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## Chile

### Retail Foods

#### Chile Retail Food Guide

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**Report Highlights:**

Chile's food retail sales reached \$17.2 billion, a five percent over 2017. 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. On-line 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.

There is good sales potential on the Chilean market for U.S. exports of craft beer, distilled spirits, beef cuts, poultry, pork (chilled/fresh), dairy products (cheeses and ice creams), sauces/mixes/condiments and seasonings, fruit juices, prepared food and frozen meals, snacks foods, and healthy food products.

**Post:**

Santiago

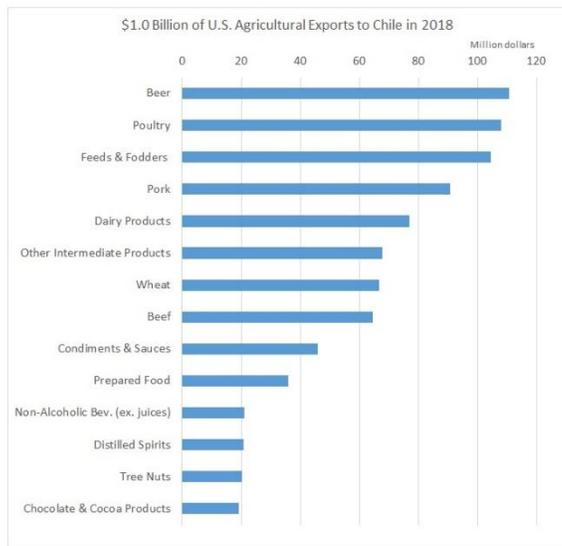
## Market Fact Sheet: Chile

### Executive Summary

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 2018, the GDP reached \$290 billion. GDP per capita in current prices grew by 4.0 percent and reached \$15,426 in 2018. This is the highest GDP per capita in the Latin American region and the main driver for consumer spending. Chile's GDP growth was 4 percent in 2018. The World Bank predicts Chile's GDP will reach 3 percent in 2019 while consumer expenditure is projected to have a real growth of 3.6 percent in 2019.

U.S. exports of agricultural & related products reached \$1.0 billion in 2018, which represents a 4.4 percent increase over the same period in 2017.

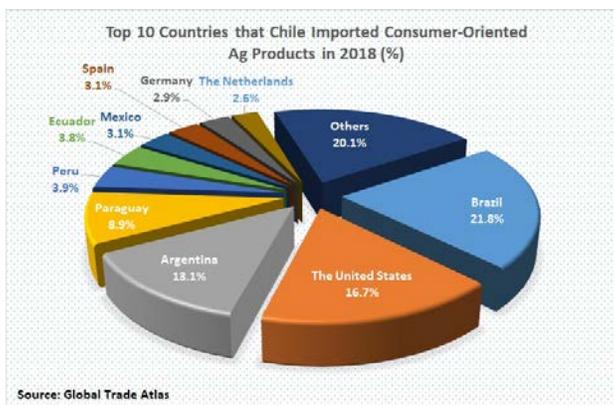
### Top U.S. Agricultural Exports to Chile



Source: U.S. Census Bureau Trade Data

### Imports of Consumer-Oriented Products

In 2018, Chile imported \$3.7 billion worth of consumer-oriented agricultural products from the world and \$669 million from the United States, a 5.6 percent increase over 2017, 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.



Source: Global Trade Atlas

### Food Retail Industry

Chile has a consolidated position as Latin America's most competitive economy mainly due to its sustained economic growth and openness to trade. Chile is characterized as a free, dynamic and highly competitive market. In addition, consumption patterns in Chile have undergone tremendous transformations during the last decade. Chileans are shifting from locally produced goods to more expensive and higher quality, branded products and are incorporating processed packaged foods for "diet" and "light" foods and beverages. Therefore, U.S. exporters need to be aware of the emerging trends in consumption patterns as well as pricing when exporting to the Chilean food and beverage market. U.S. exporters must adjust their profit margins to be as competitive as possible and differentiate their products to justify sometimes-higher prices.

### Quick Facts

**Imports of Consumer-Oriented Products 2018:** \$669 million

### Top Chile's Food Retailers (by Marketshare in 2018)

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

### Food and Beverage Trends in Chile for 2019:

Meat products (beef, pork, and poultry); dairy products (cheese and ice cream); craft beers, sauces, mixed condiments, and seasonings; frozen meals; healthy foods (natural derived, with few food additives and preservatives); healthy snacks; healthy beverages (natural ingredients, functional drinks) and ready-to-eat foods.

### GDP/Population 2018

Population: 18.8 million  
Population aged 0-14: 20.1%  
Population aged 15-64: 68.5%  
Population aged 65+: 11.4%  
GDP: \$290 billion  
GDP Per Capita: \$15,426

Sources: Global Trade Atlas, Euromonitor International and trade interviews

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### Websites:

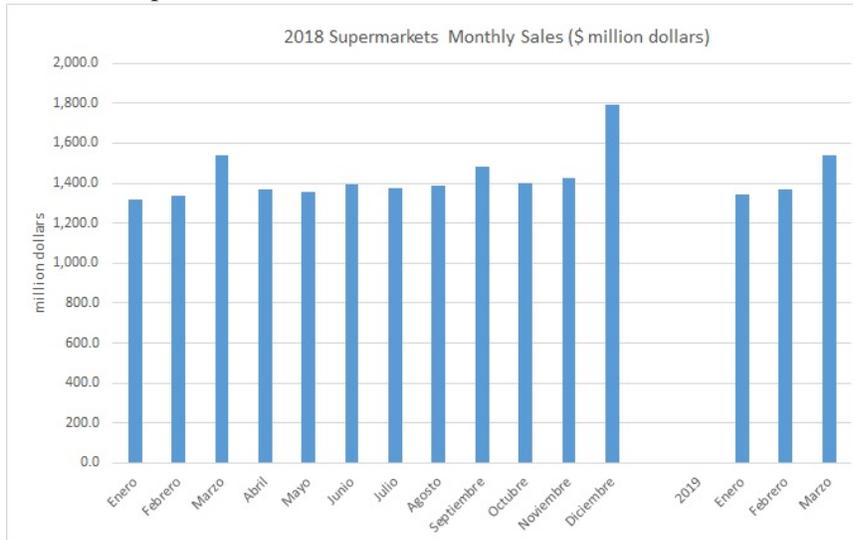
U.S. Department of Agriculture in Santiago Chile:  
[www.usdachile.cl](http://www.usdachile.cl)  
Foreign Agricultural Service homepage: [www.fas.usda.gov](http://www.fas.usda.gov)

## 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.

According to the National Institute of Statistics (INE), in 2018, 1,371 stores, including hypermarkets, supermarkets and other small food retail stores with a minimum of three checkouts composed the Chilean food retail sector and 50 percent of them are located in the Metropolitan region. Supermarkets and hypermarkets still have the largest market share for Chile’s food retail sales accounting for nearly 50 percent of the total value (\$34 billion).

**Table 1. Supermarket Sales in 2018**



According to the food retail industry, [Walmart Chile](#) is the largest supermarket chain in terms of revenue, operating around 257 stores under the [Líder](#), [Líder Express](#), and [Ekono](#) brands. [Cencosud](#) is the second largest operator with 249 hypermarkets and supermarkets under the [Jumbo](#) and [Santa Isabel](#) brands. [SMU](#) is the third largest chain operating 290 stores under [Unimarc](#) brand, and [Tottus](#) is the fourth largest chain in terms of revenue, operating 67 hypermarkets and supermarkets.

Source: Institute of Chilean Statistics (INE)

Chilean consumers purchasing habits have changed and retail has been adapting to that change. Traditionally, Chileans used to be loyal to brands and focused on quality, disregarding price. However, Chilean consumers have become increasingly informed, comparing and looking for promotions and variety before making a purchasing decision and search 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 into other food product categories. The share of private label brands in the food retail industry is close to 10 percent of revenues.

Chilean supermarket chains are opting for smaller format supermarkets in residential areas instead of hypermarkets. In the last five years, convenience stores increased sales from \$71 million in 2013 to \$98 million in 2018. Chileans purchasing habits have changed over the last few years. For example, replacement purchases are more frequent than procurement purchases. These types of purchases are generally oriented towards categories of perishable products, such as fruits and vegetables, processed meats, and dairy products. In addition, convenience stores are located on strategic locations, on the way to work or home, and customers can reach the stores by either public transportation or on their own vehicles. [Walmart Chile](#) and [SMU](#) are focusing their strategy efforts to reactivate the segment of convenience stores.

According to the latest [Activa Research](#) survey, a well-known Chilean research and consulting company, the most important factor for consumers’ purchase decision is store location, followed by price, and promotional activity.

The Chilean retail industry has been adapting to the online world both with electronic and mobile commerce. The challenges in the retail industry are mainly focused on developing new platforms that respond to consumers' demands for more personalized products and services, offer a greater assortment of products for customers looking for healthy and functional food and beverage products, and improve customer service. Main supermarket chains implemented a new POS system (Point of Sale) that among other benefits includes a state-of-the-art promotions system, which allows massively adopting technologies such as self-checkouts.

Food retailers are eager to introduce new products to meet the growing consumer demand of the middle to upper income consumers in particular.

**Table 2.** 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.	There are stricter regulations surrounding fresh products to avoid the spread of diseases that may affect local production.
The purchasing power of Chile's middle class continues to rise.	Chile is a competitive market, which has 26 free trade agreements that cover 64 countries including the European Union, 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 in 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.	There is a lack of awareness about the different types and qualities of some U.S. products by Chilean consumers and importers; i.e. premium quality beef cuts that do not exist in Chile. Thus, more marketing and knowledge is required.
American brands are well regarded as high quality with many brands already present in the market.	Strong competition from other producing countries such as Brazil, Argentina and Paraguay (see below Section III. Competition).
Equal playing field for imported and local products.	Facing new technologies like web-based grocery sales.

## 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 verify relevant import requirements with their Chilean clients, who normally have the most updated information on local import requirements, prior to export to Chile. Final import approval of any product is subject to Chile's laws and regulations as interpreted by border officials at the time of product entry.

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 recommends U.S. exporters to exhibit or attend Chilean trade shows, particularly the USA Pavilion at the first USDA-endorsed *Espacio Food & Service* show (September 10-12, 2019), Chile's major food show, and the second most important food industry show in the Latin America region after *Fispal* in Brazil. 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.](#)

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 Chilean market.

### **Contact FAS/Santiago!**

If you have questions or comments regarding this report, or need assistance exporting to Chile, please contact the Foreign Agricultural Service (FAS) in Santiago, Chile. U.S. companies seeking to export goods to Chile are advised to do thorough research for a good understanding of the market. FAS GAIN Reports are a good source of country specific information: <http://gain.fas.usda.gov>

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 will it 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.

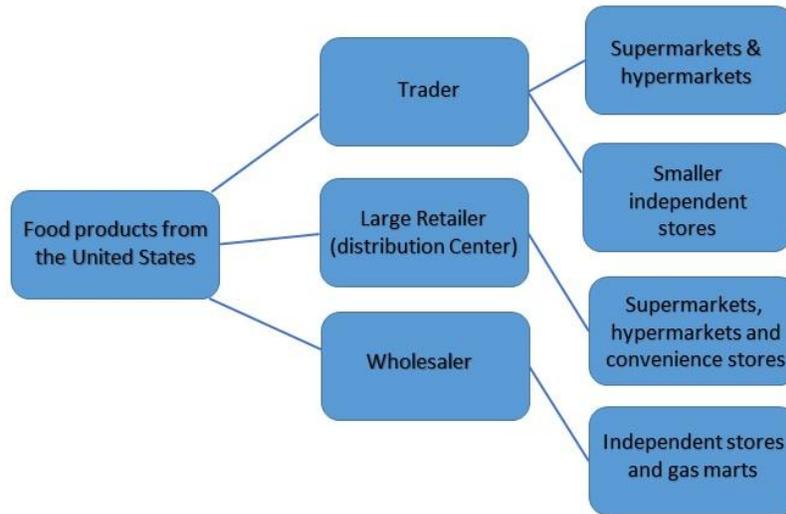
Imported food and beverage products for the food retail sector enter Chile throughout the following players:

- 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

This section will compare the different types of food retailers. FAS/Santiago categorizes the food retailers in five distinct types: Hypermarkets/supermarkets, wholesale discount stores, convenience stores, delivery formats and on-line grocery sales, and traditional grocery retailers & specialized stores.

#### Hypermarkets/Supermarkets

This type of store is characterized by the offering a wide variety of products, and brands. Most of the imported niche products such as specialty cheese and ethnic foods are found in this type of store. In addition, this is where consumers spend most of their budget. They are normally surrounded by a large number of services including laundry stores, banks, pharmacies, beauty salons, hair salons, car wash (in the parking lot), and small specialty stores.

Due to new food trends and consumer demands, the main players have begun to expand their portfolios with premium products. While wealthy Chilean consumers are willing to pay for premium quality, they are also looking for fair prices. Hypermarkets that offer large portfolios of private label products have decided to integrate products with gourmet or premium quality versions, whilst maintaining affordable prices. *Jumbo* promotes two of its private label lines, *Jumbo Artesanal* and *Cuisine & Co.*, offering a variety of products such as ready-to eat-pizza, ice cream, pasta, and sausages. *Líder* is doing the same through the expansion of its international private label line Great Value. Chileans perceive the Great Value brand as a premium brand.

Supermarkets and hypermarkets seek to increase demand for their products and customer loyalty using different type of promotions for this purpose. The Chilean consumer seeks sophistication and relates this to his/her social and economic status. Due to this fact, the product mix of the supermarket chain will change in different locations to adjust to the predominant economic level of the neighborhood.

Supermarkets are getting smaller as large plots of lands are difficult to find and are often expensive. Some industry experts expect a larger number of smaller supermarkets, which are closer to the consumer, competing with open markets and independent stores.

Main players in this format are:

<b>WALMART CHILE S.A.</b>		<b>CENCOSUD CHILE S.A.</b>	
Ownership	Walmart Stores, Inc. (USA)	Ownership	Cencosud S.A. (Chile)
Stores Names	Lider ( <a href="http://www.lider.cl">www.lider.cl</a> )	Stores Names	Jumbo ( <a href="http://www.jumbo.cl">www.jumbo.cl</a> )
	Express Lider ( <a href="http://www.expressdelider.cl">www.expressdelider.cl</a> )		Santa Isabel ( <a href="http://www.santaisabel.cl">www.santaisabel.cl</a> )
	Ekono ( <a href="http://www.ekono.cl">www.ekono.cl</a> )	Number of Stores	249
Number of Stores	257	Location	In the main cities throughout the country
Location	In the main cities throughout the country	Sales Surface	600,739 square meters
Sales Surface	1,416,135 square meters	Private Labels	Jumbo Artesanal, Jumbo Ready, Producto Jumbo, Jumbo Premium, Cuisine & Co. and Santa Isabel
Private Labels	Lider, aCuenta, Great Value, Selección and Parent's Choice.	Supermarket business in other countries	Argentina (Jumbo, Disco and Vea)
Distribution Centers	8 throughout Chile		Brazil (Gbarbosa, Bretas and Prezunic)
			Peru (Wong and Metro)
			Colombia (Jumbo and Metro)

<p><i>Walmart Chile</i> is the largest supermarket chain in Chile in terms of revenue with a market share of approximately 42 percent.</p> <p><i>Walmart Chile</i> is transforming the <i>Ekono</i> brand stores (one of its discounter's brand) to <i>Express Líder</i> brand in the next three years.</p>	<p><i>Cencosud</i>, through its <i>Jumbo</i> and <i>Santa Isabel</i> brands, is the second player in terms of revenues with a market share of approximately 28.1 percent according to the measurements made by Nielsen Analytics Company.</p> <p><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.</p> <p><i>Jumbo</i> has more than 3,000 products labeled "free of" (lactose, gluten, added sugar, and common allergens), organic food products and vegan products.</p>
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<b>SMU S.A.</b>		<b>TOTTUS S.A.</b>	
Ownership	SMU S.A. (Chile)	Ownership	Falabella S.A.I.C. (Chile)
Stores Names	Unimarc ( <a href="http://www.unimarc.cl">www.unimarc.cl</a> )	Stores Names	Tottus ( <a href="http://www.tottus.cl">www.tottus.cl</a> )
Number of Stores	290	Number of Stores	67
Location	In the main cities throughout the country	Location	In the main cities throughout the country
Sales Surface	402,419 square meters	Sales Surface	204,545 square meters
Private Labels	Merkat and Tento	Private Labels	Tottus and Precio Uno
Supermarket business in other countries	Peru (Mayorsa and Maxiahorro)	Supermarket business in other countries	Chile and Peru
Distribution Centers	8 throughout Chile		
Average SKUs (stock-keeping unit) per store	11,000		

<p><i>SMU</i>, through its <i>Unimarc</i> brand, is the third player in terms of revenues with a market share of approximately 21.4 percent according to their</p>	<p><i>Tottus</i> is the fourth largest chain in terms of revenue with a market share of approximately 4 percent according to INE. <i>Tottus</i> operates 67 hypermarkets</p>
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annual report 2018.	and supermarkets.
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### **Wholesale Discount Stores (Discounters) and Warehouse Clubs**

Wholesale discount stores are fewer in number compared to the other types of stores, and serves 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 224 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.

There are currently no warehouse clubs in Chile.

### **Convenience Stores and Gas Marts**

There are only two large convenience store chains in Chile: [OK Market](#) (Chile) and [Oxxo](#) (Mexico) former Big John. Convenience stores were not Chilean consumers' favorite choice for the purchase of household items since the supply of products remained basic and with prices up to 70 percent higher than those found in supermarkets. For this reason, Chilean consumers limited the items purchased to a minimum, buying only essentials, and leaving larger purchases for a weekend trip to the supermarket.

Convenience stores cater to the upper-middle 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.

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 (juice and sodas), snacks (sweet and salty), sandwiches, energy drinks, crackers, ice-cream cookies and some imported convenience item, including snack food, beverages and confectionary. 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).

### **On-Line Grocery Sales and On-Demand Delivery Formats (Apps)**

Seeking convenience, Chilean consumers rely on new ways to shop for groceries. 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. The Chilean company created alliances with *Walmart Chile* and *Cencosud*, and in September 2018, *Walmart Chile* acquired the *Cornershop*. The company is implementing *Walmart's* omni-channel strategy through [www.lider.cl](#) and pick-up and delivery service. Furthermore, *Walmart's* direct competitor *Jumbo* has developed its own on-demand grocery delivery platform, [www.jumboahora.cl](#) offering similar delivery promises as *Cornershop*.

New delivery apps 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 deliveries than *Cornershop*, similar to purchases made in-store in supermarkets. The boom in delivery services led *Rappi* to sign an alliance with two supermarket brands, *Santa Isabel (Cencosud)* and *Unimarc (SMU)*. *PedidosYa*, on the other hand, has the flexibility to deliver from any store within a designated area, which includes supermarkets. Consumers' busy lifestyles and their habit of continuously being connected to mobile devices has led them to gain confidence in performing transactions, and purchase through mobile apps more frequently. On-demand delivery players have also released "prime" versions of their 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 and Specialized Stores**

Traditional grocery retailers are the most common store format in Chile totaling 221,073 stores. Besides mom-and-pop stores, there are specialized neighborhood food stores that offer vegetables, fruits, seafood, meats, liquor, bakery, and pastries.

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 have 60 percent of local Chilean products and 40 percent of imported products.

### **Independent Stores (Mom-and-Pop Stores) – "ALMACENES DE BARRIO"**

Mom-and-pop stores carry a reduced variety of perishables and non-perishables, drinks, fruits and vegetables, canned goods and some snacks. They cater to the neighborhoods where the larger supermarkets are not present. Their customers are unable to make large purchases at hypermarkets even though the prices are higher than in supermarkets.

Other specialized stores are:

**Liquor stores – "BOTILLERIAS"**

**Vegetables and fruits - "VERDULERIAS"**

**Meat shops – "CARNICERIAS"**

**Pet Food – "TIENDA DE MASCOTAS"**

**Bakery and Pastry shops – "PANADERIAS y PASTELERIAS"**

**Seafood - "PESCADERIAS" and**

### **Open Markets – "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.

### Section III. Competition

Chile Import Statistics							
Commodity: Consumer-Oriented Agricultural Total, (2017)							
Calendar Year: 2016 - 2018							
Partner Country	United States Dollars			% Share			% Change 2018/2017
	2016	2017	2018	2016	2017	2018	
World	\$2,995,128,952	\$3,437,210,546	\$3,701,186,983	100.00	100.00	100.00	7.68
Brazil	\$570,124,576	\$600,258,058	\$808,415,624	19.04	17.46	21.84	34.68
United States	\$497,390,293	\$633,994,749	\$618,707,542	16.61	18.45	16.72	- 2.41
Argentina	\$444,685,968	\$451,011,614	\$484,182,771	14.85	13.12	13.08	7.35
Paraguay	\$351,795,416	\$446,634,194	\$329,435,602	11.75	12.99	8.90	- 26.24
Peru	\$112,236,208	\$106,197,786	\$143,940,355	3.75	3.09	3.89	35.54
Ecuador	\$116,225,040	\$125,695,257	\$142,114,114	3.88	3.66	3.84	13.06
Mexico	\$103,889,064	\$106,662,985	\$114,614,309	3.47	3.10	3.10	7.45
Spain	\$72,773,113	\$93,705,157	\$112,939,275	2.43	2.73	3.05	20.53
Germany	\$62,172,758	\$87,578,692	\$108,141,428	2.08	2.55	2.92	23.48
Netherlands	\$65,499,894	\$97,898,784	\$94,331,426	2.19	2.85	2.55	- 3.64
Belgium	\$60,909,295	\$74,343,976	\$88,200,019	2.03	2.16	2.38	18.64
New Zealand	\$44,970,787	\$77,362,428	\$83,497,213	1.50	2.25	2.26	7.93
China	\$57,752,036	\$67,949,358	\$65,795,112	1.93	1.98	1.78	- 3.17

Source: Global Trade Atlas

There are five countries that are dominant suppliers of consumer-oriented agricultural products for Chile's retail industry: Brazil, the United States, Argentina, Paraguay and Peru.

In 2018, Brazil was the top supplier of consumer-oriented products with a market share of 21.84 percent. Top Brazilian products exported to Chile are beef, poultry, pork, turkey and pet food.

The U.S. is the second largest exporter of consumer-oriented products to Chile with a market share of 16.72 percent after Brazil. Beer, beef, poultry, sauces/condiments/seasonings, cream

cheese and mozzarella are their main products exported to Chile. U.S. sauces/condiments/seasonings and U.S. cheese exports grew 15.19 percent and 12.22 percent respectively from 2017 to 2018. The U.S. also exports products such as milk powder, pet food and almonds.

Argentina is the third largest exporter of consumer-oriented products with a market share of 13.8 percent. Argentina's main exports to Chile are beef, pet food, dairy products and pasta.

Paraguay is the fourth largest consumer-oriented products exporter to Chile, with 8.90 percent market share. Paraguay's strength is its production of commodities such as beef, peanuts, and mate tea, which have very competitive prices in relation to other suppliers.

Competition in the food retail industry is mainly based on store locations, prices, assortment, quality, customer and process efficiency.

### 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. **Beer/craft beer and distilled spirits:** Chile is the largest consumer of alcohol per capita in Latin America, reaching 61.3 liters per capita.
2. **Beef:** tip beef cut, back ribs, short ribs beef cut, outside round/top, round/top of bottom, round beef cuts. Retail stores offer a variety of 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.
3. **Poultry.**
4. **Pork (chilled/fresh).**
5. **Dairy products:** the United States is the main supplier of dairy to Chile, with a market share of 21.41 percent of all dairy imported. The main dairy product the U.S. exports to Chile is cheese, which reached \$42 million in 2018 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.

6. **Sauces, mixes condiments and seasonings:** especially those in retail big format.
7. **Fruits juices:** there is increasing opportunity for all natural, no-sugar added orange, grapefruit, grape juices in particular.
8. **Prepared food and frozen meals:** supermarket have increased their shelves and isles with frozen food products and meals.
9. **Snack foods.**
10. **Healthy food products:** there is a growing niche for this product segment. It is expected that the increasing number of millennials, combined with the growing number of dual working families with higher income, will help boost sales of health and wellness food and beverages.

Demand for healthier products is growing with particular regard to value-added products. Increased awareness of the health aspects of food has made consumers more selective about their food choices. Millennials are a key part of this trend as they have a stronger awareness of health issues and are more likely to act upon this in their food choices, especially as they start to enter the labor market. For more information, please see GAIN Report [Chilean Demand for Healthy Food Products Continues to Grow](#).

**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.

**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 (26) with 64 economies, make it one of the most open economies in which products from all over everywhere in the world are offered to consumers. Import tariffs are not considered an import barrier.

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

**Section IV. Key Contacts and Further Information**

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

<b>Attachment Name</b>	<b>Attachment Link</b>
2018 Top Consumer Oriented Products Imported from the World.xlsx	<a href="#">Download</a>
2018 Top Consumer Oriented Products Imported from the U.S..xlsx	<a href="#">Download</a>