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Report Highlights:

The total value of U.S. agricultural exports to Honduras in 2023 reached \$1.3 billion, with a 39 percent (%) market share, and a 4 % decrease from the previous year. Bulk products decreased by \$53 million while intermediate products increased by \$23 million. The most significant value contributors were corn, soybean meal, and wheat.

1 Executive Summary:

The total value of U.S. agricultural exports to Honduras in 2023 was \$1.3 billion, with a 39% market share, and a 4% decrease from the previous year. Bulk products decreased by \$53 million, while intermediate products increased by \$23 million. The most significant value contributors were corn, soybean meal, and wheat. The United States enjoys an agricultural trade surplus of \$282 million.

GDP reached \$35.8 billion, positioning the country as the 102nd-largest economy in the world and the second-smallest economy in Central America. Honduras produces and exports coffee, bananas, plantains, melons, palm oil, and sugar.

Consumer-Oriented Agricultural Imports

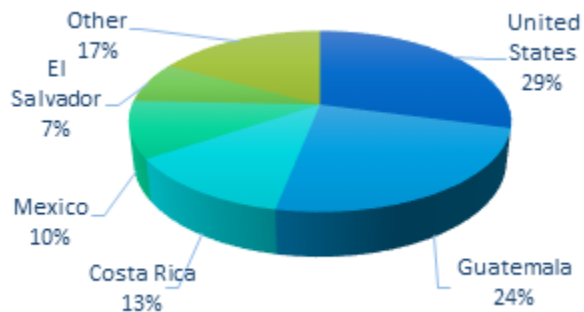


Chart 1: Top Exporting Countries to Honduras

Food Retail Industry: Honduras’s retail sales reached \$1.8 billion in 2023. The growth forecast for 2023 followed the food industry trend, with 1.2 % expected growth. Despite a perceived slowdown in sales, the three most prominent retailers, Despensa Familiar, La Colonia, and Walmart Supercenter, plan to maintain investments in the market. Together, the three chains represent 14.3 % of retail revenues.

Retailers have been seeking competitive prices to improve their offerings and attract consumers. They are often decreasing local purchases and prefer to buy directly from U.S. exporters.

Food Processing Industry: At the end of January 2024, imports of goods classified as food and beverages experienced 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 the acquisition of \$12.8 million of food ingredients for further processing (wheat, meslin, and rice) from the United States.

Food Service Industry: Honduran food service sales reached \$811.5 million in 2023. The growth forecast is projected to slow slightly due to a hotel and restaurant expansion slowdown over the past year.

Quick Facts CY 2023

Imports of Consumer-Oriented Products (US \$1.89 million)

List of Top 10 Growth Products in Host Country

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

Top 10 Host Country Retailers

1. La Colonia	2. Despensa Familiar
3. Walm art Supercenter	4. Distribuidora La Antorcha
5. Maxi Despensa	6. Paiz
7. El Colonial	8. Pricesm art
9. Comisariato Los Andes	10. Supercoop

GDP/Population
 Population (millions): 10.66
 GDP, current prices (billions USD): 35.8
 GDP per capita, current prices (thousands USD): 3.37
 Inflation Rate: 5.19%
 Source: [International Monetary Fund](#)

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
-Expedited online import process	-Small domestic market size and low per capita GDP -Socio-political instability, weak institutions, and rule of law
Opportunities	Threats
-Strong consumer demand for value, high-quality	- Political and economic uncertainty. - restriction in the allocation of foreign currency (USD).

Section I: Market Overview

The Honduran economy expanded by around 3.5 percent in 2023. A drop in textile demand in the United States partly caused the slow growth. Honduras is a low/middle-income country, with approximately 60 % of its population living in poverty.

Economic Landscape



Source: Euromonitor 2024

The steady rise in remittances and loans supported household consumption and investment, offsetting the decline in exports. According to the International Monetary Fund (IMF), GDP growth is predicted to fall further shortly, with rates of 3.4 % in 2024 and 3.3 % in 2025, as slower growth in the United States slows the recovery of manufactured exports and reduces the growth rate of remittances. However, GDP growth is expected to accelerate gradually in 2026, fueled by improving global conditions.

According to Euromonitor’s Insight Manager, Mathew Barry, food inflation is not a fad but a fundamental problem for the coming years. Domestic political backlash and a splintering global order imply that trade can no longer decrease costs as effectively as it once could. Export restrictions, price caps, and other measures on domestically sensitive staple goods can quickly escalate minor supply disruptions into massive global price surges. With imports, Honduras can meet its population's nutritional needs. Customers are growing less tolerant of price increases; hence, health benefits still need to shift a sizable section of the population away from staple foods (maize, red beans, and rice).

Top ten agricultural goods with the most growth in the last three years

Product	Total Value (Million USD)	Total Volume (MT)	3-Year Average (Million USD)	3-Year Growth
Food preparations nesoi	\$383.19	27,208	\$320.67	80%
Corn (81% Yellow,17% White)	\$271.65	835,074	\$271.62	105%
Soybean meal	\$215.43	395,825	\$185.70	95%
Pork & pork products	\$124.43	44,633	\$114.44	24%
Bread, pasty, cakes, biscuits and similar	\$95.18	32,255	\$84.98	191%
Sauces and preparations thereof	\$79.96	29,181	\$69.89	124%

Rice	\$78.45	173,040	\$71.79	65%
Beer	\$77.21	84,294	\$84.33	76%
Other non-alcoholic beverages	\$67.37	89,131	\$68.58	102%
Animal feed preparations	\$66.51	35,557	\$72.57	8%

Advantages and Challenges

Many entrepreneurs and business owners, including over 200 U.S. companies, operate thriving enterprises in Honduras. Still, nearly every company in contact with the U.S. Embassy has reported significant disruptions during the past year due to government policies such as the repeal of the regulatory framework allowing temporary per-hour employment, the elimination of the public procurement infrastructure, and monetary and exchange rate policies that have led to widespread shortages.

Uncertainty over the availability of U.S. dollars is a significant concern for the Honduran business community and international investors. The restriction on foreign currency allocation might have profound effects, ranging from import delays to temporary business stagnation.

For more info on the investment climate, see the [2023 Investment Climate Statement-Honduras](#).

Advantages	Challenges
Proximity to the United States allows containerized cargo from gateway cities to be transported to Honduras in 2 to 3 days. New public-private logistical hubs at Puerto Cortes have increased refrigerated/frozen storage capacity and reduced customs clearance time.	Direct competition from other Central American countries. FTAs have been signed with the Dominican Republic, Mexico, Chile, Colombia, Panama, Canada, the European Union, Korea, and Taiwan.
CAFTA-DR eliminated most tariffs and other barriers to United States goods destined for the Central American market protected U.S. investments and intellectual property and created more transparent rules and procedures for doing business.	Maintaining macroeconomic stability and fostering an environment for investment.
Consumers strongly prefer U.S. products, and importers prefer trading with U.S. exporters because of their reliability and quality consistency.	The current economic situation in the country limits purchasing power, and customers are price sensitive.
Honduras is not self-sufficient in food, and reliance on American suppliers for pork, rice, corn, and other foods increased in 2023.	Relatively high duties on some products that are not under the CAFTA-DR agreement.
Increases in infrastructure and facilities have permitted the year-round availability of U.S. fruits such as apples, grapes, and pears. Direct imports by warehouse outlets have diversified food imports.	Regulatory compliance with local labeling requirements: manufacture and expiration dates.

Section II: Exporter Business Tips

Market Research

Honduras can be divided into two regions for marketing purposes: the Northern Coast, which includes the country's economic and industrial core, San Pedro Sula, and the Central Region, which consists of the political capital and largest city, Tegucigalpa. Both are key distribution hubs for imported commodities. A single distributor or agent is typically enough to cover all of Honduras. Consumer habits, marketing, and distribution channels are similar across Central America.

In calendar year (CY) 2023, staple food volume sales climbed moderately while prices rose due to inflationary pressures. Non-alcoholic beverages, fresh fruit, fresh vegetables, baked goods, and beer are the top five consumer-oriented imports from the world listed in descending order by volume. In terms of sales value, the top five imports are soups, bread goods, dairy products, pork and pork products, and non-alcoholic beverages.

The Honduran government is generally open to foreign investment. Restrictions and performance requirements are limited. Relatively low labor costs, proximity to the U.S. market, and the Caribbean port (Puerto Cortés is the largest deep-water port in the region) make Honduras attractive to investors. Additionally, the Honduran government plans to build a \$20 billion, 440-kilometer coast-to-coast railway connecting Puerto Castilla in the Caribbean to San Lorenzo and Amapala in the Pacific Ocean, as well as Catacamas and Danli in the country's interior. This will significantly impact Honduras' transportation infrastructure if it becomes a reality.

Local Business Customs and Trends

As in most Latin American countries, having good personal relationships with prospective customers is crucial to enter the Honduran market. While it may take a little longer to establish a business relationship than is customary in the United States, the time investment can pay off in long-lasting and mutually profitable alliances. Although a U.S. firm may export directly to Honduran companies, U.S. suppliers are strongly advised to have a local representative or a distributor who can personally travel to Honduras.

Consumer Tastes and Trends

Hondurans' diet includes staples such as maize, beans, rice, bananas, eggs, plantains, and tortillas; higher-income groups' meals include fried or grilled pork, chicken, or beef. Cumin, cilantro/coriander, and the ever-present “*cubitos*” (chicken or beef flavor bouillon) and tomato cooking base “*sofrito*” are common seasonings in Honduran cuisine.

Snacking is widespread, especially in the afternoon when many drink coffee with sweet bread, biscuits, or cookies. Younger consumers frequently eat savory snacks like potato chips and extruded corn-puffed snacks. The snacks market in Honduras is highly concentrated. Global brands have a dominant presence, particularly in sweet biscuits, confectionery, and savory snacks, categories in which Mondelez International Inc. has a strong presence with its Oreo and

Chips Ahoy brands, as do Mars Inc with its Wrigley's brand, and PepsiCo Inc with Lay's and Doritos. This dynamism will also lead to the growing availability of private-label products, such as the Essential Everyday chocolate chip cookies from La Colonia supermarket chain.

Demand for U.S. food and beverages has progressively increased as has the number of U.S. franchisees, subsidiaries, and affiliates operating in Honduras. Furthermore, Honduran consumers have traditionally preferred U.S. food and beverages' quality, convenience, and value. Over the past five years, street food and food trucks have become more popular and formalized.

Section III: Import Food Standards, Regulations and Procedures

U.S. exporters should consider the relatively small Honduran market and the high demand elasticity for consumer products when devising marketing strategies. Price is one of the most essential elements for Hondurans. In many cases, purchasers buy from abroad if they feel the cost of imports in the local market is too high. U.S. exporters should carefully analyze their cost and market approaches when pricing.

In general exporters who offer attractive financing terms on sales to Honduran traders have the best chances of gaining market share. This is particularly true for large-scale projects. However, international firms must be cautious when granting credit to Honduran trading partners.

U.S. firms should investigate the creditworthiness and reputation of potential partners before granting credit. Under CAFTA-DR, tariffs on a wide range of consumer-oriented products for U.S. products were eliminated, and market demand for U.S. products in this sector looks promising. Demand for consumer-oriented products has witnessed significant increases in the past few years.

State Regional Trade Groups

Food Export Association USA- Midwest www.foodexport.org	National Association of State Department of Agriculture (NASDA) www.nasda.org	Western U.S. Agricultural Trade Association (WUSATA) www.wusata.org
Food Export USA- Northeast www.foodexport.org	Southern U.S. Trade Association (SUSTA) www.susta.org	

Competitive Situation

Honduras' consumer-oriented imports from the world will exceed \$1.8 billion in 2023, with the leading commercial partners being the United States of America (29%), Guatemala (24%), Costa Rica (12%), Mexico (10%), and El Salvador (7%). Imports of U.S. consumer-oriented food products increased by 5.8 % in 2023 compared to 2022. However, the import value for these products increased by over 10 % in the first three quarter of 2024.

A few large food processors import directly from the United States, and many small processors depend on local distributors to import ingredients. Compared to neighboring countries Guatemala and El Salvador, Honduras has a relatively small food processing sector.

Food Retail Market

Honduras's retail food sector is the most prominent imported food market. Retail sales of imported consumer-oriented products are conducted mainly through supermarkets, mini-markets, and convenience stores. The supermarket retail industry is growing rapidly. Supermarkets have opened stores in various medium and large urban locations and the most populated cities in the country. Most regularly employed people take advantage of promotions and buy food at these supermarkets. Many supermarket chains are also expanding, remodeling, and modernizing.

In recent years, the Honduran market for imported processed foods has become increasingly competitive. Supermarkets have entered the market and taken the spotlight away from importers, meaning they had to invest in advertising. Choosing a Honduran distributor with a strong market presence is always critical.

However, many U.S. suppliers are discouraged by low starting volumes. Exporters from the United States who want to build and maintain market share should be willing to go above and beyond to generate sales from the ground up and service their expanding markets. They should collaborate with their customers to meet local labeling and packaging requirements and offer competitive pricing, credit alternatives, catalogs, and samples to test the market. Moreover, be willing to provide technical and sales support and training in various areas such as category management, merchandising, and product handling. Some companies own several U.S. franchises, making approaching a broad market easier.

For more information about the Food Retail Report, please visit the latest version: <https://gain.fas.usda.gov/#/search>

Hotel, Restaurant, and Institutional Sector

In 2023, Honduras experienced a 17 % increase in tourist arrivals from January to September compared to the same period in 2022. According to official tourism data, the United States is the first country to issue tourists, followed by El Salvador and Nicaragua. The Ramón Villeda Morales airport in San Pedro Sula had the highest number of arrivals. Guasaule was the principal land point of entry for day visitors.

The growing popularity of pizza and burger restaurants nationwide and the firm foothold of fried chicken have created solid demand for U.S. shredded pizza cheese, French fries, chicken nuggets, chicken wings, chicken thighs, dairy product alternatives, and condiments.

Honduras has more than 150 franchises, surpassing El Salvador, which led the number of franchises in the region in 2023. INTUR Group, with more than 280 restaurants, 55 for retail stores in Honduras, and 19 in Guatemala, has registered 12 percent sales growth in the past two years. INTUR Group operates many franchises including Burger King, Little Caesars, Popeye's, Pollo Campero, Church's Chicken, Dunkin', Baskin Robins, Chili's, It's Just Wings, and Circle

K while *Grupo de Comidas* operates Pizza Hut, Kentucky Fried Chicken and Denny's and manages 13 fast food brands and are the leaders in the fast-food industry in Honduras.

For more information about the Hotel, Restaurant & Institutional Report, please visit:

<https://gain.fas.usda.gov/#/search>

Food Processing Sector

The United States continues to be the largest supplier of food processing ingredients and enjoys a high acceptance and reputation for high-quality products for human and animal consumption.

According to the Central American Customs Union (CACU), members agreed that for products produced or processed in their countries, when a product obtains a Sanitary Registration Number (SRN) in a CACU country, it does not need to be registered in another. Products produced in the United States are not eligible for the registration exemption. However, it is essential to note that the product's origin is a CACU country if it is processed in a CACU country, even if the raw material is not from a CACU member country.

For more information about the Food Processing Report, please visit:

<https://gain.fas.usda.gov/#/search>

Section IV. Import Food Standards, Regulations, and Import Procedures

Agricultural chemicals, food, and animal feed exporters must register their products before they can be marketed in the Honduran market. Processed Foods and consumer-oriented products must be registered with the Sanitary Regulation Agency (ARSA).

Imports of raw and processed agricultural products need an import permit application issued by the National Service of Food Safety, Plant and Animal Health (SENASA) of the Secretariat of Agriculture and Livestock (SAG). Import permits can now be requested and obtained via SENASA's online platform. In addition to issuing import permits, SENASA regulates the inspection of all agricultural products entering Honduras.

For detailed information on import permit requirements, please refer to Honduras GAIN Reports: [Food and Agricultural Import Regulations and Standards](#) and [FAIRS Export Certificate Report](#).

Section V: Agricultural and Food Imports

In 2023, the bulk category decreased overall by 13.3 % from the previous calendar year, particularly wheat, which decreased in value by 23.1 % (1.4% by volume) and corn by 15.6 % (7.9% by volume). Intermediate products, on the other hand, climbed by 6.5 % in the same year. Soybean meal increased in value and volume by 16 % and 15.7 %, respectively.

Honduras Agricultural and Food Imports from the World / Calendar Year 2019-2023
(millions of USD).

Category	2019	2020	2021	2022	2023
Consumer Oriented	\$1,030	\$1,040	\$1,515	\$1,715	\$1,899
Bulk	\$295	\$308	\$450	\$601	\$522
Intermediate	\$416	\$440	\$608	\$727	\$753
Agricultural Related Prod.	\$49	\$66	\$108	\$113	\$103
Agricultural and Related Total	\$1,790	\$1,856	\$2,682	\$3,157	\$3,277

Sources: BICO, U.S. Trade Data Monitor

In 2023, U.S. consumer-oriented exports to Honduras increased by 10.7 % and reached record values in the following categories: pork and pork products, non-alcoholic beverages, distiller's dried grains, poultry, and meat products, and bakery goods.

Best 10 Consumer-Oriented Product Prospects Categories (millions of USD).

Product	Total Value (Million USD)	Total Volume (MT)	3-Year Average (Million USD)	3-Year Growth (Million USD)
Description	2019	2020	2021	2022
food preparations nesoi	\$165	\$213	\$273	\$305
meat of swine, nesoi, frozen	\$63	\$72	\$113	\$106
bread, pastry, cakes, biscuits and similar baked products, nesoi	\$43	\$33	\$71	\$88
saucés and preparations; mixed condiments and mixed seasonings	\$39	\$35	\$59	\$71
beer made from malt	\$59	\$44	\$84	\$91
other non-alcoholic beverages (except water & non-alcoholic beer)	\$32	\$34	\$66	\$73
waters, incl. mineral waters and aerated waters, sweetened or flavored	\$46	\$34	\$53	\$57
cookies (sweet biscuits)	\$23	\$21	\$30	\$41
dog and cat food, put up for retail sale	\$21	\$26	\$37	\$52


Sources: BICO, U.S. Trade Data Monitor; For detailed reports, please visit:

www.fas.usda.gov/gats/BicoRep0ort.aspx?type=country


Section VI: Key Contacts and Further Information

National Plant, Animal Health, and Food Safety Service

Servicio Nacional de Sanidad e Inocuidad Agroalimentaria (SENASA)


 Ángel Emilio Aguilar
Title: General Director

Blvd. Miraflores, Avenida La FAO,
Tegucigalpa, Honduras


 : +504 2232-6213 or 2235-8425
E-mail: direccion.senasa@senasa.gob.hn

Sanitary Regulation Agency

Agencia de Regulación Sanitaria (ARSA)


 Dorian Salinas
Title: President Commissioner

Calle Los Alcaldes, frente a City Mall
Comayagüela D.C., Honduras

 : +504 2270-6600 or 9354-3708
E-mail: presidencia@arsa.gob.hn

Agricultural Affairs Office

Address: USDA
American Embassy.
Avenida La Paz, Tegucigalpa,
Honduras 11101

 : +504 2236-9320 ext. 4354,
4544
Email: AgTegucigalpa@state.gov

For more information on exporting U.S. agricultural products, please visit the Foreign Agricultural Service home page: <http://www.fas.usda.gov>

Appendix I

See to **BICO report** for the last five years, showing U.S. agricultural imports into Honduras.

Attachments:

No Attachments