



# Chile Fact Sheet



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## Mission & Objectives in Chile:

1. Increase market share for all agricultural products
2. Identify market opportunities and expand U.S. trade
3. Support education exchange and partnerships with the Chilean government and institutions in the realm of agricultural science

## General Information:

Chile is a South American country that borders the South Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 regions, of which Santiago, the capital of Chile, is the most densely populated with 7.5 million out of the 18.8 million citizens, and where most food consumption occurs.

In 2019, Chile's Gross Domestic Product (GDP) reached \$282 billion and grew only 1.1 percent due to civil unrest that resulted in a 4.1 percent decrease in GDP in the last quarter of 2019. GDP per capita in current prices reached \$14,797 in 2019 (based in Chilean Central Bank data). This is the highest GDP per capita in the Latin American region and the main driver for consumer spending. The Central Bank of Chile estimated a 5.5 percent decrease in GDP for 2020 and an 8.2 decrease in investment, because of COVID-19 pandemic. Total consumption is projected to have a real growth of 1.1 percent in 2020.

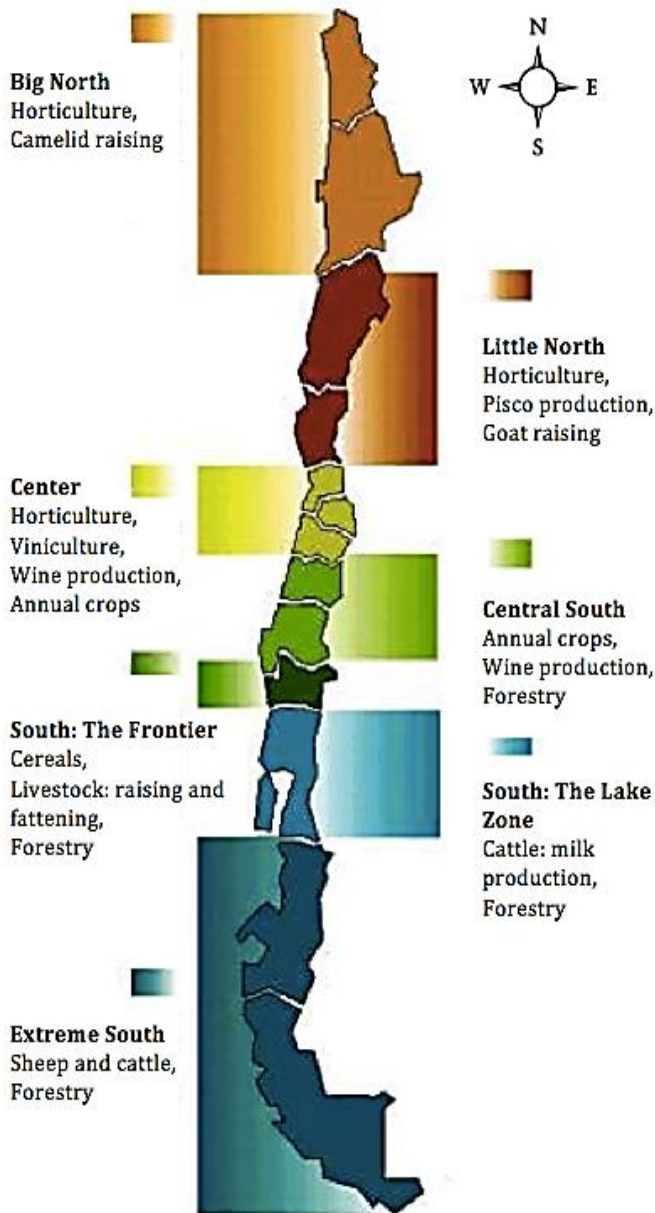
## Some key facts:

- 3x length of California
- Unemployment (2020): 13.1% (May - June 2020, INE)
- Poverty (2018): 7.8% (on a steady decline since the mid-80s)
- Economically, Chile is the top performing country in the region of Latin America and the Caribbean (The Global Competitiveness Report 2019-20)
- The largest market for Chilean agricultural and related exports is the United States.

## Agricultural Information:

Chile's economy is driven by exports, concentrated primarily in copper and its agricultural sectors - fresh fruit, forestry, and fishery products. The agriculture industry represents 28 percent of total Chilean trade, 11 percent of its total GDP, and employs 10 percent of Chile's labor force. Agriculture GDP decreased by 2.1 percent in 2019 while overall GDP increased by 1.1 percent.

Chile's wide variety of climatic conditions and terrain throughout its sixteen regions make it an ideal country for agriculture and fishery production, placing it amongst the largest agricultural and food exporters in the world.

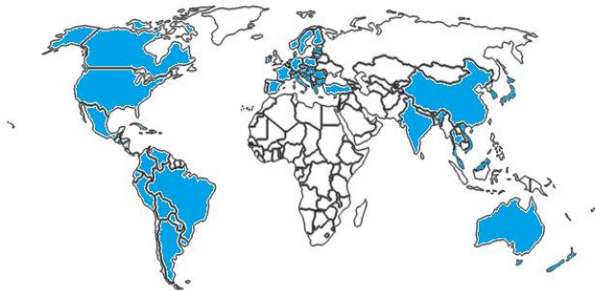


## Trade Agreements & International Organizations:

Chile continues to be a critical partner in promoting U.S. foreign policy goals throughout the region. It is also a member of the WTO and the Cairns Group. The U.S.-Chile Free Trade Agreement (FTA) entered into force on January 1, 2004 and is fully implemented since January 1, 2015. Chile has 29 trade agreements that cover 65 markets. Chile is an associate member of the Southern Common Market (MERCOSUR). It is also an active member of the Inter-American Institute for Cooperation on Agriculture, the World Intellectual Property Organization, and the Asia-Pacific Economic Cooperation.



### Map of Countries having a Trade Agreement with Chile



Note: Use of boundaries, geographic names and related data shown on maps do not necessarily imply official endorsement or acceptance by the U.S. Government.

## Snapshot of Chilean Food Sector:

Chile has a developed food processing industry that represents 25 percent of Chile’s economy and is forecast to grow to more than 35 percent by 2030. Chilean food processors sell their products nationally or internationally and import 50 percent of their food ingredients. Some large international companies use their production plants in Chile to serve other markets in Latin America. In the past five years, Chilean food processors have been looking for new food ingredients to fulfill Chilean consumer demand of healthier food products.

Healthy foods, gourmet foods, prepared foods and ready-to-eat meals show huge potential for growth in the Chilean market. Chilean consumers have an increasing concern for health related issues while the food processing industry continues to adapt to the nutritional labeling law, higher labor costs, and sophisticated consumers, all of which present challenges, but also opportunities for U.S. high value-added products and ingredients such as natural additives, preservatives, thickeners and sweeteners.

## U.S. – Chile Agricultural Bilateral Trade:

The United States and Chile are strategic partners whose agricultural relationship has been guided by collaboration and trade capacity building allowing Chile to become a regional leader with a competitive trade market. U.S. food and agricultural exports to Chile totaled \$1.0 billion in 2019, which represent a 6.9 percent annual growth over 2018. Chile is the third largest market in South America for U.S. agricultural products, after Colombia and Peru, and the second largest market in South America for consumer-oriented agricultural products after Colombia.

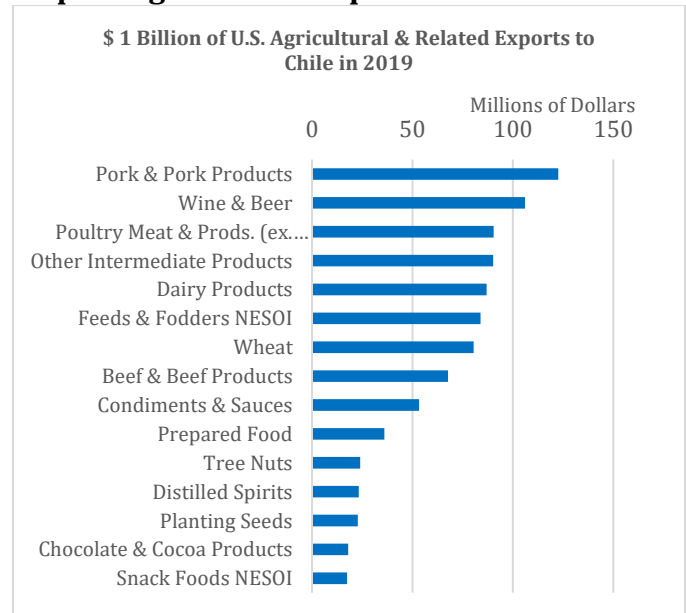
Because of the U.S.-Chile FTA, Chile dropped all tariffs on agricultural products to “zero” as of January 2015.

Chile sends 25.3 percent of its agricultural and related exports to the United States, making it the largest export market for Chilean food products. The United States is the second largest supplier of agricultural and related products to Chile, with a 15.4 percent market share.

## Top Market Prospects for U.S. Agricultural Products to Chile:

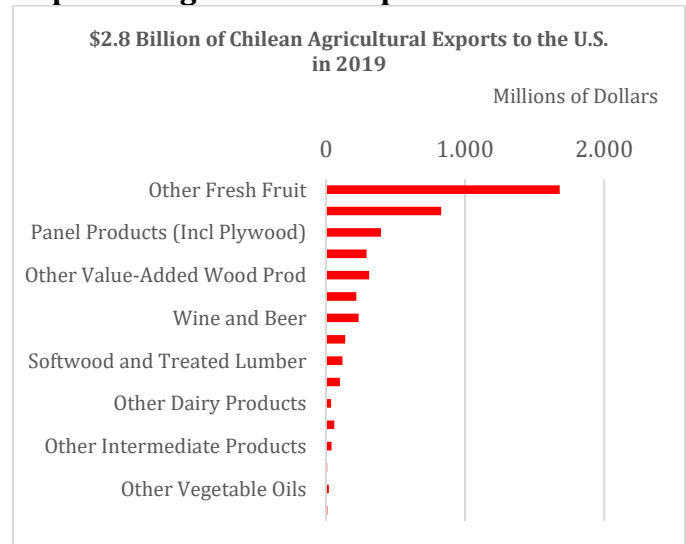
1. Meat products (beef, pork and poultry)
2. Beer
3. Dairy products (cheese and ice cream)
4. Prepared food (frozen meals and peanut butter)
5. Tree nuts (almonds and pistachios)
6. Fresh fruits (apples, lemons and oranges)
7. Dog and cat food
8. Snack foods
9. Sauces, mixed condiments and seasonings,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

## Top US Agricultural Exports to Chile



Source: U.S. Census Bureau Trade Data

## Top Chile Agricultural Exports to U.S.



Source: U.S. Census Bureau Trade Data