Abstract

This article makes a historical analysis of the dairy value chain operation in Chile between 1975 and 2005. It uses information from different data sources, studies and reports on that period. Its aim is to demonstrate that the generation of a competitive sector, open to international competition, and even exporting, is not the result of the actions of free-market forces but the result of public policy, in a way that is both flexible and persistent in time. The methodology used is based on an analysis of the transformation of the dairy value chain production structure in Chile using the available economic data sources for the period mentioned above and applying the analytical categories of agri-food theory. The main results of this investigation show that the survival of milk production in Chile is due to the combination of a series of agronomic facts -such as the obstacles to the productive reconversion of a portion of the south of the country- and a set of policy decisions that went from originally dogmatic ideas to much more pragmatic and flexible approaches.

Keywords

Agro-export model, internal market, dairy, dairy agri-food industry, Chile.