

Voluntary Report – Voluntary - Public Distribution

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Report Highlights:

U.S. snack exports to Guatemala reached \$18.9 million in 2019. Despite the COVID-19 pandemic, sales of savory snacks grew by 10 percent in 2020, and retail volume sales grew by 5percent to reach 87,700 tons.

Executive Summary

Guatemala is the largest country in Central America, and with the largest population of approximately 15 million inhabitants. The agricultural sector accounts for two-thirds of all exports and employs 31.8 percent of the workforce. Guatemala is the world's eighth-largest coffee producer and a major supplier of vegetables, bananas, and sugar. Approximately 60 percent of the coffee crop is classified as "top quality", though only 6 percent of world production meets this definition. Corn is the main staple, but production has declined for several years.

The manufacturing sector accounts for 18.2 percent of GDP and employs 12.4 percent of the workforce. Many exporters of manufacturers are struggling as they lose market share to Asian competitors. Small-scale manufacturers are mainly dedicated to supply the domestic market. Clothing, textiles, pharmaceuticals, and construction materials are the main industries.

Guatemala offers a broad spectrum of growth possibilities for U.S. exports. Despite the COVID-19 pandemic, trade continues flowing and the recovery of the Guatemalan economy is underway. According to a study by the Economic Commission for Latin America and the Caribbean (ECLAC), Guatemala will be likely be one of the most promising countries in Central American for economic recovery in 2021.

The Consumer-oriented products market in Guatemala has a particularly important development base. Consumption is growing rapidly, and local industry does not have yet the capacity to meet the demand, especially for more sophisticated consumers. Some market trends that were already in progress have been accelerating due to the pandemic situation, and sectors such as sugar confectionery, snacks, alcoholic beverages, milk products, sauces and condiments, ready-to-eat products, and imported meat products, are benefitting from changes in consumer purchasing behavior.

This report provides analysis of market opportunities for U.S. companies and highlights ten consumer-oriented product sectors with significant growth potential. In addition, the report includes information on the market landscape and competition, explains the commercialization process in Guatemala, and provides contact information for the main buyers in the country.

Snacks (Including edible seeds)

The closure of restaurants, bars, and cafeterias due to the COVID-19 pandemic had a severe impact on the food service sector. However, this “stay-at-home” trend created significant opportunities for retail products, particularly snacks sold in “family sizes” or designed for convenience.

Many food-service businesses are re-opening in 2021, with sanitary protocols in place, including social distancing, temperature checks on entry, and mandatory use of face masks for customers and employees. Expectations for a recovery are high, but new consumer patterns may persist.

Productos Alimenticios René (owned by PepsiCo) is expected to lead savory snacks in sales by value in 2020, due to its wide distribution network that covers both modern and traditional grocery retailers. The

company maintains a broad portfolio offering both well-established domestic brands such as Tortrix, and renowned global brands like Cheetos, Doritos and Lay’s. Additionally, it regularly introduces new products and provides strong marketing support for its brands. For example, the company launched a new line of flavor variants ranging from mild to extremely spicy under its Tortrix brand. Recent marketing campaigns have emphasized the local origins of Tortrix, and the company ran a competition for Guatemalan market that offered consumers the chance to create a new flavor for the Lay’s brand.

Alimentos Señorial is expected to remain the second leading player in savory snacks in 2020, maintaining the gradual upward trend observed in its value share throughout the review period. Sales are bolstered by the combined strength of its Señorial, Quesifritos, Tortillitas, Rufitas and Aritos brands. One factor that has helped the company gain ground in over the review period and especially during the pandemic, has been the decision to avoid increasing prices for products in its Señorial range despite rising costs.

Distribuidora Diana, S.A., including its Diana Tortilla Chips, Diana Elotitos, Diana Quesitos and Diana Palitos brands, may have issues maintaining its market share in 2021. This is mainly due to the national state of emergency in the first half of 2020 in which only essential industries were allowed to stay open, and the company was forced to close its factory in El Salvador.



Star product of the Company “Productos Alimenticios René”, Tortrix (flavored tacos) Brand

Source: facebook.com/TortrixGT



Nuts, seeds and trail mixes are expected to be the most dynamic performers in savory snacks in current value growth terms in 2020. This is partly due to a growing preference for healthier snacks among Guatemalan consumers. Performance was further bolstered by increasing interest in health-oriented product launches towards the end of the review period, including the Naú range from Central de Alimentos. Although still relatively new and small on a nationwide level, the Naú brand continues to gain importance in nuts, seeds and trail mixes. The success of the brand is mainly because of the company’s wide distribution, financial strength, and local knowledge of consumer preferences. As a result, Naú is expected to show significant growth over the next two years, 2020-2021, as it is well-positioned to meet the growing demand for nutritious snacks.

Savory snacks remained by far the largest of the main snacks’ categories in Guatemala in retail volume and sales value in 2020, and will likely continue to grow during the forecast period. With an extensive variety of brands and product types across all price segments, savory snacks are generally both widely available and highly affordable. Additionally, because manufacturers regularly innovate by introducing new products and flavor variants, consumers are more likely to retain interest in their brands. Furthermore, savory snacks are expected to benefit from the resurgence of impulse purchases once health restrictions are further eased. Sales of savory snacks will also be supported by the return of outside-the-home consumption opportunities, as they were a popular choice for convenience and sharing at parties prior to the shutdown.

Nuts, seeds and trail mix sales are expected to continue strong sales growth. Private label brands are expected to increase their presence in savory snacks over the forecast period, particularly as the economic impact of the pandemic unfolds and many consumers have less disposable income. Interest in affordable savory snacks options is expected to continue, particularly for low-income consumers that were hit hardest by the pandemic, meaning low-priced private label products are positioned well to adapt to new consumer spending limits.



Pork rind “Chicharrones” Señorial
Source: [facebook.com/mischicharrones](https://www.facebook.com/mischicharrones)

Private labels from Wal-Mart Centro America, S.A. are expected to grow, increasing the company's market value share in savory snacks in 2020. It is likely that Wal-Mart Centroamérica, S. A. will continue to increase its private label presence across snacks, as lower priced options have the potential to attract price sensitive consumers.

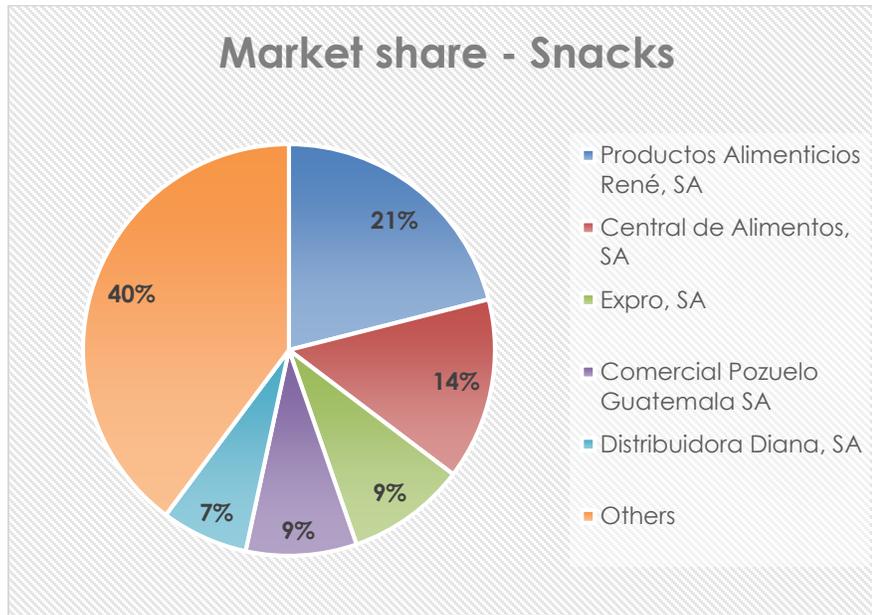
Key Market Information

- COVID-19 forced the closure of restaurants, cafeterias, and small dining outlets dampening their volume sales in 2020, while retail volume is expected to benefit from increasing at-home consumption.
- Savory snack sales grew by 10 percent in 2020 to reach GTQ5.7 billion; retail volume sales grew by 5 percent to reach 87,700 tons.
- The nuts, seeds and trail mixes segment recorded the highest value growth rate of 18 percent in 2020. This is mainly due to a growing demand for “nutritious snacks” among Guatemalans. Indeed, health benefits will likely become increasingly important among consumers.
- Overall average unit price for savory snacks increased by 5 percent in current value terms in 2020.
- Productos Alimenticios René, S.A. leads savory snacks in 2020, with a market share of 21 percent, followed by Alimentos Señorial, S.A. with a 14 percent share.
- Marketing campaigns of the industry leader (Productos Alimenticios René, S.A.) are based on the “national pride” of their star product “Tortrix”.
- The main channel of distribution in this category is convenience stores.
- Savory snacks are a popular choice for on-the-go packaging and sharing at home by consumers of all socio-economic layers.
- It is expected that private brands increase their market share as population has lower incomes due to the pandemic.



Top 5 Producers

Market Share



Market share in this category is divided as follows:

Main Producers

Following you will find the online official description of the top five producers (companies) in the Guatemalan “Snacks” sector.

Productos Alimenticios René, S.A.

In 1962, the Central American Common Market (Mercomún) took off, opening opportunities for the national industry, when José René Menéndez Martínez, along with his associates, had the idea of opening a snack food company named Fábrica de Productos Alimenticios René y Compañía Limitada. The first product was small fried corn tortillas that were called Tortrix (tortilla tricks). “Every snack product that started as Tortrix de yuca, Tortrix de papa (potato), Tortrix de plátano (plantain), Tortrix de arroz (rice), Tortrix de maní (peanut) became generic; it was used for all kind of snacks,” explained the company’s blog post: “*Los chicleros y las golosinas clásicas*” (Chewing gum street vendors and classic sweets).

The company's creation became very popular and crossed national borders, exporting to El Salvador, Honduras, Nicaragua, and México. Guatemalans also sent Tortrix to their relatives in the United States who ate them and were reminded of home. Grandparents, parents, and children. ***“Who does not recall tasting a bag of Tortrix, which at the beginning cost one cent?”***

Forty-five years later Tortrix is still the leader in the market, despite strong competition from regional brands like Señorial, Productos Diana from El Salvador, Dinant from Honduras, and other Sabritas products.

- ❖ facebook.com/TortrixGT
- ❖ Google Maps location: <https://goo.gl/maps/mo5asLectTEh6rrP8>

Central de Alimentos, S.A.

Central de Alimentos is Guatemalan company with 40 years of experience and leadership in the production and distribution of high quality and very accessible food products for their distributors. This has allowed them to diversify their product line and export to other Central American countries, Panama, the United States of America, and the Dominican Republic.

- ❖ facebook.com/centraldealimentossa
- ❖ Google Maps location: <https://goo.gl/maps/8Xjj5QgU1eDHnKua8>

Expro, S. A.

In 1936, Mr. Juan Bautista Gutiérrez and Mr. José Fanjul, created a society to invest in a wheat mill located in the Department of Quetzaltenango, Guatemala, today known as Molino Excelsior, S. A. It was the first industrial operation of Corporación Multi-Inversiones in the country.

The cookie factory EXPRO S. A. started operations in 1978, in an old building located in zone 2 of the Capital City.

In 1982, Molinos Modernos continued with its policy of value-added flour, incorporating its client EXPRO, manufacturer of GAMA cookies. The factory was originally owned by Jorge Britz and was a bakery; but, after being acquired by Multi Inversiones the company switched their production line to produce cookies and crackers.

- ❖ facebook.com/GalletasGama
- ❖ Google Maps Location: <https://goo.gl/maps/uzJNjFMEP8iKDn5S6>

Comercial Pozuelo Guatemala, S.A.

The company began operations 1919, under the name of Compañía de Galletas Pozuelo DCR, S.A. and was dedicated to the manufacturing of cookies to supply the Central American market. It is the leading company in Central America for the production of cookies, and presently the company belongs to Grupo Nutresa S.A., a company with a long tradition and presence in 19 different countries with 8 different production lines for: cold meats, cookies, chocolates, coffee, ice creams, Tresmontes Lucchetti pastas, and other ready-to-eat foods.

The company has had a long tradition in Central America and since 2007, Comercial Pozuelo Nicaragua, Guatemala, El Salvador, and Panamá, joined Pozuelo to maintain the leadership in the region.

- ❖ facebook.com/galletaspozuelo
- ❖ Google Maps Location: <https://goo.gl/maps/DbN2ydPHQurwNEAT8>

Distribuidora Diana, S. A.

Max Olano and Pablo Tesak in a small garage in the Mugdan neighborhood of San Salvador, El Salvador established Diana in 1951. They started with the handmade production of snacks and candies. In 1952, they only had four products: caramel candies, salted peanuts, jellies, and cookies.

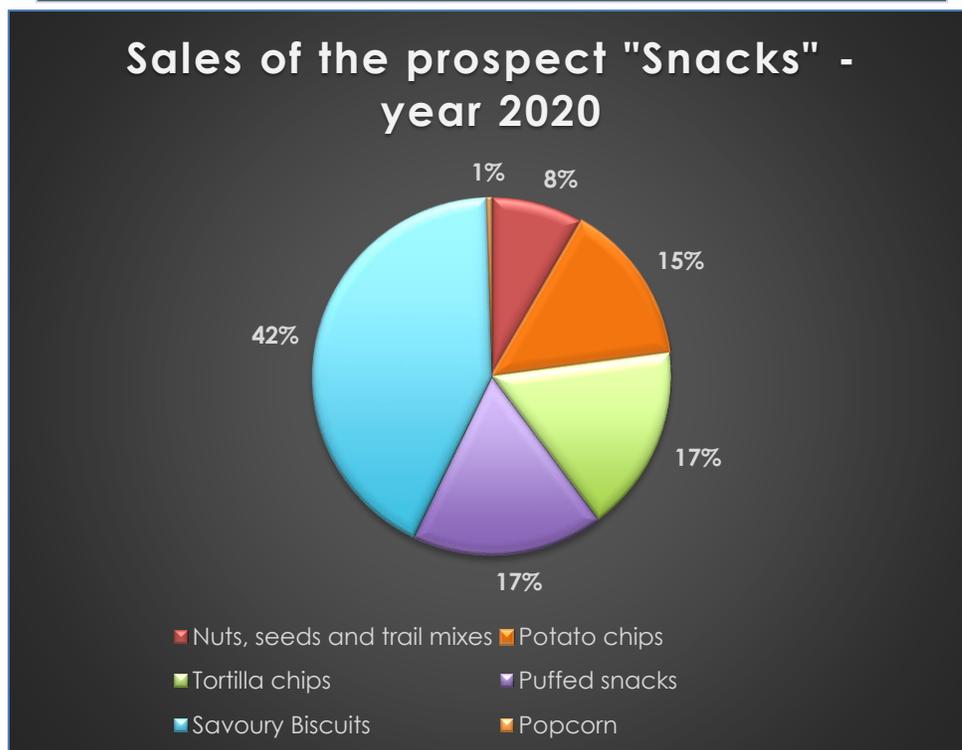
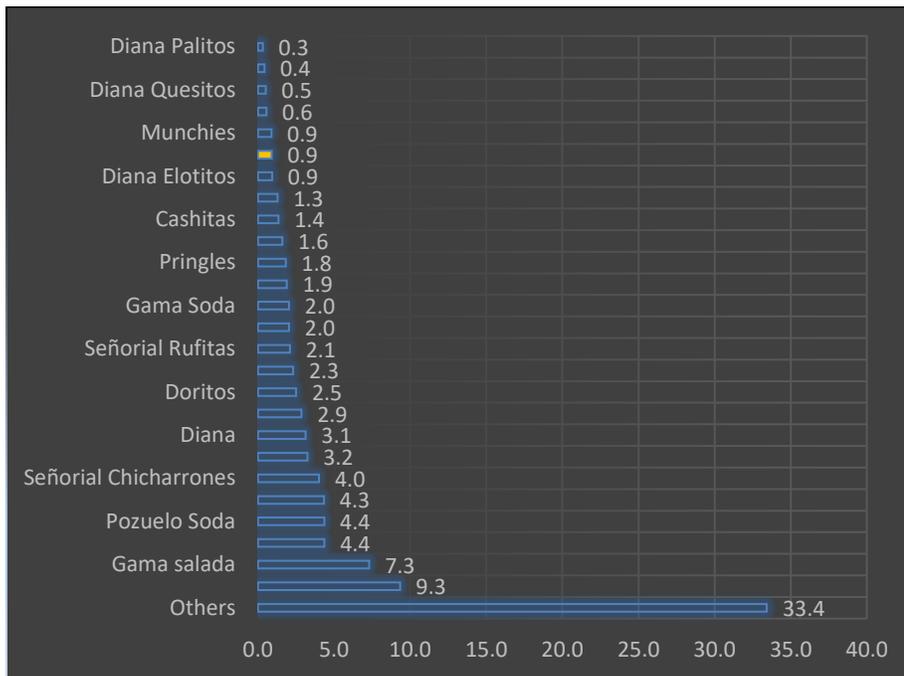
In 1958, Diana started to export their products to Honduras, Guatemala, Belize, Nicaragua, and Costa Rica; and, in 1978 extended to the United States of America.

- ❖ facebook.com/dianatodomundo
- ❖ Google Maps Location: <https://goo.gl/maps/QyEifNhb4uh5ScGp7>

Sales value (in millions of Quetzals). Exchange rate: Q7.5 per \$1.

GTQ million	2015	2016	2017	2018	2019	2020
Nuts, Seeds and Trail Mixes	259.7	282.8	308.9	348.5	398.3	468.2
Salty Snacks	1,884.0	2,061.6	2,242.3	2,399.5	2,505.8	2,763.3
- Potato Chips	561.3	612.7	666.5	718.5	747.9	824.1
- Tortilla Chips	649.9	712.5	776.2	829.6	862.8	957.4
- Puffed Snacks	670.0	733.5	796.4	848.0	891.8	978.2
- Rice Snacks	-	-	-	-	-	-
- Vegetable, Pulse and Bread Chips	2.7	2.9	3.1	3.3	3.4	3.7
Savoury Biscuits	1,763.9	1,874.9	2,011.4	2,128.2	2,219.4	2,392.7
Popcorn	20.0	21.1	22.3	23.4	24.4	26.6
Pretzels	-	-	-	-	-	-
Other Savoury Snacks	-	-	-	-	-	-
Savoury Snacks	3,927.6	4,240.5	4,584.9	4,899.6	5,148.0	5,650.8

Consumer's preference by products' brands.



U.S. snacks exports to Guatemala reached \$18.9 million in 2019. Despite the COVID-19 pandemic, it is expected that sales of savory snacks grew by 10 percent in 2020, and retail volume sales grew by 5percent to reach 87,700 tons.

Importers and distributors of snacks:

Calvbrunnen, S. A.

Profile: Calvbrunnen is a family company established in 2003 by Joachim Bruns. We have more than 14 years of experience in importing and distributing gourmet products in Guatemala and El Salvador.

Web Page: <http://www.calvbrunnen.com.gt/>

Contact: Nancy Valdez – Local Purchasing Clerk

Phone: +502 2496-4050 / 2496-4118 (4113)

E-mail: nvaldez@imfohsa.com

Corporate e-mail: repcion@calvbrunnen.com.gt

CODICASA

Profile: Codicasa started operations in February 1969, specializing in import, sale, and distribution of mass consumption products, with distribution in Guatemala, El Salvador, and Honduras (in 2017). Their slogan “Quality labels in good hands”, enabled them to diversity their portfolio of products, representing with exclusivity groceries and liqueurs.

Web Page: <http://www.codicasa.com/>

Contact: Javier Morales, Phillip Lamport

Phone: +502 2285-9600

Corporate e-mail: codicasa@codicasa.com.gt

CODICO

Profile: CODICO was established 54 years ago and is dedicated to the distribution of leading brands in the local mass market, nationwide.

Web Page: <http://www.codico.com.gt/>

Phone: +502 2327 5000

Contact: José López – Operations Manager

E-mail: jose.lopez@codico.com.gt

Contact: José Reyes – Purchasing Clerk

E-mail: jose.reyes@codico.com.gt

Corporate e-mail: info@codico.com.gt

Distribuidora Alcazarén

Profile: It is a company with more than 50 years in the market, distributor and representative of leading brands in the Guatemalan market.

Web Page: <http://alcazaren.com.gt/>

Contact: Flor de María Jurado – Purchasing Department

Phone: +502 2429 5959

E-mail: alcazaren@alcazaren.com.gt

Distribuidora del Caribe S.A.

Profile: A company with extensive experience on the distribution of high-quality raw materials and innovative products for the processing industry.

Web Page: <http://www.distcaribe.com/>

Contact: Yamilethe Elías – Chief of International Purchasing

Phone: +502 2326 6666

E-mail: yamilethe@distcaribe.com

Corporate E-mail: info@distcaribe.com

Distribuidora Jura, S. A.

Profile: Distribuidora Jura S.A. began operations in 2003 as an opportunity to represent a frozen french fried potatoes brand from the USA. Distribuidora Jura currently has a portfolio of over 300 products, focused on the food service, retail, and convenience stores.

Web Page: <https://juraexpress.com/>

Contact: Juan José Castillo – Purchasing Manager

Phone: +502 2297 9000

E-mail: jjcastillo@distribuidorajura.com

Corporate e-mail: info@distribuidorajura.com

Grupo PDC

Profile: With more than 40 years of experience in distribution, the company is present all over the Guatemalan territory, reaching more than 40,000 small stores of the traditional channel, through 120 distribution routes every week.

Web Page: <https://grupopdc.com/>

Contact: Cesia Salazar – Purchasing Clerk

Phone: +502 2245 4500

E-mail: Cesia.salazar@grupopdc.com

Corporate E-mail: info@grupopdc.com

Misol, S. A.

Profile: Authorized distributors of global brands such as: Danone, Silk, Barilla, Manzané, Tutto Latte, De La Terra, Jaffra, Wassa, among others. Specializes in food service, grocery stores, and retail sales.

Web Page: <https://www.misolglobal.com>

Contact: Kevin Charles – Commercial Chief

Phone: +502 2376 2700 – 5837-3322

E-mail: comercial@misolglobal.com

Opciones Saludables, S. A.

Profile: Company leader in the distribution of food of the specialized channel HORECAS (Hotels, Restaurants, and Catering).

Web Page: <https://www.ossafoodservice.com/>

Contact: Ruby Pérez – Purchasing Manager

Phone: +502 2217-0123

E-mail: compras@ossafoodservice.com

Corporate e-mail: info@ossafoodservice.com

Pricesmart Guatemala S.A.

Profile: Pricesmart is the largest operator of Membership Clubs in Central America, and the Caribbean. They recently entered the South American Region, opening clubs in Colombia.

Web Page: <https://www.pricemart.com/site/gt/en>

Contact: Nati Búcaro – Purchasing Clerk

Phone: +502-2470-5000

E-mail: rbucaro@pricesmart.com

Corporate e-mail: gerencia@pricesmart.com.gt

Unisuper, S. A.

Profile: Unisuper is the largest operator of national supermarkets and grocery stores in Guatemala. With their two brands, La Torre and Eonosuper, the company has captured a big part of supermarkets and grocery stores in the country.

Web Page: www.supermercadoslatorre.com

Contact: Alex Saban – Purchasing Department

Phone: +502 2376 5300

E-mail: aimportados2@unisuper.com.gt

Contact: Cristian Monterroso – Purchasing Department

E-mail: cmonterroso@unisuper.com.gt

Walmart Centroamérica

Profile: Walmart entered the region in 2005, and became Walmart Centroamerica in 2006. In 2009, Walmart Mexico acquired Walmart Centroamerica. In 2010, Walmart Mexico became Walmart Mexico and Central America. Headquarters are based in Costa Rica.

Web Page: <https://www.walmartcentroamerica.com>

Phone: +502 2243-7000

Category: Snacks

Contact: Lisa Batz – Purchasing Clerk

E-mail: lisa.batz@walmart.com

Attachments:

No Attachments.