

Required Report: Required - Public Distribution

Date: April 01, 2025

Report Number: PN2025-0002

Report Name: Food Processing Ingredients Annual

Country: Panama

Post: Panama City

Report Category: Food Processing Ingredients

Prepared By: Ericka Sanchez

Approved By: Andrew Hochhalter

Report Highlights:

This report provides information to U.S. exporters of agricultural and related products on how to do business with the Food Processing industry in Panama. It is primarily a service – based economy, but food processing is one of its top industries. These include dairy processors, meat, poultry, fishery, fruits, beverages and spirits, bakery, snacks among others. Opportunities for U.S. – origin ingredient suppliers are in demand as the Panamanian industry is benefiting from the latest trends of substitute plant-based alternatives and consumer dietary preferences for processed food from whole grains, legumes (beans, peas, lentils), vegetables, fruits, seeds, and nuts.

Market Fact Sheet: Panama

Executive Summary

The retail sector in Panama remains competitive, where the industry is more agile and innovative to better serve its customers. Panama's economy is based predominately on services (83 percent). Agriculture accounts for a small portion (3 percent). The legal currency is the dollar.

Imports of Consumer-Oriented Products

Panama is the 23rd largest market for U.S. consumer-oriented product exports and U.S. exports were valued at \$546.1 million in 2024. The United States has the largest market share followed by Brazil and Argentina. The customs clearance process in Panama is relatively fast and trouble-free. U.S. products are considered high quality and are well-accepted overall.

Food Processing Industry

Rank 30 among the leading 35 export market. Panama's roughly 150 food processing companies include dairy, meat and poultry, fishery products, fruits, beverages and spirits, bakery, snacks, and pet food, among others. Growth categories include snacks, processed meats, seafood, sauces, and condiments, processed fruits, and vegetables, and dairy.

Food Retail Industry

High growth categories include snacks, processed meats, seafood, sauces, and condiments, processed fruits, vegetables, and dairy products. Competition is based on primary on price and convenience.

Quick Facts CY 2024

The U.S. – Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012, nearly 56 percent of U.S. agricultural exports became duty-free upon entry-into-force, with most of the remaining tariffs phased out over 15 years <https://www.fas.usda.gov/data/panama-fairs-country-report-4>

The TPA provides duty-free access to 110 Panamanian products that are exported to the United States market.

List of Top 10 Agriculture Products in Panama

- | | |
|---------------------|---------------|
| 1) Specialty coffee | 6) Sugar cane |
| 2) Papaya | 7) Cacao |
| 3) Pineapple | 8) Fish |
| 4) Melons | 9) Palm Heart |
| 5) Banana | 10) Squash |

Strengths	Weaknesses
Strong demand for consumer-oriented product	Recent governmental protectionist policies
Opportunities	Threats
Importers frequently search for new-to-market products to compete	Strong competition from other trade partners

Top 10 Host Country Retailers

- | | |
|----------------|--------------------|
| 1) Price Smart | 6) El Machetazo |
| 2) Super 99 | 7) Sysco |
| 3) El Rey | 8) Felipe Motta |
| 4) Super Xtra | 9) Foodie Market |
| 5) Riba Smith | 10) Organica Store |

GDP/Population

GDP: \$83 Billion
Population 4.5 million

Sources: [APA Panama's Food Agency](#), [FAS Panama's FAIRS Report](#)

U.S. Agricultural Exports Typically Used by Panama's Food Processing Industry 2023 -2024 Comparisons

(Millions of Dollars)

Product	2023	2024
Dairy Products	87.4	95.0
Corn	94.1	111.8
Wheat	41.3	34.6
Poultry Meat & Prods. (ex-eggs)	39.1	36.9
Pork & Pork Products	39.6	49.6
Condiments & Sauces	22.2	24.9
Vegetables Oils (ex. soybean)	7.8	9.9

Sources: [USDA GATS BICO REPORT](#)

SECTION I. MARKET SUMMARY

The food processing industry in Panama plays a significant role in the country's economy and food security. Panama benefits from its strategic location for trade, making it an ideal hub for importing raw materials and exporting processed foods to other countries in the region. The industry is supported by a growing domestic market as well as increasing demand for exported goods.

Panama's 150+ food-processing companies, include dairy processors, meat and poultry products processors, fishery products processors, fruits processors, beverages and spirits, bakery, snacks, pet food among others.

The government has been actively promoting investments in the food processing sector, with initiatives aimed at improving technology and production methods. There are also efforts to enhance food safety and quality standards, which help Panamanian products compete in international markets.

When the U.S. – Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012, nearly 56 percent of U.S. agricultural exports became duty-free upon entry-into-force, with most of the remaining tariffs phased out over 15 years. For more information, please refer to:

https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Annual%20Country%20Report%20Annual_Panama%20City_Panama_PN2023-0003

Table 1. Panama: Advantages and Challenges for U.S. Food Ingredients.

Advantages	Challenges
The U.S.-Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012. Almost half of current trade received immediate duty-free treatment.	U.S. food products are not geared for the “traditional” market (over 35,000 mom & pop stores, in Panama City) which sells items packaged in small sizes.
Importing products from the U.S. is relatively easy thanks to the U.S. - Panama Sanitary and Phytosanitary and Technical Barriers to Trade Agreements that entered into force on December 22, 2006.	The U.S. faces varying competition according to product type, including snacks, processed foods, fruits, grains, oils, meat, and dairy products.
U.S food ingredients are well known and regarded as high-quality.	Domestic producers manufacture more affordable products according to local taste preferences.
Growing food processing industry.	Processed foods still seen as inferior to fresh foods by many consumers.

Local processors are increasing their production capacity and food quality to meet higher export standards for foreign markets and domestic demand.	Panama has FTAs in force with 19 countries, which leads to more competition between the United States and other countries.
Consumers demand for innovative, low fat, healthy, and organic products.	Panama is a price-sensitive market.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

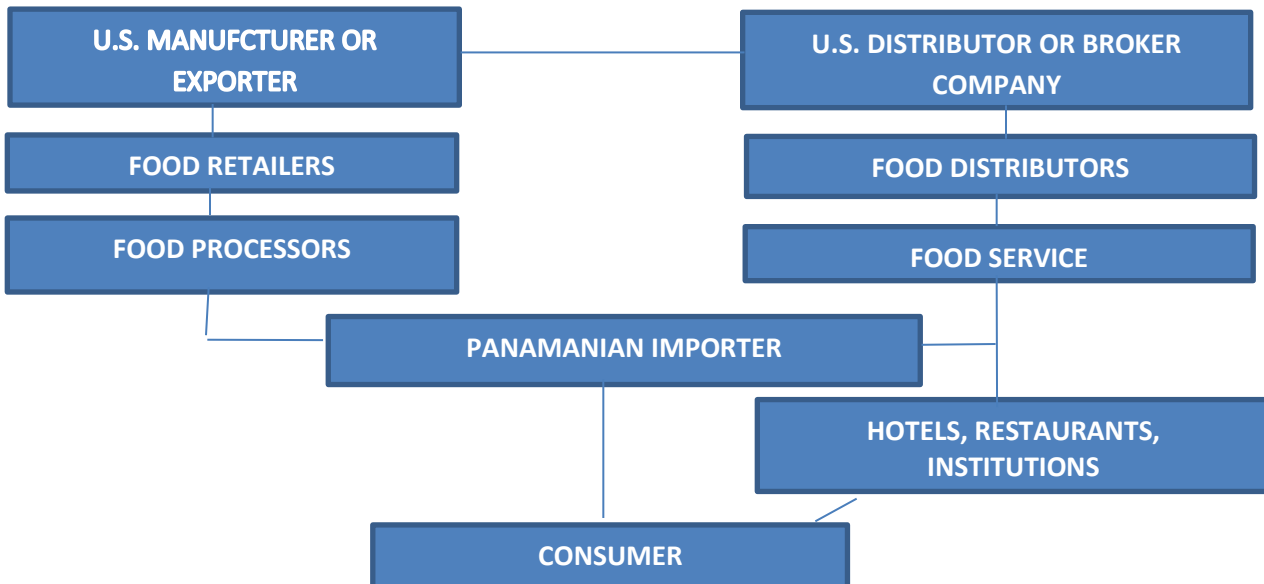
The outlook for imports of food processing ingredients is favorable and the market is very receptive to U.S. products. In addition to selling direct to food processors, exporters can also work closely with a local distributor or agent. Customs clearance is relatively fast and straightforward. Panama has a dollar-based economy, good transportation infrastructure and telecommunication systems, state of the art modern ports and excellent access to shipping and air transport.

Due to its open economy, Panama has few market access problems. There are no import barriers for most food processing ingredients. The TPA has reduced import duties to zero for 87 percent of the products in the tariff schedule, except for some food and agricultural products, on which duties will reduce gradually over the course of the next ten years.

Market Structure

One of the more common market entry options is to appoint a distributor. Another option is to find a local partner who can provide market knowledge and contacts. In Panama, there are large distributors with the capacity to reach many markets without using intermediaries. The major supermarket chains include Super 99, Supermarket Rey, Price Smart wholesale, Riba Smith, Xtra and Machetazo.

Table 2. Panama: Market Structure



Company Profiles

Table 3. Top 15 Food Processors in the Panamanian Market (total market 150)

Name	Description of Processing Activity	Brands
Productos Toledano	Distribution of agricultural industry products, chicken, and eggs	Toledano
Empresas Melo, S.A.	Value added products, chicken, seafood, and vegetables	Melo
Carnes de Coclé, S.A.	Processing and sale of meats and cold meats	First Choice Meat
Productos Kiener, S.A.	Production, distribution, and sale of meat products (spicy sausages, cold meats, sausages)	Kiener
Sociedad de Productos de Primera	Food Processing Dairy and Foodstuff Products (cheese, milk, eggs)	Bonlac
Lavery Panama, S.A.	Production of food products (cheese, margarine, and butter)	Cremoso, Helmet
Industrias Panama - Boston, S.A.	Process and refines oils, butter, and lard	Pabo, Cascade, Yo Soy, Supreme
Proluxsa	Production of food products (vinegar, soy sauce, condiments, juices)	Proluxsa
Productos Alimenticios Pascual	Production of crackers, cookies, candy, snacks, pasta, and distribution of food products	La Suprema, Roma, Maria, Sándwich de Pascual, otros.
Gold Mills de Panama	Flour processor (creams, syrup, pastas)	Gold Mills
Harinas de Istmo, S.A.	Flour production for bread and bakery industry	Harina del Istmo
Riba - Smith, S. A.	Food Retail, food imports and food production	Riba- Smith
Industrias Alimenticias Ricas Viandas	Production of bread, desserts, and sweet bread	Rimith
Bimbo de Panamá, S.A.	Production of bread, bakery, and corn bread.	Bimbo, Rapiditas Wraps
Sarasqueta y Compañía, S.A.	Grains production	

Table 4. List of Panamanian Food Processing Associations

Specialty Coffee Association of Panama	http://scap-panama.com/
Rice Millers National Association	www.analmo.org
National Poultry Producers Association	www.anavip.org
SIP (Industrial Union of Panama)	www.industriales.org

Sector Trends

Panamanian consumers are demanding more convenience and healthy food products. This trend has resulted in good prospects for U.S. exports of fresh fruit (mainly apples, grapes, peaches, and pears), organic foods, healthy food products such as plant-based alternatives, gluten free, low carb, low sodium, low sugar, low fat, processed fruits and vegetables (especially canned fruits), and snack foods (including corn chips, popcorn, cookies and candies). Processed canned fruits and vegetables, especially mixed fruits, mixed vegetables, yellow sweet corn, peas, mushrooms, and garbanzo beans generate strong import demand, because most of these food products are not processed locally.

Poultry is the top source of protein in the Panamanian diet. Pork is Panama's second favorite meat. Beef is typically found in supermarkets fresh and chilled. Consumers prefer fresh meat over frozen beef, which tends to be imported as specialty cuts that are more expensive and used for BBQ and parties. Imported processed meats, mainly from the United States, and cured hams from Spain and Italy, supply the Food Service sector. There is a sizable seafood processing industry in Panama.

The Panamanian dairy food processing industry is notable within the country's predominantly service-based economy. In recent years, Panama has seen an increase in investment and innovation in dairy processing, leading to the production of a variety of dairy products, including cheeses, yogurts, and milk-based beverages. The country's strategic location also facilitates the import of dairy ingredients, allowing local processors to create diverse offerings for consumers and retailers. With the U.S. being a significant exporter, Panama ranks 20th among the top markets for U.S. dairy product exports, which indicates a strong relationship and opportunity for collaboration within the sector. This growth potential, along with the increasing demand for quality dairy products, makes the Panamanian dairy food processing industry an attractive area for investment and development.

The snack processing industry is competitive, especially with the increasing demand for both traditional and innovative snack options. The market includes a mix of local producers and international brands, leading to a diverse range of products. Factors contributing to the competitiveness include market growth, distribution channels, innovation, regulatory environment.

SECTION III. COMPETITION

The processed food sector in Panama is price sensitive, and companies try to keep prices low to stay competitive. Market competition comes from large local food processors that carry increasingly modern lines of Panamanian food products. Companies such as Rimith, Procesadora Monte Azul, and Bimbo de Panama are local competitors for U.S. exporters, but also represent opportunities in terms of imports of raw materials and ingredients for their processing needs.

Large multinational companies have a competitive advantage over smaller domestic producers in certain product categories such as frozen foods, soups, specialty canned and preserved products, and well-known condiments and flavors that cater to the international pallet. Because of this, companies able to meet the demands of this competitive processed food sector must have the means to invest in technology and innovation to not only meet consumer demands but also maintain low, competitive prices.

Panama's main trading partner is the United States in the food processing industry. As an example, in the category of miscellaneous edible preparations, exports to Panama from the United States accounts for 35% of total imports of these products. Overall, 75% of these imports into Panama are from the following countries:

- ✓ United States with \$72 million and 35% of total imports.
- ✓ Costa Rica with \$65 million and 32% of total imports.
- ✓ Mexico with \$16 million and 8% of total imports.

SECTION IV. BEST PRODUCT PROSPECTS

Panama is the fourth largest market in Central America for U.S. agricultural products exports. U.S. total exports of agricultural and related products to Panama totaled \$879.5 million in 2023. Exports include corn (\$94.1 million), soybean meal (\$91.2 million), food preparations (\$39.4 million), dairy products (\$87.4 million), Poultry Meat & products (\$39.1), and pork & pork products (\$39.6 million).

SECTION V. POST CONTACT AND FURTHER INFORMATION

U.S. EMBASSY IN PANAMA	
U.S. Department of Agriculture (USDA)	Agpanamacity@usda.gov
Foreign Agricultural Service	U.S. Embassy Panama
Telephone:	(507) 317-5297/ (507) 317-5801
Economic Section, U.S. Department of State	PNM-ECU@state.gov
Telephone:	(507) 317 5000
U.S. Commercial Service	www.buyusa.gov/panama/en/
Telephone:	(507) 317-5000

For further information, please see GAINs reports from FAS Panama, such as the Exporter Guide, and the Food and Agricultural Import Regulations and Standards. Both are available at [GAIN FAS USDA](#)

Attachments:

No Attachments