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Report Highlights:

Though relatively small, the Costa Rican food processing sector relies on U.S. exporters to maintain critical supply chains. Proximity, reliability, and familiarity help make the United States the preferred supplier for a wide range of food processing ingredients, including wheat, corn, and animal proteins. U.S. agricultural and related products exports to Costa Rica exceeded \$1 billion in 2023, despite global logistics challenges and associated increased shipping costs.

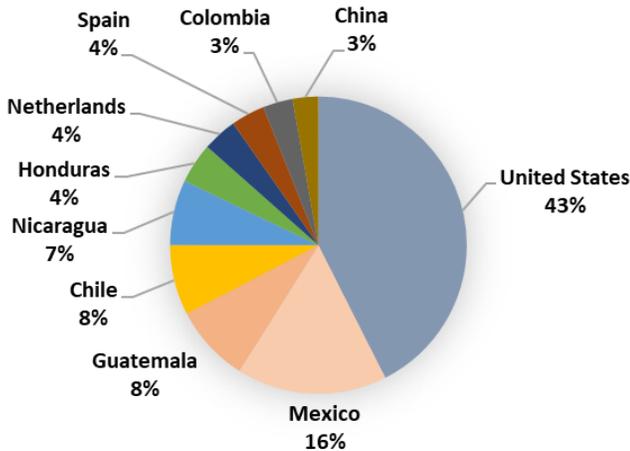
Market Fact Sheet: COSTA RICA

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 2023, U.S. agricultural and related product exports to Costa Rica exceeded \$1 billion.

Consumer-Oriented Product Imports

Figure 1. Top Suppliers of Consumer-Oriented Products



Source: Trade Data Monitor, LLC

In 2023, nearly all U.S. agricultural products entered Costa Rica tariff free under CAFTA-DR, while sensitive categories (incl. table potatoes, onions, and dairy) were subject to tariff rate quotas (TRQs). U.S. consumer-oriented product exports grew 11 percent in 2023, reaching a record high of \$462 million on solid growth in pork, poultry, and processed foods.

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 continued to grow as consumer trust in online channels deepened.

Costa Rica Quick Facts 2023

Imports of Consumer-Oriented Products \$462 million

List of Top 10 Growth Products

- | | |
|-------------------------------------|--------------------------|
| 1) Pork | 2) Poultry |
| 3) Dairy | 4) Fresh Vegetables |
| 5) Bakery goods, cereals, and pasta | 6) Condiments and sauces |
| 9) Beer | 10) Distiller spirits |

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
GDP (billions USD)	\$78
GDP (per capita)	\$14,733
Exchange rate	505 colones : \$1 USD

Sources: Central Bank of Costa Rica and INEC

Strengths / Weaknesses / Opportunities / Challenges

<i>Strengths</i>	<i>Weaknesses</i>
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.	Lack of Spanish-language labeling and marketing material.
<i>Opportunities</i>	<i>Challenges</i>
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.
Tourism recovery and growth represents significant additional high value product demand.	Supply chain disruptions and commodity price fluctuations can limit U.S. product availability and landed cost.

Source: FAS/San José – AgSanJose@usda.gov

SECTION I. MARKET SUMMARY

A. Country Economic Overview

The Costa Rican economy has posted a strong recovery following the COVID-19 pandemic, driven in large part recovery in the tourism sector, which brought more than 2.7 million international travelers to Costa Rica in 2023 (a 17 percent increase from 2022). Experts project 2024 economic growth between 3 and 4 percent, with formal unemployment around 11 percent. The Central Bank of Costa Rica projects inflation will be approximately 4 percent in 2024, due in part to increases in imported goods prices on higher sea freight costs, particularly for container ships transiting the Panama Canal. The value of the Costa Rican colón (CRC) rose sharply against the U.S. dollar in 2023, climbing more than 15 percent to an exchange rate of nearly 500 CRC to the dollar in March 2024. CRC strength has mitigated some of the inflationary price pressures for imported goods, though at the cost of reduced competitiveness for Costa Rican exporters. Costa Rican population and economic activity are largely concentrated in and around the capital of San José, where nearly 60 percent of the population resides. Costa Rica's primary container terminal is the Port of Moín on the Atlantic Coast, with the Pacific Port of Caldera handling the majority of bulk shipments. Costa Rica has relatively good quality roads, though expansion projects for major overland transportation arteries have been beset by delays, causing increased congestion and internal shipping costs.

B. Overview of the Costa Rican Food Processing Market

Compared to neighbors Guatemala and Colombia, Costa Rica has a relatively small food processing sector, but boasts several homegrown companies with global reach. Some larger food processors already import directly from the United States and many small processors rely on local distributors to import their ingredients. Most imported food ingredients are used for the manufacturing of confectionary and bakery products, sauces, dressings and condiments, sweet and salty premixes, dairy/by-products, and other ingredients and raw material that are required for the processing industry.

U.S. ingredients are well known and perceived as high quality. FAS/San José projects imports of U.S.-origin raw materials will continue to grow and will benefit from full implementation of the CAFTA-DR in 2025, when the final volumetric restrictions on U.S. dairy products will phase out. Costa Rican demand for higher quality food products is supported by increasing economic growth and growth in "healthy eating" trends that have created new markets for imported products and ingredients (e.g., whey protein, Omega-3 fatty acids, and antioxidants). Euromonitor expects these trends will help grow demand for organic and natural products, including beverages, juices, teas, and confectionaries, particularly those with 'clean ingredients' that are natural, organic, and/or sustainable.

Costa Rica's top food processors include: Cargill (poultry, processed meat, eggs, pork, animal feed); Bimbo (bakery ingredients); Kraft Foods (sauces, beverages); Nestlé (dairy, confectionary); Demasa (corn, raw material for snacks); Sigma Alimentos (processed meats, dairy, pre-cooked meals, ready-to-drink coffees, canned and other non-perishable foods); Chiquita, Dole and Del Monte (fruit juices, purees, concentrates); Unilever (processed foods); Riviana (flour, cereals, dried fruits, tree nuts, bakery ingredients); INOLASA (soybean oil and meals); Grupo El Angel (sauces, preserves, condensed milk);

Distribuidora Lucema (pasta, sauces); Centro Internacional de Inversiones Belca (processed meats, snacks); PepsiCo (beverages, snacks); and Spoon (bakery, sauces).

Figure 2. Advantages and Challenges Facing U.S. Products in Costa Rica

Advantages	Challenges
Geographic proximity contributes to logistics advantages in shipping prices and times.	Low-volume shipments of high-value U.S. exports typically consolidated, adding to freight costs.
U.S. exporters sustain reliable supply volumes of many products throughout the year.	U.S. exports are not well-suited to smaller-scale retail outlets selling smaller formats to keep prices down.
Growing interest in health and body care generates greater demand for healthy ingredients.	South / Central American competitive products have high penetration and culturally familiar marketing.
Rising consumption of frozen and prepared foods supports imported ingredient demand.	Less purchasing power and imported product supply chain development outside of the San José.
CAFTA-DR provides duty-free access for nearly all products. Rice and dairy products will enter duty-free from January 1, 2025.	Time consuming product and facility registration processes deter exporters from entering the market.
Costa Rica supports science-based international standards and participates in international standards setting bodies.	Costa Rica’s slow and cumbersome bureaucracy, including apostille requirements, increases business costs and slows transaction times.
Costa Rica is not self-sufficient in basic commodities and depends on imported ingredients and grains.	Increasing demand for ‘local products’ as tourism operators seek to create authentic experiences.
Strong tourism sector (local and international) creates demand for high value imported products.	Underdeveloped overland and port infrastructure increases shipping costs / times.

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

To facilitate initial export success, 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.

Navigating Costa Rica’s import procedures can be tricky, and it is best to work with experienced representatives, agents, and importers. General commercial law governs contracts and relations between

vendors or suppliers and the local company, person, or distributor, and 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 agent or a distributor at the same time. Once a U.S. company has selected a potential representative, the U.S. firm should obtain business and/or credit reports on the Costa Rican company, as part of the due diligence process. When negotiating an agreement with a local representative, FAS/San José strongly advises U.S. firms to engage a qualified, local lawyer.

FAS/San José provides trade services at no cost to U.S. companies interested in exporting agricultural, fishery, and forest products. FAS works with U.S. food safety agencies to facilitate and expand access to the Costa Rican market for U.S. products. A wide range of FAS/San José reports providing insight into different aspects of the Costa Rican market are available on the [GAIN website](#).

B. Import Procedure

Costa Rican food processors often source raw, semi-processed and processed ingredients from several different supply chains, including importers/distributors, vertically integrated supply chains, and local sources. Multinational food processors operating in Costa Rica often maintain a global procurement office as well as a local procurement office to identify and manage supplies for Costa Rican operations. These global brands leverage vendors along their global supply chain to provide them their ingredients. Small- and medium-sized Costa Rican food processors generally source ingredients from a network of Costa Rican brokers and distributors. If production / input volumes are high enough, some processors import directly from U.S. exporters.

FAS/San José encourages U.S. exporters to review the [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#) as well as the [FAIRS Export Certificate Report](#) to better understand the Costa Rican import regulations and standards that apply to their products.

C. Distribution Channels

Distribution services are typically governed by private agreements among parties. Local laws also allow companies and individuals to import directly without agents or distributors. Costa Rican importers are fully bilingual, and business practices in Costa Rica resemble those in the United States. A personalized approach to business with consistent attention to service and delivery, frequent visits, and follow-ups, is important in Costa Rica. Local importers provide cash payment for small purchases as a standard practice. For well-established customers, 30-60-day credit terms may be negotiated.

Figure 3. Distribution Channels Flow Chart



D. Market Structure, Market Drivers & Sector Trends

FAS/San José expects the Costa Rican food processing sector to continue to grow, providing opportunities for U.S. ingredients to satisfy the demand of local food and beverage manufacturers. Products with significant sales potential include pulses, soybean meal and oil, essential oils, dairy (for further processing), dextrins/peptones/proteins, processed fruit, processed vegetables, pet food ingredients, and condiments and sauces.

Trends include healthier snack alternatives in smaller serving sizes (often in multipacks). For plant-based snacks, value-for-money options encourage larger packaging sizes, stand-up pouches and new flavor varieties enhanced with spices from a variety of culinary traditions. The trend toward healthier eating continues to influence innovations in product formats and packaging that allow greater portion control. Tourists as well as younger and more health-conscious consumers with high disposable incomes fuel demand for organic, ‘non-GMO,’ “all natural”, and/or no-added-sugar products.

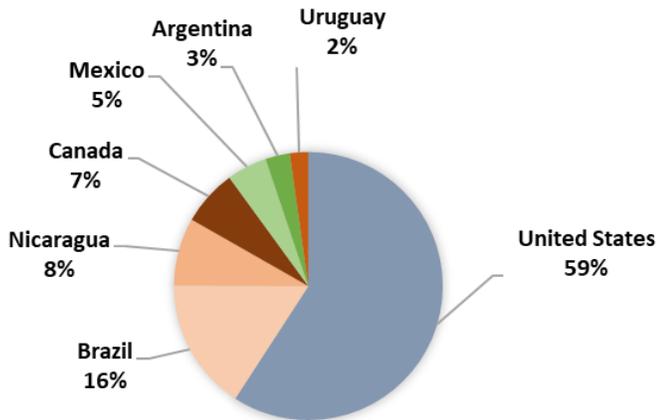
Growing consumer appreciation for different cuisines and different flavor profiles will continue to support demand for sauces, seasonings, and ingredients needed to prepare popular dishes from other culinary traditions, particularly for prepared and ready-to-eat formulations. FAS/San José expects processed products (both imported and locally produced) to continue growing, particularly at higher price-point retailers, such as Fresh Market, Auto Mercado, and Vindi. Industry sources also expect a growing range of health-oriented processed products at more affordable price points in other retail formats like Mas x Menos and AM/PM.

SECTION III. COMPETITION

The United States remains the primary supplier of food processing ingredients to Costa Rica. U.S. products benefit from shipping proximity as well as a reputation for quality and stable supplies. Costa Rican free trade agreements with Central America, Europe, and South America increase the competitiveness of imported ingredients from those regions. Large multinational food ingredient suppliers maintain offices in Brazil and other Central American countries to service regional demand, but overland freight prices remain high, due in part to border crossings and infrastructure project delays.

Despite substantial agricultural production, Costa Rica relies on imports of many food products, including basic commodities (e.g., corn, wheat, beans). Leading categories of imported food ingredients include modified starches, thickeners, stabilizers, sweeteners, cocoa, and sources of fiber and protein.

Figure 4. Foreign Suppliers of Bulk and Intermediate Products in 2023 (by value)



Source: Trade Data Monitor, LLC

SECTION IV. BEST PROSPECTS PRODUCT CATEGORIES

Costa Rican food and beverage manufacturers offering high-value products to wealthier consumers present the best opportunities for U.S. ingredient suppliers. Product niches and export opportunities continue to emerge as the local processing sector diversifies and consumers demand a wider variety of high-quality finished products.

Figure 5. 2023 Food and Beverage Processing-Related Imports (million USD)

Products With Good Sales Potential	Total Imports	Imports from the United States	U.S. Market Share	Leading Competitors
Pork & Pork Products	\$71	\$41*	57%	Chile, Canada, Spain
Poultry	\$61	\$53*	86%	Honduras, Guatemala, Chile
Dairy	\$115	\$41*	36%	Mexico, Netherlands, Chile
Bakery Goods, Cereals and Pasta	\$47	\$13*	28%	Guatemala, Mexico, Honduras, Colombia
Fresh Vegetables	\$17	\$3*	17%	China, Canada, Mexico, Colombia, Peru
Condiments and Sauces	\$60	\$32*	52%	Guatemala, Mexico, El Salvador
Beer	\$36	\$11*	31%	Mexico, Spain, Belgium
Seafood	\$141	\$11*	8%	China, Panama, El Salvador, Chile

Source: Trade Data Monitor LLC *Denotes highest export levels since at least 1970

Pork: U.S. pork has entered Costa Rica duty-free and quota-free since January 1, 2020, and U.S. exports of pork products – particularly bacon, ham, and picnic cuts – grew 33 percent in 2023.

Poultry: Poultry imports are expected to continue increasing as demand for lower priced protein continues to drive Costa Rican poultry consumption. In 2023, the United States remained the dominant supplier of poultry products to the Costa Rica market.

Dairy: According to Euromonitor imported dairy products, especially private label brands, are expected to continue expanding the Costa Rican market through innovation and by responding to demand for dairy proteins within health and wellness trends. In this scenario, certain retailers will target an expanding base of millennial buyers and upper-end consumers, while increasing penetration among a broader base of middle-income consumers, where more affordable unit prices should play a major role in the growing sales. Unfortunately, facility registration requirements for new-to-market U.S. dairy facilities substantially extend the time needed to enter the Costa Rican market and import volumes will remain limited by restrictive CAFTA-DR tariff rate quotas through January 1, 2025.

Baked Goods: Consumption of retail baked goods are increasing, in part due to the growing presence of private label products in supermarkets, as consumers prefer to buy cakes and pastries alongside daily grocery purchases.

Fruit & Vegetable Processing: Shelf-stable options continue to suffer from the perception that they are not as healthy as fresh or frozen versions, losing sales despite convenience. Growth in frozen, processed fruit and vegetables is driven in part by better value over fresh fruit and vegetables, longer product shelf-life, and perceived health benefits over shelf stable equivalents. The trend towards plant-based foods reinforces strong opportunities for exports of fruit and vegetables as ingredients in finished, processed products.

Condiments and Sauces: This category is benefitting from the expanding range of consumer culinary preferences for international cuisine. U.S. food service formats remain popular, but there is room for a range of retail-oriented options, including hot sauce.

Beer: Importers continue to expand their offerings of imported brands, with some priced lower per unit than the local benchmark brand: Imperial. Craft beers remain an expensive, niche product (often \$5 or more per bottle at retail), so U.S. craft beer exporters need to be creative to succeed.

Seafood: Costa Rican consumers are fond of seafood dishes, and demand appears to be growing steadily, helping drive U.S. seafood exports to Costa Rica to a record high in 2023. Growing health-consciousness and the perceived benefits of consuming finfish and shellfish should help maintain demand for seafood. Higher-end grocery stores continued to expand their seafood and seafood product portfolios in 2023, attempting to capture a growing share of consumers looking for alternatives to meat.

Figure 6. U.S. Bulk and Intermediate Export Best Prospects for Costa Rica (million USD)

Agricultural Products	2022	2023
Corn	167	146
Soybeans	177	145
Soybean Meal	60	94*
Pulses	15	24*
Essential Oils	16	17*
Dextrins, Peptones, and Proteins	16	17*

Source: U.S. Census Bureau Trade Data *Denote highest export levels

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

U.S. Department of Agriculture’s Foreign Agricultural Service (USDA/FAS)

Office of Agricultural Affairs, San José, Costa Rica

FAS Email: AgSanJose@usda.gov

FAS Telephone: (011-506) 2519-2034

Embassy Telephone: (011-506) 2519-2000

FAS Mailing Address: FAS/San Jose, Unit 2507 DPO, AA 34020-2507

Links to other sources for data:

U.S. Department of Commerce – U.S. Commercial Service

Website: <https://www.trade.gov/costa-rica>

Government of Costa Rica Guidelines for the Labeling of Food Products

<http://www.meic.go.cr>

Registration of Food Products <https://www.ministeriodesalud.go.cr>

Imports of Processed Food Products <http://www.procomer.com>

National Animal Health Service (SENASA) <https://www.senasa.go.cr>

Phytosanitary Service (Sefito) <https://www.sfe.go.cr/SitePages/Inicio.aspx>

Import Specialist Contacts:

- Asociación de Agentes de Aduana de Costa Rica
(011 -506) 2258-6869 || info@agentesaduaneros.com
- Compañía de Registros Internacionales, S.A.
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Attachments:

No Attachments