

**Required Report:** Required - Public Distribution

**Date:** October 29, 2024

**Report Number:** PE2024-0017

**Report Name:** Retail Foods Annual

**Country:** Peru

**Post:** Lima

**Report Category:** Retail Foods

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**Report Highlights:**

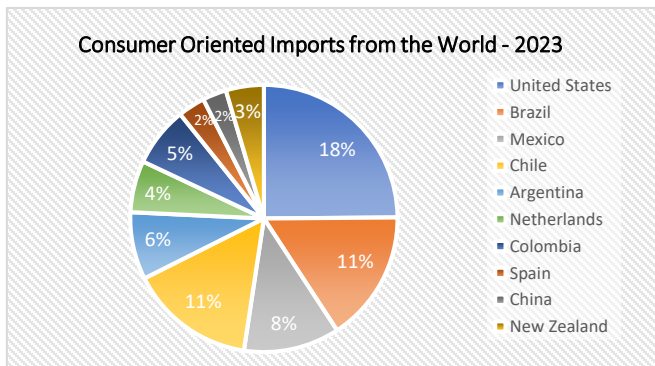
The food retail sector in Peru is anticipated to experience 5 percent growth by the conclusion of 2024, attributed to the overall enhancement in the country's economic landscape and targeted strategies devised by both the modern and traditional food channels. FAS Lima anticipates a resurgence in U.S. consumer-oriented products, particularly in categories such as meat, fruits, tree nuts, non-alcoholic beverages, and more. This positive outlook is fueled by the recovery of key export sectors and the implementation of tailored approaches to cater to evolving consumer demands in Peru's market.

## Market Fact Sheet: PERU

### Executive Summary

Despite political upheaval and high inflation during the past year, Peru's economy remains stable. Agriculture accounts for approximately five percent of Peru's GDP, but employs around 28 percent of the population. The U.S.-Peru Trade Promotion Agreement, which entered into force in February 2009, has increased bilateral trade of agricultural products from \$1.46 billion in 2009 to \$5.0 billion in 2023, an increase of 166 percent. The United States was the second largest agricultural product supplier to Peru in 2023, accounting for 21 percent of market share.

### Imports of Consumer-Oriented Products



Peru's consumer-oriented imports from the world reached US\$ 1.9 billion in 2023. Peru offers good opportunities for U.S. exporters of consumer-oriented agricultural products, but there are some challenges. The successful introduction of new to market food products depends on knowledge of the market. Exporters should review Peru's food laws, packaging and labeling requirements, business practices, and rely on experienced distribution partners. Getting to know the potential importer and the local distribution system is crucial.

### Food Processing Industry

Peru's food processing industry is a dynamic sector. The food industry in Peru accounts for almost 28 percent of the industrial GDP. Its growth is directly linked to the development of the food retail and food service sectors. Food product manufacturers source both domestic and imported product ingredients. Local processed food products cover 70 percent of the market demand.

### Food Retail Industry

There are three main supermarket chains in Peru: Cencosud (Wong and Metro), Saga Fallabella (Tottus), and Supermercados Peruanos (Vivanda, Plaza Vea, Makro and Mass). The market includes 319 conventional supermarkets and superstores, with 196 in Lima, and close to 810 discount stores and 1,000 convenience stores. The sector is comprised of both conventional supermarkets and traditional channels, comprised of wet markets and independent stores. Different types of food appear to perform better in the two formats. Top products include snack foods, dairy, edible oils, confectionaries, bread, and cookies.

### Quick Facts CY 2023

**Imports Consumer-Oriented Products: \$1.9Bn**

#### Top 10 food processing ingredients in Peru

1. Powdered Milk	7. Food Preparations
2. Almonds	8. Edible mixtures of animal or plant oils or fats
3. Swine meat cuts	9. Vegetable saps and extracts.
4. Animal & Vegetable fats and oils.	10. Vegetables fats and oils
5. Dextrines	
6. Wheat	

**Food Industry Gross Value Added: \$8.0 billion**

#### Food Industry by Channels

1. Food Exports: \$13'8 billion
2. Food Imports: \$7.0 billion
3. Retail: \$20 billion
4. Food Service: \$7.1 billion
5. Wet market: \$19 billion

#### GDP/Population

Population (Millions): 33

GDP (Billions USD): 444

GDP Per-capita (USD): \$6,750

#### Top 10 Host Country Retailers

1. Supermercados Peruanos S.A.
2. Cencosud Retail Peru
3. Hipermercados Tottus S.A.

### Strengths/Weakness – Opportunities/Challenge

Strengths	Weakness
Strong demand for consumer food products	Low penetration of modern food retail throughout the country.
Opportunities	Challenges
Growing middle class	Stiff competition from other countries.

## Section I. Market Overview

Peru's economy is on a steady path to recovery, fueled by robust performances across key sectors. The revival of the agro-industrial sector, backed by favorable weather conditions, has played a pivotal role in this upward trend. With increasing domestic consumption, the commerce and services sectors have experienced noteworthy growth rates of 2.5 percent and 2.7 percent respectively by the second quarter of 2024. Moreover, private investment is expected to rise by 2.3 percent in the latter half of the year, supported by improved financial conditions, which will boost employment and further strengthen domestic consumption. The stability in input prices adds to the positive economic outlook. The Central Reserve Bank of Peru (BCRP) forecasts a 3.1 percent GDP growth for 2024, as detailed in its [September 2024 inflation report](#). This growth trajectory highlights the nation's resilience and the effectiveness of its economic strategies in promoting recovery and stability amidst a challenging global environment.

In the initial six months of 2024, the food retail industry in Peru exhibited varying results. On one hand, the modern channel (supermarkets, convenience stores, discount stores, cash & carry) sales showed a positive 4.8 percent growth compared to the previous year, fueled by a slight improvement in the spending capacity of Peruvians and a stable pricing environment amid decreasing inflation. The expansion of store openings and an increasing shift towards private label categories contributed to enhanced profitability. The strategy aims to target lower-income segments by utilizing store formats that present cost-effective choices for consumers. On its side, the traditional channel (open markets, small bodegas) continues to be the most relevant for grocery sales. Small grocers will continue to use their main features such as proximity, personalized treatment, and small packaging as a means to grow.

The food retail industry is forecasted to achieve 5 percent growth by the conclusion of 2024, slightly surpassing last year's rate. Both distribution channels are implementing various strategies to recover sales and combat external challenges. Nonetheless, consumers are projected to remain vigilant, prioritizing quality and price competitiveness while actively seeking promotions from various market players. The sector's expansion will likely be fueled by the modern channel's improved performance, driven by ongoing store refurbishments and a proactive discounting strategy to stimulate sales. Moreover, retailers will continue to enhance their multichannel approach by strengthening their e-commerce offerings.

FAS Lima is optimistic regarding the projected expansion of U.S. consumer-oriented exports to Peru in 2024 due to a resurgence of exports in meat, fruits, food preparations, tree nuts, and non-alcoholic beverages, which have shown significant growth up to August this year. Although these exports reached \$321 million last year, marking a ten percent decline compared to 2022, an improved economic outlook is expected to boost the demand for valuable imported goods.

**Table 1: Advantages and Challenges for U.S. Food Products in Peru**

Advantages	Challenges
<ul style="list-style-type: none"> <li>• Recognition of U.S. food quality and an appreciation for U.S. culture.</li> <li>• Consumer-oriented food products benefit from the PTPA with low or no tariffs.</li> <li>• Active supermarket industry that promotes increased demand for high-value food products.</li> <li>• Boom in e-commerce and increasing retailer coverage.</li> <li>• Growth of new supermarket outlets in Lima’s suburbs and second-tier cities.</li> <li>• Appreciation for U.S. food quality and culture.</li> <li>• Perception of modern retail outlets as cleaner, convenient, and time-saving.</li> <li>• Increased health consciousness among the Peruvian population.</li> <li>• Middle-class expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• Consumers prefer to buy fresh produce in traditional markets.</li> <li>• Supermarkets, the main channel for imported food products, account for only 30 percent of the retail food market share in Lima and 20 percent in the provinces.</li> <li>• New local food brands are appearing in the market at very low prices.</li> <li>• Provincial supermarkets are supplied by Lima-based companies, impacting the freshness of some products.</li> <li>• Cumbersome regulatory processes to obtain sanitary permits.</li> <li>• Traditional markets dominate retail sales in secondary cities.</li> <li>• Domestic producers manufacture more affordable products that cater to local taste preferences.</li> <li>• Stiff competition from neighboring countries.</li> </ul>

**Section II: Road Map for Market Entry**

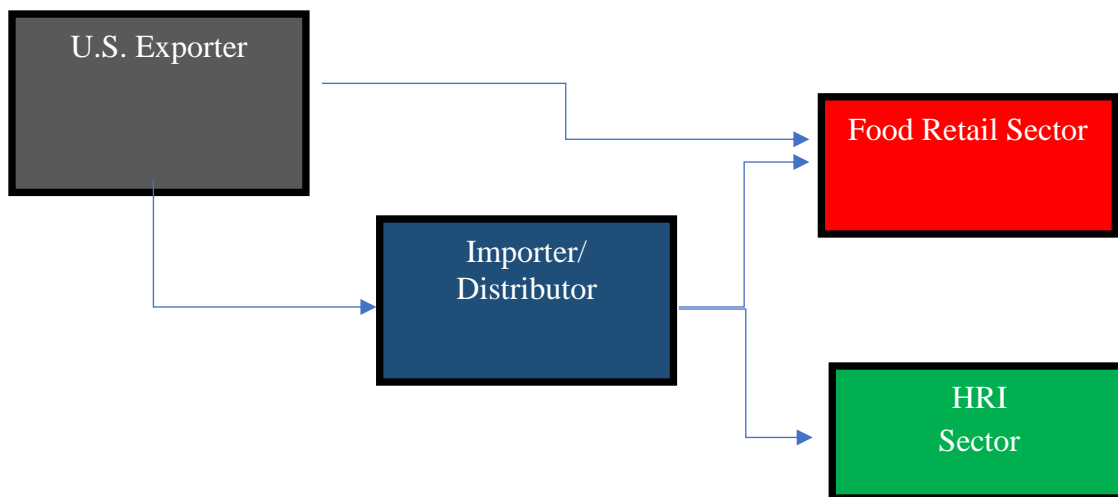
**1. Entry Strategy:**

- Preliminary research to determine market potential for a specific product. Contact FAS Lima to obtain reports or briefings about market features.
- Retailers rely on importers and wholesalers/distributors to source imported food products.
- Importers aim to sell imported food products through different channels: retail, food service, and food processing. Major food importers/distributors supply all major supermarket chains and provincial retailers.
- Be diligent when selecting a partner (an agent or a representative). Conduct a background check of the prospective partner before signing contractual agreements. Visits to Peru and in-person meetings are highly recommended.

- The import partner should be able to provide updated information on consumer trends, current market developments, trade, and business practices.
- Exporters should consider providing marketing budget support to local importers or retailers to develop promotional activities and foster impulse sales.
- Food products must comply with the country’s regulations and be approved by health authorities before being placed on the market. Peru adopts Codex as the primary international reference.
- For details on how to export to Peru please refer to FAS Lima’s FAIRS Export Certificate Report, FAIRS Country Report, and Exporter Guide Report.

## 2. Market Structure:

**Figure 1: Typical Import Market Channel**



The food retail industry saw sales of \$23 billion in 2023. While the modern channel faced challenges initially, it began to regain ground by the end of the first quarter. Sales performance was irregular throughout the year, ultimately achieving a modest growth of just over 5 percent. The three leading supermarket chains in Peru adjusted to external factors to sustain their sales, focusing on essential staple categories and introducing new formats tailored to lower-income customer segments.

Supermercados Peruanos (SPSA) expedited the expansion of discount market format stores called “Mass”, particularly in provincial areas, reaching a total of 900 stores by the end of 2023. Concurrently, Cencosud's cash & carry format (Metro) maintained its growth trajectory, with a notable 17 percent

increase in private label category sales in 2023. Tottus Hypermarket, under the Falabella Group, reaped positive outcomes from recent store investments, notably from stores like Hiperbode Precio Uno (HPU), which contributed to 14 percent sales growth in the first quarter of 2024. With 27 HPU outlets, primarily located outside Lima, Tottus Hypermarket's success is attributed to its competitive pricing and diverse product mix. Overall, the market comprises 316 traditional supermarkets and superstores, with 196 situated in Lima.

Modern retailers are diversifying their operations by introducing a range of store formats, with cash & carry and discounters gaining notable traction among consumers and playing a crucial role in the market. Particularly, the discounter segment, led prominently by Mass, is on track to surpass 1,000 stores by the end of 2024. This growing sector has also attracted other major players like the AJE group, which launched its first hard discount store "3A" in a populous district of Lima. AJE's expansion strategy aims at opening 200 stores annually to capitalize on the segment's potential.

In parallel, convenience stores have emerged as a strategic growth area for retailers, valued for their compact size and agility in meeting evolving consumer preferences. These formats are strengthening their market presence within the modern retail sector and presenting significant competition to traditional corner stores, particularly in areas where the latter are prevalent. In 2023, the country saw the addition of nearly 140 new stores, with TAMBO leading the expansion with 71 new outlets, followed by Oxxo with 64, and Repsol with two. Cencosud made its entry into this market by debuting its first convenience store, SPID, in 2022, marking the beginning of an ambitious expansion plan by the Chilean company focused on establishing express-format stores. Collectively, these brands operate around 1,000 convenience stores in Peru, contributing to almost 6 percent of total sales within the modern retail sector. The main product categories in these convenience stores include beverages and ready-to-eat items.

Consumer-oriented products from the United States are primarily imported by and sold in modern retail channels. This channel is expanding rapidly and accounts for 25 percent of the market. Its growth relies on the entrance of new players and the development of new retail formats to capture market share from the traditional channel. There are several opportunities for high-value food products imported from the U.S. into the Peruvian market:

- **Focused Strategies:** With the growth of modern retailers and evolving consumer preferences, there is an opportunity for U.S. high-value food products to strategically position themselves in these expanding retail formats. Items that cater to convenience, quality, and unique offerings can stand out and attract consumers.
- **Partnerships with Retailers:** Collaborating with modern retailers, including those expanding their store formats, could help U.S. food product suppliers gain access to these growing distribution channels and increase visibility among Peruvian consumers.
- **Focus on Convenience Stores:** Considering the rise of convenience stores as a crucial growth area, U.S. suppliers can tailor their high-value food products to meet the demand for on-the-go, ready-to-eat items in these stores. Beverages and other convenient and premium products can find a receptive market in this segment.

### 3. Company Profiles

Table 2: Profiles of Major Supermarkets Chains (2023).

Retailer	Ownership	Sales (\$MM)	Market Share (%)	# Outlets	Location
CENCOSUD	Chile	1,710	29	91	10 Provinces
Supermercados Peruanos	Peru	3,120	40	1,037	17 provinces
Hipermercados Tottus	Chile	1,250	22	88	11 Provinces

Source: FAS Lima

Table 3: Outlets by Major Supermarket Chains (2022)

Retailer	Type of Outlets	# Outlets
CENCOSUD	Supermarkets Wong Super	20
	Hyper Metro	71
Supermercados Peruanos	Vivanda	8
	Plaza Veja/ Plaza Veja Super	103
	Mass Stores	900
	Makro	26
Hipermercados Tottus	Hypermarkets	37
	Supermarket	19
	Hiper Bodega – Precio Uno	27
	Superbodegas	5

Source: FAS Lima

**Table 4: Convenience Store – Most Important Brands**

COMPANY	BRAND	#OUTLETS
Lindley Corporation	TAMBO+	469
REPSOL	Repshop	129
PRIMAX	Listo	125
FEMSA	OXXO	114
Grupo Romero	VIVA	60
INTERCORP	Mimarket	25
Grupo Vega	Vega	20
Grupo Jimenez	Jimenez	10

Source: FAS Lima

### SECTION III. Competition

The Government of Peru (GOP) has encouraged integration into the global economy by signing several free trade agreements, including the United States - Peru Trade Promotion Agreement (PTPA), which entered into force in February 2009. The PTPA has been instrumental in boosting bilateral trade in food and agricultural products between the United States and Peru. From 2009 to 2023, U.S. exports of food and agricultural products to Peru almost doubled, from \$526 million to \$926 million. U.S. consumer-oriented product exports, at \$321 million, accounted for 34 percent of U.S. food exports to Peru in 2023. The PTPA strengthens the competitiveness of U.S.-origin food and agricultural products in the Peruvian market. High-end consumers are familiar with the quality of U.S. products. FAS Lima foresees exports of U.S.- origin consumer-oriented products to Peru becoming nearly equal to U.S. bulk commodity exports to Peru in the next few years.



**Table 5: Peru’s Top 30 Imports of Consumer-Oriented Products**

HS Code	Description	Rank	2023 \$MM	MARKET SHARE							
210690	food preparations nesoi	1	261	U.S.	17%	Costa Rica	11%	Netherlands	10%		
040221	Milk / Cream Conc. Nt Swt Pwd	2	138	U.S.	38%	New Zealand	21%	U.K.	14%		
020714	Chicken cuts and edible offal frozen	3	101	Brazil	65%	U.S.	33%	Chile	3%		
170490	sugar confectionary not containing cocoa	4	60	Colombia	55%	Mexico	12%	China	12%	U.S.	2%
190110	food preparations for infant use retail	5	57	Mexico	47%	Netherlands	23%	Ireland	21%	U.S.	1%
040210	Milk & Cmn, Cntd, Swt, Pwd, Gran	6	50	U.S.	66%	Belgium	14%	Germany	6%		
210111	coffee extracts, essences and concentrates	7	45	Brazil	44%	Ecuador	24%	Mexico	13%	U.S.	1%
220300	beer made from malt	8	43	Mexico	79%	Netherlands	14%	Portugal	5%	U.S.	<1%
230910	dog and cat food, put up for retail sale	9	43	Argentina	21%	U.S.	16%	Brazil	12%		
080810	apples, fresh	10	41	Chile	80%	U.S.	17%	Portugal	1%		
200410	potatoes (french fries), prepared or preserved	11	38	Netherlands	55%	Belgium	29%	France	8%	U.S.	<1%
200870	peaches, prepared or preserved	12	32	Greece	44%	Chile	28%	South Africa	22%	U.S.	n.i.
210112	coffee extracts, essences and concentrates	13	32	Malaysia	72%	Brazil	22%	Colombia	4%	U.S.	<1%
020329	meat of swine, nesoi, frozen	14	31	Chile	61%	Brazil	13%	U.S.	13%		
220421	wine of fresh grapes over 2 L	15	31	Argentina	42%	Chile	26%	Spain	19%	U.S.	3%
220299	other non-alcoholic beverages	16	30	Switzerland	30%	U.S.	30%	Mexico	13%		
180690	cocoa preparations, not in bulk form, nesoi	17	29	Brazil	17%	Chile	17%	Singapore	10%	U.S.	10%
210390	sauces and preparations	18	28	Mexico	25%	U.S.	18%	Chile	14%		
190190	malt extract; food products of flour, meal, etc.	19	25	Colombia	32%	Chile	16%	Brazil	12%	U.S.	12%
040690	cheese, nesoi, including cheddar and colby	20	24	Germany	25%	Argentina	21%	Uruguay	17%	U.S.	2%
190590	bread, pastry, cakes, biscuits and similar baked products	21	24	Ecuador	42%	Colombia	13%	U.S.	8%		
020230	meat of bovine animals, boneless, frozen	22	23	Brazil	44%	U.S.	22%	Argentina	17%		
040590	fats and oils derived from milk, n.e.s.o.i.	23	23	New Zealand	91%	Argentina	7%	Chile	2%	U.S.	n.i.
090611	cinnamon (cinnamomum zeylanicum blume)	24	21	Sri Lanka	99%	U.S.	<1%	Vietnam	<1%		
020629	offal of bovine animals, edible, nesoi, frozen	25	21	Argentina	43%	Brazil	29%	U.S.	10%		
110813	starch, potato	26	20	Germany	50%	Denmark	25%	Poland	10%	U.S.	n.i.
020727	turkey cuts and edible offal (including liver) frozen	27	19	Brazil	47%	U.S.	37%	Chile	11%		
020712	meat and edible offal of chickens, frozen	28	19	Brazil	84%	Argentina	11%	Chile	2%	U.S.	<1%
060220	edible fruit or nut trees, grafted or not	29	16	Chile	81%	U.S.	8%	Mexico	8%		
220870	liqueurs and cordials	30	15	Mexico	60%	Italy	13%	Germany	8%	U.S.	6%

#### SECTION IV. Best Product Prospects Categories

**Cheese (HS 0406):** U.S. cheeses are used in the three sectors: retail food, food-processing, and HRI. The United States is the main supplier with a market share of 31 percent. Argentina and Germany are the main competitors with 18 and 13 percent of the market share, respectively. Preferable types are edam, mozzarella, cheddar, and parmesan.

**Confectionary (HS 1704; 1806):** Imports from the United States totaled \$9.7 million in 2023, unchanged from the previous year, or 8 percent of total imports. Strong competition exists from within the region. Colombia leads exports with 31 percent market share following Mexico with 13 percent. The United States’ main import for this category is chocolate.

**Food Preparations (HS 2106):** The United States is the largest supplier and holds 20 percent of the market share (\$57 million). This category includes hydrolyzed protein, food supplements, soy-based

snacks, and confectionary products. Other competitors in the region are Costa Rica and Netherlands, with 10 and 9 percent of market share, respectively.

**Red Meat (HS 0202; 0203):** U.S. beef exports maintained a similar trend compared to the previous year, reaching \$12 million. However, imports continue to face higher prices and supply disruptions. Brazil emerged as the largest supplier, accounting for 38 percent of the beef import market share. In 2023, U.S. pork meat exports rebounded by 24 percent, but competitors like Chile led the pork meat category with 56 percent market share. U.S. pork exports are primarily destined for the food retail and food service sectors in Peru. Overall, in 2023, Chile and Brazil gained significant ground, surpassing U.S. exports with 37 and 26 percent market share of imported red meat, respectively.

**Poultry Meat (HS 0207):** The United States is the second-largest poultry meat supplier with 29 percent market share, following Brazil, which dominates with 65 percent market share. In 2023, U.S. poultry meat exports increased by 49 percent, driven by a recovery in the supply of turkey cuts and improved performance in the food service sector. U.S. chicken leg quarters continued their growth trend, reaching \$32 million in 2023. The HRI (Hotel, Restaurant, and Institutional) sector remains the primary channel for this category, and its recovery has significantly boosted U.S. poultry meat exports. Additionally, the expansion of hard discount formats has been instrumental in regaining market share for chicken leg quarters, as these products are well-suited for the household segments targeted by these formats.

**Fruit & Vegetable Juices (HS 2009):** The category grew by almost 10 percent in 2023, with a significant increase in the variety of products and suppliers. Argentina remains the largest supplier, holding a 33 percent market share, primarily supplying citrus fruit juice. However, the Dominican Republic has successfully entered the market as a coconut juice supplier achieving \$2 million in sales for 2023 and becoming the second-largest supplier in this category. The U.S. has been relegated to the seventh position, experiencing a drastic 35 percent reduction in exports. This decline is due to the increased supply from other sources, including Spain, Brazil, Chile, and China, which have stepped in to meet local demand.

**Bread, pastry, cookies (HS 1905):** The United States holds a seven percent share of the import market. Ecuador and Colombia lead the category with 33 and 15 percent, respectively. Peru's largest food processing corporation sources from these countries. In the health food category, gluten free products are in high demand by food retailers.

**Soups & Broths (HS 2104):** The United States is the third largest supplier in this category, holding a 19 percent share of the import market. South Korea and Chile exports grew in 2023 holding 24 and 20 percent market share. Convenience stores will likely provide opportunities for growth in this category, particularly since "on the go" lifestyles are growing in Peru.

**Sauces (HS 2103):** U.S. exports grew 11 percent in 2023 with respect to 2022, tied with Mexico at a 20 percent share of the import market. China holds the third position with 18 percent. This category continues to grow and total imports grew 10 percent in 2023, reaching \$34 million. Retail stores remain as the preferable channel for consumers. The food processing industry is aiming to produce traditional flavors offering the convenience of a ready-to-eat presentation.

**Nuts and almonds (HS 0802):** The United States is the largest supplier in this category, holding a 67 percent share of the import market. In 2023, U.S. exports increased 57 percent. Importers repack tree nuts into food retail packaging. The strongest competitor is Chile with 20 percent market share.

**Category B: Products Not Present in Significant Quantities, but with Good Sales Potential**

- Wine (HS 2204)
- Peaches, Cherries, and Nectarines (HS 0809)
- Apples and Pears (HS 0808)
- Citrus (HS 0805)
- Processed meats (HS 1601, 1602)
- Beer (2203)
- Whiskey (2208)

**SECTION VI. Key Contacts and Further Information**

U.S. Embassy Lima, Foreign Agricultural Service (FAS) - OAA  
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U.S. Animal Plant and Health Inspection Service (APHIS)  
Street Address: Av. La Encalada, Cuadra 17, Monterrico - Surco, Lima 33  
Phone: (511) 618-2627 / (511) 618 – 2732 / (511) 434 - 3000  
Internet Homepage: [www.aphis.usda.gov](http://www.aphis.usda.gov) / APHIS Peru Contact

Host Country Government  
[Ministry of Agriculture of Peru](#)  
[Ministry of Agriculture – National Service of Agricultural Health - SENASA](#)  
[Ministry of Health – Directorate General of Environmental Health - DIGESA](#)  
[Ministry of Foreign Trade and Tourism – MINCETUR](#)

**Attachments:**

No Attachments