

The chicken and egg sectors have developed significantly during recent years. Production of broilers has increased from 64 ktons. in 1979 to 104 ktons. in 1989. Egg production went up 45% in the same period reaching 1,636 million units in 1989.

During the above period, the sector concentrated vertically and in terms of ownership. This has allowed the introduction of mass oriented technology which can take full advantage of scale economies. The largest companies have invested in new technologies for meat processing and in genetic technics in order to increase productivity and product quality. Main competitors are "Agrícola Ariztía", "SuperPollo", "Champion" and "Agrícola Chorombo".

Other fowls industrialized in recent years are turkeys and geoses. Only one company, SopraVal, has invested in the industrialization of turkey production and it controls the market. However, production is limited. With regards to geoses, Fundación Chile (a research center owned by ITT and the Chilean Government) is developing a project for future industrialization.

#### b) Dairy Products:

Total domestic production of milk was 1,2 million liters in 1989. The industry is composed of 30 companies, which process more than 70% of total milk production. However, similar to other Chilean industries, the market is highly concentrated in three companies: Nestlé, Soprole (owned by the New Zealand Dairy Board) and Colún. Other important companies are Loncoleche, La Unión and Lechera del Sur.

Recent investments in new equipment have allowed the production of several new products on massive scale, like yogurt (production has increased by 5 times since 1980), extended life fluid milk, cheese and prepared desserts. The trend is to produce products with more value added, thus requiring the introduction of new technologies in dairy processing.

Nestlé company is the leader in several food categories: Ice cream and frozen food (Savory, Chamonix and Findus brands); Dried soups and other (Maggi brand); Coffee (Nescafé); Chocolates and Cookies (McKay, Hucke and Nestlé brands) and; processed milk products, like condensed, evaporated and dried milk and baby products (Nestlé).