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**Report Highlights:**

The exporter guide provides an economic and market overview, as well as trends and practical tips for U.S. exporters on how to conduct business in Costa Rica in 2024. FAS/San José expects Costa Rica will continue to present excellent export opportunities for U.S. food and beverage exporters in 2024. U.S. food and agricultural exports to Costa Rican reached a record \$1.1 billion in 2022.

# Market Fact Sheet: COSTA RICA

## Executive Summary

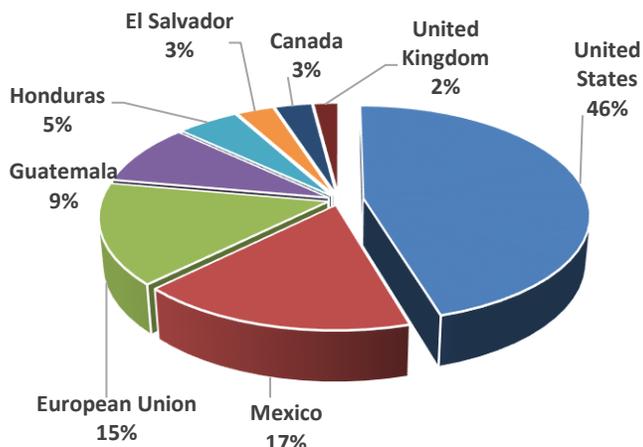
The United States is Costa Rica's largest trading partner and largest foreign direct investor. Costa Rican consumers trust and enjoy U.S. food and beverage products, exports of and demand for which have increased since the 2009 entry into force of the Dominican Republic - Central America Free Trade Agreement (CAFTA-DR). Proximity to the United States is a major advantage for shipping times and for U.S. exporters' ability to develop and service customer relationships. In 2022, U.S. agricultural and related product exports to Costa Rica reached a record high of \$1 billion.

## Consumer-Oriented Product Imports

In 2022, nearly all U.S. agricultural products entered Costa Rica tariff free under CAFTA-DR, while sensitive categories (including dairy and rice) were subject to tariff rate quotas (TRQs).

Strong prospects for U.S. consumer-oriented products – dairy, beef, pork, poultry, and pet food – helped push U.S. category exports up 7 percent to a record high of \$420 million in 2022. U.S. poultry exports in 2022 were 43 percent higher than pre-pandemic levels, following elimination of the CAFTA-DR poultry TRQ.

## 2022 Consumer-Oriented Product Imports



Source: Trade Data Monitor, LLC

## Food Processing Industry

Most Costa Rican food processors import ingredients directly from exporters. Processors have their own distribution channels to wholesalers, distributors, and retailers, as well as hotels, restaurants, and institutional buyers nationwide. Distribution channels for local and imported products can differ and change frequently.

## Retail Sector

Costa Rica's retail sector consists of supermarkets, hypermarkets, mini-marts, warehouse stores and approximately 22,000 mom-and-pop shops. Consumers are price sensitive, and the popularity of bulk formats continues to grow. Chinese grocery stores are increasing in number and in appeal to price-conscious consumers, especially outside the San José metropolitan area. E-commerce sales growth reflects deeper consumer trust in online channels.

### Costa Rica Quick Facts 2022

**Imports of Consumer-Oriented Products** \$420 million

#### List of Top 10 Growth Products

- |                           |                                     |
|---------------------------|-------------------------------------|
| 1) Beef and beef products | 2) Dairy                            |
| 3) Poultry                | 4) Processed Fruit                  |
| 5) Fresh Vegetables       | 6) Confectionary                    |
| 7) Food Preparations      | 8) Seafood                          |
| 9) Pet Food               | 10) Bakery Goods, Cereals and Pasta |

#### Top 10 Retailers

- |                        |                 |
|------------------------|-----------------|
| 1) Walmart - Pali      | 2) Automercado  |
| 3) Pequeño Mundo       | 4) Perimercados |
| 5) PriceSmart          | 6) Mega Super   |
| 7) Fresh Market        | 8) Super Compro |
| 9) Mayca Retail Stores | 10) Saretto     |

#### Population / GDP

Population	5.2 million
Unemployment rate	9.6 %
GDP (billions USD)	\$64.3
GDP (per capita)	\$13,199
Exchange rate	538 colones : \$1 USD

Sources: Central Bank of Costa Rica and INEC

## Strengths / Weaknesses / Opportunities / Challenges

Strengths	Weaknesses
U.S. products are well-known and perceived as high quality.	U.S. products are often undercut by regional competitors on price.
U.S. products largely enter duty free and quota free.	English language labeling and marketing materials.
Opportunities	Challenges
Costa Rican consumers are becoming more sophisticated in their food preferences.	Buyers have stronger cultural ties to European and Central or South American suppliers.
Chefs are looking to introduce new trendy foods and are open to new concepts.	Costa Rica has many levels of bureaucracy that can slow the importation of food products.

Source: FAS/San José – [AgSanJose@usda.gov](mailto:AgSanJose@usda.gov)

## SECTION I. MARKET OVERVIEW

Costa Rica is considered an upper middle-income country, with a per capita gross domestic product (GDP) of \$12,670 in 2022. Steady economic growth over the last 30 years has been driven by an outward-oriented strategy, based on foreign investment and trade liberalization. Costa Rica has a well-educated labor force, close geographic proximity to the United States, and attractive free trade zone incentives appealing to multinationals, especially in the age of ‘near-shoring.’ Despite its small size and population, Costa Rica is a global leader on climate and environment issues, producing more than 98 percent of its electricity from renewable sources. Tourism, services, and technology drive the economy.

The United States remains Costa Rica’s largest trade and investment partner; 40 percent of all imports are of U.S. origin. Costa Rica ratified the Dominican Republic - Central American Free Trade Agreement (CAFTA-DR) with the United States in 2009, eliminating nearly all tariffs on agricultural imports over the last 14 years; remaining tariffs on rice and dairy products will be eliminated on January 1, 2025. U.S. agricultural exports to Costa Rica reached a record of \$1.1 billion in 2022 increasing 5 percent in compared to 2021.

Costa Rica largely does not produce bulk commodities. Production of rice and black beans – which are dietary staples – is insufficient to meet demand and large volumes of rice and dried beans are imported. It relies upon imports to satisfy 100 percent of the consumption of wheat, yellow corn, and soybeans, which are crushed to support the chicken, pork, and dairy industries.

Costa Rica’s population of 5.2 million is spread across approximately 1.8 million households. More than 70 percent of Costa Rica’s population is concentrated in the central valley, where the capital San José is located. This area – known locally as the “GAM” or the Greater Metropolitan Area – represents a substantial concentration of population, wealth, and economic activity in Costa Rica. In 2022, almost 1.3 million U.S. citizens, representing 55 percent of all foreign travelers, visited Costa Rica. More than 120,000 U.S. citizens also call Costa Rica home year-round or for part of the year, adding to the sizable U.S. consumer demand.

**Table 1. Costa Rica Market Overview Summary**

Advantages	Disadvantages
U.S. geographic proximity provides logistical advantages for marketing and trade.	U.S. products from the Western United States and the upper Midwest face higher transportation costs relative to Central American suppliers.
U.S. exporters can supply different volumes according to local demand and are viewed as reliable suppliers.	Low-volume shipments of high-value products face additional costs since they must go through freight consolidators in Miami or other ports.
Lower duties for almost all agricultural products under CAFTA-DR. Tariffs on nearly all U.S. agricultural products were phased out in 2020.	U.S. food exporters are not geared to meet the needs of smaller retailers (20,000 ‘mom & pop’ stores), which sell items packaged in small sizes.

Advantages	Disadvantages
The food processing industry requires a wide range of ingredients as well as high-value consumer-oriented and processed foods.	Increasing competition in the food processing sector from Central America, South America, and China.
U.S. food products are competitive in terms of price and quality.	Costa Rican rice distributors and consumers prefer South American rice attributes, and 2022 tariff cuts increased South American rice availability.
Costa Rica has an on-line product registration system, which has reduced registration times for new imported products.	Slow and cumbersome bureaucracy poses a challenge to doing business in the country.
Costa Rica recognizes the equivalence of the U.S. meat and poultry inspection systems, eliminating the need for approval of individual plants.	Costa Rica requires facility registration for dairy, seafood, lamb, and egg products. The plant approval process generally takes several months.
A strong tourism sector (domestic and international) creates opportunities for U.S. bulk-formatted items destined for food service.	Relatively high prices compared to regional tourism destinations and domestic transportation challenges.
Costa Rica is not self-sufficient in commodities, depending on imported grains and legumes.	South American grains compete aggressively with U.S. grains on price and quality.
Costa Rica generally supports science-based international standards.	An FTA with China increases competition within certain categories, like dried black beans.
Costa Ricans are beginning to consume higher quantities of frozen and prepared foods.	Regional suppliers of prepared foods are price competitive and attuned to local flavor profiles.

## SECTION II. EXPORTER BUSINESS TIPS

The Costa Rican market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. Negotiations in Costa Rica tend to proceed at a slower pace than those in the United States. Below are some important characteristics that should be noted:

### Market Access

FAS San José recommends the following steps when entering to the Costa Rican market:

1. Do your homework – investigate import requirements and comparable product availability/pricing.
2. Identify a reliable importer/distributor, knowledgeable in your product category and of Costa Rican regulations and import procedures.
3. Consider whether participating in a trade show (including virtual) or participating in USDA- or SRTG-funded promotional activities could assist in finding a dependable import partner.

Other important elements to consider while doing business in Costa Rica are:

- A personalized approach to business – with consistent attention to service and delivery, frequent visits, and follow-ups – is important in Costa Rica.
- Navigation of Costa Rica’s import procedures can be tricky. It is best to work with experienced representatives, agents, and importers – there are many in the country.
- Costa Rican law provides two main forms of representation: a representative and a distributor. The representative can also be considered an agent. It is possible for one person to be both a representative and an agent or a distributor at the same time.
- Once a potential representative is identified, the next step is to negotiate an agreement. The content of this agreement will determine the legal basis for any relationship between the exporter and the representative. Engaging a qualified, local lawyer is strongly advised.
- Once a partner has been selected, the U.S. firm should obtain business and/or credit reports on the Costa Rican company, as part of the U.S. firm’s due diligence.
- Contracts should be written and reflect agreements made by top decision-makers in each firm.
- Marketing funds and flexibility in purchase order volumes can help close a business contract.
- Credit terms: 3 to 4 months can pass between the time the importer places an order with an exporter to the time they collect payment from retailers.
- Trademark registration and protection is important.
- Printed materials should be in Spanish, although most Costa Ricans in the business sector are bilingual.

In addition, the U.S. Department of Agriculture’s Foreign Agricultural Service (FAS) provides trade services at no cost to U.S. companies interested in exporting agricultural, fishery, and forestry products. FAS works with other USDA agencies as well as the Food and Drug Administration to coordinate the U.S. Government response to sanitary, phytosanitary, and technical barriers to trade, including challenges posed by new procedures introduced at ports or acquiring, translating, and coordinating the U.S. Government response to draft regulations that could affect U.S. exports.

### **SECTION III. IMPORT FOOD STANDARDS & REGULATIONS**

U.S. exporters should consult the latest FAS/San José Food and Agricultural Import Regulations and Standards (FAIRS) report (available [here](#)) to better understand the regulatory requirements applicable to their product. Key Costa Rican regulatory agencies and resources are linked below:

**[Ministry of Health](#) Registration and Control Department** (Ministerio de Salud, Dirección de Registros y Controles) handles processed foods and beverages.

**[Plant Health Service](#)** (Servicio Fitosanitario del Estado) handles grains and oilseeds, ornamental plants, fresh fruits and vegetables and other products of fresh fruit/vegetable origin.

**[National Animal Health Service](#)** (Servicio Nacional de Salud Animal) handles live animals and products of animal origin – fresh meat and meat products, milk, cheese, eggs, etc. – pet food, animal feed, and ingredients for pet/animal food.

## SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

### Overall Business Climate and Consumption Trends

Traditional Costa Rican cuisine is centered around a lightly seasoned grilled protein (e.g., fresh fish, chicken or beef), black beans, and rice. And while beef still holds a symbolic place in the traditional Costa Rican diet, lower-priced poultry meat has long outpaced beef as the most popular protein; animal protein consumption continues to increase along with the standard of living. Though U.S. seafood exports to Costa Rica reached a record \$12 million in 2022, Costa Ricans prepare and consume far less seafood than terrestrial animal proteins.

Though traditional foods remain central to the Costa Rican diet, new foods are readily accepted. Costa Rican consumers spend more of their food budget on prepared foods than all others in the Central American region. For example, kombucha is increasingly popular as a trendy drink among a growing segment of urban sophisticates. Kombucha combines several leading consumer trends including wellness, nutraceuticals (especially probiotics), and prepared food convenience, while offering a range of popular local flavors like, mint, ginger, hibiscus (aka jamaica), and tropical fruits. Local brands (e.g., Wild Brews, Bella Bucha, and Kombucha Cultura) may include CBD and typically retail for between \$3 and \$6 per unit, but FAS/San José sees room in the market for price-competitive imported offerings, despite the expense of shipping beverages.

A strong focus on ‘plant-based’ products among higher income consumers – associated with vegan, vegetarian, and flexitarian lifestyles – is commanding additional shelf space across a wide range of retailers in the GAM. Plant-based dairy alternatives are quite common and increasing popular, with coconut and almond-based beverages eating into soy-based products’ once-dominant share of the market. The plant-based trend overlaps with continued demand growth for gluten-free products (e.g., pizza crusts, baking flours, and pastas). With 70 percent of consumers interested in plant-based foods falling in the core 21- to 50-year old demographic, and with the alignment of plant-based diets with Costa Rican consumers’ environmentally conscious outlook, FAS/San José expects this trend to persist and grow over the medium-term.

Environmentally responsible packaging is another consumer trend that FAS/San José expects will continue to expand in Costa Rica, as consumers increasingly seek out biodegradable (if not compostable) packaging. Costa Rica banned styrofoam packaging and containers in August 2021.

### Food Processing Sector

Costa Rican food processors continue to rely on imported ingredients and raw materials to grow their operations. A more in-depth analysis of the food processing and ingredients market is available in the [Food Processing Ingredients GAIN Report](#).

### Retail Food Sector

There are solid retail sales prospects for a large range of U.S. consumer-oriented products, including: beef, pork, poultry, cheese, yogurt, ice cream, processed fruits, tree nuts, confectionary, frozen products, food preparations, wine, beer, snack foods, condiments, natural/organic food products, pet food and bakery goods/cereals/pasta. U.S. consumer-oriented product exports have demonstrated impressive growth in recent years, reaching \$420 million in 2022. More information on the Costa Rican retail sector is available in the [Retail Foods GAIN Report](#).

## Hotels and Resorts

According to the Costa Rica Tourism Board (ICT), tourism levels in September 2022 had returned to 76 percent of 2019 levels, with U.S.-origin tourism volume up 35 percent from pre-COVID levels. Of the more than 1.6 million travelers arriving in Costa Rica by air through September 2022, more than 70 percent came from North America.

Hotels and resorts in Costa Rica offer a wide range of accommodations for the growing business and tourism industries, with a special emphasis on eco-tourism. The popularity of peer-to-peer rental properties – through platforms such as airbnb or Vrbo – is eating into traditional hotel stays, but also driving increasing inbound tourism as the range of properties expands, especially in areas like Guanacaste. More information on the hotel sector is available in the latest FAS/San José [Hotel, Restaurant, and Institutional Market GAIN report](#).

## Food Service Sector

While the total number of food service outlets has not fully recovered from the COVID-19 pandemic, new and innovative offerings continued to emerge in 2023 around tourism destinations and in the GAM. Growth in digital ordering platforms more than doubled across nearly every category of foodservice in 2023, providing operators vast quantities of new consumer data that have accelerated understanding of and responsiveness to consumer behavior and preferences.

Continued restaurant sector recovery offers U.S. exporters opportunities to supply international franchises and fine dining outlets in the GAM. After More than fifty years after the first franchise restaurant opened in Costa Rica, a new legal framework provides greater legal security for the franchise business model. Unsurprisingly, the number of franchises in Costa Rica has grown 65 percent over the last ten years, generating more than 26,500 direct jobs. In recent years, neighborhoods in eastern San José have become culinary focal points, with innovative establishments in old neighborhoods like Rohrmoser, Los Yoses and Barrio Escalante. More information on the food service sector is available in the latest FAS/San José [Hotel, Restaurant, and Institutional Market GAIN report](#).

**Table 2: Leading Franchises in Costa Rica**

Franchises	Owners	Points of Sale
Subway	Subway	72
McDonalds	Arcos Dorados	70
Papa John's	Drake Food Service Internacional (DFSI)	52
Kentucky Fried Chicken	Grupo Inversor Intelectiva	50
Pizza Hut	Comidas Centroamericanas	44
Taco Bell	Inversiones TB	42
Burger King	Grupo Empresarial - ABLAT	35
Quiznos	Grupo QZCR	29
Cantón	Canton Brand Group	8
Smashburger	Grupo QZCR	5
Domino's Pizza	Grupo Empresarial - ABLAT	5
Teriyaki	Grupo QZCR	4
Johnny Rockets	AR Holdings	4

Source: *El Financiero*: FAS/San José

## SECTION V. AGRICULTURAL AND FOOD IMPORTS

Costa Rica's economic recovery is expected to continue in 2024, providing excellent opportunities for high-value, consumer-oriented products from the United States. U.S. companies, restaurants, and supermarket chains have been highly successful in Costa Rica, developing a strong presence in the country.

Beef, pork, and poultry sales have increased substantially in recent years, particularly following the elimination of the CAFTA-DR TRQ on chicken leg quarters in 2022. Exports of processed, prepared, and preserved meats expanded significantly between 2018 and 2022, and consumption of prepared meats continues to grow. Bakery and confectionary products as well as condiments/sauces, food preparations, and wine continued to demonstrate impressive levels of growth in 2022. Gourmet products and prepared foods are widely distributed throughout the country, servicing tourism outlets and niche communities of high- and medium-income consumers. And though the meteoric growth in pet food sales has slackened, FAS/San José expects U.S. exports will remain strong over the medium-term.

Though relatively small, the Costa Rican food processing sector relies on U.S. exporters to maintain critical supply chains for the manufacturing of confectionary and bakery products, sauces, dressings and condiments, dairy products, and beverages. More information on the food processing and ingredients market is available in the latest [Food Processing Ingredients GAIN Report](#).

Costa Rican consumers continue to look for new dairy products, prices for which are quite high in Costa Rica. Unfortunately, facility registration requirements for new-to-market U.S. dairy facilities substantially extend the time required to enter the Costa Rican market, and import volumes remain will limited by restrictive CAFTA-DR tariff rate quotas through January 1, 2025.

**Table 3. Costa Rican Food and Agricultural Import Values from Top Suppliers (\$1,000s)**

	2018	2019	2020	2021	2022
United States	873,640	839,859	838,056	1,123,560	1,065,986
Mexico	146,650	153,441	152,473	188,384	227,275
Brazil	44,529	45,045	73,667	80,406	170,626
Nicaragua	105,930	113,246	114,118	128,448	160,437
Guatemala	89,735	87,172	82,367	88,714	108,820
Canada	69,354	77,854	80,338	106,943	95,277
Chile	87,774	81,930	70,937	79,683	89,336
Spain	38,803	41,485	43,433	59,189	57,612
Honduras	31,545	44,481	43,433	59,297	57,184
Netherlands	27,338	29,882	29,607	42,933	53,403
<b>Total</b>	<b>1,883,465</b>	<b>1,896,572</b>	<b>1,903,396</b>	<b>2,403,963</b>	<b>2,579,432</b>

*Data Source: Trade Data Monitor, LLC.*

Note: Values in this table reflect CIF landed values of imports from the Costa Rican National Institute of Statistics, and these numbers differ from U.S. Census Bureau data drawn from the FAS Global Agricultural Trade System used throughout the report.

**Table 4. Leading Consumer-Oriented Categories for U.S. Exports in 2022**

<b>Product Category</b>	<b>U.S. Exports to Costa Rica in Million USD</b>	<b>Opportunities for U.S. Suppliers</b>
Dog and Cat Food	49	Consumers will continue to demand more convenient and healthier products for their pets.
Dairy Products	41*	Demand for cheese has plateaued somewhat in the face of relatively high retail prices for cheeses of all varieties, including processed and natural cheeses. Wealthier buyers are interested in gourmet options.
Poultry & Poultry Products	43*	The upward trend in regional chicken meat consumption has been steady in recent years.
Beef & Beef Products	34*	Consumers are searching for more U.S. beef cuts.
Food Preparations	30*	Retail and food service outlets support growing demand for food preparations that economize on preparation time.
Bakery Goods, Cereals and Pasta	29*	Costa Rican consumers are searching for new bakery trends, nutritional cereals, and new flavors / varieties of pasta.
Confectionary	8*	Consumers are interested in new products in this category that provide convenience and new flavors.
Processed Fruit	6*	Consumer demand for processed fruits has grown since the start of the COVID-19 pandemic.
Wine	3*	Demand for U.S. wines is increasing, but U.S. wines trail competitors from Argentina, Chile, and Spain.

Data Source: U.S. Census Bureau Trade Data

\*Denotes record high export levels

## VI. KEY CONTACTS AND FURTHER INFORMATION

**U.S. Department of Agriculture, Foreign Agricultural Services, San José, Costa Rica**

Email: [AgSanJose@usda.gov](mailto:AgSanJose@usda.gov)

FAS Website: <https://www.fas.usda.gov/regions/costa-rica>

### Key GAIN Reports for Costa Rica

<b>REPORT #</b>	<b>TITLE</b>	<b>DATE</b>
<a href="#">CS2022-0004</a>	Food Processing Ingredients	March 23, 2022
<a href="#">CS2023-0008</a>	Retail Foods	August, 2023
<a href="#">CS2023-0005</a>	Food and Agricultural Import Regulations & Standards (FAIRS) Report	June 30, 2023
<a href="#">CS2023-0006</a>	FAIRS Export Certificate Report	June 30, 2023
<a href="#">CS2023-0014</a>	Food Service- Hotel Restaurant Institutional	October 16, 2023

**Department of Commerce Country Commercial Guide:** <https://www.trade.gov/country-commercial-guides/costa-rica-market-overview>

**Attachments:**

No Attachments