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Country: Colombia

Post: Bogota

Report Category: Retail Foods

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Report Highlights:

During 2021, the Colombian retail sector recovered and grew, following a challenging year caused by the COVID-19 pandemic. Looking ahead, the sector's growth is uncertain due to high food prices and a new administration that will assume power in August 2022. In addition, 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. These trends have altered the sector's landscape.

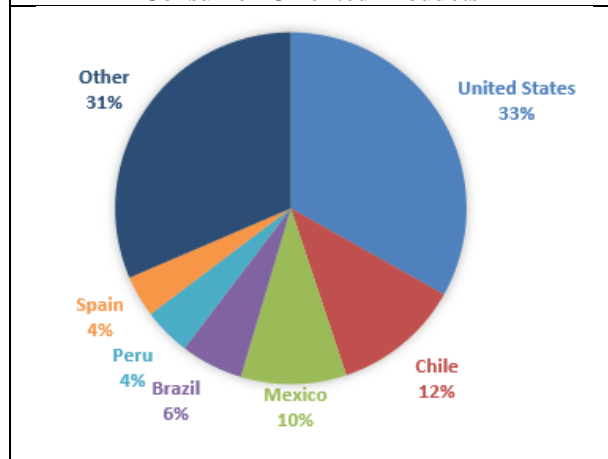
Market Fact Sheet: Colombia

Executive Summary: Colombia is the leading destination for U.S. agricultural exports in South America, followed by Chile and Peru. In 2021, U.S. agricultural exports to Colombia were valued at \$3.4 billion.

Imports of Consumer-Oriented Products:

In 2021, consumer-oriented product imports from all suppliers increased 24 percent to \$2.4 billion due to a strong economic rebound. In 2021, Colombian imports from the United States grew 30 percent to \$788 million, followed by Chile (\$279 million) and Mexico (\$231 million). Consumer-oriented products account for 26 percent of U.S. food and agricultural exports to Colombia.

Top Sources of 2021 Colombian Imports of Consumer-Oriented Products



Source: Trade Data Monitor

Food Service Industry: The sector is still rebuilding from the mandatory 6-month lockdown in 2020 that caused serious economic damage. It is expected to recover at a slow pace, reaching pre-pandemic levels by 2023, thanks to growing incomes and higher participation of women in the labor force. [Food Service Industry GAIN Report](#)

Food Retail Industry: Retailers adapted to new consumer habits because of COVID-19. Hard-discounters benefited from consumer needs, offering good-quality products at reasonable prices. E-commerce also did well, thanks to rapid digital adoption among Colombians.

Food Processing Industry: Colombia is a net importer of many food ingredients. There is growing domestic demand for healthier 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](#)

Population: 51.6 million (2022)

GDP: \$314.5 billion (2021)

GDP per capita: \$6,158 (2021)

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

Description	2020	2021	Change
Pork & Pork Products	\$158	\$301	91%
Dairy Products	\$284	\$283	-1%
Soup & Other Food Preparations	\$224	\$257	15%
Fresh Fruit	\$162	\$168	4%
Distilled Spirits	\$95	\$158	67%
Processed Vegetables	\$107	\$140	30%
Poultry Meat & Prods. (ex. eggs)	\$90	\$122	36%
Bakery Goods, Cereals, & Pasta	\$109	\$115	6%
Mfg. Tobacco	\$108	\$106	2%
Dog & Cat Food	\$64	\$89	40%

Strengths	Weaknesses
<ul style="list-style-type: none"> Growing demand for consumer-oriented products Diverse retail market 	<ul style="list-style-type: none"> Deficient infrastructure
Opportunities	Challenges
<ul style="list-style-type: none"> Growing middle class Decentralized country Four ports 	<ul style="list-style-type: none"> Technical food regulation compliance Peso depreciation

Top 5 Retailers	Top 5 Food Manufacturers
Grupo Exito	Grupo Nutresa
D1	Colanta
Alkosto	Alpina
Olímpica	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@usda.gov

SECTION I: MARKET SUMMARY

According to the Colombian Department of Statistics (DANE), Colombia's gross domestic product (GDP) grew 10.6 percent in 2021. The retail sector¹ increased 10.8 percent. The Colombian Central Bank forecasts the economy to grow 4.7 percent in 2022, a figure that could be revised downward due to lower private consumption levels, growing inflation, and general uncertainty due to the June 2022 elections, won by Gustavo Petro, the first left-wing president in the country's history.

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 is on an upward trajectory, stimulating changes in lifestyles and eating patterns.

In recent years, urban households in Colombia are becoming dual income, resulting in an increasing 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 two million Venezuelans live in Colombia. They influence the consumption of main food staples such as beans, rice, and corn flour.

The COVID-19 pandemic affected households' expenditures and purchasing habits. Although expenditures have rebounded and consumers are travelling and going out due to the economic recovery, some market trends will remain. The main consumer trends can be summarized as follows:

- Higher product price sensitivity 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 oil, and rice.
- Rising health and environmental awareness translate into opportunities for healthy and sustainable food products.
- E-commerce and delivery service adoption continues to be a challenge for the retail and food service sectors to adapt to changing consumer needs.
- Although plant-based food products are perceived as expensive, 93 percent of Colombians are interested in trying plant-based food products for health, nutrition, and environmental reasons.
- Preference for high-protein and calcium content products has bolstered demand for meat and dairy products.

The [Food Processing Ingredients GAIN Report](#) and [Food Service GAIN Report](#) provide data and analysis on Colombian food trends.

¹ Retail sector includes all retail activities, except vehicle and motorcycle repair

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

Advantages	Challenges
The U.S.-Colombia Trade Promotion Agreement (CTPA) provides preferential product treatment for many 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 and semi-processed products is low; for example, bread consumption is only 22 kg/year, low compared to other Latin American markets.
Increased acceptance of American style restaurants provides an avenue for introducing U.S. recipes and food ingredients into the Colombian diet.	Depreciation of the Colombian peso affects U.S. export competitiveness.
Growing tourism increases demand for raw materials and ingredients to make products more appealing to foreigners and domestic consumers.	There is a cultural misperception that frozen products are unhealthy and lack quality.
Growing urbanization of Colombian cities is stimulating new consumer trends and an increase in processed foods.	Internal transportation costs from ports of entry are high due to extremely poor infrastructure.
Market opportunities for health foods and organic products are expanding given government 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.	Elected President supports renegotiating the CTPA to protect domestic agriculture and manufacturing.

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:

- Competition is based on quality, price and service;
- 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 [Expovinos](#), [Alimentec](#), and [SaborBarranquilla](#), to learn about consumer trends;
- Participate in trade delegations;
- Attend trade events like the National Restaurant Association Show or the Americas Food and Beverage Show, which provide opportunities to meet and educate Colombian importers;
- 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 the importer with promotional campaigns.

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

Market Structure

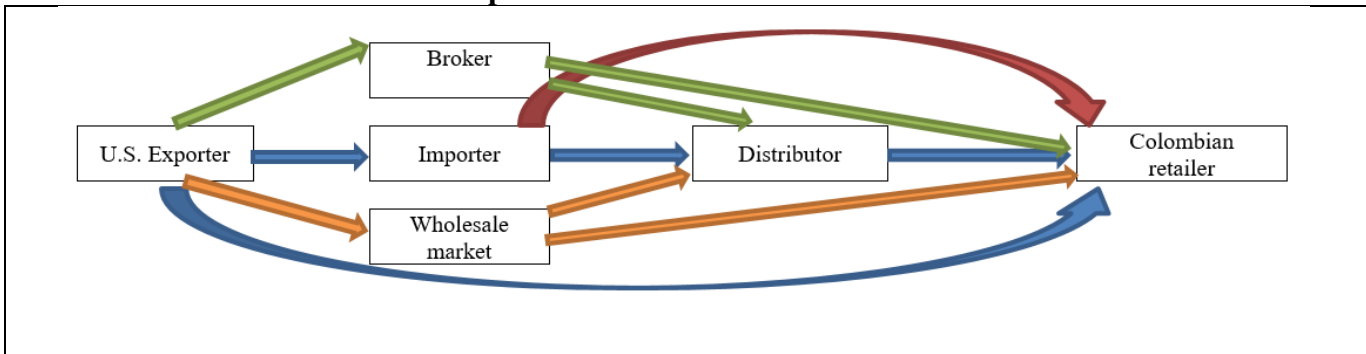
Following its most challenging year in 2020, Colombia’s retail sector stabilized in 2021. Lower interest rates, effective vaccination strategies, and days without paying the VAT, along with government assistance, supported increasing consumer expenditures to the benefit of the retail sector. Looking ahead, higher prices will lower consumer purchase power and limit the sector’s growth. Hard-discounters continue benefiting from consumers’ needs, offering good-quality products at reasonable prices, and convenient locations close to buyers. E-commerce also maintains a positive trend, thanks to Colombians’ rapid digital adoption, forcing retailers to develop online sales channels, and strengthening applications (apps) already present in the market, such as [Rappi](#) and [Merqueo](#).

Table 2.
Colombian Retail Structure

Modern channel	
<p>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. According to Euromonitor, their sales increased 11 percent in 2021, after a drop of 8 percent in 2020.</p>	<p>Supermarkets: Olimpica, Carulla, and Colsubsidio lead the segment. Strengthening private label product portfolio and developing an e-commerce strategy were their priorities. Independent supermarkets are also popular. These family-owned businesses developed their own private label products and expanded their presence in the country. Some brands were Zapatoca and Euro. Supermarket sales grew 1 percent in 2021.</p>
<p>Hypermarkets: Exito, Alkosto, Jumbo, Olimpica, and Metro are the leaders in this category. La 14 went out of business. Discounters challenged this segment that had to adapt to consumers’ needs. Sales grew 4 percent in 2021.</p>	<p>Discounters: the main players are DI and ARA; Justo y Bueno recently declared bankruptcy. Their proximity to consumers, appealing private label portfolio, and competitive prices were drivers for strong performance. Sales increased 18 percent in 2021.</p>
<p>Convenience stores: OXXO, Exito Express, and Metro Express are the key players of this segment, mostly located close to universities and business clusters. They widened their portfolio to target households and mitigate decrease in sales due to virtuality. Euromonitor reported a 2 percent increase in sales in 2021.</p>	<p>Gasmarts: Primax, Altoque, and On the Run are part of this segment. They are specialized in on-the-go products and prepared snacks. Tourism reactivation helped boost their sales, increasing 13 percent in 2021.</p>
Traditional channel	
<p>Mom & Pop stores: This channel had a strong presence throughout the country with approximately 700,000 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 credit suppliers. 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.

Figure 1.
Flow of U.S. Product from U.S. Exporter to Colombian Retailer



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

Table 3.
Main Food Retailers in Colombia

Type	Retailer	Sales (\$ million)		Outlets	Website
		2021	2020	2021	
Supermarket/hypermarket/ cash and carry	Grupo Éxito	\$4,521	\$4,261	534	https://www.carulla.com/ https://www.exito.com/ https://www.surtimax.com.co/ https://www.superinter.com.co/ https://www.surtimayorista.com/
Hard discount	Koba Colombia (D1)	\$2,648	\$1,991	+2,000	http://www.tiendasd1.com/
Hypermarket	Alkosto	\$2,428	\$2,033	17	http://www.alkosto.com/
Supermarket/hypermarket	Olímpica	\$1,683	\$1,699	400	http://www.olimpica.com/
Soft discount	Jerónimo Martins (ARA)	\$1,146	\$1,066	819	https://www.aratiendas.com/
Supermarket/hypermarket	Cencosud	\$1,069	\$1,057	92	https://www.tiendasjumbo.co/ https://www.tiendasmetro.co/

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.

Table 4.
Consumer-Oriented Product Imports in Colombia

Description	Imports (\$ million)					2021-2020
	2017	2018	2019	2020	2021	Variation
TOTAL	1,922	2,081	2,093	1,916	2,378	24%
Pork & Pork Products	184	226	236	158	301	91%
Dairy Products	192	206	244	284	283	-1%
Soup & Other Food Preparations	251	256	279	224	257	15%
Fresh Fruit	160	164	165	162	168	4%
Distilled Spirits	59	83	101	95	158	67%
Processed Vegetables	88	103	112	107	140	30%
Poultry Meat & Prods. (ex. eggs)	77	87	114	90	122	36%
Bakery Goods, Cereals, & Pasta	102	107	118	109	115	6%
Mfg. Tobacco	78	59	84	108	106	2%
Dog & Cat Food	31	44	50	64	89	40%
Wine & Related Products	53	57	67	71	79	11%
Chocolate & Cocoa Products	49	57	60	56	66	18%
Processed Fruit	59	70	68	56	66	18%
Nursery Products & Cut Flowers	32	33	32	34	54	58
Condiments & Sauces	33	38	42	41	54	31%
Beef & Beef Products	20	26	32	26	45	69%
Non-Alcoholic Bev. (ex. juices, coffee, tea)	202	196	30	33	43	32%
Fresh Vegetables	34	24	35	38	41	6%
Tree Nuts	28	35	33	34	38	10%
Beer	77	93	68	24	35	49%
Chewing Gum & Candy	36	34	36	25	30	19%
Coffee, Roasted and Extracts	22	23	29	26	28	9%
Spices	19	22	19	22	23	9%
Meat Products NESOI	10	13	13	10	12	16%
Fruit & Vegetable Juices	13	11	12	7	11	51%
Tea	9	10	10	8	10	17%
Eggs & Products	3	4	4	4	4	13%

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 food products are a new trend, and retailers are searching for the best suppliers. The following product categories represent the major export opportunities for U.S. food products to Colombia, based on 2017-2021 Colombian import growth rates (table 5).

Table 5.
Export Opportunities for Consumer-Oriented products to Colombia

Product Category	5-Yr. Avg. Annual Import Growth	Key Constraints Over Market Development	Market Attractiveness for USA
Dog & Cat Food	38%	<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
Distilled Spirits	34%	<ul style="list-style-type: none"> Preference for Scottish whisky Lack of knowledge about U.S. bourbon and its versatility 	<ul style="list-style-type: none"> Income shifts and urbanization benefit growth of distilled spirits sales
Beef & Beef Products	24%	<ul style="list-style-type: none"> Growing competition from Argentina and Uruguay Lack of product knowledge about product origin, handling, cuts, and grades 	<ul style="list-style-type: none"> Willingness to pay higher prices for high-quality beef
Pork & Pork Products	13%	<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
Condiments and Sauces	13%	<ul style="list-style-type: none"> Unhealthy perception of sauces Market fragmentation by regions due to flavor and odor preferences 	<ul style="list-style-type: none"> Growing interest in ethnic and Asian foods

Products That Face Significant Barriers:

- The introduction of new U.S. processed meat products has been affected due to the decreasing number of U.S. states that issue a Certificate of Free Sale (COFS) for federally inspected products. Per Resolution 2674 of 2013, the Colombian food safety authority INVIMA (Colombian FDA equivalent) requires importers to submit a COFS when registering retail-ready processed meat products for sale in Colombia.
- On November 9, 2020, Colombia’s Ministry of Health and Social Protection issued Resolution 2013, a regulation that sets mandatory maximum sodium content limits for 59 processed food categories ranging from snacks to processed meats and dairy products. Further, Resolution 2013 introduces a new conformity certificate requirement and reduction goals that will start going into effect in November 2022. More information is available at [Update on Colombia Sodium Resolution 2013 of 2020 for Processed Foods GAIN Report](#)
- On June 16, 2021, Colombia’s Ministry of Health, and Social Protection (MINHEALTH) issued Resolution No. 810 establishing the technical regulation for nutrition and front-of pack labeling requirements for packaged food for human consumption, which will go into effect on December 16, 2022. On July 30, 2021, Colombian Congress enacted Law 2120 of 2021, widely known in the country as the “Junk Food” bill. This new legislation is expected to lead to further changes to current Resolution 810 labeling requirements for food products in Colombia. MINHEALTH and other relevant government bodies are currently working on the implementation of Law 2120. More information is available at [Colombia Issues Nutrition and Front of Pack Labeling Requirements for Processed Foods GAIN Report](#)

- Colombia’s Ministry of Health Decree 616 of 2006 establishes physical and chemical properties requirements (including minimum lactic content) that must be met by milk for human consumption. Colombia is currently conducting the Regulatory Impact Analysis required prior to drafting changes to Decree 616. The USG encourages Colombia to remove Decree 616’s minimum lactic acid content requirement and harmonize the requirements with international standards (CODEX) that establish that acidity is a quality parameter and not a food safety issue.

More information on Colombia’s policy issues affecting U.S. product competitiveness is available at [FAIRS](#).

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

Table 6.

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

Table 7.

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 Jaime Cardenas Deputy Manager Plant Health Protection Tel: +57-601-7563030 ext. 3101 e-mail: subgerencia.vegetal@ica.gov.co	Ministry of Health and Social Protection INVIMA (FDA counterpart) Carlos Alberto Robles Director Division of Food and Alcoholic Beverages Phone: +57-601-7422121 Ext. 4001 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. More information on Colombia’s import procedure is available at [FAIRS](#).

**Table 8.
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

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

Attachments:

No Attachments