

Required Report: Required - Public Distribution

Date: December 02, 2024

Report Number: NU2024-0014

Report Name: Exporter Guide Annual

Country: Nicaragua

Post: Managua

Report Category: Exporter Guide

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Report Highlights:

Record-high remittances continue to boost consumer spending in 2024. U.S. agricultural exports to Nicaragua through September 2024 are up four percent compared to the same period in 2023. Among the best prospects are grains such as rice, wheat, and corn, and a wide variety of consumer-oriented products including pork, chicken meat, and food preparations. Despite the difficult political context, Nicaragua continues to show stable macroeconomic fundamentals which support imports of high value foods.

Market Fact Sheet: NICARAGUA

Executive Summary

Record-high remittances from Nicaraguan migrants reached \$4.6 billion in 2023 and continue to boost consumer spending. In calendar year (CY) 2023, Nicaragua’s imports of consumer-oriented products from the world totaled \$951 million, a 17 percent increase compared to the previous year. Several retailers have reported a double-digit growth both in 2023 and 2024 driven by increased remittances.

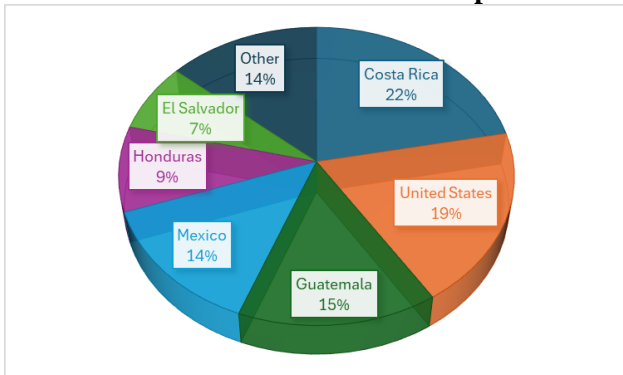
The International Monetary Fund (IMF) expects the Nicaraguan economy to grow four percent in 2025 and three percent in the mid-term. Though record-setting remittances boosted consumer spending in 2023 and in 2024, increasing economic and political instability in Nicaragua could hinder economic progress. The United States is the leading source for food and agricultural imports, and Nicaragua, a net importer of food, will continue to offer opportunities for U.S. exporters.

Nicaraguan imports of U.S. food and agricultural products increased four percent through September 2024 to \$373 million, as wheat and rice exports doubled, and consumer-oriented products increased seven percent. As the purchasing power of Nicaraguans increases, there is increased demand for animal proteins such as poultry and pork meat, and a wide variety of food preparations. Meanwhile, the U.S. continues to be Nicaragua’s largest supplier of corn, soybean meal, rice, and wheat.

Consumer-Oriented Product Imports

Nearly all U.S. products have duty free access to Nicaragua under the Dominican Republic–Central America Free Trade Agreement (CAFTA-DR). Key tariff rate quotas (TRQs) on chicken meat as well as rough and milled rice were eliminated in January 2023, while remaining dairy product TRQs will phase out on January 1, 2025. Among the best prospects for export growth are feed grains and soybean meal as well as rice, chicken meat, pork, and snack foods, but the ongoing political crisis and deteriorating economic conditions could diminish prospects.

2023 Consumer-Oriented Product Imports



Source: Trade Data Monitor, LLC

Retail Sector

The Nicaraguan retail sector has more than 1,000 wholesalers, retailers, and distributors. Supermarket chains have expanded throughout the country in the last ten years. There are more than 150 supermarket stores and thousands of much smaller ‘mom and pop’ retailers.

Food Processing Industry

Most Nicaragua food processors import ingredients directly from exporters.

Quick Facts CY 2023	
Imports of U.S. Consumer-Oriented Products	\$150 million
List of Top 10 Growth Products	
1) Cotton	6) Food preparations
2) Wheat	7) Dairy products
3) Condiments & Sauces	8) Condiments & Sauces
4) Poultry Meat	9) Pork meat & products
5) Soybean Meal	10) Rice
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 phase out in 2025.	Consumer purchasing power is mismatched to higher-value U.S. consumer-oriented products.
Increased remittances drive consumer spending.	Increased immigration shrinks total market size.

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SECTION I. MARKET OVERVIEW

With a Gross Domestic Product (GDP) of \$ 17.8 billion, Nicaragua is the second smallest economy in the western hemisphere. Outward migration has continually increased in recent years, reducing the size of the labor force while expanding remittances and thus consumer spending. Although Nicaragua is a major food producer, it relies on consumer-oriented food imports as the food industry is underdeveloped and production lags consumer demand for a variety of products such as rice, pork and chicken meat, and a wide-variety of processed foods. In calendar year (CY) 2023, Nicaragua’s imports of consumer-oriented products from the world totaled \$ 951 million, a 17 percent increase compared to the previous year, fueled by increased consumer spending driven by remittances. The main food suppliers were Costa Rica, the United States, Guatemala, and Mexico.

The Nicaraguan government’s repression of political opponents and the private sector, and systematic erosion of the rule of law, have created obstacles that make it challenging to do business in Nicaragua. The international community has applied a range of sanctions on individuals and entities linked to human rights abuses and corruption. Despite these challenges, Nicaragua continues to show stable macroeconomic fundamentals, including a record-high \$4 billion in foreign reserves, a sustainable debt load, and a well-capitalized banking sector. According to the November 2024 International Monetary Fund (IMF) report, Nicaragua is maintaining robust economic performance, underpinned by prudent macroeconomic policies and very strong remittance flows. According to the IMF, the Nicaraguan economy grew 4.5 percent in 2023 and the first half of 2024 and public investment is expected to support growth in 2025. However, unaddressed problems such as human rights abuses and the weak rule of law could stifle investments and hamper economic growth in the mid-term.

Nicaragua imports large quantities of primary products, including rice and feed grains, as well as a wide range of processed products, mostly from regional suppliers. The United States is the largest supplier of agricultural products to Nicaragua, providing more than 25 percent of total imports by value. Bulk commodities, like corn and soybean meal, comprise the vast majority of U.S. exports. Exports of U.S. high-value products, especially pork and chicken meat, have grown under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR), which eliminated TRQs on pork in 2020 and on chicken meat in 2023.

U.S. products are well-positioned in the Nicaraguan market, with strong brand recognition and acceptance by Nicaraguan consumers, as they are perceived as ‘higher quality.’ However, there is increased competition from regional food processors, especially in snacks, beverages, dairy products, and packaged foods. Regional suppliers – Costa Rica, El Salvador, and Guatemala – have improved in price competitiveness alongside advances in quality of production. Most U.S. food and beverage exports to Nicaragua depart from Miami, where multiple shipments are frequently consolidated to fill single containers, bound for Puerto Cortez in Honduras, from which trucks carry U.S. imports 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.
Increased remittances support higher consumer spending levels.	Increased immigration shrinks market size.

SECTION II. EXPORTER BUSINESS TIPS

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

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 and Northern regions, and the Atlantic Coast. 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 to the importer.
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 existing working relationships of an established broker can facilitate the process.
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 regularly include advertising on social media, radio, television, and roadside billboards. Since most of the population is considered poor- to middle-income, radio advertisements reach large populations in urban neighborhoods and in rural areas. Digital marketing is a relatively new strategy that grew significantly during the pandemic, and consumers increasingly turn to social media (mostly Facebook and Instagram) on smartphones to find new services and products. In addition to advertising directly on social media platforms, companies are promoting products through influencers, some of which have 80,000 or more followers. E-commerce is a relatively small but growing segment of the retail market. According to the Nicaraguan Chamber of Telecommunications, there are more cell phones (8.3 million) than people in Nicaragua and internet access is less expensive than in any other Central American country, resulting in the vast majority of the population having internet access through their mobile phones.

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. Further, 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 inspection 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 are being categorized as highest risk, leading to increased delays, costs, and detentions.

Import Challenges

A significant recent challenge is DGA’s discretionary assessment of imported product value, which can increase imported goods’ landed cost by five percent or more. DGA also requires authentication of U.S. products’ certificate of origin by the Latin Chamber of Commerce (CAMACOL) as well as trade-restrictive sanitary requirements, such as such as a ‘zero tolerance’ for salmonella on raw pork meat. Additionally, DGA may require importers to fill out a certificate of origin questionnaire to validate the product’s origin. When importers fail to complete the questionnaire, they may be subject to excessive fines. For more information, please refer to [Nicaragua’s country commercial guide](#).

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Consumer Profile

With a median age of twenty-six years, Nicaragua is a country of young people, to whom consumer-oriented products are attractive. Consumption of processed foods – sweetened-flavored soft drinks, processed sweets, and snacks – has grown in urban areas as growing numbers of supermarkets and more sophisticated supply chains have contributed to demand for convenient, processed products. In general, Nicaraguan consumers can be divided into two categories:

- a) **Low- to medium-income consumers** are price-driven and purchase smaller format products on a more frequent basis. With limited cash flow (associated with informal employment) and transportation options, they tend to shop at ‘mom & pop’ retail stores (known as *pulperías*) in their neighborhoods, often using informal credit terms from the stores. These consumers prioritize accessibility, low prices, and ease of preparation.
- b) **Medium- to high-income consumers** with higher purchasing power tend to seek higher quality, trendy, and healthier foods. These consumers shop less frequently, purchase larger format products, and often shop at several different stores to find what they want. They are influenced by culinary trends, including gluten-free and organic, and purchase higher-value products.

Nicaraguan consumers are generally familiar with U.S. products and brands, viewing them as high quality. The Nicaraguan diet is traditionally high in carbohydrates and low in proteins, vegetables, and fruit. More than 65 percent of the local population derives most of their daily calories from carbohydrates. An average Nicaraguan family’s typical grocery basket would include rice, beans, eggs, sugar, oil, coffee, and processed foods such as sauces, pasta, and sardines as well as corn meal and

wheat flour. The main sources of animal protein are eggs, chicken, and pork meat, with eggs the lowest cost source. In spite of its relatively higher price, pork meat is still widely popular in local markets. Even though Nicaragua produces large volumes of beef, consumption lags chicken and pork considerably due to the higher price. Hotels, restaurants, and wealthier consumers generate a small but growing demand for premium quality local and imported beef cuts.

Hotel, Restaurant, and Institutional

The hotel, restaurant, and institutional (HRI) sector has struggled since the 2018 social political crisis, which discouraged international tourism even before COVID-19-related disruptions. International tourism only began to recover (albeit tentatively) in summer 2021 and has been slowly increasing as more airlines have resumed flights to Nicaragua since 2022. The loss of formal jobs due to the 2018 crisis and the pandemic has contributed to a significant increase in informal economic activity, including HRI businesses like food trucks, which are becoming more popular in urban areas. A few delivery service providers have also emerged from the pandemic such as PedidosYa – offering not just restaurant meals, but also groceries and home goods. According to the Nicaraguan Central Bank, hotel and restaurant services for 2023 reached \$739 million, 23 percent higher compared to the previous year.

Retail

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 2024, supermarket chains opened ten 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 40 stores. In 2024, La Colonia introduced Supermercados Ahorra Mas, a new format created to address the needs of low-income families. La Colonia inaugurated eight Ahorra Mas stores in 2024 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, pick-up, and delivery; Nicaraguans are becoming comfortable shopping online, 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 sustainable strategies to mitigate any negative impacts on the environment.

Table 2. Retail Grocery Outlets

Banner	# of Outlets
Pali	72
Maxi Pali	22
La Union	11
Walmart	2
La Colonia	40
Ahorra Mas	8
PriceSmart	2
AM/PM	60
Super Express	80

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 supply domestic demand. Although most of the highly processed foods available in the supermarkets are imported, Nicaragua has some local factories 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 2023. FAS/Managua anticipates sustained opportunities for U.S. processed products 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	2021	2022	2023
Meat and Fish	1,002	1,002	1,062
Beverages	411	411	456
Dairy Products	338	365	390
Sugar	300	312	291
Other Industrial Food	677	677	768

Source: Central Bank of Nicaragua

Note: The numbers included in Calendar Year (CY) 2021 and 2022 are preliminary information while the numbers in CY 2023 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.

Table 4. Best Prospects for Export Growth

Product	2023 Imports (Million USD)	5-Yr Import Growth (by value)	5-Yr Avg. Annual Import Growth (by value)
Cotton	26	550%	110%
Wheat	21	425%	85%
Condiments & Sauces	6	200%	40%
Poultry Meat & Products	26	160%	32%
Soybean Meal	95	126%	25%
Food Preparations	20	122%	24%
Dairy Products	24	118%	24%
Pork & Pork Products	41	115%	23%
Corn	95	90%	18%
Rice	51	15%	3%

Source: U.S. Census Bureau Trade Data

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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Attachments:

No Attachments