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Report Highlights:

In 2022, the Chilean retail food industry witnessed a robust recovery, with total sales reaching approximately \$29.5 billion, a 20.9 percent over 2021. Supermarkets and grocery stores remained the primary retail channels for food products, accounting for around 55.5 percent of the market share. Chile has one of Latin America's highest incomes per capita, at \$28,887 PPP. There is good sales potential in the Chilean market for U.S. exports of craft beer, distilled spirits, beef cuts, poultry, pork, dairy products (cheeses and ice creams), sauces/mixes/condiments and seasonings, prepared food and frozen meals, snacks foods, and healthy food products.

Market Fact Sheet: Chile

Executive Summary

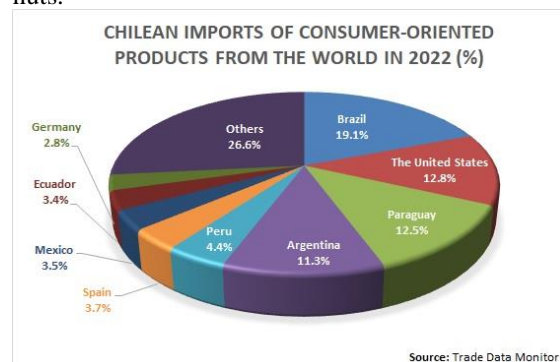
Chile is a South American country that borders the Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 administrative regions. In 2022, Chile had a population of 19.8 million, with 8.3 million living in the Santiago *Metropolitan* region.

In 2022, Chile's Gross Domestic Product (GDP) in current prices totaled \$324 billion, a 2.4 percent increase over 2021. For 2023, the Chilean Central Bank projects a contraction in GDP that will range between 0.75 and 1.75 percent. GDP per capita reached \$28,887 PPP in 2021 (World Bank), leaving Chile as one of the highest per capita GDPs in Latin America.

Chile's economy is driven by exports, concentrated primarily in the mining and agricultural sectors - fishery products, forestry and fresh fruit. In 2022, Chilean agriculture represented 8.5 percent of the country's GDP (\$27.5 billion), 26.9 percent of exports (\$26.9 billion), and employed around 10 percent of Chile's labor force.

Imports of Consumer-Oriented Products

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 U.S. consumer-oriented agricultural products with \$690 million of exports in 2022, a 14 percent market share. The top U.S. consumer-oriented products exports to Chile are beer, dairy, beef, condiments and sauces, poultry, pork, food preparations, distilled spirits, pet food, and tree nuts.



Food Processing Industry

Food and beverage processing represents 13.5 percent of Chile's 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.

HRI Industry

2022's consumer foodservice industry is significantly different from that of 2019. The pandemic prompted many changes, with the

advancement of online ordering and home delivery. For restaurants, online ordering developed from being almost insignificant in 2019 to representing 23 percent of value in 2022. Successful, restaurants now need to be able to develop an attractive online presence.

Quick Facts

Imports of U.S. Consumer-Oriented Products 2022:

\$690 million

List of Top Growth Products in Chile:

- | | |
|-------------------------|--------------------------|
| 1) Feed and fodders | 2) Beer |
| 3) Dairy products | 4) Wheat |
| 5) Beef and products | 6) Condiments and sauces |
| 7) Poultry and products | 8) Pork and products |
| 9) Food Preparations | 10) Distilled spirits |

Food Industry by Channels (U.S. billion) 2022:

Retail Food Sales	\$29.5
Chile Food & Ag Exports	\$26.9
Chile Food & Ag Imports	\$11.8
Supermarket Food Sales	\$16.4
Retail (total retail sales)	\$63.6

Top Retailers in Chile

1. Walmart Chile (*Líder, Express de Líder, SuperBodega Acenta, and Central Mayorista*)
2. Cencosud (*Jumbo and Santa Isabel*)
3. SMU (*Unimarc, Mayorista 10, Alvi, OK Market,*
4. Falabella (*Tottus*)

GDP/Population:

Population (millions): 19.8
 GDP (billions USD): \$324
 GDP per capita (USD PP): \$28,887 PPP

Sources: Trade Data Monitor (TDM), Euromonitor, World Bank, Chilean Central Bank and trade interviews

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products.	Relatively small-size market compared to neighboring countries.
Opportunities	Threats
Chile has one of the highest income per capita in Latin America.	Economic uncertainty due to inflation.

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SECTION I. MARKET SUMMARY

Chile was one of Latin America's fastest-growing economies during the last decade, enabling the country to have a modern and dynamic retail food industry. The sector's major players, including supermarkets, hypermarkets, convenience stores, and online platforms compete intensely for market share. To gain a competitive edge, retailers focused on incorporating technologies, improving product offerings, and enhancing customer experiences. Consolidation continued as larger players acquired smaller regional chains to strengthen their market presence.

In 2022, retail sales totaled \$63.6 billion, a 14.4 percent growth over 2021. Out of total retail sales, 83.6 percent are in-store sales, and the remaining 16.4 are non-store sales (e-commerce, direct sales, mail orders, and vending). Retail food sales totaled \$29.5 billion in 2022, a 20.9 percent increase over 2021. Supermarket food sales totaled \$16.4 billion, representing 55.5 percent of total grocery retailer sales in 2022. In 2022-2027, retail food sales are projected to increase by 2.1 percent per year (Euromonitor).

The adoption of online retailing and delivery services accelerated in 2022. Consumers increasingly sought the convenience of purchasing groceries and food products online. Retailers invested in e-commerce platforms, mobile applications, and last-mile delivery capabilities to meet changing customer preferences. Online marketplaces and delivery software played a significant role in driving growth in this segment.

Chilean consumers have shown a significant interest in healthy food and special dietary options, although official figures regarding the extent of this interest are unavailable. This trend can be attributed to an increased awareness of the importance of balanced diets, the rise of chronic diseases, government initiatives promoting healthier eating habits, and the influence of a health-conscious younger generation. Consumers are actively seeking nutritious options, including organic, locally sourced, and minimally processed foods.

The popularity of private-label brands continued to rise in 2022. Retailers leveraged their brand reputation and supply chain capabilities to introduce high-quality, competitively priced private-label products. This strategy enabled them to enhance profitability, differentiate their offerings, and build customer loyalty. Private-label brands were particularly successful in the packaged and non-perishable food categories.

Forward-Looking Trends and Driving Factors:

1. **Multichannel Retailing:** the trend of multichannel retailing is expected to gain further momentum in the Chilean food retail industry. Retailers will continue integrating their physical stores with online platforms to provide a seamless shopping experience. Investments in technology, logistics, and customer data analytics will be crucial in achieving a cohesive omnichannel strategy.
2. **Personalization and Data Analytics:** retailers will increasingly rely on data analytics to gain insights into customer preferences, shopping habits, and demand patterns. Personalization of product recommendations, targeted marketing campaigns, and customized loyalty programs will

be key areas of focus. Retailers will invest in advanced analytics tools and artificial intelligence to enhance customer engagement and drive sales.

3. Health and Wellness: the demand for health and wellness products will continue to grow, driven by consumers' increasing focus on nutrition, well-being, and preventive healthcare. Retailers will expand their organic, natural, and functional food product offerings. They will also invest in initiatives that promote healthy lifestyles, such as in-store nutrition consultations, wellness events, and partnerships with fitness organizations.

4. Sustainability and Responsible Practices: sustainability will remain a significant trend, with consumers seeking environmentally friendly products that use ethical practices. Retailers will emphasize transparency in their supply chains, reduce plastic packaging, promote recycling, and support fair trade initiatives. Collaboration with NGOs, certification programs, and public awareness campaigns will play a crucial role in driving sustainability efforts.

Technology adoption will be a key driver in shaping the Chilean retail industry landscape, especially with increased investments in e-commerce, artificial intelligence, and automation. Furthermore, focusing on sustainability, health, and personalized experiences will be paramount in meeting evolving consumer demands. The market will witness the entry of domestic and international players while existing retailers will continue to expand their footprints and consolidate their operations.

Table 1. Chile: Advantages and Challenges

Advantages	Challenges
Clear rules and transparent regulations offered by the government allow fair competition.	Chilean sanitary and phytosanitary controls are strict and inflexible.
Food retailers are eager to introduce new products to meet the growing consumer demand of the middle to upper income consumers.	Chile is a competitive market, which has 31 free trade agreements that cover 65 markets including the European Union (EU), China, Central America, and South America.
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products as of January 1, 2015.	Economic uncertainty increased because of inflation.
Chile's largest retailers have operations in other countries making it a gateway to other markets.	Strong competition from other suppliers such as Brazil, Argentina, and Paraguay.
U.S. brands are regarded as high quality. Many U.S. brands are well-known and present in the market.	Adopting new technologies such as web-based grocery sales.
Equal playing field for imported and local products.	Chilean consumers are price sensitive.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

The Foreign Agricultural Service (FAS) in Santiago advises U.S. exporters to check that their products meet the most up to date Chilean regulations to ensure a straightforward entry strategy into the Chilean market. FAS Santiago maintains listings of potential importers and develops sector-specific information to help introduce U.S. agricultural products in Chile.

The best market entry approach for new-to-market U.S. food exporters in Chile is as follows:

1. **Market Research:** conduct comprehensive market research to understand the Chilean food market, including consumer preferences, local tastes, cultural nuances, and regulatory requirements. Identify potential opportunities and competition within the market.
2. **Product Localization:** adapt the food products to suit Chilean market preferences. Consider factors such as flavors, ingredients, packaging, and portion sizes that align with local tastes and cultural preferences. This may involve modifying existing products or creating new ones for the Chilean market.
3. **Identify Distribution Channels:** identify and partner with suitable distribution channels in Chile, such as local importers, distributors, or retailers with an established presence and knowledge of the local market. Establish strong relationships with these partners to ensure effective distribution and market penetration.
4. **Compliance with Regulations:** understand and comply with Chile's local food regulations and import requirements. Ensure products meet all labeling, packaging, and quality standards set by the Chilean authorities. This includes obtaining the necessary certifications and permits for importing food products.
5. **Trade Shows and Exhibitions:** participate in relevant trade shows, exhibitions, and industry events in Chile to showcase the products and connect with potential buyers, distributors, and industry professionals. These events provide an excellent platform for generating awareness, gathering market intelligence, and establishing business contacts.
6. **Networking and Partnerships:** engage in networking activities and develop strategic partnerships with local businesses, industry associations, and government agencies. Building relationships with key stakeholders can provide valuable insights, facilitate market entry, and create opportunities for collaboration.
7. **Marketing and Promotion:** develop a targeted marketing and promotion strategy to create awareness and generate demand for the products in Chile. Utilize various channels such as digital marketing, social media, influencer marketing, and local advertising to reach the target audience effectively.

8. Pricing and Competitive Analysis: conduct a thorough analysis of pricing strategies and the competitive landscape in Chile. Consider factors such as local pricing norms, competition from domestic and international food exporters, and the value proposition of the products. Pricing the products competitively while maintaining profitability is crucial for successful market entry.

9. Pilot Launch and Market Testing: validate the market entry strategy and make necessary adjustments based on customer feedback. Conducting a pilot launch or market testing phase in the Chilean market is advisable. This will also help refine the product offerings and gauge the response to the products.

10. Continuous Evaluation and Adaptation: continuously monitor and evaluate the market performance in Chile. Stay updated with market trends, consumer preferences, and regulatory changes. Adapt the strategies, products, and distribution channels accordingly to maximize the chances of success in the long run.

Remember that market entry is a complex process, and it is essential to seek guidance from trade experts, local consultants, and legal advisors with expertise in the Chilean market to ensure a smooth entry and minimize risks.

For details on how to export to Chile, exporters should refer to Chile's Global Agricultural Information Network 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 U.S. Pavilion at the [Espacio Food & Service](#) show. The show is recognized as the most important annual gathering in the Chilean food industry and provides the opportunity to connect with over 28,000 Chilean and international buyers.

Market Structure

The Chilean retail is made up of large supermarkets, mid-sized grocery stores, convenience stores, and thousands of smaller independent mom-and-pop shops.

Chilean supermarket chains use two systems to supply products in their stores: distribution through suppliers, where suppliers deliver products directly to each store, and centralized distribution where suppliers deliver products to a distribution center that supplies each store afterwards.

Imported food and beverage products for the food retail sector may enter Chile through the following channels:

- Direct imports: 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.
- Indirect imports: distributors and wholesalers import products to distribute to retail stores.

Most of the independent stores get their products at discount 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.

Supermarkets

Chile's main supermarket groups are:

- [*Walmart Chile*](#) operating around 480 stores under [*Líder*](#), [*Express de Líder*](#), and [*SuperBodega ACuenta*](#) brands. *Walmart Chile* is the largest supermarket chain in Chile in terms of revenue with a market share of approximately 20 percent of total retail value in 2022. *Walmart Chile* continues to dominate the market with its *Líder* brand. Chile is the only country in South America where Walmart has a presence, with one million square meters of salesrooms. Walmart also has the strongest private brands program in the market, with over 50 percent market share in food products.
- [*Cencosud*](#) is the second largest player in Chile operating around 258 hypermarkets and supermarkets under [*Jumbo*](#) and [*Santa Isabel*](#) brands. *Cencosud* had 17.3 percent of total retail value in 2022. *Cencosud* is a Chilean multinational business that also operates in Brazil, Peru, Colombia, Argentina, and the United States. In 2022 *Cencosud* acquired 67 percent of the U.S. supermarket chain The Fresh Market, which has 160 stores and 314,438 square meters of showrooms. *Jumbo* 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 *Jumbo* a great differentiation in the supermarket industry.
- [*SMU*](#) is the third largest supermarket chain operating 285 stores under [*Unimarc*](#) brand. *SMU* had a market share of 11.1 percent of the retail value in 2022. It is also the only supermarket chain in Chile with operations in all sixteen country regions. *SMU* also operates in Peru.
- [*Tottus*](#), owned by [*Falabella*](#), is the fourth largest supermarket chain, operating 72 hypermarkets and supermarkets. *Tottus* had 4.1 percent of the retail value in 2022. *Tottus* also operates in Peru.

Wholesale Discount Stores and Warehouse Clubs

These types of stores provide most common products at wholesale prices. The average number of different products per store is 4,700 to 5,300 units. There are around 206 wholesale discount stores owned mainly by the large retailer chains like *Walmart Chile* and *SMU*. Chilean wholesalers and warehouse clubs include:

- [*Mayorista 10*](#), [*ClubAlvi Mayorista*](#), and [*Super 10*](#) from *SMU*
- [*Central Mayorista*](#) from *Walmart Chile*
- Other wholesale stores are [*La Oferta*](#) and [*La Caserita*](#)

Convenience Stores

In 2022, convenience stores in Chile experienced steady growth and played a vital role in meeting the needs of urban consumers. Convenience stores became popular among consumers due to their convenient locations, extended operating hours, and quick shopping experience. The assortment of products is approximately 1,100 SKUs on average, and includes a wide variety of snacks, beverages, basic groceries, personal care items, ready-to-eat meals, bakery products, and tobacco. In response to evolving consumer preferences, many convenience stores expanded their offerings to include healthier snack options, fresh produce, and grab-and-go meals. The

convenience store sector in Chile remained competitive, with major players like [Oxxo](#), the leading player in 2022, [OK Market](#), and [Pronto](#) expanding their networks and optimizing their store layouts to enhance the overall shopping experience. [Spid](#) from *Cencosud* is a new player, which opened nine stores in Santiago and have online sales in different cities of Chile.

Most convenience stores are located within gas stations throughout the country. They are popular for travelers moving through the countryside and during the holiday season, as they serve as a quick stop for a beverage or snack. The top convenience located in gas stations are:

- [Spacio 1](#), operated by *Petrobras*
- [Pronto](#) and [Punto](#) operated by *Copec*
- [Upa!](#) operated by *Shell*

Online Grocery Sales and On-Demand Delivery Formats

The main apps that offer online grocery sales in Chile are:

- [Cornershop](#) offers on-demand grocery delivery service with personal shoppers. In July 2020, Uber Technologies, Inc. acquired *Cornershop*.
- [PedidosYa](#) from Uruguay offers restaurant delivery services and on-demand grocery shopping.
- [Rappi](#) from Colombia offers restaurant delivery and offers on-demand grocery delivery.
- [UberEats](#) from the United States focuses on restaurant deliveries.

Some Chilean supermarkets implemented their own online grocery delivery stores. *Walmart Chile* implemented [Lider.cl](#), a pick-up and delivery service. *Jumbo* developed its own on-demand grocery delivery platform, [Jumbo.cl](#) offering similar delivery services as *Cornershop*. *SMU* implemented [Unimarc.cl](#) and *Tottus* implemented [Fazil.cl](#).

Mom-and-Pop Shops

Traditional grocery retailers are Chile's most common store format, totaling 243,000 stores throughout Chile and employing 420,000 people. These stores account for 40 percent of Chile's food retail sales. The main characteristic of these stores is that they offer mainly food, cleaning, and beverage products to satisfy the consumption needs of middle and low-income areas. These shops are known for their friendly and familiar atmosphere, with owners and staff building strong relationships with their regular customers.

One of the reasons why mom-and-pop shops continue to thrive in Chile is their ability to adapt to the specific needs of the local community. They often stock products in high demand by the residents in their area, which may vary depending on the location. Additionally, many mom-and-pop shops offer credit or informal payment arrangements to loyal customers, allowing them to purchase goods on credit and pay later. Regarding their products, 96.39 percent sell groceries, packaged food, and candy, 93.98 percent sell cleaning products, 87.75 percent sell bread and cold meats, and 86.75 percent sell beverages and alcohol. Most of these independent stores get their products at discount prices from wholesalers. These retailers do not usually carry imported packaged products.

According to the [Asociación Chilena de Ferias Libres](#) (Chilean Association of Open Markets), open markets distribute 70 percent of the local production of fruits and vegetables in Chile.

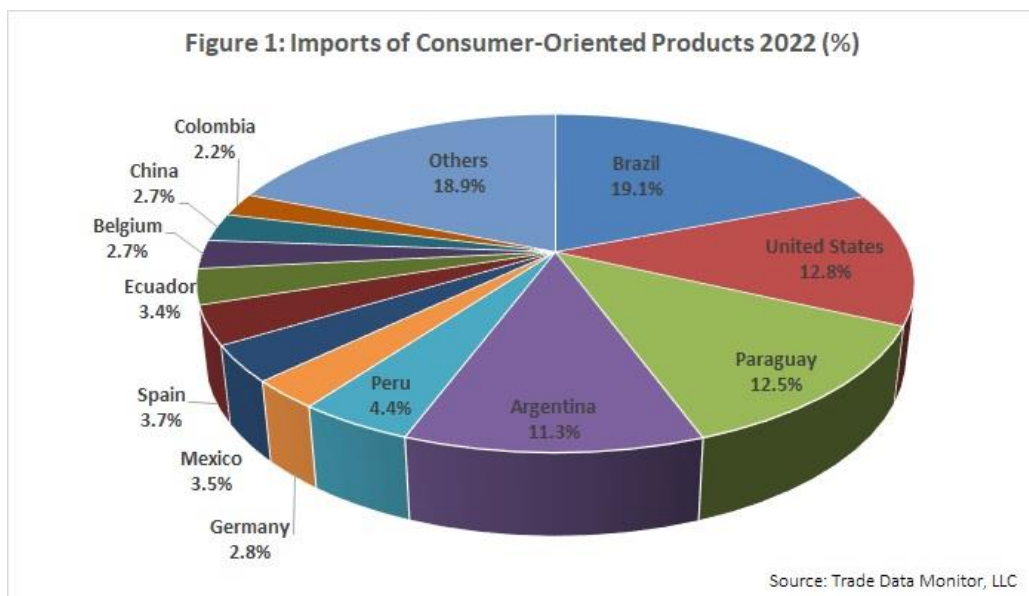
SECTION III. COMPETITION

U.S. agricultural exports to Chile totaled \$1.1 billion in 2022, representing a 9.2 percent decrease from 2021. The United States is the third largest supplier of agricultural and related products to Chile, after Argentina and Brazil, holding an 11 percent market share.

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, with \$690 million of exports in 2022. Competition from MERCOSUR and regional suppliers remains fierce for consumer-oriented products, grains, soybean products, and pet food.

In 2022, the top suppliers of consumer-oriented agricultural products to Chile were Brazil, the United States, Paraguay, and Argentina (See Figure 1).

- Brazil was the top supplier of consumer-oriented products with a market share of 19.1 percent. Top Brazilian exports to Chile are beef, poultry, pork, chocolate (cocoa products), and pet food.
- The United States was the second largest supplier of consumer-oriented products to Chile with a market share of 12.8 percent after Brazil. The main U.S. exports are dairy products, beer, soup and other food preparations, condiments and sauces, beef, poultry, pet food, and pork.
- Paraguay is the third largest consumer-oriented products supplier to Chile, with 12.5 percent market share. Paraguay's main export to Chile is beef. Which is very price-competitive within Mercosur suppliers.
- Argentina was the fourth largest supplier of consumer-oriented products to Chile with a market share of 11.3 percent. Argentina's main exports to Chile include beef, dairy products, pet food, bakery goods and pasta, and poultry.



SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

The best product prospects are divided into three categories listed below:

1. Products Present in the Market, Which Have Good Sales Potential

- Vegetable Oils
- Distilled Spirits
- Dog and Cat Food
- Essential Oils
- Food Preparations
- Beer
- Chocolate and Cocoa Products
- Dairy Products
- Beef and Beef Products
- Tree Nuts
- Condiments and Sauces
- Bakery Goods, Cereals, and Pasta

2. Products Not Present in Significant Quantities, But Which Have Good Sales Potential

- Soybean Oil
- Beef and Pork Sausage
- Fresh Vegetables
- Sugar, Sweeteners, and Beverage Bases
- Eggs and Products
- Confectionery
- Pulses
- Processed Fruit

3. Products 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 covering 65 markets, make Chile one of the most open economies in the world where food products from all over the world are offered to consumers. Import tariffs are not considered an import barrier.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Chilean Supermarket Association (ASACH) Address: Av. Vitacura 2771, Las Condes, Santiago Tel.: +56 2-2236-5150 Web Page: www.supermercadosdechile.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
National Chamber of Commerce (CNC) Address: Merced 230, Santiago Tel.: +56 2-2365-4000 Email: cnc@cnc.cl Webpage: www.cnc.cl	Instituto Nacional de Estadísticas – INE (National Institute of Statistics) Address: Av. Presidente Bulnes 418, Santiago Tel.: +56 2-2892-4000 Email: ine@ine.cl Webpage: www.ine.cl

Attachments:

No Attachments