

**Required Report:** Required - Public Distribution

**Date:** September 27, 2024

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## **Report Name:** Retail Foods Annual

**Country:** Honduras

**Post:** Tegucigalpa

**Report Category:** Retail Foods

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### **Report Highlights:**

In 2023, Honduras's consumer-oriented imports from the United States reached \$553 million, making it the second-largest importer in Central America, after Guatemala. At the end of January 2024, imports of goods classified as food and beverages grew by \$12.9 million compared to the same period in 2023, with a total value of \$212.4 million while total restaurant service sales reached \$811.5 million, a 23 percent increase from the previous year.

**Executive Summary:**

Honduras is a lower-middle-income country with a population of 10.6 million, saw its GDP reach 34.8 billion in 2023. Notably, there was a 9 percent average growth in GDP per capita over the past three years. Despite 60 percent of the population living in poverty, the economy’s heavy reliance on remittances indicates a growing consumer base, presenting significant growth potential for U.S. exporters.

Honduras maintains a strong business connection with the United States in agriculture. In 2023, the value of U.S. consumer-oriented food exports to Honduras increased by \$30.7 million (5.9 percent) compared to the previous year, and the volume of consumer-oriented food exports to the country increased by 4.4 tons (1.9 percent).

**Consumer-Oriented Agricultural Imports**

Honduras' consumer-oriented imports from the world exceeded \$1.9 billion in 2023.

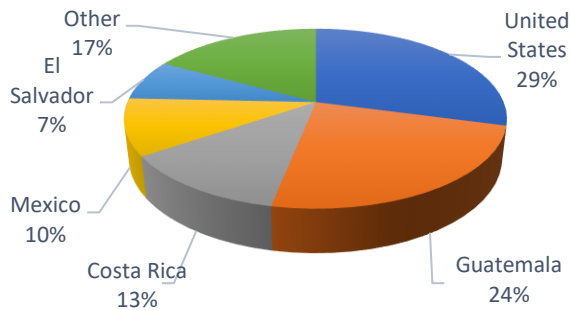


Chart 1: Top Exporting Countries to Honduras  
Source: U.S. Census Bureau Trade Data Monitor LLC

**Food Retail Industry:** Honduras’s consumer-oriented imports from the United States reached \$553 million in 2023. The growth forecast for that year follows the food industry trend at 1.2 percent expected growth. Despite a perceived decline in sales, the three largest retailers in Honduras, Walmart, La Colonia, and Distribuidora La Antorcha, intend to continue investing in the market. Collectively, the three chains account for 29.5 percent of retail revenues.

**Food Processing Industry:** At the end of January 2024, imports of goods classified as food and beverages grew by \$12.9 million compared to the same period in 2023, with a total value of \$212.4

million. This increase is primarily attributed to acquiring \$12.8 million of food ingredients (wheat, meslin, and rice) from the United States for further processing.

**Food Service Industry:** In 2023, total restaurant service sales in Honduras reached \$811.5 million, a 23 percent increase from the previous year. The independent consumer foodservice sector saw the fastest growth during this period.

**Quick Facts CY 2023**

**Imports of Consumer-Oriented Products**  
*(US \$1.9 Billion)*

**List of Top 10 Growth Products in Host Country**

|                              |  |
|------------------------------|--|
| 1. Corn                      | 2. Soybean meal                        |
| 3. Wheat                     | 4. Rice                                |
| 5. Milled grain and products | 6. Other feeds and Fodders             |
| 7. Distiller grains          | 8. Oilseed meal and cake (ex. Soybean) |
| 9. Palm oil                  | 10. Pulses                             |

**Top 10 Host Country Retailers** (by sales)

|                          |                              |
|--------------------------|------------------------------|
| 1. La Colonia            | 2. Despensa Familiar         |
| 3. Walmart Su percenter  | 4. Distribuidora La Antorcha |
| 5. Maxi Despensa         | 6. Paiz                      |
| 7. El Colonial           | 8. Pricesmart                |
| 9. Comisariato Los Andes | 10. Supercoop                |

**GDP/Population**  
 Population (*millions*): 10.6  
 GDP (*billions USD*): 34.8  
 GDP per capita (*thousand USD*): 3.3  
 Inflation Rate: 5.2 percent

**Sources:** [International Monetary Fund](#)

**Strengths/Weaknesses/Opportunities/Threats**

| <i>Strengths</i>                                   | <i>Weaknesses</i>   |
|--|---|
| -Expedited online import process                   | -Small domestic market size and low per capita GDP<br>-Weak institutions and the rule of law    |
| <i>Opportunities</i>                               | <i>Threats</i>  |
| -Strong consumer demand for value and high-quality | -Political and economic uncertainty<br>-Restriction in the allocation of foreign currency (USD) |

## SECTION 1: MARKET SUMMARY

Honduras is a lower-middle-income country, with approximately 60 percent of its impoverished population. In 2023, remittances from Hondurans employed in the United States reached a record high of \$9.2 billion, a 5.7 percent increase from the previous year. More than 25 percent of the gross domestic product is derived from remittances.

As reported by Trade Data Monitor, the agricultural sector's total food and beverage imports in 2023 were \$3.17 billion, an increase of \$130.1 million from the previous year. This increase is mainly driven by imports of consumer-oriented food and beverages intended exclusively for domestic consumption, which surged to \$1.9 billion in 2023, marking a \$150.4 million rise from the previous year.

### Advantages and Challenges

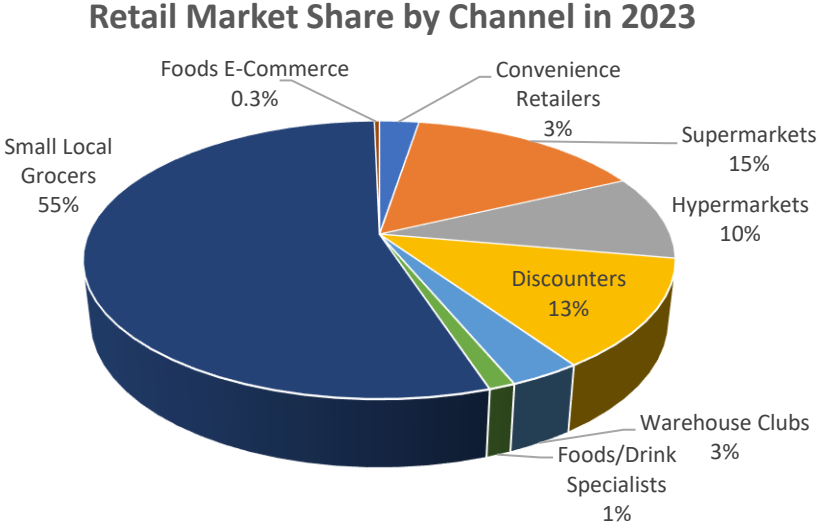
| ADVANTAGES  | CHALLENGES   |
|---|--|
| Major retailers have expanded the number of stores and floor space during the last few years, with plans to continue. | The market is highly price-sensitive, and lower-quality products are often more competitive due to pricing.  |
| Food industry technology innovations help business owners better understand and exceed customer expectations.         | The economy remains highly susceptible to global economic shifts, particularly those from the United States. Adverse developments can disrupt remittances, tourism, and investment flows into the country. |
| Privileged relationship with the United States (preferential trade agreement under DR-CAFTA, military presence).      | Political and economic uncertainty.  |
| Exporters from the United States consistently provide diverse food and beverage items throughout the year.            | Lack of Spanish-language labeling and marketing material.  |

### Retail Sales by Channel

In 2023, the grocery retail market in Honduras grew to \$8,461.5 million, representing a 9 percent increase from the previous year. The leading channel for grocery retail in Honduras is small local grocers, which saw a notable sales increase of 38 percent last year. Supermarkets also experienced significant growth, with a rise of 11 percent.

Pricing and promotions will be a significant driving force for these channels during the forecast period, as shoppers are expected to wait for seasonal and occasional deals before purchasing. Between 2022 and 2023, channels offering favorable deals have performed better regarding value growth, reflecting consumers' inflation-driven focus on cost efficiency.

Although official data has yet to be released, Honduras has kept up with the global trend of retail businesses developing their private brands. Over the past few years, supermarkets have significantly increased their range of private brands, effectively marketing them through dedicated sections and in-store promotions.



Source: Euromonitor

**SECTION 2: ROAD MAP FOR MARKET ENTRY**

Exporters should be diligent when selecting a partner (local importer agent or legal representative) in Honduras. Personal visits or meetings with prospective partners are highly recommended, and exporters should conduct a background check of the prospective partner before signing a permanent contractual agreement. Small-to-medium-sized potential exporters can work with the appropriate U.S. State Regional Trade Group (SRTG) to take advantage of the SRTG's resources for marketing and promotion support in Honduras. To learn more services available from the SRTGs, find the SRTG for your geographic region in the list below and visit the website.

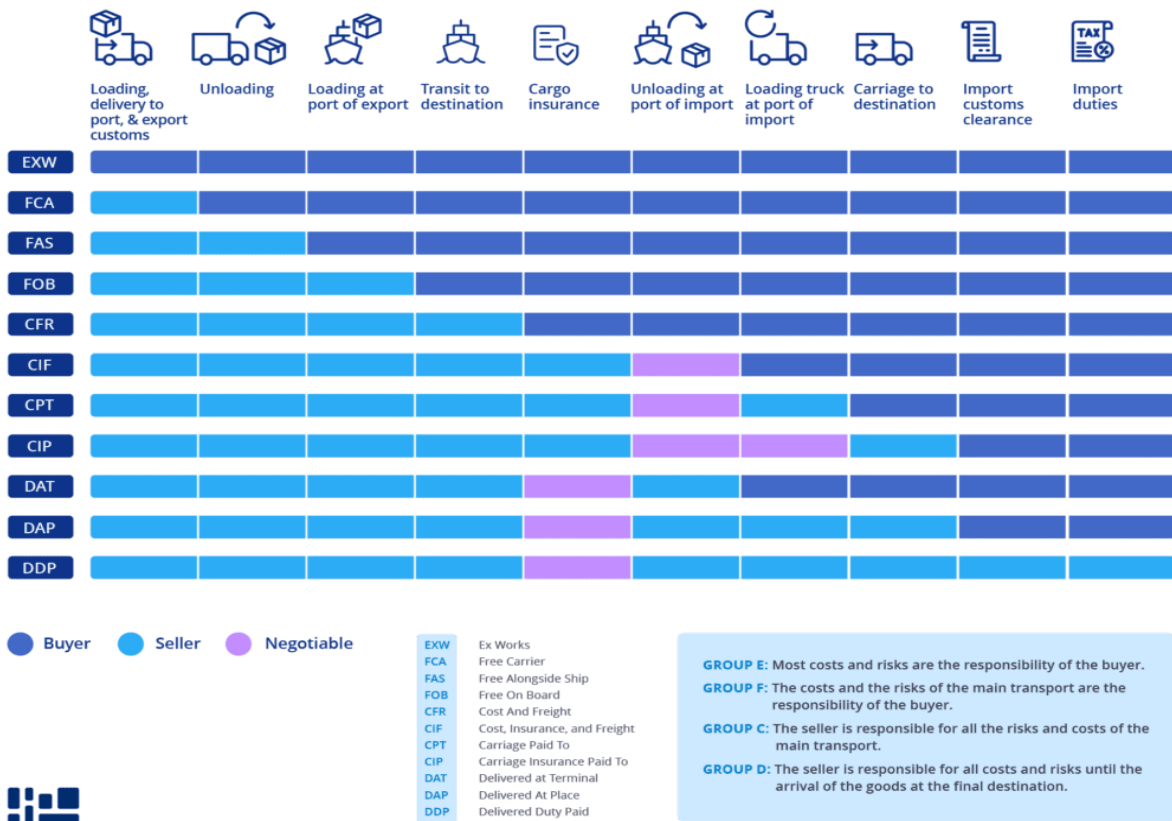
|   |   |  |
|---|---|--|
| Food Export Association USA-Midwest<br><a href="http://www.foodexport.org">www.foodexport.org</a> | National Association of State Department of Agriculture (NASDA)<br><a href="http://www.nasda.org">www.nasda.org</a> | Western U.S. Agricultural Trade Association (WUSATA)<br><a href="http://www.wusata.org">www.wusata.org</a> |
| Food Export USA-Northeast<br><a href="http://www.foodexport.org">www.foodexport.org</a>           | Southern U.S. Trade Association (SUSTA)<br><a href="http://www.susta.org">www.susta.org</a>                         |  |

U.S. companies will value collaborating with seasoned and professional local importers or distributors. These partners are instrumental in navigating regulatory issues, procedures, labeling, and customs clearance. Major supermarket chains typically manage their purchasing and

importing operations, so companies seeking to engage with these large retailers must ensure they have the production capacity to meet their substantial volume demands.

U.S. companies must specify the appropriate Incoterms in their commercial contracts. Incoterms are internationally recognized standards that define the responsibilities of buyers and sellers for managing cargo, including costs, logistics, transportation, insurance, documentation, and customs clearance. However, Incoterms do not address property rights, force majeure, or breach of contract, so these aspects should be covered separately in the sales agreement. Additionally, insurance responsibilities vary among Incoterms, with only the C terms explicitly assigning insurance obligations, potentially leading to additional insurance costs for buyers.

### Cost Sharing in Transporting Between Buyers and Sellers



Source: [Freightos](#)

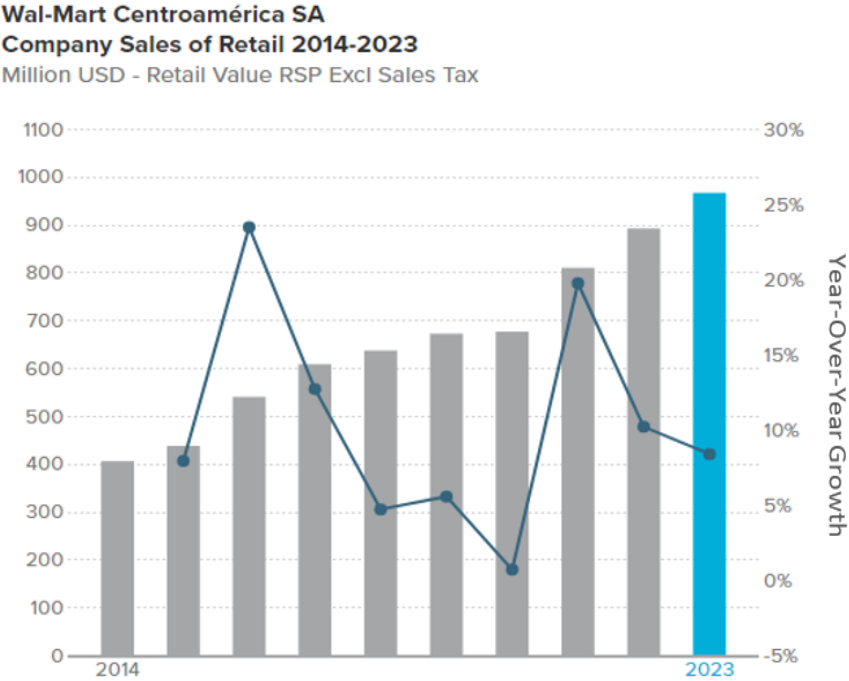
## Retail Company Profile

### Walmart

Wal-Mart Centro América S.A. maintained its advantage in food retailing with 111 retail locations in its four store formats: discount stores (Despensa Familiar y Palí), Warehouses (Maxi Despensa y Maxi Palí), Supermarkets (Paiz and La Despensa de Don Juan), and Su percenters (Walmart)Despensa.

The firm ranks first in grocery retail in Honduras. Combining all retail formats, Euromonitor estimates Walmart's Honduras retail value is \$966 million (excluding sales tax) and that the store holds an 11.4 percent market share.

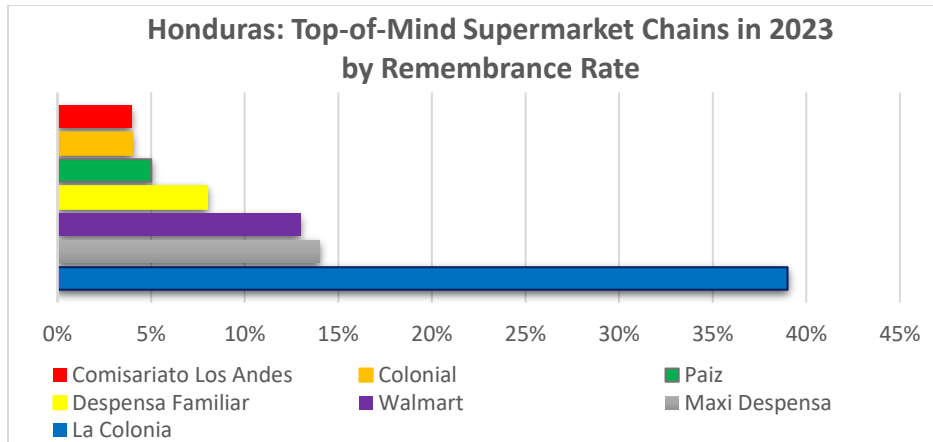
At the end of 2022, Walmart de México y Centroamérica (Walmex) was considering various options for its operations in Honduras, El Salvador, and Nicaragua, including potential joint ventures, strategic partnerships, or even sales, as the retailer aimed to concentrate on its operations in Mexico, Costa Rica, and Guatemala. However, in 2024, Walmart Central America announced plans to invest \$1.3 billion in its regional operations over the next five years. This investment is part of a broader strategy to enhance the presence of its business, which operates over 900 stores from Guatemala to Costa Rica.



Source: Euromonitor 2024

**Supermercados La Colonia**

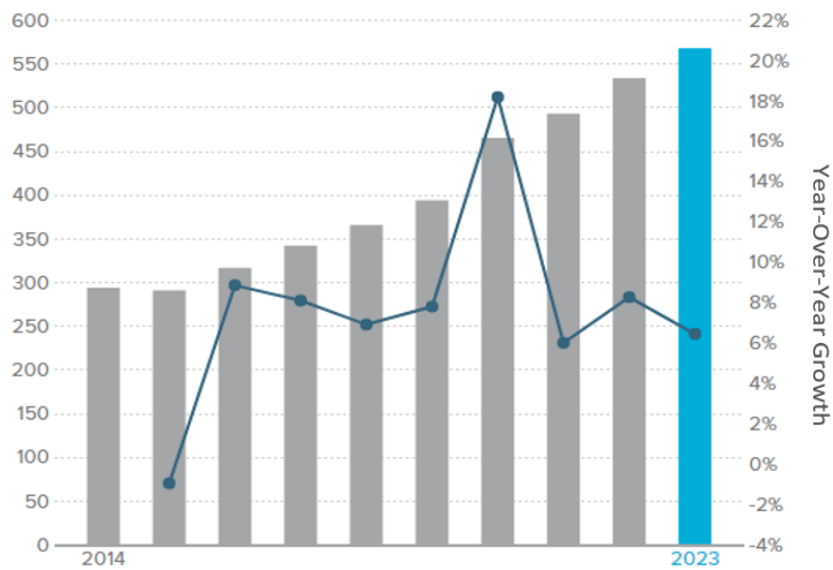
Supermercados La Colonia de Honduras S.A. de C.V. was ranked second behind Walmart but led in top-of-mind brand recall with a 39 percent remembrance rate. In 2023, Supermercados La Colonia held a 6.7 percent market share with a retail value of \$567 million (excluding sales tax).



Source: <https://www.estrategiaynegocios.net>

La Colonia is consolidating its operations in Honduras, with 64 stores scattered throughout the country. Despite a 12 percent increase in retail units, Supermercados La Colonia's market share decreased by 0.8 percent in 2023. This year, La Colonia introduced a new smaller gourmet store format for the high-end market segment, reflecting current industry trends.

**Supermercados La Colonia de Honduras SA de CV**  
**Company Sales of Retail 2014-2023**  
 Million USD - Retail Value RSP Excl Sales Tax



Source: Euromonitor 2024

### Distribuidora La Antorcha

La Antorcha Supermarket, a grocery store in El Progreso's famous central market, ranks third in the country. It has a 2.3 percent market share and generates \$195 million in retail value.

## El Colonial

Corporación La Cumbre, operating three Colonial Supermarkets in San Pedro Sula, ranks fourth in the country with a reported retail value of \$88.9 million (excluding sales tax). Colonial Supermarkets offers its own Colonial Fresh ready-to-go line, which includes charcuterie products such as ham and cheese platters and a selection of wines.

## Pricesmart

PriceSmart, one of Honduras's major wholesale club operators, has three stores and is ranked fifth in the Honduran grocery retail market with a 0.7 percent market share.

## Others

Over the review period, the number of on-the-go convenience stores (gas station adjacent), such as Pronto, Circle-K, and Super 7. Another trend is the increasing presence of small gourmet stores that offer prime cuts and specialty products that cater to an elite clientele.

## SECTION 3: COMPETITION

Honduras is a member of the Central American Economic Integration System (SIECA) alongside Guatemala, El Salvador, Nicaragua, Costa Rica, and Panama. The country pursues an open and expanding trade policy, holding 12 Free Trade Agreements (FTAs) with 36 nations, many of which are multilateral. Central America has also secured FTAs with the United Kingdom, the European Union, Panama, Colombia, Chile, South Korea, and Mexico. Additionally, Honduras has bilateral FTAs with Canada and Peru and is in the early stages of negotiating an FTA with China.

### Top 10 Consumer-Oriented Imports and Competitors in 2023 (volume in tons)

| Product Category                             | 2023 Volume (T) | %Δ Volume 2023/2022 | Market share (%) by Value                           |
|--|-----------------|---------------------|---|
| non-alcoholic bev. (ex. juices, coffee, tea) | 242,633.00      | -2.96               | Guatemala 51.2, El Salvador 31.5, USA 9.6           |
| fresh fruit                                  | 219,210.00      | -3.83               | Guatemala 69.5, Nicaragua 11, Mexico 6.6            |
| fresh vegetables                             | 105,654.00      | 2.82                | Guatemala 65.8, USA 18.0, Netherlands 7.9           |
| bakery goods, cereals, & pasta               | 92,187.00       | -2.66               | Guatemala 40.6, El Salvador 18.7, USA 15.6          |
| beer   | 84,294.00       | 0.28                | USA 52.9, Nicaragua 25.6, Mexico 11.9               |
| dairy products                               | 56,760.00       | -17.47              | USA 42.2, Guatemala 19.5, Costa Rica 15.1           |
| processed vegetables                         | 55,487.00       | 3.49                | Belgium 30.4, USA 17.1, Costa Rica 8.9              |
| pork & pork products                         | 48,582.00       | -4.37               | USA 95.4, Canada 4.7, Guatemala 0.7                 |
| dog & cat food                               | 42,560.00       | 4.33                | Guatemala 56.7, El Salvador 19.5, Mexico 14.5       |
| condiments & sauces                          | 42,441.00       | -16.42              | Guatemala 44.7, United States 22.7, Costa Rica 20.5 |

Source: U.S. Census Bureau Trade Data Monitor LLC



## **SECTION 4: BEST PRODUCT PROSPECTS CATEGORIES**

Five products account for 59 percent of the value of consumer-oriented products imported worldwide and will be included in the fastest-growing import categories. The top five consumer-oriented import categories from the United States are pork and pork products, dairy products, soups and other preparations, beer, bakery goods, cereals, and pasta.

### **Fastest Growing Imports by Categories**

#### **Other preparations**

Honduras imported \$404 million worth of other food preparations from around the globe in the past year, marking a 20.3 percent increase. Costa Rica and Guatemala each hold a one-third share of the market, with the United States accounting for 13 percent.

#### **Bakery goods, cereals, and pasta**

Honduras imported \$225 million worth of bakery goods, cereals, and pasta from around the world, reflecting a 4.8 percent increase year-on-year. Guatemala leads the market with a 38 percent share, followed by El Salvador with 17 percent, and the United States with 15 percent. The main products imported from Guatemala include fried and toasted tortillas, crackers, sodas, pre-cooked pizza, pancakes, crepes, pastries, churros, and sweet cookies.

#### **Dairy products**

Honduras imported \$207 million worth of dairy goods worldwide, representing a 3.2 percent increase from the previous year. The United States leads the market with a 42 percent share, followed by Guatemala at 19 percent, Mexico at 15 percent, and Costa Rica at 11 percent. The most notable year-over-year value changes were in imports of fried or baked tortilla chips and butter from the United States, which saw a 126 percent increase. This was followed by dairy spreads from Costa Rica with a 79 percent rise and processed cheese (not grated or powdered) from El Salvador with a 47 percent increase.

#### **Pork and pork products**

This year, Honduras imported \$139 million worth of pork and pork products, with 94 percent coming from the United States. This marks a 24.6 percent increase in value and a 4 percent rise in volume compared to the previous year.

**Top 10 Consumer-Oriented Imports in 2023 (value in dollars)**

| Product Category                             | 2022          | 2023          | Value (%Δ 2023/2022) |
|--|---------------|---------------|----------------------|
| soup & other food preparations               | \$320,766,822 | \$404,119,067 | 26.0%                |
| bakery goods, cereals, & pasta               | \$208,789,745 | \$225,118,972 | 7.8%                 |
| dairy products                               | \$201,094,458 | \$207,646,754 | 3.3%                 |
| pork & pork products                         | \$119,957,133 | \$139,402,870 | 16.2%                |
| non-alcoholic bev. (ex. juices, coffee, tea) | \$136,273,851 | \$136,748,293 | 0.3%                 |
| fresh fruit                                  | \$78,746,161  | \$108,873,172 | 38.3%                |
| condiments & sauces                          | \$93,528,235  | \$105,281,785 | 12.6%                |
| processed vegetables                         | \$81,540,125  | \$95,721,716  | 17.4%                |
| beer   | \$91,304,721  | \$77,207,230  | -15.4%               |
| chewing gum & candy                          | \$46,207,086  | \$48,185,701  | 4.3%                 |

*Source: U.S. Census Bureau Trade Data Monitor LLC*

**Section 5: Key Contacts and Further Information**

FAS/Tegucigalpa encourages U.S. exporters to review the [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#) and the [FAIRS Export Certificate Report](#) to better understand the Honduran import regulations, standards, and procedures that apply to their products.

|   |   |
|---|---|
| Agricultural Affairs Office                             | Phone: +504 2236-9320 ext. 4354, 4544                                       |
| Address: Avenida La Paz.<br>Tegucigalpa 11101, Honduras | Email: <a href="mailto:AgTegucigalpa@state.gov">AgTegucigalpa@state.gov</a> |
| <a href="http://www.fas.usda.gov">www.fas.usda.gov</a>  |   |

**Attachments:**

No Attachments