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Foreign Agricultural Service

GAIN Global Agricultural Information Network

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Report Highlights:

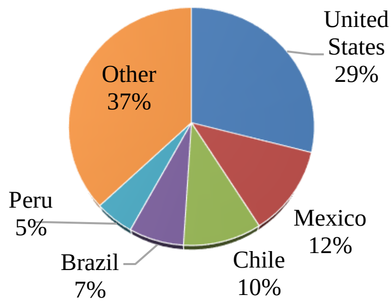
Colombia is the top destination for U.S. agricultural products in South America. In 2023, U.S. exports of consumer-oriented agricultural products totaled $759 million, a decrease from 2022 due to the slowdown in economic growth in Colombia and a seven-month (now resolved) ban on U.S. poultry exports. At the end of June 2024, U.S. exports of consumer-oriented products to Colombia reached $486 million, a 15 percent increase compared to the same period in 2023. A slowdown in economic growth in Colombia has helped fuel the expansion of discounters, whose retail sales grew by 34 percent in 2023 to reach $7.5 billion.

Executive Summary

In 2023, Colombia became the sixth largest global export market for U.S. agricultural products, with total exports reaching $3.7 billion. Colombia's GDP in 2023 increased by 0.6 percent to $364 billion, positioning the country as the 43rd largest economy in the world and the 4th largest in Latin America.

Consumer-Oriented Agricultural Imports

Chart 1: Top Exporting Countries to Colombia



Source: TDM

Food Retail Industry

According to the Colombian Department of Statistics (DANE), Colombia's retail sales decreased 1.7 percent in 2023 due to the economic slowdown. Food accounted for the largest share of household expenditures (38 percent). Small local grocers (44 percent), discounters (17 percent), and food/drink/tobacco specialists (15 percent) are the preferred retail formats. Food e-commerce sales continued to expand in 2023, growing at 35 percent.

Food Processing Industry

Food processing represents 27 percent of Colombia's total manufacturing. Colombia is a net importer of many food ingredients. According to the National Business Association (ANDI), Colombia's food industry is comprised of 45,000 registered companies and approximately 98 percent are small or midsize businesses. Although the food industry focuses on the local market, it still exports to 140 countries.

Food Service Industry

Colombia's food service sales reached $14 billion in 2023, a 7 percent increase from 2022. The growth forecast for 2024 is projected to slow, driven by stagnation in the economy, a higher unemployment rate, and lower household expenditures.

Quick Facts CY 2023

Imports of Consumer-Oriented Products *(US $2.7 billion)*

Top 10 Growth Products in Colombia, 2022 to 2023

1 Beer (+34%)	2 Eggs & products (+23%)
3 Fresh vegetables (+16%)	4 Pork & pork products (+10%)
5 Nursery products & cut flowers (+7%)	6 Fresh fruits (+7%)
7 Condiments & sauces (+6%)	8 Roasted coffee and extracts (+4%)
9 Processed vegetables (+1%)	10 Tobacco (+1%)

Food Industry by Channels (U.S. billion)

Retail Food Industry	$45*
Food Service-HRI	$14**
Food Processing	$12**
Food and Agriculture Exports	$10**

**Euromonitor - **DANE*

Top 10 Host Country Retailers (by sales)

1 Grupo Exito	2 D1
3 Jeronimo Martins	4Alkosto
5 Olimpica	6 Cencosud Colombia
7 PriceSmart	8 Makro
9 Supertiendas Canaveral	10 Mercado Zapatoca

GDP/Population

Population *(millions)*: 52
GDP *(billions USD)*: $363.8
GDP per capita *(USD)*: $6,975.9

Sources: *DANE, TDM, GATS, Central Bank, IMF, Fenalco, ANDI, ACODRES, Euromonitor, local media*

Strengths/Weaknesses/Opportunities/Threats

Strengths	***Weaknesses***
- Diverse retail market - U.S. trade agreement - Four ports	- Deficient infrastructure - Political and economic uncertainty
Opportunities	***Threats***
- Growing middle class - Growing demand for consumer-oriented products	- New nutritional regulations/health taxes - Peso depreciation

Section 1: Market Summary

According to the Colombian Department of Statistics (DANE), Colombia's gross domestic product (GDP) increased by 0.6 percent in 2023, resulting from lower private consumption levels, higher interest rates, and general uncertainty due to major changes in labor and pension systems. The Colombian Central Bank is estimating a GDP growth rate of 1.8 percent for 2024. In 2023, retail sales in Colombia reached $45 billion, with the leading categories being small local grocers ($19.9 billion) and discounters ($7.5 billion).

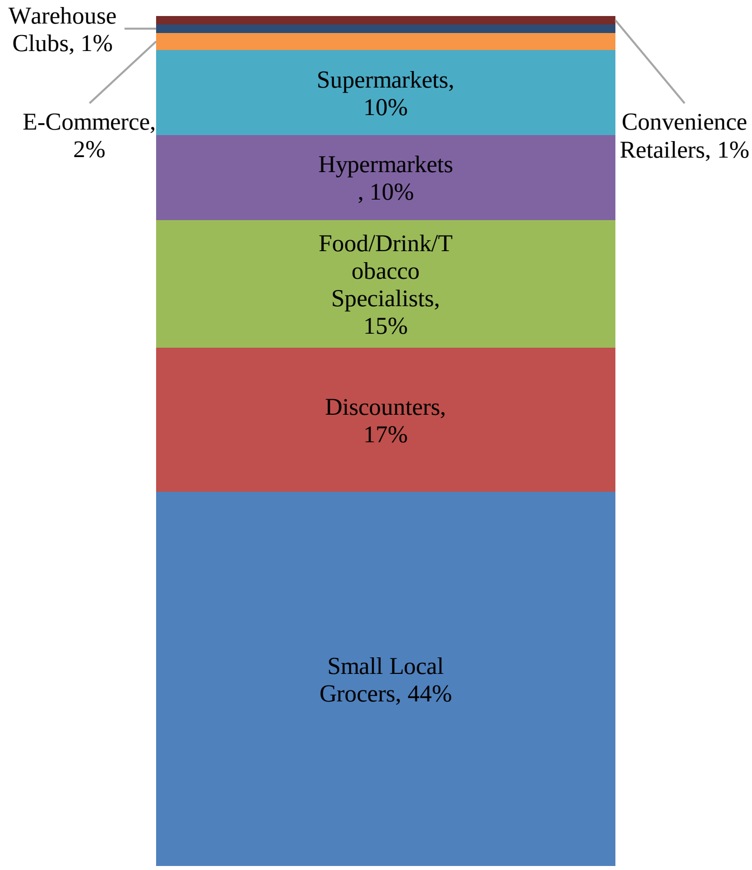
Colombia is the third most populous country in Latin America. Eighty percent of the population resides in urban areas. The country is atypical of the region with decentralized urban centers and five cities with over one million residents: Bogota, Medellin, Cali, Barranquilla, and Cartagena. Population is aging as birth rates are dropping and life expectancy is increasing. It is expected that 20 percent of the Colombian population will be over 60 years old by 2035. The average household had 2.9 members in 2023. By 2025, this is expected to drop to 2.1 members. Currently, 2.8 million Venezuelans are estimated to be living in Colombia, leading to a higher demand for staple foods such as dry beans, pulses, rice, and corn flour.

The Food Processing Ingredients GAIN Report and the Food Service - HRI GAIN Report provide further data and analysis on the Colombian market.

Table 1: Advantages and Challenges for U.S. Exporters

ADVANTAGES	CHALLENGES
CTPA provides preferential product treatment for many U.S. agricultural goods.	Colombia has trade agreements with many other countries, increasing competition with U.S. products.
The United States holds a reputation for producing high quality agricultural products.	Colombian per capita consumption for processed products is still relatively low compared to other countries in the region.
Increased acceptance of American style restaurants provides an avenue for introducing U.S. recipes and food ingredients into the Colombian diet.	Colombian peso fluctuation hurts U.S. export competitiveness.
Growing tourism increases demand for raw materials and ingredients.	There is an overarching cultural perception that frozen and canned food products are unhealthy and lack quality.
Growing urbanization has increased processed food sales.	Internal transportation costs from ports of entry are high due to poor infrastructure.
The market for healthy and sustainable products is growing.	Cold chain infrastructure is deficient and increases logistical costs.
U.S. food suppliers and manufacturers have a positive reputation for food safety, quality, and reliable delivery.	Many new nutritional regulations create additional burdens on regulatory compliance, including front of pack labeling rules and sodium content restrictions.

Chart 2: Retail Market by Channel 2023



Source: Euromonitor

Section 2: Road Map for Market Entry

- ***Entry Strategy***

Any U.S. exporter entering the Colombian market should understand customer needs, purchasing preferences, and Colombian standards and regulations, especially to avoid clearance delays at ports of entry. Recommendations to consider before entering the Colombian market include:

- Conduct market research to better understand competitors, consumer preferences, and the business environment
- Build relationships with large importers and wholesalers/distributors
- Highlight social responsibility in marketing techniques by using sales to generate funding for social programs
- Develop ways to meet the needs of the Colombian market, ideally through personal visits, to have a greater understanding about the market and identify needs of buyers and developing trends
- Consider consolidation when exporting small amounts of product
- Develop business relationships with top executives (marketing directors, purchasing managers, etc.) and expose them to U.S. business practices
- Participate in local trade and promotion shows, as well as food festivals, such as Agroexpo,

Alimentec (a 2026 USDA-endorsed show), Expovinos, SaborBarranquilla, and Expo Alimentos, to learn about consumer trends
- Participate in trade delegations such as those offered by the State Regional Trade Associations WUSATA, SUSTA, and Food Export Association of the Midwest and the Northeast
- Attend trade events like the National Restaurant Association Show, the Sweets and Snacks Expo, or the Americas Food and Beverage Show, which provide opportunities to meet and educate Colombian importers who often attend these shows
- Develop Spanish marketing/communication materials
- Work closely with local importers to comply with food import regulations to facilitate the registration and import of food products and minimize port of entry risks
- Support importers with promotional campaigns, providing up-to-date content about the company and the product, high-quality footage, promotional material, among others
- Keep monitoring consumer tastes and trends to adapt the marketing campaign when needed.

For more information on doing business in Colombia, see Colombia Country Commercial Guide.

- ***Market Structure***

The traditional retail channel, represented by small local grocers, continues being the most preferred one by Colombians. Often, smaller local grocers offer micro-loans to buyers who frequent their businesses and smaller quantities than those available in more modern, larger establishments. The aggressive entry strategy in Colombia of hard discounters is creating competition with these grocers, though. Easy navigable small spaces, a large private label portfolio, low price perception, and convenient location have been key attributes to position hard discounters as the player with fastest grow in the retail industry. Larger chains and hypermarkets are prioritizing the evolution of the consumer experience, including integrating online platforms and targeting different market segments based on new lifestyle trends through marketing strategies such as shelves devoted to healthy products. E-commerce also continues to grow, thanks to rapid digital adoption in Colombia, forcing retailers to develop online sales channels, and strengthening applications already present in the market, such as Rappi and Merqueo.

In 2023, according to the Colombian Federation of Retailers (Fenalco), Colombia's retail sector food sales were negatively affected by price increases because of healthy taxes. In addition, high interest and inflation rates diminished household expenditure, that only grew 1.2 percent in 2023, after remarkable performances in 2022 (+11 percent) and 2021 (+14 percent). Looking ahead, higher prices are likely to continue lowering consumer purchasing power and limit the sector's growth. This provides an opportunity for hard discounters to capture market share.

Table 2: Colombian Retail Structure

Modern channel	**Cash and Carry:** Makro, PriceSmart, and Surtimayorista are the main players. Only PriceSmart operates using the membership model and it is perceived as a place where consumers can find a wide variety of imported products, mostly from the United States.
	Supermarkets: Olimpica, Carulla, and Colsubsidio lead the segment. Their strategies currently focus on increasing the offerings of private label products and developing an e-commerce strategy. Independent supermarkets are also popular. These family-owned businesses develop their own private label products and expanded their presence in the country. Some brands are Zapatoca and Euro.
	Hypermarkets: Exito, Alkosto, Jumbo, Supertiendas Olimpica, and Metro are the leaders in this category. Discounters challenge this segment, which must adapt to consumer needs, especially to

	use space more efficiently.
	Discounters: The main players are D1 and ARA. Isimo, a new brand, is owned by Olimpica and has 258 outlets. Their proximity to consumers, appealing private label portfolio, and competitive prices have been the drivers for the discounter's strong performance.
	Convenience stores: OXXO, Exito Express, and Metro Express are the key players of this segment, mostly located close to universities and business clusters. Gas station stores like Primax, Altoque, and On the Run are part of this segment. They are specialized in on-the-go products and prepared snacks.
Traditional channel	**Mom & Pop stores:** This channel has a strong presence throughout the country with approximately 700,000 outlets. Mom & Pop stores play a key role in the local economy and are perceived as strong sources of income and employment, as well as credit suppliers. Discounters are their biggest competitor in terms of proximity to consumers and prices.

- ***Company Profiles & Top Colombian Retailers***

Table 3: Main Food Retailers in Colombia - 2023

Type	Retailer	Sales ($ million)	Outlets	Website
Supermarket/hypermarket/ cash and carry	Grupo Éxito	$4,884	522	https://www.carulla.com/ https://www.exito.com/ https://www.surtimax.com.co/ https://www.superinter.com.co/ https://www.surtimayorista.com/
Discounter	Koba Colombia (D1)	$4,029	2,115	http://www.tiendasd1.com/
Discounter	Jerónimo Martins (ARA)	$2,856	1,289	https://www.aratiendas.com/
Hypermarket	Alkosto	$2,577	19	http://www.alkosto.com/
Supermarket/hypermarket	Olímpica	$1,823	453	http://www.olimpica.com/
Supermarket/hypermarket	Cencosud	$1,023	144	https://www.tiendasjumbo.co/ https://www.tiendasmetro.co/
Cash and carry	PriceSmart	$476	10	https://www.pricesmart.com/es-CO
Cash and carry	Makro	$409	22	https://www.makro.com.co/
Supermarket	Supertiendas Canaveral	$227	22	https://supertiendascanaveral.com.co/
Supermarket	Mercado Zapatoca	$168	17	https://www.mercadozapatoca.com/

Source: Online company reports and financial statements

- ***Import Procedures***

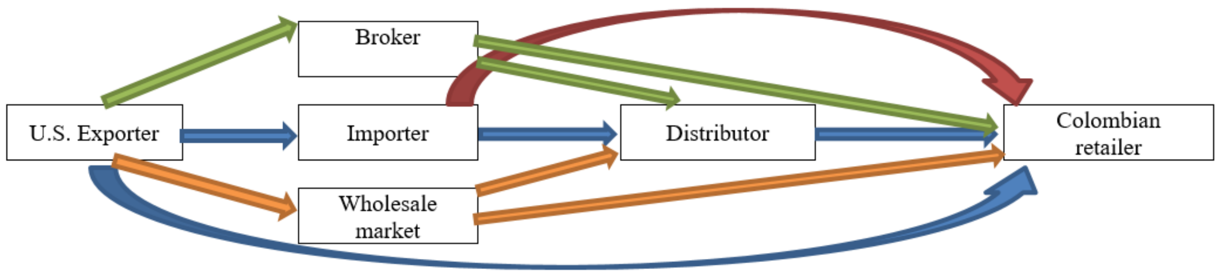
The Ministry of Commerce, Industry and Tourism (MINCIT) and the National Tax and Customs Directorate (DIAN) are responsible for the administration of overall import-export operations and customs procedures, respectively. Colombian importers must be registered with MINCIT. All U.S. exporters seeking to sell to a Colombian importer should verify that the importer has obtained the legal authorization to import food and agricultural products from MINCIT and, depending on the type of product to be imported, other government authorities including the Colombian Institute for Agriculture and Livestock (ICA) and the National Institute for the Surveillance of Food and Medicines (INVIMA). ICA has the regulatory authority over the production, manufacturing, and use of agricultural inputs (fertilizers, pesticides, seeds, etc.), feed, feed ingredients and non-processed agricultural commodities. INVIMA is the regulatory authority responsible for regulating food safety and sanitary conditions of products sold directly or indirectly for human consumption. More information on Colombia's import procedure is available at FAIRS.

For additional information about exporting to Colombia, see the FAS Colombia Exporter Guide.

- ***Distribution Channels***

Depending on the retailer's size and the product, U.S. food products move from the exporter through an importer, broker, and distributor, or go directly to the retailer.

Flow of U.S. Product from U.S. Exporter to Colombian Retailer



- ***Sector Trends***

Main consumer trends stimulating changes in lifestyles and eating patterns include:

- **Higher price sensitivity**: Increased product price sensitivity among consumers has created an opportunity for in-house/store brands to gain popularity, as they tend to be cheaper than other labels. Store brands, also known as "private labels," are particularly relevant for milk, vegetable oils, and rice. Private label consumption grew 32 percent in the first semester of 2023 (only available data up to June 2023), representing 42 percent of retailer sales. According to Euromonitor, retail sales among discounters increased by 34 percent from 2022 to 2023.
- **Increasing health and environmental awareness**: Colombian consumers are increasingly placing more importance on the health and environmental impacts of the products they consume, translating into opportunities for healthy and sustainable food products. Colombians tend to look for a healthier version of products they are familiar with, such as bread and snacks, and pay attention to innovation that means less environmental impact, such as eco-friendly packaging. Preference for high-protein and calcium content products has bolstered demand for meat and dairy products. Per capita consumption of pork, poultry, fish, and cheese has experienced growth in recent years.
- **E-commerce and delivery service adoption:** E-commerce food sales grew 35 percent in 2023 and are expected to keep a positive trend in upcoming years. Small local grocers face challenges to develop their own online sales channels or adopt applications due to infrastructure and logistics weaknesses.
- **Higher interest in plant-based options**: Although plant-based protein products are perceived as expensive, 93 percent of Colombians are interested in trying plant-based food products for health, nutrition, and environmental reasons. A recent survey by a regional vegetarian organization concluded that the plant-based protein market will expand 66 percent in 2023. More information is available at Vegetarianos Hoy.

The Food Processing Ingredients GAIN Report and the Food Service - HRI GAIN Report provide data and analysis on Colombian food trends.

Section 3: Competition

Colombian imports of consumer-oriented products from all suppliers totaled $2.7 billion in 2023. Main competitors for U.S. consumer-oriented products in the country are Mexico, Chile, and Brazil. These countries also have free trade agreements with Colombia. More information on Colombia's free trade agreements and current negotiations available at FTA-Colombia.

Table 5: Main competitors to U.S. Suppliers of Consumer-oriented Products, 2023

Product Category	Value (USD million) of Colombian Imports 2023	U.S. market share	Main Competitors
Pork and pork products	$346	72%	Canada 15%
Dairy products	$332	41%	Mexico 9% Bolivia 8% Ireland 8%
Soup and other food preparations	$287	23%	Brazil 24% Mexico 13% Peru 11%
Processed vegetables	$199	10%	Belgium 33% Netherlands 12%
Fresh fruit	$193	9%	Chile 52% Peru 17%
Distilled spirits	$174	4%	United Kingdom 45% Mexico 32% Italy 10%
Bakery goods, cereals and pasta	$131	9%	Peru 29% Italy 16% Mexico 15%
Tobacco	$122	0.2%	Mexico 49% Brazil 28%
Dog and cat food	$107	40%	Brazil 36%
Wine and related products	$74	2%	Chile 36% Argentina 17% France 16%

Source: TDM

Section 4: Best Product Prospects

Table 6: Top Consumer-Oriented Products Imported by Colombia from the World (USD millions)

Product	2019	2020	2021	2022	2023	Change 2022/23
020329 Frozen meat of swine	$204	$136	$255	$273	$300	10%
210690 Food preparations	$277	$220	$253	$293	$280	-4%
240220 Cigarettes containing tobacco	$79	$105	$102	$114	$117	2%
080810 Fresh apples	$93	$95	$100	$100	$106	9%
230910 Dog and cat food	$50	$64	$89	$118	$107	-9%

Source: TDM

Table 7: Top Consumer-Oriented Products Imported by Colombia from the United States ($ million)

Product	2019	2020	2021	2022	2023	Change 2022/23
020329 Frozen meat of swine	$191	$130	$210	$218	$238	9%
040210 Milk powder, fat content not exceeding 1.5%	$40	$65	$59	$78	$79	0%
210690 Food preparations	$71	$58	$68	$74	$66	-11%
020714 Frozen chicken cuts and edible offal	$86	$67	$93	$83	$48	-42%
230910 Dog and cat food	$28	$31	$41	$52	$43	-17%

Source: TDM

Products Present in Market with Good Sales Potential

Colombia is a fast-growing market for value-added food products, especially in health food categories, such as plant-based snacks and functional food products. Surveyed retailers and food importers feel there is significant potential for new products in all food categories. Organic and healthy (low sugar/fat/sodium) food products are a growing trend, and retailers are searching for the best suppliers, including private label options.

Products Not Present in Market with Good Sales Potential

Post has identified good sales potential for ingredients that substitute/replace fats, sugar, and/or sodium. Additionally, new vegetable proteins such as canola would complement the current developing vegetable protein portfolio. Superfruits, such as berries, that are not present in the market have the potential to gain market share. Growing demand for craft beer opens opportunities for innovation in hops to provide new product attributes.

Products Not Present in Market due to Significant Barriers

The introduction of new U.S. processed meat products has been affected due to the decreasing number of U.S. states that can issue Certificates of Free Sale (COFS) for those products. Per Resolution 2674 of 2013, INVIMA (Colombian FDA equivalent), requires importers to submit a COFS when registering a new food product for sale in Colombia. Colombia set maximum thresholds of sodium for processed products through Resolution 2013 of 2020, impeding imports of high-sodium content products such as seasoned butter, specialty cheese, and deli meats.

Section 5: Key Contacts and Further Information

- **Government regulatory agency contacts**

Phytosanitary and Zoosanitary Requirements	Food Product Registration and Health Permits
Ministry of Agriculture and Rural Development ICA (APHIS counterpart) Alfonso Araujo Deputy Manager Animal Health Protection Tel. +57-601-7563030 ext. 3201 e-mail: subgerencia.animal@ica.gov.co Luis Gerardo Arias Deputy Manager Plant Health Protection Tel: +57-601-7563030 ext. 3101	Ministry of Health and Social Protection INVIMA (FDA counterpart) Alba Jimenez Director Division of Food and Alcoholic Beverages Phone: +57-601-7422121 Ext. 4001 e-mail: ajimenezt@invima.gov.co

e-mail: subgerencia.vegetal@ica.gov.co	

- **Ministries responsible for food policies**

Customs Clearance National Tax and Customs Directorate (DIAN) attached to the Ministry of Finance and Public Credit	**Import-export operations** Ministry of Commerce, Industry and Tourism (MINCIT)
Food Product Registration and Health Permits Ministry of Health and Social Protection	**Phytosanitary and Zoosanitary Requirements** Ministry of Agriculture and Rural Development

- **Import policies**

Requirement	Regulation	Description
Food product registration	Resolution 2674 of 2013 Resolution 3168 of 2015 Resolution 719 of 2015	All food items intended for direct sale to final consumers in Colombia must be registered with INVIMA. Product registration is NOT required for: • Natural food products that have not been subject to a transformation process (grains, fresh fruits, and vegetables, etc.) • Animal-origin food products (chilled/frozen) that have not been subject to any transformation process • Products used as inputs by foodservice operators or food processors for food preparation or manufacturing
Importer Registration, Import Registration, and Import Licensing	www.vuce.gov.co	Importers must be registered with MINCIT, and must obtain an "electronic signature" from the Ministry of Finance at the "Unique Window for Foreign Trade" (VUCE)
Minimum Description	Resolution 057 of 2015	Imported products shall comply with the "minimum description" requirements
Export Sanitary Certificates	Decree 2478	Importers must submit a "sanitary certificate," issued by the food safety authority in the country of origin, for any batch or lot of "medium" or "high" risk food products imported into Colombia, including all animal-derived products such as dairy, seafood, meat, and poultry

- **Government sources for data**

Colombian Department of Statistics (DANE)	Colombian Central Bank (Banrep)

- **U.S. Embassy in Colombia**

Website	**Social media channels**	
U.S. Embassy in Colombia	X Facebook Instagram	Youtube Flickr LinkedIn

- **List of trade associations**

Colombian retail federation (Fenalco)	Colombian e-commerce chamber

Agricultural Affairs Office Physical Address: Carrera 45#24b-27 http://www.fas.usda.gov	Phone: +(57) 601-275-4622 Email: AgBogota@fas.usda.gov

Attachments:

No Attachments