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Required Report –Public Distribution

Date: 6/30/2018
GAIN Report Number: PA1803

Panama

Retail Foods

Retail Foods Guide 2018

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Report Highlights:

This report provides information to U.S. exporters of agricultural and related products on how to do business with the retail food sector in Panama. Panama is one of the top markets for U.S. consumer-oriented products in Central America. Each year Panamanian importers keep up with the food retail industry and new trends by attending USDA endorsed food trade shows. U.S. consumer-oriented products exported to Panama from January through December 2017 amounted to \$647.9 million. In recent years, the consumption of more health conscious food has significantly contributed to increased U.S. exports of consumer-oriented products. These products had nutrient claims, such as low fat, low sodium, gluten free, baked and sugar free. In addition, an increase in dual-income households has resulted in a growing demand for ready-to-eat frozen and prepared foods.

Post:

Panama City

MARKET FACT SHEET: PANAMA

Executive Summary

Panama enjoyed a strong, growing economy in 2017. Based on the World Economic Forum's Global Competitiveness Report 2016-2018, Panama ranked No. 42 out of the 138 countries surveyed and is among the 10 most competitive economies in Latin America and the Caribbean. The Gross Domestic Product (GDP) growth rate is 5.4% for 2017, the highest in Latin America. Panama's economy is based predominately on services (83%); agriculture accounts for only a small portion (3%). U.S. exports of bulk agricultural products to Panama were \$144.8 million in 2017.

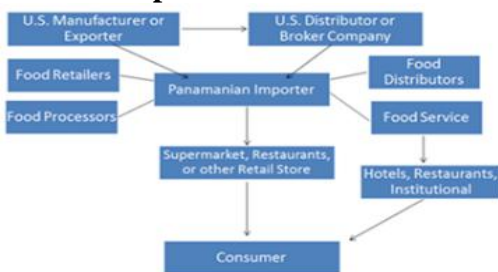


LOGISTIC ASSETS



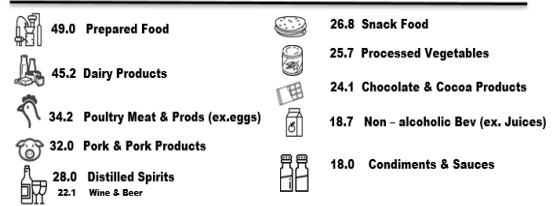
Imports of Consumer oriented Product In 2017, Panama ranked 28th among the leading 35 country markets in exports of U.S. consumer-oriented products with an estimated value of \$647.9 million. U.S. products are seen as high in quality and are well accepted overall. The customs clearance process in Panama is relatively fast and trouble-free for U.S. exporters that comply with local requirements. The majority of consumer food imports in Panama are purchased through a local importer, distributor or wholesaler.

Structure of Imports for the Food Sector



TOP 10 U.S. CONSUMER - ORIENTED PRODUCTS EXPORTS TO PANAMA

Jan - Dec 2017 (in millions of dollars)



Source: U.S. Census Bureau Trade Data

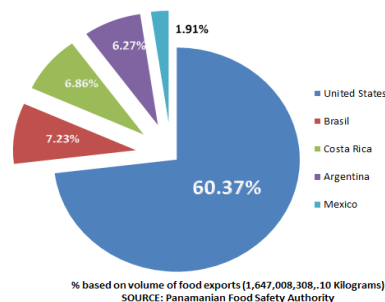
Food Processing Industry

The food processing ingredients market in Panama has an estimated value of \$110 million, with U.S. products having a 60% market share. The food processing industry has experienced a steady growth of over 10% during the last few years, due in large part to the increase in tourism and foreigners relocating to Panama.

Food Retail Industry

Food retail sales (Consumer-oriented) were \$376.7 million in 2017. High growth categories include savory snacks, processed meats and seafood, sauces and condiments, ready meals, processed fruits and vegetables, dairy products, and snack foods. Supermarkets, traditional (mom & pops) hypermarkets and independent food stores dominate Panama's grocery sector. Other popular retail formats in Panama include membership club stores, and wet markets located nationwide, which concentrate on domestic produce. The largest and most popular market is the "Mercado de Abastos", located in Panama City.

Top 5 Food & Beverages Exporters to Panama 2017



SECTION I. MARKET SUMMARY.

Since the U.S.-Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012, U.S. agricultural exports have benefitted significantly. The TPA also provides duty-free access for specified volumes of products through Tariff Rate Quotas (TRQs). For more information, please refer to [TPA](#).

FOOD RETAILERS STRUCTURE IN PANAMA

Wholesalers or Membership Club Stores
 Supermarket chains
 Convenience Stores
 Pharmacies
 Mom & Pop's
 Wet Markets



Modern food retailers have been improving quality and convenience. Supermarkets, hypermarkets and independent food stores, which are most popular among consumers, mostly

drive the grocery market in Panama. **Supermarket chains** are increasing their presence by opening new stores in populated areas across the country and offering online grocery shopping and delivery. Store

brands are becoming prevalent in these chains and appearing on the shelves of top supermarket, private labels give the chain a way to set themselves apart from the competitions and enable them to offer customers more choice. **Independent grocery and convenience stores** are also transforming their store-planning format, locating stores in convenient, generally neighborhoods; they number around 11,000. There are mini-convenience stores, conventional size stores with expanded foodservice, and even hyper-convenience stores with the extensive variety of product offerings and in-store seating for foodservice. **Pharmacies** have leveraged their small size, convenient locations and proximity to the consumers to offer more consumer-oriented products, such as canned and dry food, snacks, dairies, ethnic specialties, wide selection of fine wine, beers and spirits, and pet food.

Table 1.

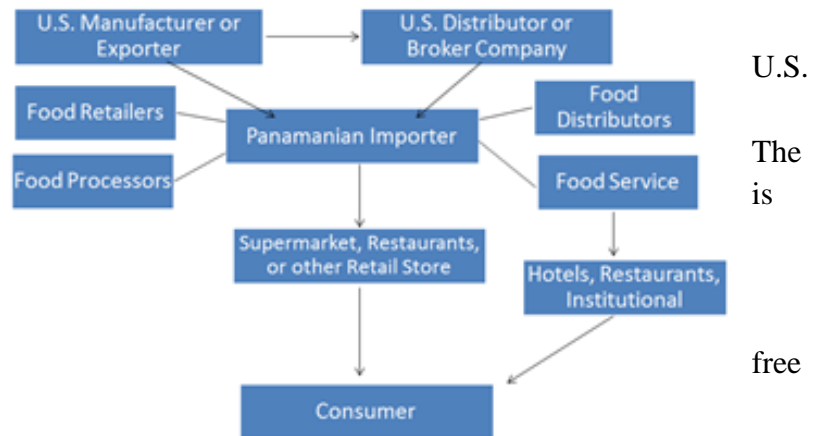
ADVANTAGES AND CHALLENGES U.S. PRODUCTS FACES IN THE RETAIL SECTOR IN PANAMA	
ADVANTAGES	CHALLENGES
The ease of shipping from the United States to Panama, which is helped by the Panama Canal expansion.	Growth in Chinese food and beverage imports.
Local retailers and distributors usually negotiate exclusive contracts with U.S. exporters.	U.S. exporters are inclined to work with higher volumes and larger markets.
Local importers frequently search for new-to-market products in order to compete. Big and small chains attend U.S. food trade shows to keep up with market trends and update their portfolios of food products.	Recent governmental protectionist policies making importing food, beverages and agricultural products more burdensome.
Large numbers of tourists coming to Panama each year, and a large U.S. expatriate community living there.	Strong competitors: for snacks and processed food (China and Central America). For fruits and other products (Chile, Mexico and Peru). For grains and oils (Argentina, Canada and Brazil). For meat (Canada). For dairy products (Costa Rica, Argentina, New Zealand and Australia).
Growth in use of store brands (private labels) among supermarket chains that use U.S. consumer-oriented imports. Offered in just about every food and non-food grocery category: fresh, frozen and refrigerated food, canned and dry foods, snacks, ethnic specialties and ready to eat prepared food.	Supermarkets are offering store brands (private labels) that do not use U.S. consumer-oriented imports. Store brands are growing in popularity as they offer shoppers more selection, better value, and savings.

SECTION II. ROAD MAP FOR MARKET ENTRY.

TABLE 2. MARKET STRUCTURE

Entry Strategy

Panama has an open economy and relatively few market access problems. products are seen as being of high quality and are well accepted overall. customs clearance process in Panama relatively fast and trouble-free for U.S. exporters that comply with local requirements. Most import duties were reduced or will be phased-out to duty in a few years, as a result of the U.S.- Panama Trade Promotion Agreement (TPA). For more information, please refer to: [Fairs Export Certificate Report](#)



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free

Table 3. Panama's top retailers.

WHOLESALEERS	STORES	WEBSITE
PriceSmart, Inc.	5	www.pricemart.com
MegaDepot	1	www.megadepot.com.pa
Super 99	47	www.super99.com
El Rey	22	www.gruporey.com.pa
Riba Smith	8	www.ribasmith.com
El Machetazo	11	www.elmachtetazo.com
SPECIALTY STORES		
Orgánica Store	5	www.organicastore.com
Mercadito Biológico	1	https://www.instagram.com/elmercaditobiologico/?hl=es
Felipe Motta	12	www.felipemotta.com
Deli Gourmet	8	www.granddeligourmet.net
Super Kosher	1	www.skosher.com
Super Gourmet Food Market	1	Gourmetmarketpty (Instagram)
La Casa del Jamón	1	www.hnosgago.com
Entremas (Tzanetatos)	3	www.tzanetatos.com
Pretelt Meats	3	www.preteltmeats.com
Foodie Specialty Supermarket	2	www.foodiepa.com
ZAZ Food Store	8	www.zaz.com.pa
Va y Ven/ Terpel	10+	www.terpelpanama.com
Quick Shops/ Terpel	28	www.terpelpanama.com
WET MARKETS		
Sea Food Public Market	1	
San Felipe Neri Public Market	1	https://mupa.gob.pa/medio-ambiente/23-fijos/atencion-al-contribuyente/471-mercados
Central Agricultural Market (Abastos)	1	
Mi Tienda (IMA)	221	http://ima.gob.pa/app/vermapa1.php
Chain of Cold National Markets S.A.	4	http://www.cadenadefrio.com.pa

SECTION III. COMPETITION.

The United States faces stiff competition from other agricultural exporting countries. As with the United States, Panama has free trade agreements with Canada, the European Union, Mexico, Colombia, Peru, Guatemala, Costa Rica, Chile, El Salvador, Honduras, Nicaragua, Dominican Republic, Singapore, Israel, Iceland, Liechtenstein, Norway and Switzerland. Its top competitors (by products they supply) include:

- Central American countries and China (snack and processed food products)
- Chile, Mexico, and Peru (fruits and vegetables)
- Argentina, Canada, Brazil, and Guyana (grain and oilseeds)
- Canada (meat products)
- Costa Rica, Argentina, New Zealand and Australia (dairy products)

Table 4. Panama’s imported agricultural products in high demand and main suppliers

PANAMA'S IMPORTED AGRICULTURAL PRODUCTS IN HIGH DEMAND AND MAIN SUPPLIERS			
PRODUCT CATEGORY	MAJOR SUPPLY SOURCES	STRENGTHS	ADVANTAGES & DISADVANTAGES OF LOCAL SUPPLIERS
Corn	U.S. and Argentina	Competitive Price	Not enough local production
Rice	U.S., Guyana and Brazil	Competitive Price	Not enough local production
Pork & Potatoes	U.S. and Canada	Competitive Price	Not enough local production
Onions	U.S. Netherlands and Peru	Competitive Price	Low local seasonal production
Fresh Fruits (apples, pears, grapes)	U.S. and Chile	Mostly seasonal difference not real competition	Not produce locally
Snacks	U.S., Costa Rica, Colombia, Guatemala, Mexico and China	Competitive Price, but U.S. product is preferred	Low local production

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES.

Consumer Preferences.

In recent years, Panamanians have been consuming both more convenience foods and more healthy foods. This has resulted in good prospects for U.S. food exports such as, low fat, low sodium, gluten free, sugar free, fresh fruits (such as apples, grapes, peaches and pears), organic foods, processed fruits (especially canned fruits), and snack foods (including corn chips, popcorn, cookies and candies), processed canned vegetables (especially canned mixed vegetables, yellow sweet corn, peas, mushrooms, and garbanzo beans), and frozen processed products (pizzas, ready-to-eat food) all have high import demand.

Table 5. U.S. Consumer-oriented Exports Top Prospects

THE BEST CONSUMER ORIENTED PRODUCT PROSPECTS FOR PANAMA	
PRODUCTS	DESCRIPTION
Alcoholic beverage	Liquor, beer and wine
Bakery Ingredients	Baking mixes, dried fruits & nuts, fillings, chocolate, whey, yeast, food coloring, etc.
Beef	Fresh, chilled, frozen of high quality (USDA Prime and Choice)
Condiments	Mayonnaise, salad dressings, sauces (BBQ, marinating, soy) mustard, spices, etc.
Cooking ingredients	Vinegar, cider, vegetable oil (corn, sunflower, soybean, canola, olive, tomato paste and puree, etc.)
Dairy Products	Milk, cheese, butter, whipping cream, yogurt, ice cream
Delicatessen	Processed meat and poultry
Frozen Foods	Vegetables, fruits, ready to eat meals, ice cream
Fruits	Fresh, frozen, canned, dried
Mixed drinks, blends	Dried, powder
Non-alcoholic beverage	Juices, coffee, tea, soft drinks and energy drinks
Pork	Fresh, chilled, frozen
Potatoes	Fresh, Frozen, Pre-cooked, dehydrated
Poultry	Frozen chicken, turkey
Prepared food	Ready to eat single meals (Breakfast, lunch or dinner + snacks)
Preserved fruit, jam, spread	Preserved fruit, jam, spread
Processed food	Products such as cereals, canned foods, value added rice, noodle, dairy products etc.
Seafood	Fresh, chilled, frozen salmon, crab, scallop, oysters, octopus
Snacks	Cookies, salty snacks, crackers, nuts
Soup, Soup bases, broth	Canned, dried/powder
Vegetables	Fresh, frozen, canned, preserved
Wine & Beer	Spirits, cider, craft beer

Table 6. Top U.S. Consumer-oriented Products Exports to Panama.

Top U.S. Consumer-Oriented Products Exports to Panama		
Product	Jan to Dec 2017	(in millions of dollars)
Prepared Food		49.0
Dairy Products		45.2
Snack Foods NESOI		26.8
Poultry Meat & Prod(ex.eggs)		34.2
Chocolate & Cocoa Products		24.1
Wine & Beer		22.0
Non-alcoholic Bev. (ex. Juices)		18.7

Processed Vegetables	25.7
Pork & Pork Products	32.0
Beef & Beef Products	11.1
Condiments & Sauces	18.0
Fruit & Vegetables Juices	12.2
Dog & Cat Food	11.9
Fresh Fruit	11.8
Processed Fruit	7.4
Tree Nuts	8.6
Breakfast Cereals	4.3
Fresh Vegetables	6.1
Meat Products NESOI	4.9
Eggs & Products	0.7

Source:U.S. Census Bureau Trade Data

SECTION V. KEY CONTACTS AND FURTHER INFORMATION.

GOVERNMENT AGENCIES IN PANAMA	
Panamanian Food Safety Authority (AUPSA)	www.aupsa.gob.pa
Tourism Authority of Panama (ATP)	www.atp.gob.pa
CHAMBER OF COMMERCE	
Chamber of Commerce, Industries and Agriculture	www.panacamara.com
American Chamber of Commerce Panama	www.panamacham.com
INTERNATIONAL CHAIN HOTELS AND RESORTS IN PANAMA	
Association of Hotels in Panama	www.apatelpanama.com
Association of Small Hotels in Panama	www.hoppan.net
RESTAURANTS/FAST FOOD	
Association of Restaurants in Panama ARAP	www.asociacionderestaurantes.com
Degusta Panama	www.degustapanama.com
LOCAL FAIRS AND TRADE SHOWS	
Panama Bebidas Fest	www.expobebidapty.com
Panama Food Expo Tech	www.panamafoodexpotech.com
Coffee fest	www.coffeefestpanama.com
Panama Gastronomía	www.panamagastronomica.com
PMA Food show	www.pmafoodshow.com
Retail Day	www.retailpanama.com
ASSOCIATIONS AND ORGANIZATIONS	
Association of Merchants and Distributors of Foods and Similar in Panama (ACOVIPA)	www.acovipa.org
Retail Center of Panama (CEREP)	www.retailpanama.com
Gastronomy Club of Panama	www.clubgastronomicodepanama.org
TRADE PUBLICATIONS	

Horeca Panama	www.horeca-magazine.com
The Restaurant Panama City	www.the-restaurantpty.com
Guía de Restaurantes de Panamá	guia-arap@rgpublicaciones.com
FOOD AND BEVERAGES SOCIAL MEDIA AND BLOGS	
El Buen Diente	elbuendiente.com
La Guía del Foodie	laguiadelfoodie.com
A La Mesa	www.alamesa.pa/category/blogueros/
U.S. EMBASSY IN PANAMA	
U.S. Department of Agriculture (USDA) Foreign Agricultural Services (FAS)	AgPanamaCity@fas.usda.gov http://panama.usembassy.gov/fas.html (507) 317-5297/ 317-5801/317-5163 fax
Economic Section, U.S. Department of State	PNM-ECU@state.gov (507) 317-5000
U.S. Commercial Service	www.buyusa.gov/panama/en/ (507) 317-5000