

## Agriculture, Food Products Sector

Colombia has a rapidly-growing consumer middle class and an appetite for imported goods. Total imports since the 1992 apertura have increased sharply from C\$147 million in that year to an estimated C\$822 million for 1996. Also taking place is an increase in disposable incomes, evolving tastes and a developing acceptance of imported foods. With the changes occurring in lifestyles there is a growing dependence on processed/convenience foods, many of which are not manufactured locally. The expansion of mega-supermarket chains and the arrival of international chains to compete with the locals, means there are very significant opportunities for Canadian producers of food products in the market. Colombia's policy of "apertura", or economic opening, has offered new ranges of choice to consumers, who are exercising their newly acquired power of selection and are increasingly seeking products of premium quality and value. Since consumers have less and less time for cooking, imported foods are playing an increasing role in solving this important challenge.

The increased appetite for food imports has been satisfied largely by Venezuela, Chile, Ecuador, and the United States, the latter dominating with 28.3% of the market (C\$157 million) in 1995. Canadian exports of processed foods to Colombia have grown to C\$6.3 million and continue to expand.

The total market size for processed foods is estimated at C\$1.3 billion for 1996, making it the largest manufacturing industry in Colombia at 23% of all manufacturing. The Colombian domestic food industry is accelerating its development and is attempting, where possible, to follow the model established by some of the imported products. However, it will be difficult for some time for the domestic food industry to compete in terms of quality, packaging and, in many instances, price.

Agricultural commodities (wheat, pulses, barley, etc.) have long been the mainstay of Canada's agricultural exports to Colombia (C\$80 to 100 million annually) and will continue to be so for the foreseeable future. Livestock and animal genetics products also continue to play an important role consolidating Canada's role as a primary supplier of agricultural products and services.