

**Required Report:** Required - Public Distribution

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**Report Name:** Retail Foods

**Country:** Brazil

**Post:** Sao Paulo ATO

**Report Category:** Retail Foods

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**Report Highlights:**

The Brazilian economy grew by 2.9 percent, largely supported by household consumption, which advanced 4.3 percent in the year despite inflation challenges. The labor market recovery continued as unemployment dropped to 7.9 percent by December 2022. The retail industry maintained significant growth, reaching US\$134.8 billion in sales. This growth was generated by over 94,706 retail stores around the country, both in the physical and virtual formats. The sector represented about 7 percent of Brazil's Gross Domestic Product (GDP).

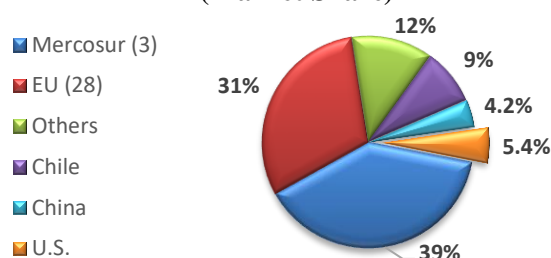
## Executive Summary

The Brazilian economy expanded 2.9 percent in 2022, reaching US\$1.9 trillion. With the phasing out of measures implemented to contain COVID-19, stronger economic activity, and higher contribution from global demand, Brazil achieved economic relief. Brazil's inflation ended 2022 with a sharp slowdown from double-digit inflation peaks seen throughout the year. The inflation index rose to 5.79 last year, over two points higher than the government's official target.

## Imports of Consumer-Oriented Products

In 2022, imports of consumer-oriented products by Brazil reached US\$5.2 billion, a 21 percent increase compared to the previous year. The United States was the 4th largest supplier, with a 5.4 percent market share. On the other hand, the European Union (EU) and the United Kingdom (UK), direct competitors to the United States, kept a 31 percent market share. Both the United States, the EU and the UK are positioned at a higher price level and offer products with similar quality and standards; therefore, it is plausible that U.S. companies have considerable room to grow in the Brazilian market.

### Imports of Consumer-Oriented Products in 2022 (Market Share)



Source: Trade Data Monitor/Secex

\*EU 28 includes the UK.

## Food Processing Industry

In 2022, the food processing industry registered annual sales of US\$209 billion, growing by 16.6 percent compared to 2021. About 38,000 companies represent the sector, contributing about 10.8 percent of the Brazilian GDP. The major segments of the industry are meats, beverages, dairy, tea, coffee, cereals, oils and fats, sugar, snacks, ice cream, condiments, yeast, wheat products, processed fruits and vegetables, dehydrated and frozen products, chocolate, candy, and fish.

## Food Retail Industry

The Brazilian Supermarket Association (ABRAS) reported supermarket revenues at US\$134.8 billion in 2022. Brazil's retail sector includes 94,706 stores and serves 28 million consumers daily. The Southeastern region of Brazil has the lion's share of the retail industry, with 50.3 percent of the market or 7,046 stores. The second largest region was the south with 26 percent of the market or 1,835 stores.

### Quick Facts Calendar Year 2022

**Imports of Consumer-Oriented Products by Brazil (US\$ billion): \$ 5.1 billion**

#### List of Top 10 Growth Segments in Brazil in 2022

1. Dairy Products	6. Soup & Other food prep.
2. Processed Vegetables	7. Distilled Spirits
3. Wine & related	8. Chocolate & related
4. Fresh Fruit	9. Non-Alcoholic beverages
5. Beef & Products	10. Fresh Vegetables

Source: Trade Data Monitor (TDM)

#### Food Industry by Channels (US\$ billion) in 2022

Food industry Output	208
Food Exports	59
Food Imports	7
Domestic Market	149
Retail	109
Food Service	40

Source: Brazilian food Processors' Association (ABIA)

#### Top 10 Host Country Retailers in 2022

1. Carrefour	6. Grupo Muffato
2. Assai	7. Grupo Pereira/SDB
3. Grupo Mateus	8. Cencosud
4. Grupo Pao de Acucar	9. Mart Minas/DOM
5. Supermercados BH	10. DMA Distribuidora

Source: Brazilian Supermarket Association (ABRAS)

#### GDP/Population

Population (million): 215

GDP (trillion USD): 1.9

GDP per capita (USD): 8,857

Source: International Monetary Fund (IMF)

Exchange Rate (average 2022): US\$1=R\$5.16

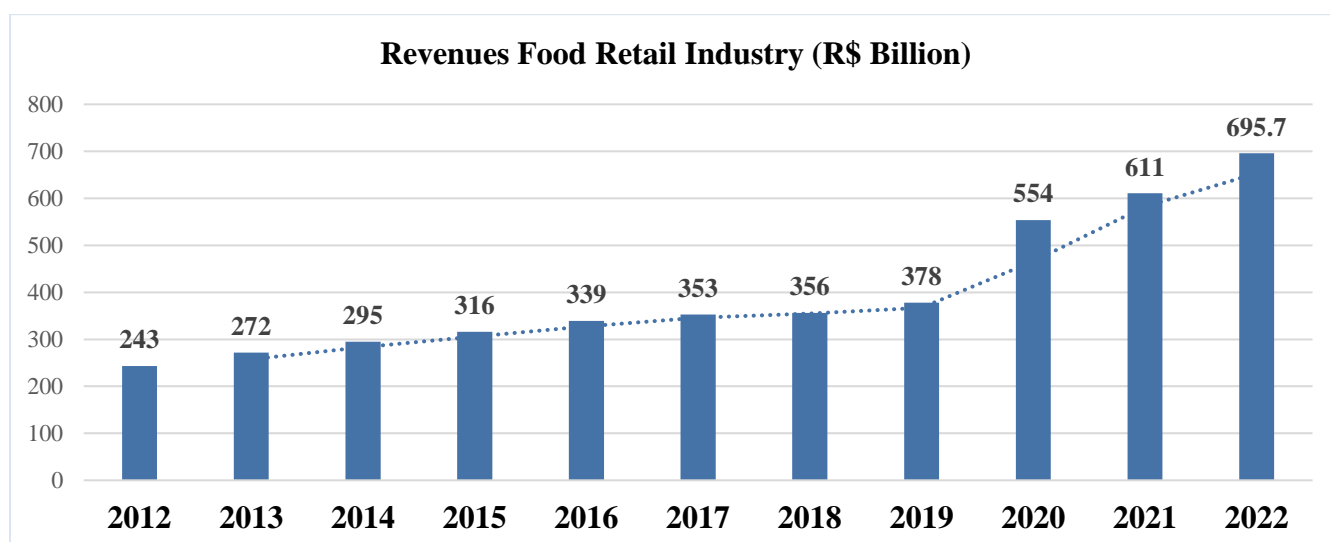
## Section I. Market Summary

In 2022, Brazil recovered from the COVID-19 pandemic, with gross domestic product (GDP) expanding to US\$1.9 trillion, an increase of 2.9 percent compared to 2021. The economic outlook benefited from more robust domestic and global demand and record-high commodity prices, which provided relief. Fiscal incentives from the Brazilian Government also helped address the global challenges such as the impact of Russia’s invasion of Ukraine. The impact of high inflation in 2022 kept putting pressure on the economy. However, the government’s fiscal and monetary actions helped alleviate the inflation rate towards the end of 2022. Brazil’s inflation ended 2022 with a sharp slowdown from double-digit inflation peaks seen throughout the year. The inflation index rose to 5.79 last year, over two points higher than the government’s official target.

The unemployment rate decreased from 11.1 percent in 2021 to 7.9 percent in 2022. Consumers have become more conscious of their money, buying less expensive food items. In addition, retailers have become much more aware of managing inventories, portfolios, decreasing product lines, and substituting premium price products for more affordable options. Although several brands have suffered from the economic crisis, according to the Brazilian Association of Luxury Enterprises (Abrael), the luxury market has seen an extraordinary growth.

ADVANTAGES	CHALLENGES
Retailers offer foreign goods to differentiate themselves from competitors, develop new niche markets and gain high-end consumers’ attention.	Imported products fall in the luxury goods category. Consumers easily associate Europe with sophistication and tradition, which gives some advantage to European companies.
Price is not always the determining factor for high-end consumers.	High-end consumers are more demanding regarding products innovation, packaging, status, new trends, etc.
Brazilian importers are frequently searching for new-to-market products as they must update their portfolio to compete.	Importers tend to buy small quantities to test the market. U.S. companies are usually not predisposed to sell small volumes.
The U.S. food industry can respond to consumer demand promptly, regardless of the segment of products.	Consumers perceive U.S. food products to be overly processed and relatively unhealthy.
U.S. exporters are inclined to work with high volumes and different partners.	Retailers and distributors are cautious when importing new-to-market products and often start with smaller orders. Exclusive contracts are a common clause to Brazilian companies.
Consumers changed their consumption patterns, investing more time eating at home and developing cooking skills.	Consumer are searching for products that provide them with a higher value for their money. Although looking for indulging themselves, the concept of luxury shifted to more affordable luxury.

The Brazilian retail sector is the most critical channel in the food distribution system, capturing about 80 percent of food and beverage flows through 94,706 retail operators. The industry is well-integrated, dynamic, and sophisticated. According to the Brazilian Supermarket Association (ABRAS), the retail sector accounted for US\$134.8 billion in 2022, representing seven percent of the country’s GDP. This result includes the various food retailing formats, such as neighborhood stores, supermarkets, hypermarkets, cash-and-carry, and e-commerce. The food retailing industry is one of the major employers in Brazil, gathering 3.2 million employees (directly and indirectly). Daily, 28 million consumers visit retail stores throughout Brazil. The sector continues to innovate and many companies are importing directly in order to offer the best products to Brazilian consumers.



Note: 2020 and beyond include cash-and-carry operations.  
 Source: Brazilian Supermarket Association (ABRAS).

In 2022, the 500 leading supermarket companies, through their 9,600 stores, or ten percent of the overall number of stores, represented about a 21 percent increase of the sector compared to last year. The 500 largest retailers registered \$97.2 billion in revenues in 2022. The penetration of technologies, advanced managing capacity, consumer research, and higher levels of investment continuously improve efficiency and have turned food retailing into a highly attractive segment with intensive competition.

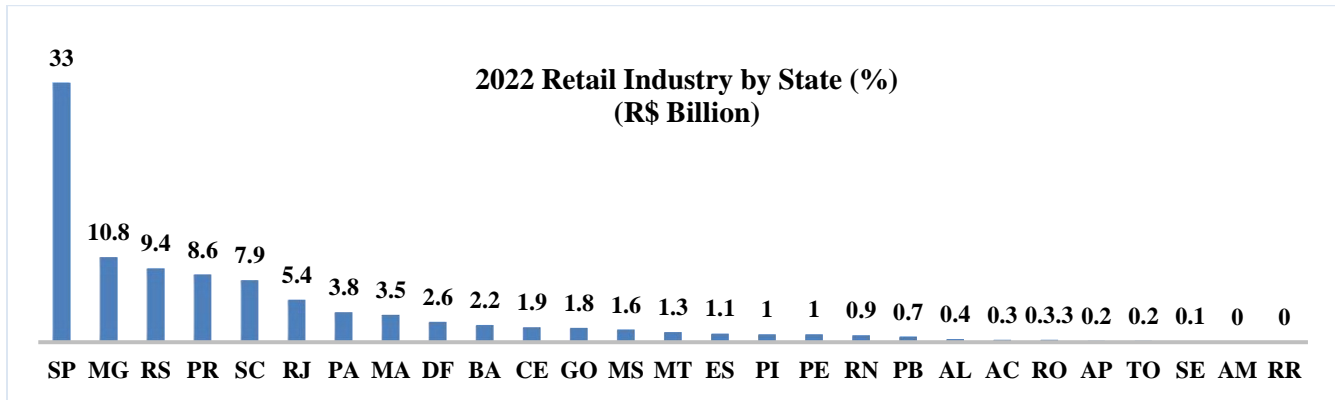
**Profile of largest retail companies**

COMPANIES	GROSS SALES (US\$ Billion)	SHARE (%)	# OF STORES	# OF EMPLOYEES
Top 5 Retailers	43.5	32.3%	2,618	273,085
Top 10 Retailers	53.3	39.6%	3,260	354,558
Top 20 Retailers	63.9	47.4%	4,252	447,781
Top 50 Retailers	77.7	57.7%	6,773	597,292
Top 300 Retailers	95.1	70.6%	9,091	815,880
Top 500 Retailers	97.2	72.1%	9,558	841,358

Source: Brazilian Supermarket Association (ABRAS).

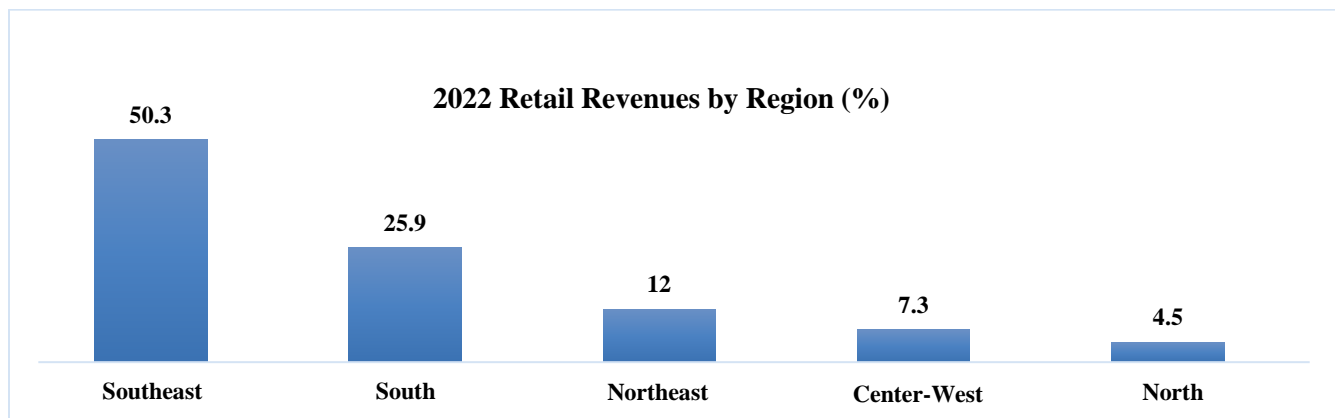
As per the type of format, cash-and-carry boomed during the 2014-2016 recession. It maintained strong growth throughout the following years and became the predominant format in the Brazilian food retailing industry. In 2022, this format represented over half of the overall supermarket sales. Like all other formats, the conventional supermarket format lost room for cash-and-carry. However, it still is the second most influential segment in food retailing. Hypermarkets, neighborhood stores, and convenience stores represented 8 percent, 4 percent, and 0.5 percent of total sales.

Brazil is a country of continental size, and the country’s 26 states and Federal District are divided into five regions: Southeast, South, North, Northeast, and Center-West. In 2022, the Southeast region, which includes the states of São Paulo and Rio de Janeiro, accounted for the lion’s share of retail sales and a total number of stores. Alone, the state of Sao Paulo represented 33 percent of retail revenues. As the powerhouse of the Brazilian economy, Sao Paulo represents approximately 30 percent of the country’s wealth. Because the state has a diversified economy and the most efficient infrastructure in the country, most multinational companies, including retailers, get established in Sao Paulo first to then expand to other locations.



Note: Sao Paulo (SP), Minas Gerais (MG), Rio Grande do Sul (RS), Parana (PR), Santa Catarina (SC), Rio de Janeiro (RJ), Maranhao (MA), Ceara (CE), Bahia (BA), Para (PA), Rio Grande do Norte (RN), Distrito Federal (DF), Mato Grosso do Sul (MS), Pernambuco (PE), Goias (GO), Piaui (PI), Paraiba (PB), Mato Grosso (MT), Alagoas (AL), Acre (AC), Espirito Santo (ES), Amapa (AP), Sergipe (SE), Tocantins (TO), Rondonia (RO), Amazonas (AM), and Roraima (RR).

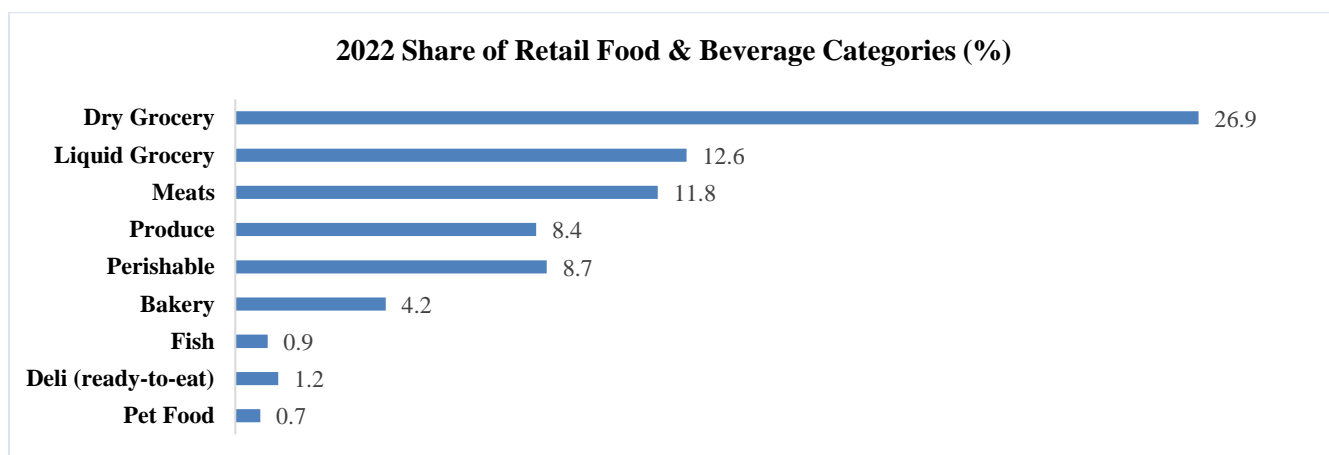
Source: Brazilian Supermarket Association (ABRAS)



Source: Brazilian Supermarket Association (ABRAS)

ABRAS also follows indicators that make it possible to understand how the various food departments perform. Brazilian consumers have adopted a more conservative shopping approach since the economic recession of 2014-2016, the pandemic, and recent inflation pressures. Dry grocery maintained its position as a major category, representing 26.9 percent of total sales. Liquid grocery remained the second major category. It represented 12.6 percent of revenues but lost 1.4 percent point of share in 2022 compared to the previous year. All other categories maintained steady growth.

E-Commerce continues to be an option for the retail sector. According to ABRAS, about 35 percent of supermarkets in Brazil do e-Commerce sales, representing about 2.1 percent of total sales. About 61.7 percent of the e-Commerce sales are done via the company's app versus 24.2 percent and 14.1 percent from app-delivery and marketplace apps, respectively.



Source: Brazilian Supermarket Association (ABRAS).

## Section II. Road Map for Market Entry

### A. Entry Strategy

When approaching the Brazilian market, exporters should be aware that most imported foods and beverages are not priced competitively compared to locally produced options. The Brazilian food industry is well-developed and major multinational companies have a consolidated presence in the market, making the sector highly competitive. Approximately 80 percent of food and beverage distribution occurs through retail stores; therefore, developing a relationship with retailers is more likely to guarantee visibility and national coverage. Before shipping to Brazil, exporters should work with their imports to ensure the foreign product complies with local regulations. (Please refer to [FAIRS Report 2022](#) and [Exporter Guide 2022](#)).

In general, products imported from the United States or Europe face FOB prices three to five times higher at retail outlets. U.S. exporters should remember that when an imported product reaches supermarket shelves, it will fit in the premium price category and thus should have premium attributes recognized by consumers. An imported product is generally positioned as a luxury item. U.S. food and beverages compete directly with European products in qualitative and quantitative attributes. As a result, U.S. exporters must evaluate the extent to which their products can compete and maintain attractiveness vis-à-vis European competition.

### B. Contact the ATO!

U.S. exporters should always consider the local U.S. Agricultural Trade Office (ATO) as an initial source of information and market guidance. The ATO maintains direct contact with major players in the sector to facilitate market entry and can assist in understanding Brazilian legislation and standards for imported goods. U.S. companies can test the market through ATO marketing activities and profit from its market intelligence. Another way to test the market is through the various activities developed by State Regional Trade Groups (SRTGs) and trade associations. The ATO also recommends U.S. exporters establish a direct dialogue with potential buyers, as they are best equipped to discuss critical topics such as product feasibility, market size, prices, distribution, and marketing tools.

### C. Market Structure











Within the various retail formats, imports of foods, beverages, ingredients, or consumer-ready products may occur directly or indirectly. Volume is the determining factor for retailers. If the volume to be imported is not significant, retailers will prefer to purchase imported items locally from distributors. While avoiding the middleman is more profitable, it will only happen if retailers can be cost-effective.

Often, U.S. exporters are cautious about doing business with a single supermarket chain, believing they will have better access to consumers through multiple retail outlets via a distributor. However, this may result in fewer U.S. products on store shelves as some retailers have significant market penetration at the national or regional level.

#### D. Company Profiles & Top Host Country Retailers

In 2022, Carrefour maintained its leadership as Brazil’s largest retailer for the seventh consecutive year, with reported sales equivalent to R\$21 billion, an increase of over R\$5 billion compared to the previous year. In second place, Assai reached revenues of US\$11.6 billion through its 263 stores, from which 51 were opened in 2022. The table below has the top ten Brazilian retailers and their regional coverage.

##### Top 10 Brazilian Retailers (2022)

	Company	Headquarter	Sales Billion (US\$)	Share (%)	Number of Stores
	Carrefour	Sao Paulo	20,940,310,078	15.5%	1,203
	Assai	Sao Paulo	11,569,767,442	8.6%	263
	Grupo Mateus	Maranhao	4,767,988,566	3.5%	232
	Grupo Pao de Acucar	Sao Paulo	3,591,279,070	2.7%	658
	Supermercados BH	Minas Gerais	2,715,488,049	2.0%	262
	Grupo Muffato	Parana	2,334,172,532	1.7%	88
	Grupo Pereira/SDB	Sao Paulo	2,175,192,829	1.6%	81
	Cencosud	Sao Paulo	2,154,210,033	1.6%	218
	Mart Minas / DOM	Minas Gerais	1,612,882,138	1.2%	70
	DMA Distribuidora	Minas Gerais	1,484,742,869	1.1%	185

Source: Brazilian Supermarket Association (ABRAS)

### Section III. Competition

Despite being the largest economy in Latin America, Brazil is still relatively closed compared to other large economies, with a low trade penetration and a low number of exporters operating in the consumer-oriented products category. Nevertheless, Brazil is the world’s 22nd largest importer of consumer-oriented products. The country’s main partners in this segment are Mercosul members (Argentina, Paraguay, and Uruguay), Chile (a Mercosul-associated country), the European Union (plus the United Kingdom), China, and the United States. Mercosul members and Chile benefit from free trade agreements and maintain their position as Brazil’s primary exporters. China supplies the market with lower price range products, while European countries and the United States offer products at the premium price and therefore tend to be positioned in the higher-end segment.

During the 2017-2021 period, imports of consumer-oriented products maintained a steady performance, at \$4 billion, despite the depreciation of the Brazilian currency of about 61 percent. In 2021, Brazil’s imports of consumer-oriented food products amounted to US\$4.3 billion, presenting an increase of four percent to the previous year. Major players have kept a consolidated position. Along 2017-2021, Mercosul market share has oscillated between 37-35 percent, Chile between 9-8 percent, EU between 32-28 percent, and China between 6-5 percent. The United States’ market share fluctuated from 7-5 percent during this timeframe. Imported consumer-oriented products in Brazil are considered luxury goods. When reaching supermarket shelves, high-end attributes must be perceived by consumers. Although food and beverage products from the United States are less associated with premium characteristics, U.S. products can offer similar quality to EU products and gain consumers’ preference as Brazilians have become more interested in exclusive products over the years.

Imports of Consumer-Oriented Products by Brazil (US\$ Million)												
	2017	%	2018	%	2019	%	2020	%	2021	%	2022	%
<b>World</b>	4,359	100	4,213	100	4,245	100	4,063	100	4,337	100	5,183	100
<b>Mercosul (3)</b>	1,597	37	1,489	35	1,508	36	1,493	37	1,585	37	2,016	39
<b>EU (28)</b>	1,221	28	1,283	30	1,322	31	1,207	30	1,391	32	1,581	31
<b>Chile</b>	395	9	382	9	347	8	373	9	364	8	444	8.6
<b>China</b>	278	6	233	6	251	6	278	7	221	5	278	5.4
<b>U.S.</b>	281	6	250	6	244	6	219	5	212	5	215	4.2
<b>Others</b>	587	13	577	14	572	13	493	12	563	13	649	12

Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (SECEX).

Note: Mercosul (3): Argentina, Uruguay, and Paraguay; EU (28): Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, (+ United Kingdom)

## Section IV. Best Product Prospects Categories

### A. Products Present in the Market that have Good Sales Potential

Considering imported food products fall into the premium price when reaching supermarket shelves, the general characteristics exporters should consider well-known brands, high-end attributes, one-year shelf life or more, attractive packaging, and products that confer status and level of innovation. Products that combine these characteristics are more likely to enter the market successfully.

### Top Consumer-Oriented Products (COP) Imported by Brazil from the World

Top COP Imported from the World (2022)	Value (US\$ Million)	%Δ 2022/21
Dairy Products	1,004	44.06
Processed Vegetables	671	16.37
Wine & Related Products	463	-3.4
Fresh Fruit	407	39.66
Beef & Beef Products	382	31.8
Soup & Other Food Preparations	287	3.12
Distilled Spirits	275	25.53
Chocolate & Cocoa Products	214	-5.87
Non-Alcoholic Bev. (ex. juices, coffee, tea)	198	74.26
Fresh Vegetables	198	-3.85

Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (SECEX).



## Top Consumer-Oriented Products (COP) Imported by Brazil from the United States

Top COP Imported from the United States (2022)	Value (US\$ Million)	%Δ 2022/21
Dairy Products	72.13	74.07
Soup & Other Food Preparations	45.41	11.89
Eggs & Products	44.30	55.21
Distilled Spirits	38.66	28.48
Tree Nuts	20.43	11.08
Meat Products NESOI	8.76	36.77
Condiments & Sauces	8.75	3.79
Chocolate & Cocoa Products	7.23	-1.5
Processed Vegetables	5.11	-3.6
Coffee, Roasted and Extracts	4.07	122.79

Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (SECEX).

### B. Products Not Present in Significant Quantities but have Good Sales Potential

Food allergy and intolerance for specific ingredients are triggering a unique segment, along with plant-based products and ingredients. Increasing demand for gluten-free, wheat-free, lactose-free, and other functional foods is also pushed by improved label practices. A limited number of local suppliers offer these items at the retail level. International suppliers may find great opportunities within this niche. The natural and organic segments are also another attractive niche; however, for the organic category, the associate costs to comply with the Brazilian legal framework may be a burden to foreign suppliers. It is also noticed a focus on ingredients: less sodium, less sugar, less fat, and fewer calories are growing in demand.

### C. Product Not Present Because They Face Significant Barriers

Brazilian legislation requires all food items be approved prior to shipment by the Ministry of Health (MS) or Ministry of Agriculture, Livestock, and Food Supply (MAPA). Currently, U.S. poultry and pork do not have market access.

## Section V. Post Contact and Further Information

Please do not hesitate to contact the offices below for questions or comments regarding this report or for assistance to export agricultural products to Brazil:

#### Agricultural Trade Office (ATO)

U.S. Consulate General  
Rua Thomas Deloney, 381  
São Paulo, SP 04709-110  
Tel: +55 11 3250-5400  
E-mail: [atosaopaulo@usda.gov](mailto:atosaopaulo@usda.gov)  
Website: [www.usdabrazil.org.br](http://www.usdabrazil.org.br)

#### Office of Agricultural Affairs (OAA)

U.S. Embassy  
Av. das Nações, Quadra 801, Lote 3  
Brasilia, DF 70403-900  
Tel: +55 61 3312-7000  
E-mail: [agbrasil@usda.gov](mailto:agbrasil@usda.gov)

### Attachments:

No Attachments