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Prepared By: FAS Staff

Approved By: Casey Bean

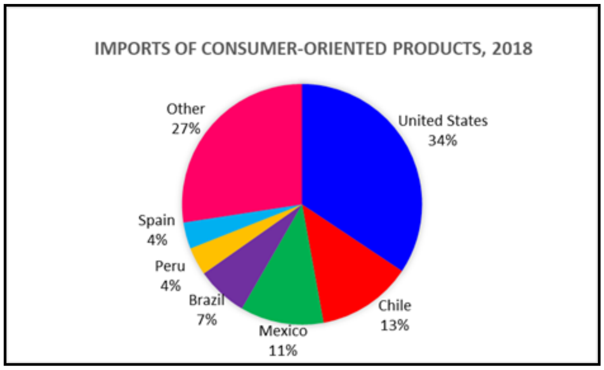
Report Highlights:

In 2018, total Colombian food and agricultural imports were valued at $6.5 billion. Colombia imported $2.9 billion from the United States, comprising 44 percent of Colombia's total agricultural imports. Colombia is the leading destination for U.S. agricultural exports in South America, followed by Brazil and Peru. Colombia's total imports of consumer-oriented products grew 9.7 percent in 2018 to $1.8 billion, led by U.S. exports, up 13.7 percent to $650 million. There are no major changes regarding legislation for exporting to Colombia.

Market Fact Sheet: Colombia

Executive Summary: Colombia is the leading destination for U.S. agricultural exports in South America, followed by Brazil and Peru. In 2018, U.S. agricultural exports to Colombia were valued at $2.9 billion. Trade in U.S. agricultural products to Colombia has expanded as a result of the U.S.-Colombia Trade Promotion Agreement (CTPA), implemented in May 2012.

Imports of Consumer-Oriented Products: Colombia's total imports of consumer-oriented products grew 9.7 percent in 2018 to $1.89 billion. U.S. consumer-oriented product exports to Colombia were up 13.7 percent to $650 million in 2018, followed by Chile ($242 million) and Mexico ($213 million). Consumer-oriented products account for 22% of the distribution of U.S. agricultural trade to Colombia.



Food Processing Industry: Colombia is a net importer of many food ingredients and trade opportunities abound. There is a growing domestic demand for higher quality confectionary products. The Colombian fats and oils sector imports unrefined soybean oil, sunflower oil, and other oil seeds to meet industrial demand. The milling, bakery and starches sectors have benefited from innovation in packaging, flavors and healthier ingredients. Bread consumption has decreased due to low carbohydrate, "healthy eating" trends. For more information, please see Food Ingredients GAIN Report

Food Retail Industry: Western style, large supermarkets are part of a noteworthy retail transformation in the last decade with major, domestic and international grocery chains opening new stores, of varying sizes, at intense rates. Discount stores have increased market share and continue opening outlets throughout the country offering wide private label portfolios cheaper than grocery chains. For more information, please see Food Retail GAIN Report

Food Service Industry: The restaurant and food service sector is expected to expand as a consequence of growing incomes and higher participation of women in the labor force, resulting in a stronger incentive to dine out of home or demand delivery food services; being roasted chicken, hamburgers and pizza the preferred products when it comes to delivery service. Food Service GAIN Report

Data and Information Sources: Trade Data Monitor, Global Trade Atlas, Global Agricultural Trade System, DANE, IMF, various online sources

Contact: OAA Colombia agbogota@fas.usda.gov

Quick Facts CY 2018

Imports of Consumer – Oriented Products (US billion): $1.89

Top 10 Main Consumer Oriented Products Imported by Colombia:

Description	2017 (Dollars)	2018 (Dollars)	Change (%)
Frozen swine meat, nesoi	156,917,763	195,516,537	25%
Beer made from malt	77,412,213	92,794,113	20%
Fresh apples	89,726,717	92,051,248	3%
Food preparations for infant use for retail sale	65,049,126	77,797,975	20%
Frozen chicken cuts and edible offal, including livers	51,713,110	63,658,544	23%
Wine of fresh grapes (other than sparkling wine) and grape must with fermentation prevented, etc. by adding alcohol, containers of not over 2 liters	42,486,649	48,265,832	14%
Other non-alcoholic beverages (except water, non-alcoholic beer and items of heading 20.09)	47,345,545	43,653,718	-8%
Dog and cat food for retail sale	30,857,805	43,614,344	41%
Frozen potatoes, including French fries, prepared/preserved otherwise than by vinegar or acetic acid	32,173,269	39,978,629	24%
Milk and cream, concentrated, not sweetened, in powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%	40,491,359	34,061,243	-16%

Top 5 Retailers in Colombia

- Grupo Exito: 554 stores
- Olímpica: 350 stores
- Alkosto: 15 stores
- D1: 1,000 stores
- Cencosud: 110 stores

2019 Population (million): 48.3

2018 GDP (billion USD): 289.36

2018 GDP per capita (USD): 6,359

I. MARKET OVERVIEW

Colombian Gross Domestic Product (GDP) grew at 2.7 percent in 2018. According to the World Bank's 2019 Doing Business survey, Colombia has the fourth best business environment in Latin America, after Mexico, Chile and Puerto Rico. For more information, please see World Bank's Doing Business Rankings. Millions of Colombians have moved out of poverty and into the low and middle-income classes. These income adjustments have resulted in more household disposable income and changes in eating patterns, such as shifting diets from vegetable to animal proteins. For example, poultry consumption has almost doubled in the last ten years. Increasing demand for consumer-ready products has stimulated growth in fast food chain restaurants. This has affected the food industry sector dramatically with food manufacturers anxiously seeking a variety of high-quality raw materials to adapt to changing consumer tastes and preferences.

Major Trends

Colombia is the third most populated country in Latin America after Brazil and Mexico at 48.3 million inhabitants. About 80 percent of the Colombian population resides in urban areas. Colombia is atypical of Latin America with decentralized urban centers and four cities with over one million residents: Bogota, Medellin, Cali and Barranquilla. Urbanization keeps growing, stimulating changes in lifestyles and eating patterns. Urban households in Colombia are becoming more typically dual income, resulting in an increasing demand for processed food and shopping convenience. The average household spends 33% of its income on food. Family size is decreasing, and it is expected to continue this trend. In Bogota, the average household is 3.1 members in 2019 and will be 2.2 by 2050. The population is aging as birth rates decrease and life expectancy increases. Hotel and restaurant expenditures are bigger for the elderly than other population groups.

Unhealthy dietary habits are a major issue for the country since they are associated with obesity and heart disease. According to the National Statistical Department (DANE), 42.7% of Colombians do not have a balanced diet. Obesity and overweight conditions affect over 50% of Colombian adults. Although still relatively low in Colombian children (24.4%) compared to other Latin American countries, the problem is growing, mainly among teenagers. Heart disease is the leading cause of death in the country. The Government of Colombia (GOC), specifically the Ministry of Health (MOH), has developed the National Strategy on the Reduction of Sodium Intake. In addition, some initiatives regarding advertising for food products for children are becoming popular. Food manufacturers have positively reacted by developing healthier products and promoting healthier lifestyles.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
The U.S.-Colombia Trade Promotion Agreement (CTPA) expands opportunities and market potential for many agricultural products.	Colombia has trade agreements with many other countries increasing competition with U.S. products.
U.S. agricultural products have a reputation for high quality.	Colombian per capita consumption for processed and semi-processed products is low, for example bread at only 24kg/year, compared to other Latin American markets.
Colombia is the largest agricultural trade destination for U.S. food products in South America.	Depreciation of Colombian peso might affect U.S. export competitiveness. U.S. products will have to maintain their reputation of higher quality in order to be competitive with local food processing companies, guaranteeing a consistent and uniform supply of products year-round.
The growth of tourism and the hotel and restaurant sectors will require a greater array of raw materials and ingredients to make final products more appealing to foreigners and fast changing domestic consumer tastes and preferences.	There is a cultural misperception that frozen products are unhealthy and lack quality.

The growing lower and middle-income population, specifically youth and working women of Colombia are stimulating new food consumer trends and a growth in processed foods.	Internal transportation costs from ports of entry are costly due to extremely poor infrastructure.
Market opportunities for health foods and organic products are expanding given growing obesity trends and GOC support for healthy living campaigns.	Cold chain is deficient.

II. EXPORTER BUSINESS TIPS

Any U.S. exporter entering the Colombian market should understand the customer's needs and their purchasing requirements and specifications. They should also understand Colombian standards and regulations to avoid issues at ports of entry. Critical considerations for market entry include the following:

- Pay special attention to the cleanliness of the containers when loading cargo for export to Colombia, particularly those shipping beef, pork, and poultry. During 2019, the local food safety authority, INVIMA, rejected multiple shipments due to the presence of foreign material (dust, wood chips, etc.) on the bottom of containers.
- Competition is based on quality, price and service;
- Direct to consumers marketing strategies are imperative in order to penetrate the market, such as cooking demonstrations, and tastings among others;
- Social responsibility marketing techniques continue to be very strong, using sales to generate funding for social programs;
- U.S. suppliers should develop ways to meet the needs of the Colombian market through personal visits to better understand the market and identify needs of buyers and consumer trends;
- Use consolidation when exporting small amounts of product;
- Establish direct contact with hotel and restaurant chains;
- Develop business relationships with top executives like marketing directors, purchasing managers, and expose them to U.S. business practices;
- Participate in local trade and promotion shows, such as Alimentec, Agroexpo and Expovinos, and also be part of trade delegations;
- Many Colombian company representatives visit trade shows in the United States, such as the American Food and Beverage Trade Show, the National Restaurant Association Show and the Fancy Food Summer Show, which are great opportunities to meet and educate Colombian importers;
- Develop, to the extent possible, 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 the importer with promotional campaigns

III. IMPORT FOOD STANDARDS, REGULATIONS AND IMPORT PROCEDURES

The GOC oversees trade flows through the Ministry of Commerce, Industry and Tourism (MINCIT). The government transferred all responsibilities in dealing with Colombian foreign trade to the MINCIT including the issuance of import licenses and the registration of imports.

The Colombian Institute for Agriculture and Livestock (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, as well as establishing and regulating Maximum Residue Limits (MRLs) for pesticide residues in both animal and plant products. ICA is also responsible for developing and implementing animal and plant health import requirements.

The National Institute for the Surveillance of Food and Medicines (INVIMA) is the regulatory authority responsible for regulating food safety and sanitary conditions of products sold directly or indirectly for human consumption. The GOC is committed to following internationally accepted guidelines, such as Codex Alimentarius, for developing food safety and animal and plant health import regulations.

ICA and INVIMA JURISDICTION

ICA	INVIMA
Bulk Products: wheat, corn, coarse grains, rice, soybeans, oilseeds, cotton, pulses, etc.	*Bulk Products:* wheat, corn, rice, pulses, etc.
Intermediate Products: soybean meal, live animals, hides & skins, feeds & fodders, planting seeds.	*Intermediate Products:* soybean oil, animal fats, sugar, sweeteners.
Consumer Oriented Products: fresh fruits and vegetables, pet food.	*Consumer Oriented Products:* meat and meat products, eggs, dairy products, processed fruits and vegetables, fruit and vegetable juices, confectionary products, prepared food, alcoholic and non-alcoholic beverages.

Labeling

Regulations establish technical standards for labeling of domestic and imported packaged food products and raw materials for food production, for human consumption (including sample-size and institutional use packaged products). The objective of labeling is to provide comprehensive and clear information for consumers to make informed decisions about the products they purchase. The information must be true and not mislead consumers. Food products imported into Colombia to be sold to the food service and processing sectors are only required to provide all the labeling information on the boxes that contain individual packages.

The information must be provided in Spanish either on the label or on an authorized sticker/label affixed to the product. Whenever the label on the imported product is written in a language other than Spanish, an additional label can be used to provide the information required by Colombian regulation. These labels can be affixed to the product during or after the nationalization process in warehouses or storage facilities inspected, surveyed and controlled by sanitary authorities. When food products or food raw materials originate in countries where information on the expiration date and/or minimum shelf-life ("best before…") is not required, the importer must get prior approval from INVIMA by providing that information in a document issued by the producer/manufacturer (Note: a U.S. date is registered MM/DD/YYYY, whereas in Colombia the date is registered DD/MM/YYYY). An importer can amend label requirements during or after nationalization, but prior to the actual sale of the product. However, this "labeling adjustment" does not extend to lot numbers or expiration dates.

Product Sanitary Registration

All food items intended for direct sale to final consumers in Colombia must be registered with INVIMA, which is responsible for the issuance of a sanitary registration/permit/notification (based on the "risk" associated to the product)." Product registration is NOT required for:

- Natural food products that have not been subject to any transformation process, such as grains, fresh fruits and vegetables, etc.
- Animal-origin food products (chilled/frozen) that have not been subject to any transformation process.
- Products used as raw materials by industry or the foodservice operators for food preparation.

The Food and Agriculture Import Regulations and Standards (FAIRS) Country Report for Colombia contains detailed information on Colombia's import regulations and procedures. This report may be downloaded at FAIRS Annual Country GAIN Report

IV. MARKET SECTOR STRUCTURE AND TRENDS

In recent years, the Colombian food industry has undergone unprecedented consolidation and structural change through mergers, acquisitions, divestitures and new foreign competitors entering the market. This widespread consolidation in the retail, hotel-restaurant-institutional (HRI) and food processing industries was driven by efficiency gains from economies of scale, resulting in significant impacts on market share and food prices. As well, internet e-commerce sales are becoming more popular. It is also important to note that distribution channels have become more efficient with the increased presence of foreign competitors.

Traditional retail is still the most common retail format in Colombia. Outlets are small, independent and present all around the country; a recent commerce survey concluded that in Bogota there is a mom-and-pop store for every 94 homes. Small remote towns count on these traditional stores to cover their basic food and beverage needs since modern retail is not present. Mom-and-pops usually offer small/individual packaging products (i.e., one sausage, small oil bottles, etc.) and the purchase frequency is higher.

Online commerce is becoming more common among Colombians. Most retailers have websites available for shopping online and all kind of smartphone applications ease the grocery shopping experience. According to Euromonitor, food and beverages are among the products preferred by Colombian consumers when buying online. For more information, please see Food Service GAIN Report Food Retail GAIN Report and Food Ingredients GAIN Report

Competition Narrative

The CTPA entered into force in May 2012. This comprehensive trade agreement eliminated tariffs and other barriers to goods and services. Although over 80 percent of U.S. exports of consumer and industrial products to Colombia have become duty-free, the CTPA provided a duty free tariff-rate-quota (TRQ) on certain goods that operate under a first come/first serve basis, except for rice and poultry, which are subject to auctions managed by Export Trading Companies (ETC). There are significant opportunities for imported, value-added food products and raw materials in Colombia due to shifting consumer preferences. United States competitors for raw materials for processing and value-added products are MERCOSUR, Canada and the European Union, and all three have free trade agreements with Colombia.

V. AGRICULTURAL and FOOD IMPORTS

Colombia is an important market for America's farmers and ranchers. In 2018, the United States exported $3.0 billion of agricultural and related products to Colombia. Top U.S. agricultural exports were corn, soybean meal, soybeans, and pork and pork products.

Colombia is also a fast-growing market for value-added food products. Surveyed retailers and food importers feel there is significant potential for new products in all food categories. Healthy and ethnic food categories are especially new and fast-growing. Wines and gourmet products are penetrating the market with excellent results. Organic food products are a new trend and retailers are searching for the best suppliers. The following product categories represent the major export opportunities and some emerging opportunities for U.S. food products to Colombia with zero duties or reduced duties:

Bulk Commodities	Intermediate Products	Consumer-Oriented
Corn (up to quota)	Soybean meal	Pork and pork products
Rice (up to quota)	Vegetable oil	Turkey
Soybeans	Yeasts	Duck
Lentils	Sugars and sweeteners	Bone-in beef cuts
Peanuts	Soybean oil	Bovine livers
Wheat	Glues based starch	Fresh fruits
Chickpeas	Animal fats	Beer
Beans	Soybean flour	Dried fruits
	Animal feeds	Fruit juice
		Tree nuts

Agricultural and Food Import Statistics

COLOMBIAN IMPORTS	FROM THE WORLD			FROM UNITED STATES			U.S. MARKET SHARE		
Description	**2016**	**2017**	**2018**	**2016**	**2017**	**2018**	**2016**	**2017**	**2018**
Consumer oriented products	**1,131,707,898**	**1,195,291,785**	**1,336,649,121**	**387,636,728**	**449,638,411**	**521,384,926**	**34%**	**38%**	**39%**
Beef & Beef Products	17,777,081	20,429,345	26,222,803	12,124,605	14,630,716	19,840,354	68%	72%	76%
Chocolate & Cocoa Products	57,098,494	49,149,110	57,309,870	19,755,810	15,616,363	17,163,486	35%	32%	30%
Condiments & Sauces	31,094,887	32,876,056	37,684,965	13,557,488	15,364,994	18,345,931	44%	47%	49%
Dairy Products	221,081,495	181,435,393	194,046,726	72,994,383	55,353,914	56,115,176	33%	31%	29%
Dog & Cat Food	29,870,273	30,857,805	43,614,344	18,267,021	19,865,351	26,225,749	61%	64%	60%
Eggs & Products	4,897,966	2,773,874	3,618,091	1,584,573	731,112	628,670	32%	26%	17%
Fresh Fruit	151,941,383	159,777,354	163,781,962	13,034,846	16,797,932	15,835,211	9%	11%	10%
Fresh Vegetables	46,211,538	33,914,994	23,973,827	239,272	439,249	163,817	1%	1%	1%
Meat Products NESOI	10,884,990	10,367,991	12,542,443	6,082,428	5,830,595	6,519,578	56%	56%	52%
Non-Alcoholic Bev. (ex. juices, coffee, tea)	50,311,819	47,977,354	43,791,579	7,264,252	9,049,676	7,751,060	14%	19%	18%
Pork & Pork Products	115,634,281	183,591,737	225,723,439	97,845,968	163,740,864	205,623,024	85%	89%	91%
Poultry Meat & Prods. (ex. eggs)	70,563,138	77,154,666	87,298,379	57,377,810	65,152,878	76,194,404	81%	84%	87%
Processed Fruit	57,885,782	59,183,263	70,072,832	9,824,114	9,425,274	10,842,249	17%	16%	15%
Processed Vegetables	81,190,871	82,430,603	95,428,423	29,288,495	23,263,720	25,263,278	36%	28%	26%
Snack Foods NESOI	55,776,010	65,115,695	66,130,352	6,670,642	7,257,718	8,120,130	12%	11%	12%
Tree Nuts	23,470,561	27,770,155	35,281,126	13,443,020	16,246,822	22,271,919	57%	59%	63%
Wine & Beer	106,017,328	130,486,392	150,127,962	8,282,002	10,871,232	4,480,891	8%	8%	3%
Other related products									
Distilled Spirits	86,019,027	59,029,616	82,691,465	3,340,366	2,463,356	3,688,512	4%	4%	4%
Fish Products	384,818,164	361,411,461	437,414,470	11,548,989	10,522,486	10,127,771	3%	3%	2%
Forest Products	190,036,265	192,557,407	222,025,121	5,144,070	6,470,239	5,427,015	3%	3%	2%

Source: Trade Data Monitor

For further information on TRQs please check the following links: COLOMBIA FTA final text
RICE ETC - http://www.col-rice.org/ POULTRY ETC - http://www.colom-peq.org/

VI. KEY CONTACTS AND FURTHER INFORMATION

RELATED REPORTS

Check following link and look for the Food Processing Ingredients Guide, FAIRS and the Exporter Guide:

http://gain.fas.usda.gov/

POST CONTACT INFORMATION

Office of Agricultural Affairs (FAS)	USDA Animal Plant Health Inspection Service (APHIS)
U.S. Embassy, Bogotá, Colombia Carrera 45 No. 24B-27 Bogotá, Colombia Telephone: (57-1) 275-4622 e-mail: AgBogota@fas.usda.gov	U.S. Embassy, Bogotá, Colombia Phone: (57-1) 275-4572 Fax: (57-1) 275-4571 e-mail: Roberto.Guzman@aphis.usda.gov

COLOMBIAN GOVERNMENT CONTACTS

Phytosanitary and Zoosanitary Requirements	Food Product Registration and Health Permits
Ministry of Agriculture and Rural Development **Colombian Institute for Agriculture and Livestock (ICA),** www.ica.gov.co Avenida Calle 26 # 85b – 09, Bogotá, Colombia **Mariluz Villamil Sandoval** Deputy Manager Animal Health Protection Tel. (57-1) 332-3700 ext. 1200 E-mail: mariluz.villamil@ica.gov.co subgerencia.animal@ica.gov.co **Jaime Cardenas Lopez** Deputy Manager Plant Health Protection Tel: (57-1) 332-3700 ext.1300 E-mail: jaime.cardenas@ica.gov.co subgerencia.vegetal@ica.gov.co	**Ministry of Health and Social Protection** **National Institute for the Surveillance of Food and Medicine (INVIMA),** www.invima.gov.co Carrera 10 # 64 -28, Bogotá, Colombia **Carlos Alberto Robles** Director Division of Food and Alcoholic Beverages Phone: (57-1) 294-8700 Ext. 3920 E-mail: invimasal@invima.gov.co

Attachments: No Attachments