	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Pork & Products Total imports: $423 million From U.S.: $111 million	1. Brazil – 37% **2. U.S. – 27%** 3. Germany – 19%	Brazilian and U.S. pork compete in Chile based on price.	Chile traditionally produces and consumes pork, but also exports to Asia when prices are high.
Beer Total imports: $270 million From U.S.: $125 million	1. Mexico – 36% **2. U.S. – 30%** 3. Belgium – 10%	Consumer preference for U.S., Mexican, and Belgian beers.	Craft beer production is growing in Chile and quality is improving. Beer has been losing market share to spirits.
Dairy Products Total imports: $536 million From U.S.: $105 million	**1. U.S. – 21%** 2. Argentina – 19% 3. New Zealand – 15%	Argentina benefits from low costs and proximity. New Zealand is a low-cost producer.	Chile has a limited production of dairy products, especially cheeses.
Condiments & Sauces Total imports: $123 million From U.S.: $71 million	**1. U.S. – 63%** 2. Mexico – 8% 3. China - 7%	Mexico supplies tomato sauce and mixed seasoning, and China primarily supplies soy sauce.	Chile has a limited production of condiments and sauces.
Beef & Products Total imports: $1.7 billion From U.S.: $94 million	1. Paraguay – 41% 2. Brazil – 34% 3. Argentina – 14% **4. U.S. – 6%**	(1 and 2) Proximity and availability. Brazil and Paraguay sell lower quality and price competitive beef.	Chilean beef production is insufficient to meet domestic demand.
Chocolates, cocoa products, candies, and chewing gums Total imports: $315 million From U.S.: $21 million	1. Brazil - 28% 2. Spain – 7.31% **3. U.S. – 7.30%** 4. Argentina – 7.18%	Regional suppliers benefit from low costs, proximity, and well-known brands in Chile.	Chile has a very limited production of confectionary products.

Distilled Spirits Total imports: $141 million From U.S.: $38 million	1. U.K. – 35% 2. **U.S. – 19%** 3. Spain – 6%	Lack of consumer knowledge on U.S. brands vis-à-vis competing suppliers.	Chile has limited variety of domestic distilled spirits.
Poultry & Products Total imports: $303 million From U.S.: $50 million	1. Brazil – 72% **2. U.S. – 16%** 3. Argentina – 11%	(1 and 3) Proximity and availability. Brazil and Argentina sell price competitive poultry.	In 2021, the Chilean per capita consumption of chicken was 31.7 kgs. And 2.9 kgs. for turkey. Chicken is the most consumed meat in Chile.
Dog & Cat Food Total imports: $235 million From U.S.: $38 million	1. Argentina – 41% **2. U.S. – 18%** 3. Brazil – 15%	(1 and 3) Proximity and availability. Argentina and Brazil sell price competitive dog and cat food.	Chile has limited variety of domestic dog and cat food.
Tree Nuts Total imports: $55 million From U.S.: $37 million	**1. U.S. – 60%** 2. Brazil – 15% 3. Argentina – 5%	Brazil primarily supplies cashews and Argentina supplies mixed nuts other than peanuts.	Chile produces mainly almonds and walnuts, but Chilean processing companies buy U.S. almonds for confectionary products.
Source: U.S. Census Bureau Trade Data			

Section V: Agricultural and Food Imports

Table 4: Total U.S. Exports of Agricultural Related Products to Chile, 2016-2020 (USD)

U.S. Agricultural and Ag Related Exports to Chile Calendar Year: 2017 - 2021						
Product	Calendar Year (Value: USD)					
	2017	2018	2019	2020	2021	Period/Period % Change (Value)
Agricultural & Related Products	$975,520	$994,613	$1,029,340	$985,613	$1,240,379	26
Consumer Oriented Total	$655,098	$656,141	$694,379	$643,325	$830,410	29
Intermediate Total	$194,708	$211,254	$211,918	$190,614	$285,804	50
Bulk Total	$101,370	$88,346	$93,350	$128,361	$99,981	-22
Agricultural Related Products	$24,344	$38,871	$29,693	$23,312	$24,184	4
Grand Total	$975,520	$994,613	$1,029,340	$985,613	$1,240,379	26
Source: U.S. Census Bureau Trade Date						

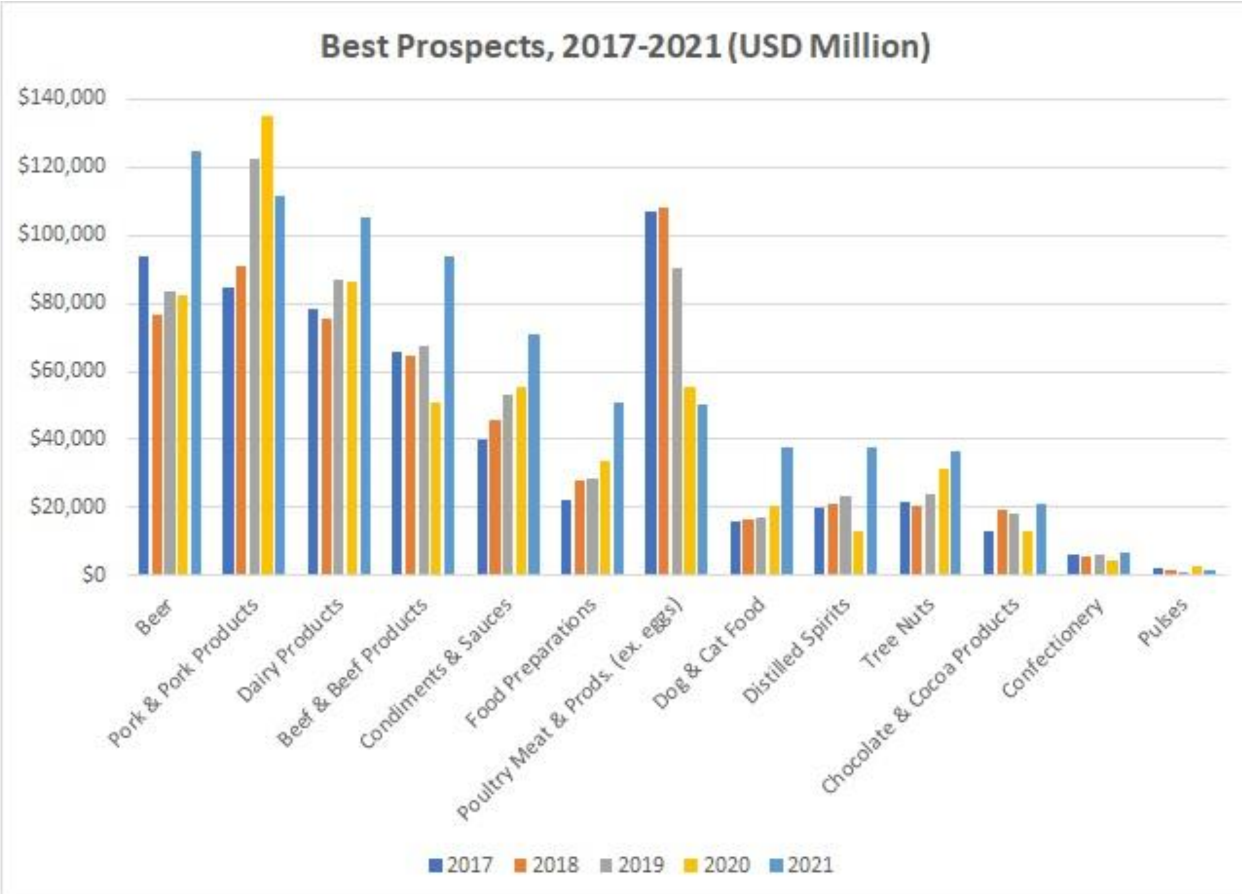
Table 5: Top U.S. Agricultural Exports to Chile, by Category

Product	Export Value 2021 (USD Mil.)	Average Growth 2017-2021 (%)	Absolute Change 2017 - 2021 (USD Mil.)
Other Feeds, Meals & Fodders	$143,527	11.62%	$39,212
Beer	$124,912	10.22%	$31,125
Pork & Pork Products	$111,385	8.76%	$26,805
Dairy Products	$105,217	8.09%	$26,595
Beef & Beef Products	$94,059	15.97%	$28,384
Condiments & Sauces	$70,861	15.82%	$31,094
Corn	$54,595	463.26%	$22,457
Food Preparations	$50,751	24.30%	$28,631
Poultry Meat & Prods. (ex. eggs)	$50,308	-15.83%	-$56,708
Dog & Cat Food	$37,889	28.38%	$22,240
Distilled Spirits	$37,865	41.72%	$17,973
Tree Nuts	$36,507	15.01%	$15,090
Wheat	$35,055	-4.43%	-$26,712
Soybean Meal	$26,646	3000.90%	$26,452
Planting Seeds	$26,231	8.55%	$7,666
Other Intermediate Products	$25,397	31.12%	$13,438
Chocolate & Cocoa Products	$21,066	19.47%	$8,282
Dextrins, Peptones, & Proteins	$20,159	-0.91%	-$3,926
Bakery Goods, Cereals, & Pasta	$19,890	5.90%	$2,943
Fresh Fruit	$15,939	8.10%	$2,718
Source: U.S. Census Bureau Trade Data			

Table 6: Best Prospects in Chile

	Export Values (USD Millions)					Percent Growth
Product	2017	2018	2019	2020	2021	2017-2021
Beer	$93,787	$76,714	$83,299	$82,433	$124,912	10%
Pork & Pork Products	$84,580	$90,781	$122,537	$135,293	$111,385	9%
Dairy Products	$78,622	$75,682	$86,921	$86,147	$105,217	8%
Beef & Beef Products	$65,675	$64,491	$67,749	$50,568	$94,059	16%
Condiments & Sauces	$39,767	$45,933	$53,323	$55,657	$70,861	16%
Food Preparations	$22,120	$27,761	$28,358	$33,584	$50,751	24%
Poultry Meat & Prods. (ex. eggs)	$107,016	$107,970	$90,387	$55,448	$50,308	-16%
Dog & Cat Food	$15,649	$16,436	$17,004	$20,607	$37,889	28%
Distilled Spirits	$19,892	$20,782	$23,266	$12,821	$37,865	42%
Tree Nuts	$21,417	$20,384	$23,974	$31,447	$36,507	15%
Chocolate & Cocoa Products	$12,784	$19,168	$18,031	$13,042	$21,066	19%
Confectionery	$6,051	$5,745	$6,158	$4,466	$7,007	8%
Pulses	$2,275	$1,435	$1,212	$2,948	$1,769	13%
Source: U.S. Census Bureau Trade Data						

Figure 3: Growth in Best Prospects Categories, 2016-2020 (USD Million)



Section VI: Key Contacts and Further Information

Ministry of Agriculture - Office of Agricultural Policies and Studies (ODEPA) Teatinos 40 Piso 7 – Santiago Tel.: +56 2 800-360-990 www.odepa.gob.cl	Ministry of Economy, Development and Tourism National Institute of Statistics (INE) Morandé 801 Piso 22 – Santiago Tel.: +56 2 3246-1010, +56 2 3246-1018 ine@ine.cl www.ine.cl
Ministry of Agriculture - Agriculture and Livestock Service (SAG) Av. Bulnes 140 – Santiago Tel.: +56 2 2345-1100 Office Directory: https://www.sag.gob.cl/directorio-oficinas www.sag.gob.cl	Ministry of Health Seremi de Salud (SEREMI) Padre Miguel de Olivares 1229 – Santiago Office Directory: https://www.minsal.cl/secretarias-regionales-ministeriales-de-salud/ https://seremi13.redsalud.gob.cl/
National Customs Agency Plaza Sotomayor 60 – Valparaíso Tel.: +56 2 600-570-7040 www.aduana.cl	Instituto Nacional de Normalización (INN) Chilean Standards Matías Cousiño 64, piso 6, Santiago Tel.: +56 2 2445-8800 info@inn.cl www.inn.cl/
National Chamber of Commerce (CNC) Merced 230, Santiago Tel.: +56 2 2365-4000 cnc@cnc.cl www.cnc.cl	American Chamber of Commerce Chile (AMCHAM) Av. Pdte. Kennedy 5735 Of. 201, Torre Poniente – Las Condes, Santiago Tel.: +56 9 8621-7416 amchamchile@amchamchile.cl www.amchamchile.cl
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Attachments:

No Attachments