Required Report: Required - Public Distribution **Date:** December 31, 2025

Report Number: NU2025-0009

Report Name: Exporter Guide Annual

Country: Nicaragua

Post: Managua

Report Category: Exporter Guide

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Report Highlights:

Record-high remittances and stable macroeconomic indicators have continued to fuel Nicaraguan consumer spending and U.S. food imports into 2025. U.S. agricultural exports to Nicaragua through August 2025 rose by 15 percent compared to the same period in 2024. Leading U.S. export prospects include pork, chicken meat, dairy products, and grains such as corn, soybean meal, wheat, and rice. Despite this growth and good prospects, U.S. exporters should be aware of inadequate rule of law, political instability, reputational risk, and the arbitrary enforcement of government regulations as leading challenges for doing business in Nicaragua.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Market Fact Sheet: NICARAGUA

Executive Summary

Nicaragua is a low-income country and in 2024, Nicaragua's Gross Domestic Product (GDP) reached $19 billion, positioning the country as the second smallest economy in Central America, after Belize. Nicaragua is the largest beef and dairy producer in Central America, and an important supplier of agricultural goods to the region.

2025 Consumer-Oriented Agricultural Imports

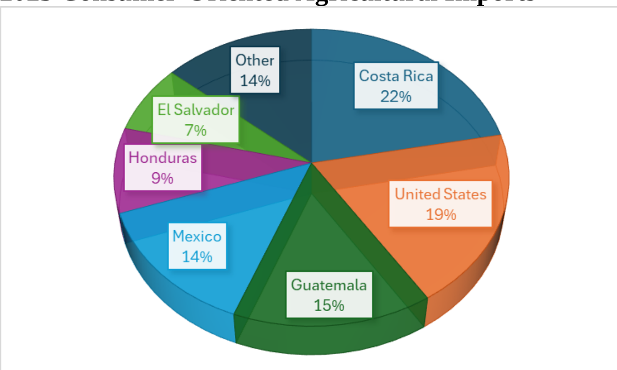

Chart 1: Top Exporting Countries to Nicaragua.

Retail Sector

The Nicaraguan retail sector has modernized in recent years with the expansion of supermarkets and convenience stores throughout the country, improving cold chain infrastructure. This has facilitated the importation of a wider variety of consumer-oriented products. The Nicaraguan retail sector has more than 1,000 wholesalers, retailers, and distributors and there are more than 150 supermarket stores and thousands of much smaller 'mom and pop' retailers.

Although grains such as corn, soybean meal, rice, and wheat continue to lead U.S. agricultural exports to Nicaragua, there is an increased demand for pork and chicken meat, condiments and sauces, and a wide variety of processed foods including snacks, cereals, and dairy products, among others.

Food Processing Industry

Nicaragua's food processing industry is characterized primarily by the processing of key agricultural commodities for export, such as beef, coffee, sugar, and dairy products, making it largely focused on primary processing. However, the sector has seen an evolution in recent years, driven by increased consumer spending fueled by record-high remittances. The beverages segment in particular has experienced significant growth in recent years due to the increased demand for carbonated drinks. It is worth noting that Nicaragua is a country of young people with a median age of 29 years.

Food Service

The Hotel, Restaurant, and Institutional (HRI) sector was a key contributor to Nicaragua's GDP in 2024. According to the Nicaraguan Central Bank (BCN), the HRI sector accounted for 11 percent of GDP, following two consecutive years of growth exceeding 20 percent. In 2024, both hotel and restaurant services performed strongly, likely driven by increased domestic tourism during national holidays such as Holy Week and Christmas.

Quick Facts CY 2024

Imports of U.S. Consumer-Oriented Products: $174 million

List of Top 10 Growth Products

1) Wheat	6) Soybean Meal
2) Pork	7) Dairy products
3) Condiments & Sauces	8) Food Preparations
4) Poultry Meat	9) Cotton
5) Rice	10) Corn

Top Retailers

1) Walmart (La Union, MaxiPali, & Pali)	4) AM/PM
2) La Colonia (including Ahorra Mas)	5) Super Express
3) PriceSmart	

Population / Economy

Population	6.8 million
Unemployment rate	2.9%
GDP (billions USD)	$17.8
GDP (per capita)	$2,620
Exchange rate	36.6 cordobas : $1 USD

Source: Central Bank of Nicaragua, The World Bank

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.	U.S. product formats may be too large for the average consumer.
Opportunities	**Challenges**
Export-oriented cattle and domestic poultry sectors rely on imported feed.	Deteriorating political and economic conditions create significant structural impediments.
Remaining CAFTA-DR TRQs on dairy phased out in 2025.	Consumer purchasing power is mismatched to higher-value U.S. consumer-oriented products.
Increased remittances drive consumer spending.	Increased emigration shrinks total market size.

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SECTION I. MARKET OVERVIEW

With a Gross Domestic Product (GDP) of $19 billion, Nicaragua is the second smallest economy in Central America, ahead of only Belize. In recent years, outward migration has reduced the size of the labor force but increased remittances, which in turn have fueled consumer spending. Although Nicaragua is a major food producer, its underdeveloped food industry cannot meet the growing demand for a diverse range of products, including rice, pork, chicken meat, and processed foods, leading to a reliance on consumer-oriented food imports.

In calendar year 2024, Nicaragua's imports of consumer-oriented products totaled $1.2 billion, a 25 percent increase over the previous year, driven largely by higher remittance-fueled spending. The main food suppliers were Costa Rica, the United States, Guatemala, and Mexico.

However, the Nicaraguan government's repression of political opponents and the private sector, along with the systematic erosion of the rule of law, has created significant obstacles for doing business in the country. The international community has responded with a range of sanctions targeting individuals and entities linked to human rights abuses and corruption. For more information on sanctions and sanctioned individuals, see the U.S. Department of Treasury's summary of Nicaragua-related sanctions and the Global Magnitsky Designations for Nicaragua. Businesses should exercise extreme caution when dealing with Nicaraguan entities to ensure compliance with applicable sanctions.

On December 10, 2025, the United States Trade Representative (USTR) determined that under Section 301 of the Trade Act of 1974, Nicaragua's acts, policies, and practices related to abuses of labor rights, abuses of human rights and fundamental freedoms, and dismantling of the rule of law are unreasonable and burden or restrict U.S. commerce. As a result, effective January 1, 2026, the United States will impose a tariff that is phased-in over two years on all imported Nicaraguan goods that are not originating under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). The tariff will be set at zero percent on January 1, 2026 and will increase to 10 percent on January 1, 2027, and to 15 percent on January 1, 2028. Any tariff would stack with others such as the existing 18 percent Reciprocal Tariff.

Despite these challenges, Nicaragua continues to demonstrate stable macroeconomic fundamentals, including record-high foreign reserves of $7 billion, a sustainable debt load, and a well-capitalized banking sector. According to a November 2024 International Monetary Fund (IMF) report, Nicaragua's economic activity remains resilient, supported by sound macroeconomic policies amid a shifting global landscape. The IMF report projected growth to moderate to 3.8 percent in 2025 and 3.4 percent in 2026, noting expectations of lower remittances and exports in the context of higher U.S. tariffs, global trade uncertainty, and the termination of parole and temporary protected status programs for Nicaraguan migrants in the United States. Over the medium term, real GDP growth is expected to stabilize at around 3.4 percent, supported by public investment and an expanding labor force. Foreign reserves are projected to remain ample, though their growth may slow as current account surpluses narrow.

Nicaragua imports significant quantities of primary products, such as rice and feed grains, as well as a wide range of processed foods, mostly from regional suppliers. The United States is Nicaragua's largest supplier of agricultural products, accounting for more than 25 percent of total imports by value. Bulk commodities like corn and soybean meal make up the majority of U.S. exports, while high-value products, especially pork and chicken meat, have seen growth under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR), which eliminated tariff-rate quotas on pork in 2020 and on chicken meat in 2023.

U.S. products enjoy strong brand recognition and are widely accepted by Nicaraguan consumers, who perceive them as higher quality. However, competition from regional food processors is increasing, particularly in snacks, beverages, dairy products, and packaged foods. Suppliers from Costa Rica, El Salvador, and Guatemala have improved their price competitiveness and production quality. Most U.S. food and beverage exports to Nicaragua are shipped from Miami, with consolidated shipments typically routed through Puerto Cortez, Honduras, before being transported overland to Managua.

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

Advantages	Challenges
Nicaraguan importers trust the quality and value of U.S. products	Limited purchasing power and uncertain economic outlook in the mid-term.
Preferential access and reduced tariff rates under the CAFTA-DR trade agreement.	Weak rule of law and arbitrary rulings by customs agents may result in delays, fees, and/or rejections.
Proximity to Nicaragua provides lower shipping costs and shorter shipping times.	Without an Atlantic port, shipments must cross Honduras overland or transit the Panama Canal. In 2025, importers reported delays due to congestion at Cortes Port in Honduras, which decreased the competitiveness of U.S. goods.
Increased remittances support higher consumer spending levels.	Increased emigration shrinks market size.

SECTION II. EXPORTER BUSINESS TIPS

Imported U.S. products generally rely on Nicaragua’s network of distributors to drive sales through wholesale, modern retail (supermarkets and convenience stores), and ‘mom & pop’ retail (*pulperías* and informal vendors) channels. The Nicaraguan retail market is relatively small, but exporters may benefit from identifying representatives with coverage in the main regions, which are divided into the Pacific, Central, Northern, and Northern and Southern Atlantic Coast regions. Distributors have two main channels: retail and convenience stores, known as the “modern channel,” and direct sales to HRI. Distributors also have the capacity to provide logistics needed to supply smaller ‘mom & pop’ stores, which are an important component of the retail sector.

The following points are critical to successfully accessing the Nicaraguan market:

1. Exporters should make sure their legal representatives and/or importers are registered as taxpayers in Nicaragua.

2. Ensure importers obtain official import permits required by the Nicaraguan Food Safety Authorities ***before*** shipping products from the United States.
3. Provide importers with the bill of lading, commercial invoice, packing list, and the certificate of origin (to determine applicability of CAFTA-DR and other benefits) for every shipment.
4. Make sure shipping companies send merchandise in clean containers to avoid multiple inspections at the border.
5. Be prepared to provide additional information regarding the values of the commercial invoice and the origin of the product to support importers' engagement with customs officials.
6. Merchandise exported must exactly match the product/quantity listed on the commercial invoice; discrepancies can create major delays at port of entry and result in fines.
7. Make sure exported products have labels in Spanish; other languages may be used as well, if the required information is also included in Spanish.
8. Exporters and importers may consider hiring a customs broker to expedite procedures, as the expertise and working relationships of an established broker can facilitate processes.
9. Exporters should consider discussing liability terms with importers prior to finalizing any business transactions due to the increased risks of container rejections in Nicaragua. Importers commonly expect exporters to absorb losses.

Marketing

Market development strategies in Nicaragua typically involve advertising through social media, radio, television, and roadside billboards. Radio remains an effective medium for reaching large audiences in both urban and rural areas, especially given that most of the population falls within poor to middle-income brackets. However, digital marketing, particularly on platforms such as Facebook and Instagram, is rapidly gaining traction, as most Nicaraguans now have access to smartphones and reliable mobile connectivity.

Companies are also increasingly leveraging local influencers, some of whom have 80,000 or more followers, to promote their products. E-commerce, while still a small segment of the retail market, is expanding steadily. According to the former Nicaraguan Chamber of Telecommunications, there are more cell phones (8.3 million) than people in the country, and internet access is more affordable than in any other Central American nation. Consequently, most Nicaraguans access the internet primarily through mobile devices.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

FAS Managua highly recommends U.S. exporters consult the latest Food and Agricultural Import Regulations and Standards Country Report for current requirements. Furthermore, U.S. exporters must follow these key steps before shipping to Nicaragua:

1) ensure that food products are registered with the Ministry of Health (MINSA),

2) the importer needs to request import permits from MINSA and the Nicaraguan Institute of Agricultural Protection and Health (IPSA) depending on the product, and

3) a copy of the commercial invoice, sanitary or phytosanitary certificate (if needed), and certificate of origin must be presented to the competent authorities.

General Import and Inspection Procedures

IPSA is responsible for the inspection of agricultural products at the border. The agency implements a risk management system that classifies imported animal, plant, and processed food products according to sanitary and phytosanitary risk. Category "A" / red / highest risk products must be inspected at the border, whereas category "B" / yellow / medium risk and "C" / green / lowest risk products are subject to random inspections corresponding to imported product volume, frequency, and risk profile. Industry sources report a significantly higher percentage (close to 95 percent by some estimates) of imported products categorized at the highest risk level, leading to increased delays, costs, and inspections.

Import Challenges

Inadequate rule of law, political instability, reputational risk, and the arbitrary enforcement of government regulations remain the primary challenges for U.S. companies exporting to and operating in Nicaragua. The Nicaraguan Customs Authority (DGA) frequently subjects shipments to bureaucratic delays, arbitrary valuations, and excessive fines. In some cases, shipments have been held for weeks or even months without justification. The Nicaraguan Tax Authority (DGI) has also increased the frequency, duration, and scope of audits on businesses. Nicaragua's extremely weak legal environment and lack of rule of law severely limit options for addressing these issues.

Exporters report that one of the most significant challenges is DGA's discretionary assessment of imported product values, which can increase the landed cost of goods by at least five percent or more. DGA also requires authentication of U.S. product certificates of origin by the Latin Chamber of Commerce (CAMACOL), as well as compliance with trade-restrictive sanitary requirements, such as a 'zero tolerance' policy for salmonella on raw pork meat. Additionally, DGA may require importers to complete a certificate of origin questionnaire to validate a product's origin; failure to do so can result in excessive fines. For further details, please refer to Nicaragua's country commercial guide.

U.S. food companies have expressed significant concern regarding recent internal regulatory changes implemented by the Nicaraguan Ministry of Health (MINSA) in 2025. These changes pertain to new documentation requirements and the import permit process, creating potential trade barriers:

- New Commercial Invoice Requirements: MINSA now mandates that commercial invoices must include specific information typically reserved for sanitary documentation, such as the product's sanitary registry number in Nicaragua and the expiration date. U.S. companies argue that this data is inappropriate for a standard commercial invoice, complicating the documentation process.
- Changes to Import Permit Process: Importers are no longer permitted to use proforma invoices when applying for an import permit. Instead, they must submit the original commercial invoice. This effectively forces importers to purchase goods before securing the necessary import permit, creating significant commercial uncertainty and risk regarding the final clearance of the imported products.

In 2025, Nicaraguan importers faced significant logistical challenges due to new import procedures enforced by Honduran authorities for in-transit merchandise, including goods shipped from the United States to Nicaragua. Importers report that these changes increased transportation costs by at least 15 percent, primarily due to substantial new fines for minor infractions and extended shipping delays, which raised storage costs and reduced overall efficiency. These procedural changes, combined with persistent port congestion and operational inefficiencies in Central America, have negatively affected the competitiveness of U.S. consumer products.

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Consumer Profile

With a median age of twenty-nine, Nicaragua has a predominantly young population, making consumer-oriented products particularly appealing. The consumption of processed foods, such as sweetened soft drinks, confectionery, and snacks, has increased in urban areas, driven by the expansion of supermarkets and the development of more sophisticated supply chains that cater to demand for convenient products.

Nicaraguan consumers generally fall into two categories:

a) Low to medium-income consumers are price-sensitive and tend to purchase smaller product formats more frequently. With limited cash flow, often due to informal employment, they typically shop at wet markets, accessible supermarkets like Pali, and neighborhood ‘mom and pop’ stores (pulperías), frequently using informal credit. These consumers prioritize accessibility, low prices, and ease of preparation.

b) Medium to high-income consumers, with greater purchasing power, seek higher-quality, trendy, and healthier foods. They shop less frequently, purchase larger product formats, and often visit multiple stores to find desired items. Influenced by culinary trends such as gluten-free and organic products, they are more likely to purchase higher-value goods.

Nicaraguan consumers are generally familiar with U.S. products and brands, which they perceive as high quality. The traditional Nicaraguan diet is high in carbohydrates and low in proteins, vegetables, and fruit, with more than 65 percent of the population deriving most daily calories from carbohydrates. A typical grocery basket for an average Nicaraguan family includes rice, beans, eggs, sugar, oil, coffee, and processed foods such as sauces, pasta, sardines, corn meal, and wheat flour.

The main sources of animal protein are eggs, chicken, and pork, with eggs providing the least. Despite its relatively higher price, pork remains widely popular in local markets. Although Nicaragua produces large volumes of beef, consumption is much lower than chicken and pork due to its higher cost. Hotels, restaurants, and wealthier consumers are driving a small but growing demand for premium quality local and imported beef cuts.

Hotel, Restaurant, and Institutional

According to the Nicaraguan Central Bank (BCN), the hotel, restaurant, and institutional (HRI) sector has been a key driver of economic growth in the services sector. In 2024, the HRI sector contributed 11 percent to GDP, stabilizing after two consecutive years of double-digit growth. Based on the 2024 BCN report, the strong performance of the sector has been largely supported by record-high worker remittances, which have increased private consumption and purchasing power. The influx of remittances has also led to a growth in domestic tourism, mainly during the country's vacation periods, such as Easter week and Christmas. The food service sector also experienced an estimated 14 percent growth in the first half of 2024, according to the Nicaraguan Central Bank.

Despite this positive growth and strong domestic demand, the sector continues to face underlying challenges related to the country's political instability and international isolation, which can hinder foreign investment and tourism.

Retail Overview:
Walmart Central America still controls the largest number of total supermarket units (107) under its various banners. The main local competitor, La Colonia, has significantly expanded its main banner to over 60 stores and introduced a new discount brand, Ahorra Más, now with 20 new stores. The AM/PM and Super Express convenience chains have also seen rapid growth recently, now with over 100 locations combined.

Retail stores are expanding rapidly in Nicaragua as remittances continue to boost consumer spending. Small format stores, including pulperias and mini supers, remain the most numerous types of retail shopping outlets throughout the country, offering individual servings and smaller format products that cater to lower-income households. However, supermarket chains have expanded as well. Just in 2025, supermarket chains opened at least 15 new locations as Nicaraguan consumer trends are shifting towards modern retail channels, with remittances increasing the purchasing power of Nicaraguans. Retail stores reported double-digit growth in sales in 2023 and 2024, driven mainly by remittances. The expansion of supermarket chains has supported increased distribution of imported high-value perishable products (like pork and chicken meat) as well as consumer-packaged goods.

There are two main supermarket chains in Nicaragua, Walmart and Supermercados La Colonia. Walmart operates 107 supermarkets under several banners (Pali, Maxi Pali, La Union, and Walmart) serviced by a national distribution center while La Colonia has over 60 stores. In 2024, La Colonia introduced Supermercados Ahorra Mas, a new format created to address the needs of low-income families. La Colonia inaugurated 12 Ahorra Mas stores in 2025 and is expected to continue expanding this chain in the short term.

Nicaraguan supermarkets are adapting to meet the evolving needs and preferences of their customers by offering a wider range of products, improving convenience, and focusing on quality and sustainability. Among the key drivers and marketing trends are a) online sales with pick-up and delivery, b) use of private label brands to enhance competitiveness and differentiate from rivals, c) expanding the selection of healthy foods to address consumer's growing demand for healthier food products, and d) adopting sustainability practices and messaging.

Table 2. Retail Grocery Outlets

Banner	# of Outlets
Pali	72
Maxi Pali	22
La Union	9
Walmart Supercenter	2
La Colonia	>60
Ahorra Mas	20
PriceSmart	2
AM/PM	>60
Super Express	>200

Food Processing

Nicaragua's food processing sector is largely focused on primary processing of meat, fish, dairy products, and sugar for exports. However, the food processing industry has been expanding as well to supply the local market. The beverage industry has experienced significant growth since 2019, when the Government introduced the selective consumption tax for beverages (ISC), which targeted carbonated beverage imports with an extra duty of 15 percent. Carbonated beverage companies have increased their production capacity to meet domestic demand. Although most of the processed foods available in the supermarkets are imported, Nicaragua has some local producers that supply poultry meat products, dairy goods such as powder milk, roasted coffee, biscuits, and others. On the other hand, cost-competitive regional suppliers have established recognizable brands and comprised 80 percent of Nicaraguan snack food imports in 2024. FAS Managua anticipates sustained opportunities for U.S. processed product suppliers prepared to navigate the challenges of the Nicaraguan market, given the local sector's relative underdevelopment and low levels of anticipated investment in the sector.

Table 3. Output of Selected Industries (Million USD)

Industries	2022	2023	2024
Meat and Fish	1,002	1,062	1,071
Beverages	411	456	474
Dairy Products	365	390	363
Sugar	312	291	340
Other Industrial Food	677	768	741

Source: Central Bank of Nicaragua

Note: The numbers included in Calendar Year (CY) 2022 and 2023 are preliminary information while the numbers in CY 2024 are estimates. The Central Bank is now publishing data in millions of Córdobas (Nicaragua's currency) based on the average U.S. dollar exchange rate of Calendar Year 2006.

SECTION V. AGRICULTURAL AND FOOD IMPORTS

The Foreign Agricultural Service's BICO Reports (aka Bulk, Intermediate, and Consumer-Oriented) provide an excellent high-level snapshot of U.S. products' performance by category, updated monthly. This data, though a trailing indicator, can help U.S. exporters identify high-demand categories. The most recent BICO report is attached for reference.

Table 4. Best Prospects for Export Growth

Product	2024 Imports (Million USD)	5-Yr Import Growth (by value)	5-Yr Avg. Annual Import Growth (by value)
Wheat	52	1200%	240%
Pork & Pork Products	60	150%	30%
Condiments & Sauces	5.4	150%	30%
Poultry Meat & Products	24	140%	28%
Rice	72	118%	24%
Soybean Meal	95	97%	19%
Dairy Products	24	71%	14%
Food Preparations	19	72%	14%
Cotton	26	66%	13%
Corn	64	-0.5%	-0.01%

Source: U.S. Census Bureau Trade Data

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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