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Prepared By: FAS Staff

Approved By: Adam Klein

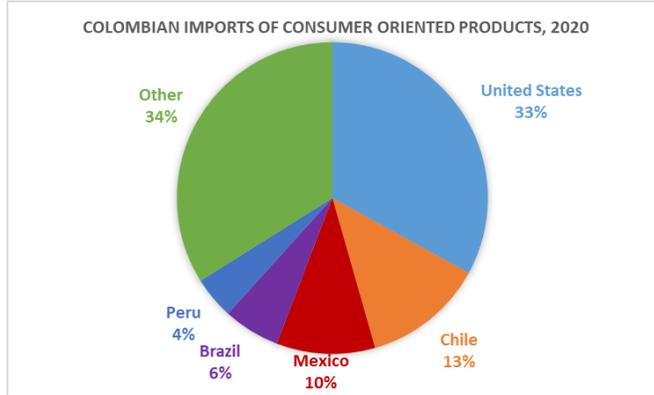
Report Highlights:

Colombia's retail sector continues to reinvent itself through a difficult economic period caused by the COVID-19 pandemic. U.S. exporters face new market conditions in Colombia, as well as new opportunities, resulting from changes to consumer habits and preferences during the pandemic, which has altered the landscape for the retail, food industry, and food service sectors.

Market Fact Sheet: Colombia

Executive Summary: Colombia is the leading destination for U.S. agricultural exports in South America, followed by Brazil and Chile. In 2020, U.S. agricultural exports to Colombia were valued at \$2.86 billion.

Imports of Consumer-Oriented Products: In 2020, Colombia’s imports of consumer-oriented products from all suppliers declined 8.5 percent to \$1.9 billion, due to the pandemic and changing consumer habits. In 2020, Colombian imports from the United States fell 21 percent to \$632 million, followed by Chile (\$241 million) and Mexico (\$196 million). Consumer-oriented products account for 23 percent of U.S. food and agricultural exports to Colombia.



Food Processing Industry: Colombia is a net importer of many food ingredients. There is a growing domestic demand for higher quality confectionary products. The Colombian fats and oils sector imports unrefined soybean oil and other oil seeds to meet industrial demand. The milling, bakery, and starches sectors have benefited from innovation in flavors and healthier ingredients. [Food Processing Ingredients GAIN Report](#)

Food Retail Industry: Western style, large supermarkets are part of a noteworthy retail transformation in the last decade with domestic and international grocery chains opening new stores. Discount stores have increased market share and continue opening outlets throughout the country, offering private label portfolios.

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 and/or utilize delivery food services; roasted chicken, hamburgers, and pizza are a few of the preferred products that Colombians order using delivery service. [Food Service Industry GAIN Report](#)

Population: 51.0 million (2021)
GDP: \$299.496 billion (2020)
GDP per capita: \$5,946 (2020)

Top 10 Main Consumer-Oriented Products Imported by Colombia (MM dollars):

Description	2019	2020	Change
Dairy products	\$244	\$284	17%
Soup & other food preparations	\$279	\$224	-20%
Fresh fruit	\$165	\$162	-2%
Pork & pork products	\$236	\$158	-33%
Bakery goods, cereals & pasta	\$118	\$109	-8%
Mfg. tobacco	\$84	\$108	29%
Processed vegetables	\$112	\$107	-4%
Distilled spirits	\$101	\$95	-6%
Poultry meat & products (ex. eggs)	\$114	\$90	-21%
Wine & related products	\$67	\$71	6%

Main HRI companies		
Hotels	Restaurants	Institutional
Decameron	El Corral	Sodexo SAS
Hoteles Estelar	Frisby SA	Compass Group Services
Tour Vacation	McDonald’s	Servihoteles

Top 5 Retailers	Top 5 Food Manufacturers
Grupo Exito	Grupo Nutresa
Alkosto	Colanta
Olímpica	Alpina
DI	Colombina
ARA	Nestlé de Colombia

Sources: Trade Data Monitor, World Bank, Global Agricultural Trade System, Euromonitor, DANE, IMF, various online sources. For additional information, contact agbogota@fas.usda.gov

SECTION I: MARKET SUMMARY

According to the Colombian Department of Statistics (DANE), Colombia’s gross domestic product (GDP) decreased 6.8 percent in 2020, after stable growth in the past decade. Based on the Colombian Central Bank, the economy is expected to recover by the end of 2021, reaching 2019 levels; however, the economy may only partly recover due to recent nationwide protests and social unrest that disrupted significant portions of Colombia’s economy, including the agricultural sector. The COVID-19 pandemic resulted in higher unemployment and a decrease in household income, which affected domestic demand. In the past year, six million middle-class Colombians entered poverty, threatening the country’s economic stability.

Colombia is the third most populous country in Latin America with 51 million inhabitants. Eighty percent of the Colombian population resides in urban areas. Colombia is atypical of Latin America with decentralized urban centers and five cities with over one million residents: Bogota, Medellin, Cali, Barranquilla, and Cartagena. Urbanization continues on an upward trajectory, stimulating changes in lifestyles and eating patterns. In recent years, urban households are becoming dual income, resulting in an increased demand for processed food and shopping convenience. In Bogota, the average household was 3.1 members in 2019, and it is expected to be only 2.2 members by 2050. The population is aging as birth rates decrease, and life expectancy increases. Venezuelan immigration is another key demographic trend. The Colombian government estimates that over 1.8 million of Venezuelans live in Colombia. They influence the consumption of main food staples such as beans, rice, and corn flour.

The COVID-19 pandemic affected the economy and led to a recession. Households reduced expenditures and changed purchasing habits. However, consumer habits may change as more Colombians are vaccinated. The main consumer trends can be summarized as follows:

- Higher price sensitivity leaves room for private label products. Forty-one percent of Colombians preferred cheaper food brands during the isolation period.
- Preference for cooking and baking while staying at home encourages demand for flour, pasta, sugar, sauces, among other related products.
- Rising health awareness means opportunities for healthy food products.
- More conscious purchasing decisions favor sustainable products.
- Impressive e-commerce and delivery service adoption (141 percent and 219 percent growth in 2020, respectively) continues to be a challenge for retail and food service sectors to adapt to changing consumers’ needs, while complying with biosafety regulations.
- More frequent food processor alliances deliver convenient options to consumers and provide logistical benefits to the industry.

Information on Colombian food trends is also covered by the [Food Processing Ingredients GAIN Report](#) and the [Food Service Industry GAIN Report](#)

Chart 1	
Advantages and Challenges for U.S. Exporters	
Advantages	Challenges
The U.S.-Colombia Trade Promotion Agreement (CTPA) expands opportunities and market potential for many food and 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 consumption is only 22kg/year, still low compared to

	other Latin American markets.
The acceptance of American style restaurants provides an avenue for introducing U.S. recipes and food ingredients into the Colombian diet.	Depreciation of Colombian peso might affect U.S. export competitiveness.
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 urbanization is stimulating new consumer trends and an increase 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 and increases logistical costs.
U.S. food suppliers and manufacturers have a positive reputation for food safety, availability, quality, and delivery.	Increasing consumer preference for local products, especially dairy, fruits, vegetables and meat, due to government policies in reaction to COVID-19.

SECTION II: ROAD MAP FOR MARKET ENTRY

Entry Strategy: Any U.S. exporter entering the Colombian market should understand customer needs and their purchasing requirements and specifications. Additionally, they must understand all Colombian standards and regulations to avoid clearance delays at ports of entry. Critical considerations for market entry include the following:

- Be mindful that competition is based on quality, price and service;
- Develop market research to better understand competitors, consumers’ preferences and business environment;
- Contact large importers and wholesalers/distributors;
- Highlight social responsibility marketing techniques, which continue to perform well, using sales to generate funding for social programs;
- Develop ways to meet the needs of the Colombian market, ideally through personal visits, to better understand the market and identify needs of buyers and consumer 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 [Expovinos](#), [Alimentec](#) and [SaborBarranquilla](#), to learn on consumer trends;
- Participate in trade delegations;
- Attend the National Restaurant Association Show, and the Americas Food and Beverage Show, which are great opportunities to meet and educate Colombian importers;
- Develop Spanish marketing/communication materials, if possible;
- 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.

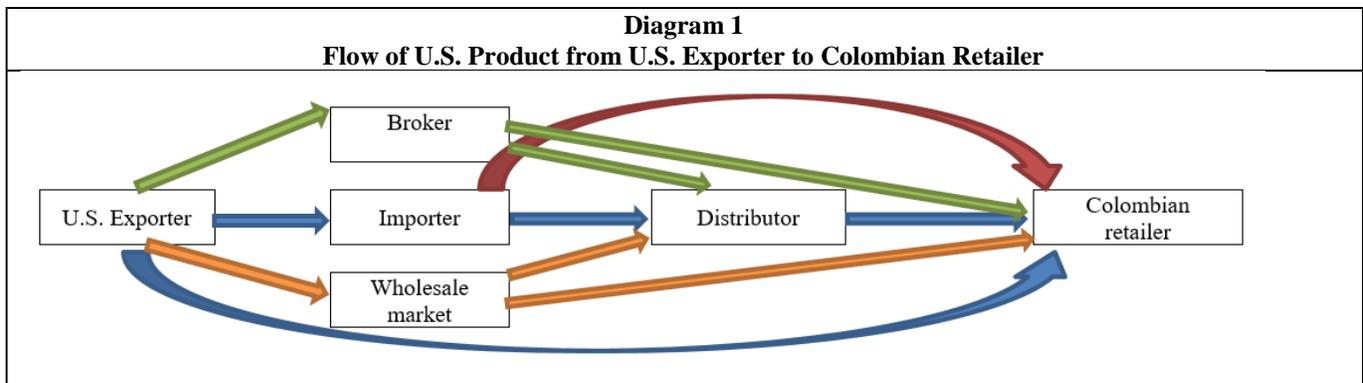
For more information on doing business in Colombia, see [Colombia Country Commercial Guide](#)

Market Structure: Colombia’s retail sector faced its most challenging year in 2020, as a consequence of the COVID-19 pandemic which impacted all economic sectors. Retailers adapted to new consumer

habits, who were under lockdown for more than 5 months, preparing food at home, buying staple foods in nearby shops, and ordering products through e-commerce platforms. Hard-discounters benefited from consumers’ needs, offering good-quality products at reasonable prices, and convenient locations close to buyers. E-commerce also did well, thanks to the rapid digital adoption among Colombians, forcing retailers to develop on-line sales channels, and positioning applications already present in the market such as [Rappi](#) and [Merqueo](#).

Chart 2 Colombian Retailers	
Modern channel	
<p>Cash and Carry: main players were Makro, PriceSmart, and Surtimayorista. 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. As a result of the COVID-19 pandemic, Makro developed an e-commerce platform, and PriceSmart partnered with Rappi to reach out to consumers more effectively.</p>	<p>Supermarkets: Olimpica, Carulla, Jumbo, and Colsubsidio led the segment. Strengthening private label product portfolio and developing an e-commerce strategy were priorities for supermarkets, which remained as Colombia’s preferred product source. Independent supermarkets were also popular. These family businesses developed their own private label products and expanded their presence in the country. Some brands were Zapatoca and Euro.</p>
<p>Hypermarkets: leaders of the category were Exito, Alkosto, Jumbo, Supertiendas Olímpica, Metro, and La14. Although most of them adapted to changing consumer needs, their sales slightly declined due to the growing preference for shopping at discounter outlets.</p>	<p>Discounters: the main players were D1, Justo y Bueno, and ARA. According to Euromonitor, discounters experienced benefits in sales during the pandemic thanks to their proximity to consumers, appealing private label portfolio, and competitive prices. D1 and Justo y Bueno partnered with applications to develop delivery services.</p>
<p>Convenience stores: OXXO, Exito Express, and Metro Express were the key players of the segment. COVID-19 deeply affected these retailers, since most of them were located nearby offices and universities. OXXO changed its portfolio to offer a wider variety of products and developed its own application to implement delivery services.</p>	
Traditional channel	
<p>Mom & Pop stores: This channel had a strong presence throughout the country with approximately 700 thousand outlets. Mom & Pop stores have played a key role in the local economy and are perceived as strong sources of income and employment, as well as suppliers of credit. Discounters were their biggest competitor in terms of proximity to consumers and lower prices.</p>	

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. The diagram below shows the flow of the product through the distribution chain (diagram 1).



Company Profiles: The chart below provides information on main food retailers in Colombia (chart 3).

Type	Retailer	Sales (\$ million)		Outlets	Website
		2020	2019	2020	
Supermarket/hypermarket/ cash and carry	Grupo Éxito	\$4,261	\$4,661	515	https://www.carulla.com/ https://www.exito.com/ https://www.surtimax.com.co/ https://www.superinter.com.co/ https://www.surtimayorista.com/
Hypermarket	Alkosto	\$2,033	\$2,030	16	http://www.alkosto.com/
Hard discount	Koba Colombia (D1)	\$1,991	\$1,515	1,450	http://www.tiendasd1.com/
Supermarket/hypermarket	Olímpica	\$1,699	\$1,995	371	http://www.olimpica.com/
Soft discount	Jerónimo Martins (ARA)	\$1,066	\$964	663	https://www.aratiendas.com/
Supermarket/hypermarket	Cencosud	\$1,057	\$1,185	93	https://www.tiendasjumbo.co/ https://www.tiendasmetro.co/
Hard discount	Justo y Bueno	\$877	\$788	1,240	https://justoybueno.com/
Cash and Carry	PriceSmart	\$381	\$387	8	https://www.pricesmart.com/site/co/es
Cash and Carry	Makro	\$320	\$397	22	http://www.makro.com.co
Supermarket/hypermarket	Almacenes La 14	\$212	\$296	27	https://www.la14.com/

Source: various online sources

SECTION III: COMPETITION

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. U.S. 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.
- The COVID-19 pandemic, along with the recent social unrest, motivated a rise in protectionism among Colombians, who seemed to be more willing to buy *made in Colombia* products. Colombia Productiva (*Productive Colombia*), an entity from the Government, designed the strategy [Compra Lo Nuestro](#) (*Buy Our Products*) by developing a seal for local products.
- The Colombian congress recently approved a law known as the “junk food law” to regulate front of pack nutritional labeling for food products. The law will be mandatory for local and imported products, and its implementation will represent higher costs for producers and importers.

The chart below provides information about consumer-oriented product imports in Colombia (chart 3).

Chart 3 Colombian Imports of Consumer Oriented Products from the World							
Description	Imports (\$ million)						2020-2019
	2015	2016	2017	2018	2019	2020	Variation
TOTAL	1,681	1,884	1,922	2,081	2,093	1,916	-8%
Dairy Products	173	233	192	206	244	284	17%
Soup & Other Food Preparations	227	245	251	256	279	224	-20%
Fresh Fruit	164	152	160	164	165	162	-2%
Pork & Pork Products	125	116	184	226	236	158	-33%
Bakery Goods, Cereals, & Pasta	119	104	102	107	118	109	-8%
Mfg. Tobacco	81	83	78	59	84	108	29%
Processed Vegetables	82	90	88	103	112	107	-4%
Distilled Spirits	58	86	59	83	101	95	-6%
Poultry Meat & Prods. (ex. eggs)	56	71	77	87	114	90	-21%
Wine & Related Products	59	64	53	57	67	71	6%
Dog & Cat Food	30	30	31	44	50	64	27%
Chocolate & Cocoa Products	55	57	49	57	60	56	-6%
Processed Fruit	55	58	59	70	68	56	-18%
Condiments & Sauces	29	31	33	38	42	41	-3%
Fresh Vegetables	28	46	34	24	35	38	9%
Nursery Products & Cut Flowers	24	28	32	33	32	34	7%
Tree Nuts	32	23	28	35	33	34	5%
Non-Alcoholic Bev. (ex. juices, coffee, tea)	115	189	202	196	30	33	9%
Beef & Beef Products	20	18	20	26	32	26	-16%
Coffee, Roasted and Extracts	23	23	22	23	29	26	-12%
Chewing Gum & Candy	29	33	36	34	36	25	-31%
Beer	31	42	77	93	68	24	-66%
Spices	15	17	19	22	19	22	15%
Meat Products NESOI	11	11	10	13	13	10	-18%
Tea	14	15	9	10	10	8	-21%
Fruit & Vegetable Juices	23	15	13	11	12	7	-40%
Eggs & Products	4	5	3	4	4	4	-8%

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS

U.S. Agricultural Product Market Potential: Colombia is 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. 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, based on 2015-2019 Colombian imports growth rates. 2020 figures were not included in this chart since it was an atypical year (chart 4).

Chart 4 Major Export Opportunities and Some Emerging Opportunities for U.S. Food Products			
2019 Import Value (\$	5-Yr. Avg.	Key Constraints Over Market Development	Market Attractiveness for USA

Product Category	(million)	Annual Import Growth		
Poultry Meat & Prods. (ex. eggs)	\$113.66	21%	<ul style="list-style-type: none"> Aggressive marketing campaign to encourage Colombian chicken consumption 	<ul style="list-style-type: none"> Chicken per capita consumption increased from 18.3 kg/year in 2005 to 36.1 kg/year in 2019
Pork & Pork Products	\$236.11	18%	<ul style="list-style-type: none"> Aggressive marketing campaign to encourage Colombian pork consumption Negative association of pork meat with human health 	<ul style="list-style-type: none"> Pork per capita consumption increased from 3.3 kg/year in 2005 to 11.2 kg/year in 2019
Dog & Cat Food	\$50.10	13%	<ul style="list-style-type: none"> Pet owners still feed pets with table scraps 	<ul style="list-style-type: none"> Growing pet ownership rates Increasing interest on pet food with nutritional benefits
Beef & Beef Products	\$31.59	11%	<ul style="list-style-type: none"> COVID-19 deeply affected foodservice, main beef customer Growing competition from Argentina and Uruguay Lack of product knowledge 	<ul style="list-style-type: none"> Willingness to pay higher prices for high-quality beef
Wine & Beer	\$135.61	10%	<ul style="list-style-type: none"> Preference for Chilean and Argentine wines Wine consumption is related to celebrations and holiday season 	<ul style="list-style-type: none"> Income shifts and urbanization benefit growth of wine sales

Products That Face Significant Barriers:

- The introduction of new U.S. processed meat products has been recently 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, the Colombian food safety authority INVIMA (Colombian FDA equivalent), requires importers to submit a COFS when registering a new food product for sale in Colombia.
- Despite strong opposition by domestic and international food manufacturing industries, on November 9, 2020, Colombia's Ministry of Health (MINHEALTH) issued Resolution 2013 to set maximum sodium content limits for 59 processed food categories. This regulation, as feared by food manufacturers, has a mandatory approach, and places a "de-facto ban" on food products that exceed MINHEALTH's maximum sodium content limits. Local food safety authority INVIMA is tasked with the enforcement and surveillance of this regulation, for which it could issue sanctions, pursuant to Law 9 of 1979 and Law 1437 of 2011. Further, local producers and importers must submit certificates of conformity/self-declarations for their products to INVIMA before they enter Colombia. The implementation of this regulation will begin in November 2022. More information available at the [Colombia Issues New Sodium Regulation for Processed Foods](#) GAIN report.

For further information on TRQs please check the following links: [COLOMBIA FTA final text](#), [Colombia Rice Export Quota](#), [Colombia Poultry Export Quota](#)

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

Post contact information: The chart below provides FAS Bogota and APHIS Bogota contact information (chart 5).

Chart 5 Post Contact Information	
Office of Agricultural Affairs (OAA)	Animal Plant Health Inspection Service (APHIS)
U.S. Embassy, Bogotá, Colombia Telephone: (57-1) 275-4622 e-mail : AgBogota@fas.usda.gov	U.S. Embassy, Bogotá, Colombia Phone: (57-1) 275-4572 e-mail: Roberto.Guzman@aphis.usda.gov

Regulatory agency contacts: The chart below provides information on Colombian government regulatory agency contacts (chart 6).

Chart 6 Colombian Government Contacts	
Phytosanitary and Zoosanitary Requirements	Food Product Registration and Health Permits
Ministry of Agriculture and Rural Development ICA Mariluz Villamil Sandoval Deputy Manager Animal Health Protection Tel. (57-1) 332-3700 ext. 1200 E-mail: mariluz.villamil@ica.gov.co Jaime Cárdenas Lopez Deputy Manager Plant Health Protection Tel: (57-1) 332-3700 ext.1300 E-mail: jaime.cardenas@ica.gov.co	Ministry of Health and Social Protection INVIMA Carlos Alberto Robles Director Division of Food and Alcoholic Beverages Phone: (57-1) 294-8700 Ext. 3920 E-mail: invimasal@invima.gov.co

Import Procedure: 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. The chart below provides information on import regulations and requirements (chart 7). More information on Colombia's import procedure is available at [FAIRS](#).

Chart 7 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: <ul style="list-style-type: none"> • 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

For additional information about exporting to Colombia, see [Exporter Guide](#).

Attachments:

No Attachments