

Voluntary Report – Voluntary - Public Distribution

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Report Name: Panama One of Two New Billion Dollar Markets for US Food and Agricultural Exports

Country: Panama

Post: Panama City

Report Category: Agriculture in the News, Export Accomplishments - Other

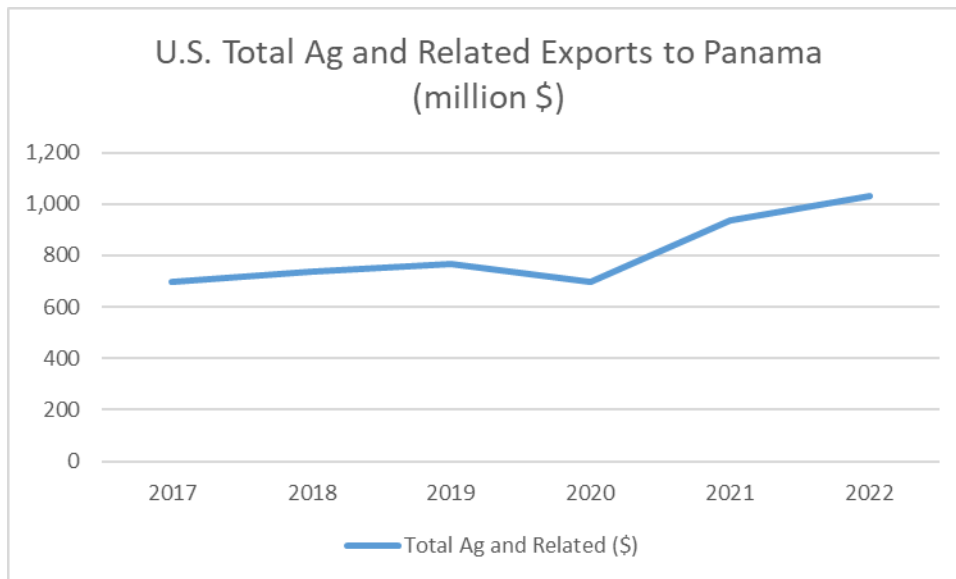
Prepared By: Peter Olson

Approved By: Peter Olson

Report Highlights:

Exports of U.S. food and agricultural products to Panama reached \$1.03 billion in 2022, making it the United States' 33rd largest export market and 6th largest market in Latin America for consumer-oriented products. Overall food and agriculture exports grew 10 percent over 2021, with consumer-oriented products and intermediate goods up 16 percent and 10 percent, respectively. Panama's exports of food and agricultural products to the U.S. fell by ten percent, led lower by a greater than 50 percent reduction in banana exports.

Following significant contraction during the Pandemic, Panama’s economy recovered strongly over the last two years, notching growth of 16 percent in 2021 and 14 percent in 2022. Tourism growth, return to work, industry innovation, and historical affinity for U.S. products combined to drive U.S. exports of food and agricultural products above \$1 billion dollars for the first time.



Graph 1: Total US food and agriculture exports to Panama, CY 2017-2022

U.S. exports of consumer-oriented products to Panama grew 16 percent last year compared to 2021, reaching \$611 million. Some of the biggest increases were seen in dairy (+38%), beer (+84%), bakery (+12), and petfood (+9%). Decreases were seen for pork (-15%), food preparations (-8%), and non-alcoholic beverages excluding fruit juices (-10%).

Most bulk commodities saw higher exports to Panama, including wheat, rice, and soybeans, while corn shipments were down nearly 30% in value after Panama bought significant volumes of Brazilian corn for the first time since 2015.

Of the top intermediate good exports to Panama, soybean meal was up 10 percent while vegetable oils and DDGS were down 4 and 17 percent, respectively. Overall U.S. exports of intermediate goods were up 10 percent to Panama.

Panama’s exports to the United States fell by ten percent. Bulk product exports grew by ten percent, led by sugar, while intermediate goods shipments were down 20 percent, led by a sharp decline in feed ingredients. Consumer oriented product exports were down 37 percent, led by a large decline in bananas. Exports of other fruits and vegetables, as well as distilled spirits rose in 2022. Seafood and forest product exports held steady.

More information about opportunities in the region and doing business in Panama can be found in the links below.

[International Agricultural Trade Report](#)

The Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) region and Panama combine to represent the seventh-largest market for U.S. consumer-oriented products, totaling \$3.7 billion in 2022. Free trade agreements (FTA) implemented with CAFTA-DR in 2006 and Panama in 2012 have increased the value of U.S. agricultural exports to the region by nearly fourfold. Significant differences in economic development and purchasing power exist between countries, leading to variation in the volume and composition of consumer-oriented exports. However, dairy, poultry, pork, and beef have been most successful at penetrating markets across the region, with continued growth prospects for these products as new consumers enter the middle class.

GAIN Report: [Exporter Guide](#)

This report provides information to U.S. exporters of agricultural and related products on how to do business in Panama. Panama is an attractive market for exporting U.S. agricultural food products. Its culturally diverse population, geographical location, and love for American food and culture support export opportunities for U.S. high value food and beverage products.

GAIN Report: [FAIRS Report](#)

New changes to Panama's import requirements reflected in this report are for fresh potatoes, poultry products, and sanitary registrations for pet food, raw materials, ingredients and additives. Consumers continue to perceive U.S. food products as high quality, wholesome and reliable, which has resulted in continuous growth in demand. The U.S.-Panama Trade Promotion Agreement entered into force on October 31, 2012, and the United States – Panama Agreement regarding certain sanitary and phytosanitary measures and technical standards affecting trade in agricultural products, of December 20, 2006, established simplified requirements for the importation of U.S. food and feed products.

Amendments to this bilateral agreement have facilitated U.S. beef and products, and pet food exports to Panama. Panama imports 66% of all its agricultural product needs from the United States.

More information on 2022 U.S. food and ag exports to Panama can be found in the linked BICO report, below.

Attachments:

[BICOCountry_Pan_CY22.pdf](#)