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**Report Name:** Food Service - Hotel Restaurant Institutional

**Country:** Brazil

**Post:** Sao Paulo ATO

**Report Category:** Food Service - Hotel Restaurant Institutional

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**Report Highlights:**

In 2022, Brazilian foodservice industry revenues reached US\$106 billion, an increase of 10 percent over 2021. Brazilian imports of consumer-oriented products grew 20 percent in 2022, ending the year at US\$5.2 billion. The recovery of the foodservice sector following the pandemic is ongoing, but uncertainty remains for bars and restaurants. The Agricultural Trade Office in Sao Paulo will host a USA pavilion at the USDA-endorsed Anuga Select trade show from April 9-11, 2024 to promote U.S. food and beverages. Contact our office at [atosaopaulo@usda.gov](mailto:atosaopaulo@usda.gov) for more information.

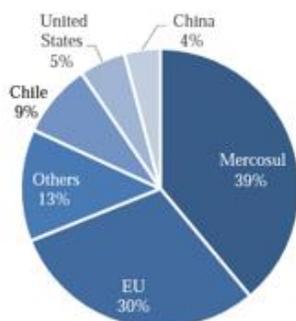
## Executive Summary

The Brazilian economy grew by 2.9 percent in 2022, largely supported by household consumption, which increased 4.3 percent year on year, despite inflation challenges. The foodservice sector reached revenues of R\$548 billion (\$106 billion), an increase of 9.8 percent, adjusted for inflation, as compared to the previous year.

## Imports of Consumer-Oriented Products

In 2022, Brazilian imports of consumer-oriented products were US\$5.2 billion, a 19.6 percent increase over 2021. The United States was the 4th largest supplier, with a 5.4 percent market share. The European Union (EU), a direct competitor to the United States, took 30 percent of the market.

**Imports of Consumer-Oriented Products 2022**  
(US\$ million)



Source: Trade Data Monitor (TDM)

## Food Processing Industry

According to the Brazilian Food Processors Association (ABIA), the country's food processing sector registered revenues of US\$208 billion in 2022, an increase of 16.6 percent compared to 2021. Food processing represents 10.8 percent of national GDP. The sector is comprised of over 38,000 companies, of which the vast majority are small and medium-sized industries.

## Food Retail Industry

The Brazilian Supermarket Association reported supermarket revenues at US\$113 billion in 2021. Brazil's retail sector includes 92,588 stores and serves 28 million consumers daily. The southeastern region of Brazil, which is the country's economic hub, hosts 51 percent of the market.

## Quick Facts Calendar Year 2022

### Imports of Consumer-Oriented Products by Brazil: US\$ 5,100 million

#### List of Top 10 Growth Products in Brazil

1. Dairy Products	6. Soup and Other Food Prep.
2. Processed Vegetables	7. Distilled Spirits
3. Wine	8. Chocolate
4. Fresh Fruit	9. Non-Alcoholic Beverages
5. Beef and Products	10. Fresh Vegetables

Source: TDM

#### Food Industry by Channels (US\$ billion) in 2022

Food Industry Output	\$208
Food Exports	\$59
Food Imports	\$7
Domestic Market	\$149
Retail	\$109
Food Service	\$40

Source: ABIA

#### Food Industry Gross Sales (USD Billion) 2021

Food Industry Revenues (Domestic market) USD 149

#### Top 10 Host Country Retailers in 2022

1. Carrefour	6. Grupo Muffato
2. Assai	7. Grupo Pereira/SDB
3. Grupo Mateus	8. Cencosud
4. Grupo Pao de Acucar	9. Mart Minas/DOM
5. Supermercados BH	10. DMA Distribuidora

Source: Brazilian Supermarket Association

## Strengths/Weaknesses/Opportunities/Challenges

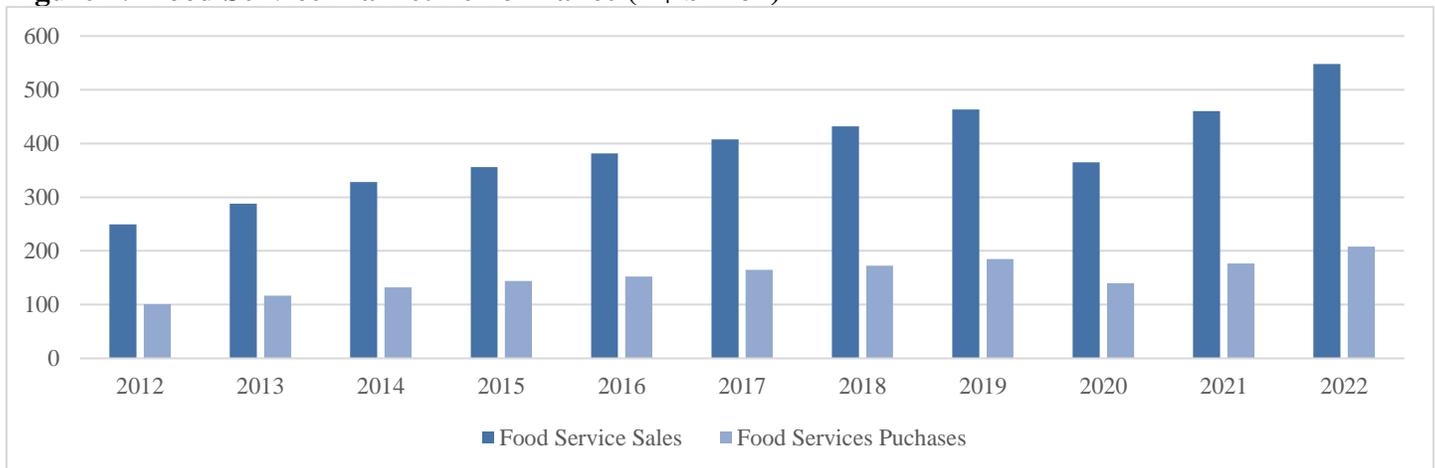
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>United States is a trendsetter and known as a provider of high-quality products</li> <li>Local HRI sector will consume high-end products</li> </ul>	<ul style="list-style-type: none"> <li>United States has higher costs compared to competitors</li> <li>Recent devaluation of Brazilian real has caused import prices to soar</li> </ul>
Opportunities	Challenges
<ul style="list-style-type: none"> <li>Brazil has a large population and 14 percent of households make over US\$55,000/year.</li> <li>Retail, HRI, and Food Processing sectors are growing</li> </ul>	<ul style="list-style-type: none"> <li>Large local food and beverage industry competes with international suppliers</li> <li>Strong presence of European products and a strong cultural link to EU countries</li> </ul>

## SECTION I. MARKET SUMMARY

In 2022, Brazil rebounded from the COVID-19 pandemic with GDP growing 2.9 percent to US\$1.9 trillion. Increased domestic and global demand, accompanied by record-high commodity prices and an economic stimulus package, fueled growth. Inflation initially posed challenges but later fell, ending the year at 5.8 percent. Unemployment also improved, dropping from 11.1 percent in 2021 to 7.9 percent in 2022. However, consumers continued to be conscious of their money, buying less expensive food items. Concurrently, retailers have also become more intentional in managing inventories and portfolios, decreasing product lines, and substituting more affordable options for premium price products.

According to the Brazilian Food Processors' Association (ABIA), food service sector sales in 2022 were R\$548 billion (US\$106 billion), an increase of 9.8 percent over 2021, adjusted for inflation. After a long period of social isolation, consumers were motivated to go out and enjoy bars, restaurants, and hotels. According to the Brazilian Association of Bars and Restaurants, in the second half of 2022, spending at bars and restaurants increased almost 20 percent over the same period in 2021 (Figures 1 and 2). Industry expects the recovery to continue throughout 2023 as more establishments continue to open.

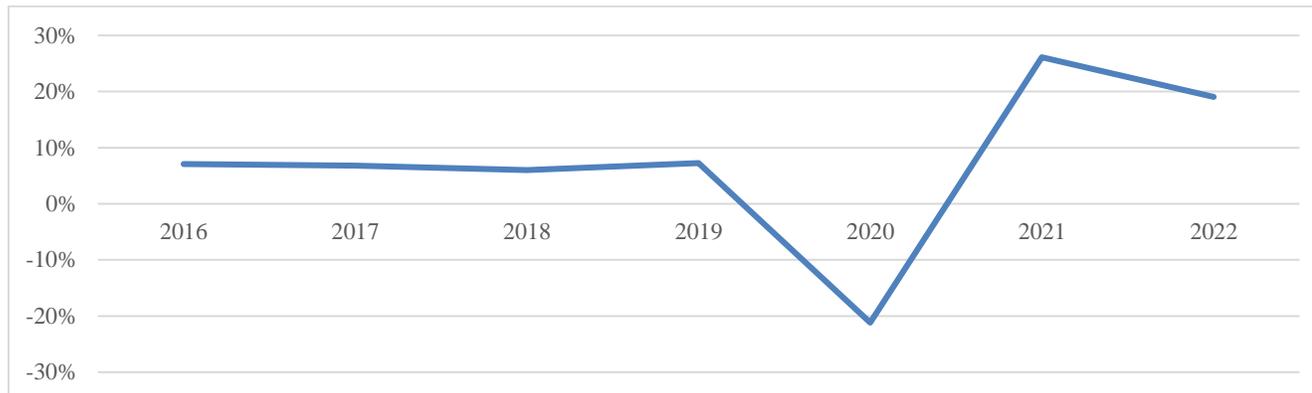
**Figure 1: Food Service Market Performance (R\$ billion)**



Source: ABIA

Exchange Rate (average 2022): US\$1=R\$5.16

**Figure 2: Food Service Sales Current Growth (%)**



Source: ABIA

Independent operators, versus chains, dominate the Brazilian market. According to the Food Service Brazil Institute, in 2021 chains made up 16 percent of total market locations, with small-medium independent operators the remainder.

While there has been a rise in the number of food service establishments over the past three years, full recovery from pandemic era bankruptcies is ongoing (Table 1).

**Table 1: Food Service by Location**

	Number of Outlets			Growth 21/22 (%)
	2020	2021	2022	
Standalone	799,921	836,956	889,93	6.3
Leisure	14,264	15,033	16,121	7.2
Retail	35,470	37,233	39,984	7.4
Lodging	20,445	21,404	23,014	7.5
Travel	80,829	84,920	91,527	7.8
Total	950,929	995,546	1,060,571	6.5

Source: Euromonitor

COVID-19 shifted the sector toward home delivery and takeaway services, and this trend is expected to continue as consumers are now accustomed to ordering food online (Table 2). According to industry, 36 percent of consumers in the southeast region of Brazil, the country's economic driver, use apps to place orders. In other regions, this number ranges from below 20 percent to 30 percent.

**Table 2: Sales in Consumer Foodservice (% of total)**

	2017	2018	2019	2020	2021	2022
Eat-in	64	62	57	26	28	37
Takeaway	20	21	21	35	34	31
Home Delivery	13	15	21	36	35	29
Drive-Through	1	1	1	1	1	1
Total	100	100	100	100	100	100

Source: Euromonitor

Another major trend in Brazil is a “phygital” experience that integrates the physical and digital/online and offline experience. This includes hybrid restaurant models, kiosks, automation, interactive menus, and live chats with specialists before placing an order.

In addition, as more people are working in a hybrid model, demand has continued for multipurpose spaces where consumers can work, hold meetings, have lunch, and have access to cafes and snacks to consume throughout the day.

**Table 3: Advantages and Challenges in the Brazilian Food Service Market**

Advantages	Challenges
According to Post’s calculations, in 2022, Brazilian consumers spent approximately 48 percent of their food budget eating outside of the home.	There is a need to build U.S. brand recognition among high-end consumers, as most consumers prefer European products due to historical linkages.
Brazilian HRI operators are open to products that help improve efficiency, such as pre-prepared items.	Brazilian importers tend to buy small quantities to test the market.
The United States is known as a supplier of high quality-products and as a reliable negotiator.	Due to the Brazilian real devaluation, imported goods have become more expensive.
HRI operators offer foreign goods to differentiate themselves from competitors, develop new niche markets, and gain awareness among high-end consumers.	Purchasing power has decreased after the pandemic.
Large U.S. companies, such as Taco Bell, TGI Friday’s, and Olive Garden, are present in the Brazilian market, creating opportunities for U.S. ingredient suppliers.	Brazilian bureaucracy and importing procedures are complex.

## **SECTION II. ROAD MAP FOR MARKET ENTRY**

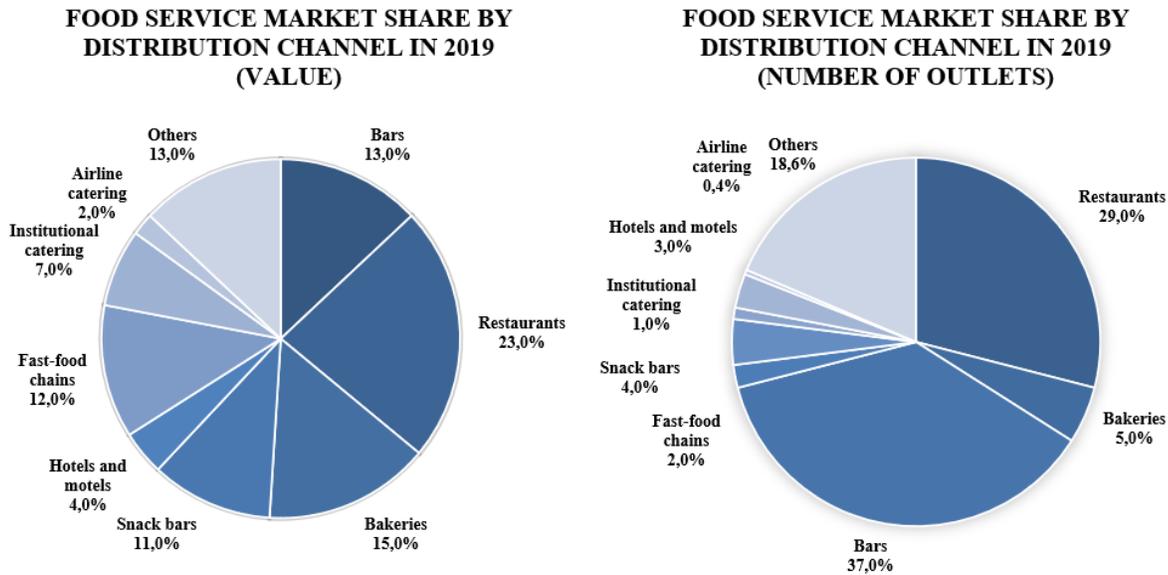
### **A. Market Entry**

The Agricultural Trade Office (ATO) is a primary source of information and market guidance for U.S. companies and maintains direct contact with industry to promote market entry. Exporters can also test the market through ATO-sponsored marketing activities. [Anuga Select](#) is the largest consumer-oriented products trade show in Brazil and USDA will host a USA Pavilion at the upcoming show from April 9-11, 2024.

State Regional Trade Groups and USDA Cooperators are in constant contact with the ATO and are valuable partners when approaching the market. For further information regarding the Brazilian market and regulations related to food and beverage products, please refer to [Exporter Guide BR2022-0067](#) and [FAIRS Report BR2022-0022](#).

## B. Market Structure

Figure 3: Food Service Market Share by Distribution Channel

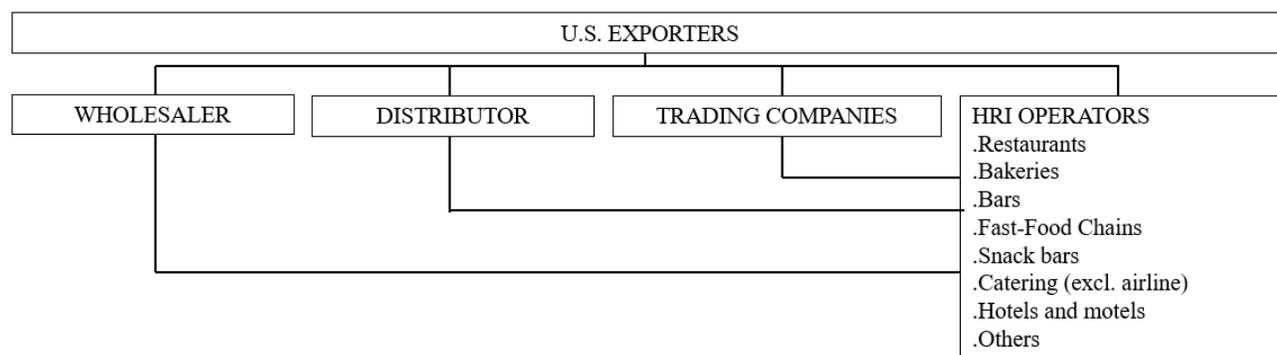


Source: ABIA

Large processing companies have the necessary logistic structure to supply small and medium sized companies throughout Brazil, but wholesalers are generally the most viable option for suppliers to reach the majority of small and medium-sized food service operators in the country. There are buyers willing to import directly; however, restaurants, bars, bakeries, snack bars, and hotels/motels tend to purchase imported products solely through wholesalers and distributors. Fast-food chains and catering companies are more inclined to import directly.

Brazilian companies typically import small volumes, especially when testing new products. Volume is the determining factor for a direct import operation. If the HRI buyer cannot justify the logistics and bureaucracy, then wholesalers, distributors, and trading companies step in. In Brazil, there are very few distributors of imported foods specialized in the HRI sector. The companies that provide such services are the ones that manage imports of products for large fast-food chains, such as McDonald's, Burger King, and KFC. In general, distributors and trading companies do not focus on exclusive niches, retailers, or food service operators. For example, if the product is an ingredient, the local distributor and trading company will target both the food processing and food service industries.

**Figure 4: HRI Sector Distribution Flow for Imported Food**



Source: ATO Sao Paulo

### C. Company Profiles

Hotels and major restaurant chains present opportunities for imported products (Table 4).

**Table 4: Major Hotel and Restaurant Chains, 2022**

Major Hotel Operators	Rooms (No.)	Hotels (No.)
<a href="#">Accor</a>	55,523	334
<a href="#">Choice</a>	13,163	74
<a href="#">Ameris by Nobile</a>	13,093	200
<a href="#">Atlantica</a>	10,409	65
<a href="#">Wyndham</a>	7,217	37
<a href="#">Nacional Inn</a>	7,159	65
<a href="#">Intercity</a>	6,230	39
<a href="#">Nobile Hotels &amp; Resorts</a>	5,537	39
<a href="#">Hplus</a>	4,631	17
<a href="#">Windsor</a>	4,520	17

Source: Source: JLL's Hotels & Hospitality Group

Major Restaurant Chains	Total Sales of Major Chains (%)	Outlets (No.)
<a href="#">McDonald's</a>	23	3,045
<a href="#">Burger King</a>	13	904
<a href="#">Subway</a>	8	1,861
<a href="#">Pizza Hut</a>	2	256
<a href="#">Madero</a>	3	168
<a href="#">Habib's</a>	4	300
<a href="#">Domino's Pizza</a>	2	315
<a href="#">Giraffa's</a>	3	365
<a href="#">Outback Steakhouse</a>	4	137
<a href="#">Bob's</a>	3	979
<a href="#">Spoleto</a>	1	335

Source: Euromonitor International

Note: Figures include restaurants and kiosks

### **SECTION III. COMPETITION**

Despite being the largest economy in Latin America, Brazil is still relatively closed, with a low number of exporters operating in the consumer-oriented products category. Nevertheless, due to its size, Brazil is the world's 22nd largest importer of consumer-oriented products.

From 2017-2021, imports of consumer-oriented products held at US\$4 billion, despite the approximately 61 percent depreciation of the Brazilian currency. In 2022, Brazil's imports of consumer-oriented products reached US\$5.2 billion, an increase of 19 percent over the previous year. Mercosul has continually captured the majority of market share, followed by the EU, Chile, and China, with the United State at 4-6 percent (Table 5).

Imported consumer-oriented products in Brazil are considered luxury goods and consumers are looking for high-end and exclusive attributes. While Brazilian consumers do perceive U.S. imports as high quality, preference is for European products due to their strong association with premium characteristics and Brazilians' robust cultural ties to European countries.

Despite the challenges, Brazil still presents good opportunities for U.S. exporters, especially in the sophisticated niche markets of the southeast region. In this region, many supermarket chains and HRI operators are investing in more upscale establishments to cater to affluent consumers; however, the supply of imported products is still limited outside of major cities.

**Table 5: Imports of Consumer-Oriented Products by Brazil (US\$ Million)**

	<b>2017</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>2019</b>	<b>%</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>
<b>World</b>	4,359	100	4,213	100	4,245	100	4,063	100	4,337	100	5,183	100
<b>Mercosul (3)</b>	1,597	37	1,489	35	1,508	36	1,493	37	1,585	37	2,016	39
<b>EU (28)</b>	1,221	28	1,283	30	1,322	31	1,207	30	1,391	32	1,581	31
<b>Chile</b>	395	9	382	9	347	8	373	9	364	8	444	9
<b>China</b>	278	6	233	6	251	6	278	7	221	5	278	5
<b>United States</b>	281	6	250	6	244	6	219	5	212	5	215	4
<b>Others</b>	587	13	577	14	572	13	493	12	563	13	649	12

Source: TDM based on Brazilian Secretariat of Foreign Trade data

### **SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES**

Considering imported food products incur premium prices, exporters should consider products with certain characteristics, such as well-known brands, high-end attributes, one-year shelf life or more, and attractive packaging, as well as products that confer status and innovation.

Food service unit and functional packages are important for the HRI sector, as well as products that optimize kitchen processes such as dehydrated, lyophilized, and pre-cooked and prepared mixes.

### Products Present in the Market Which Have Good Sales Potential

- Fresh fruits (pears, pomegranates, cherries)
- Beef (premium specialty cuts)
- Distilled spirits
- Sauces, dressings, and condiments
- Tree nuts (almonds and pistachios)
- Frozen potatoes

**Table 6: Top Consumer-Oriented Products Imported from the World (US\$ millions)**

	2021	2022	2021/22 Growth Rate
Dairy Products	697	1,004	44%
Processed Vegetables	577	671	16%
Wine	479	463	-3%
Fresh Fruit	292	407	40%
Beef and Beef Products	290	382	32%
Soup and Other Food Preparations	278	287	3%
Distilled Spirits	219	275	26%

Source: TDM, based on Brazilian Secretariat of Foreign Trade data

**Table 7: Top Consumer-Oriented Products Imported from the United States (US\$ thousands)**

	2021	2022	2021/22 Growth Rate
Dairy Products	41,435	72,126	74%
Soup and Other Food Preparations	40,585	45,409	12%
Distilled Spirits	30,088	38,656	28%
Tree Nuts	18,391	20,429	11%
Meat Products	6,405	8,761	37%
Condiments and Sauces	8,434	8,754	4%
Chocolate and Cocoa Products	7,342	7,232	-2%

Source: TDM, based on Brazilian Secretariat of Foreign Trade data

### Products Not Present in Significant Quantities but Have Good Sales Potential

Food allergies and intolerance for specific ingredients provide niche opportunities, along with plant-based products and ingredients. Improved label practices are also pushing increasing demand for gluten-free, wheat-free, lactose-free, and other functional foods. The natural, organic, and “healthy” segments are another attractive niche that serve affluent consumers; however, for the organic category, the costs to comply with Brazilian regulations may be a burden to foreign suppliers and make sales of small quantities unfeasible.

### Product Not Present Because They Face Significant Barriers

Brazilian legislation requires all food items be approved prior to shipment by the Ministry of Health or the Ministry of Agriculture, Livestock, and Food Supply. Currently, U.S. poultry and pork do not have market access.

## ***SECTION V. KEY CONTACTS AND FURTHER INFORMATION***

### **Key Government Regulatory Contacts**

#### **Ministry of Agriculture, Livestock and Food Supply (MAPA)**

Esplanada dos Ministerios, Bloco D  
70043-900, Brasilia, DF  
Phone: (55-61) 3218-2510/2468  
Website: [www.gov.br/agricultura/pt-br](http://www.gov.br/agricultura/pt-br)

#### **Ministry of Health**

#### **Agency of Sanitary Surveillance (ANVISA)**

SIA Trecho 5, Área Especial 57  
71205-050, Brasilia, DF  
Phone: (55-61) 3462-6000  
Website: [www.gov.br/anvisa/pt-br](http://www.gov.br/anvisa/pt-br)

### **Other Import Technical Contacts**

#### **Brazilian Food Processors' Association (ABIA)**

Rua Butanta, 336, 3rd floor  
05424-000, Sao Paulo, SP  
Phone: (55-11) 3030-1353  
E-mail: [abia@abia.org.br](mailto:abia@abia.org.br)  
Website: [www.abia.org.br](http://www.abia.org.br)

#### **Brazilian Food Ingredients and Additives Association (ABIAM)**

Rua Hungria, 664, cj 51  
01455-000 Sao Paulo, SP  
Phone: (55-11) 3034-3541  
Email: [abiam@abiam.com.br](mailto:abiam@abiam.com.br)  
Website: [www.abiam.com.br](http://www.abiam.com.br)

Please do not hesitate to contact our offices for questions or comments regarding this report or to request assistance to export agricultural products into Brazil:

#### **U.S. Agricultural Trade Office**

U.S. Consulate General  
Rua Thomas Deloney, 381  
04709-110 São Paulo, SP  
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Fax: (55-11) 3250-5499  
E-mail: [atosaopaulo@fas.usda.gov](mailto:atosaopaulo@fas.usda.gov)  
Website: [www.usdabrazil.org.br](http://www.usdabrazil.org.br)

#### **Office of Agricultural Affairs**

U.S. Embassy  
Av. das Nacoes, quadra 801, lote 3  
70403-900 Brasilia, DF  
Tel: (55-61) 3312-7000  
Fax: (55-61) 3312-7659  
E-mail: [agbrasil@fas.usda.gov](mailto:agbrasil@fas.usda.gov)

### **Attachments:**

No Attachments