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St. Vincent and the Grenadines

Market Development Reports

Report

2004

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Report Highlights:

St. Vincent & the Grenadines (S.V.G), a multi-island independent nation in the Windward Islands, has a continuous growing economy. The nation imported \$29 million worth of food and beverage products from around the world in 2002. The United States is the leading supplier with 35 percent of the market. Good opportunities for U.S. high value products are available in S.V. G. This is intended to aid U.S. exporters in successfully entering S.V. G. retail food market.

Includes PSD Changes: No
Includes Trade Matrix: No
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Miami [C11]
[VC]

Section I. Market Summary

Country Snapshot

St. Vincent & the Grenadines (S.V.G.), located at the southern end of the Caribbean chain, has a total area of 150 square miles and is composed of 32 islands and cays. The nation's total population is around 117,000 (2003 est.). St. Vincent is the largest island with nearly 90 percent of the country's land area and population. Kingstown, located in St. Vincent, is the capital, focal point of the commercial activity, seat of the Government, and transportation hub for the Grenadines. Bequia, Canouan, Mayreau (private), Mustique (private), the Tobago Cays (unpopulated), Palm Island (private), Petit St. Vincent (private), Union Island, and others are part of the Grenadines' chain. Unlike St. Vincent, the Grenadines are lightly populated and barely developed.

The Grenadines are easily accessed from St. Vincent and one another by inter-island flights, small boats, and regular ferry services. The 6 airports in S.V.G. are St. Vincent, Canouan, Mustique, Bequia, Union Island, and Palm Island. These airports are not up to U.S. airport standards, which bars U.S. passenger flights and negatively affect the country's tourism and economy. American Eagle lands only in Canouan and Ameri-Jet, a U.S. cargo service, makes 2 weekly stops in St. Vincent.

S.V.G. obtained its independence from the United Kingdom on October 1979 and is now a parliamentary democracy. It is part of the British Commonwealth and the Governor General is appointed by and represents the Crown. The nation is a member of the Organization of Eastern Caribbean States (OECS) and the Caribbean Community and Common Market (CARICOM). These trading blocks or trade agreements ease trade between member Caribbean nations by offering duty-free access, facilitating bilateral and multilateral co-operation, and allowing goods, services, people and capital to move throughout the Caribbean nation members without tariffs and restrictions.

S.V.G. economy is based on the service sector, which is led by its tourism industry. Recent economic growth has been stimulated by an improvement in tourism and strong activity in construction. Tourism has considerable potential for development over the next decade. Agriculture, dominated by banana production, is also an important sector. S.V.G. produces bananas, coconuts, mangoes, pineapples, pumpkins, yams, sweet potatoes, carrots, and ginger as well as other uncommon fruits and vegetables. Small farmers also produce cattle, sheep, pigs, goats, poultry, and seafood. Due to periodic natural disasters such as hurricanes and volcanoes, S.V.G. agricultural sector has been unstable in recent years.

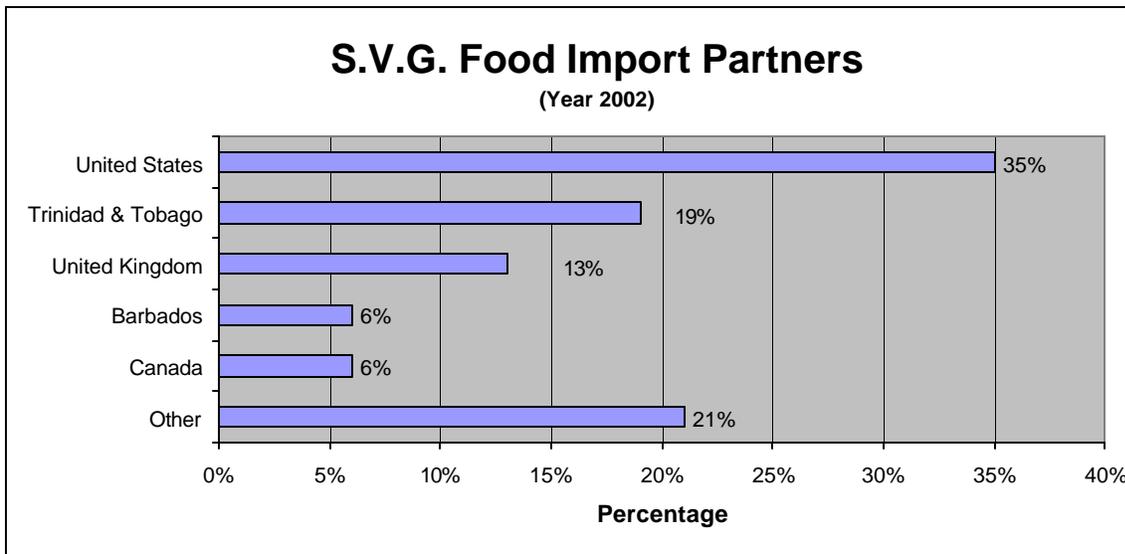
Market Overview

S.V.G. retail market is composed of over 30 supermarkets, grocery stores, convenience stores, and gas marts. Only six are large supermarkets and all six are located in St. Vincent. They import most of their food products from overseas suppliers and also buy some food products from other local importers or distributors. About 12 grocery stores offer a smaller selection of food products. In addition, there are seven convenience stores. Both grocery stores and convenience stores occasionally import but they buy most of their food supplies from local distributors. Six gas marts also compete for convenience in the S.V.G. retail food market. They rarely, if ever, import food products. Roughly 400 mom & pop shops are currently in business as well. Local wholesalers supply their food needs.

The nation's total food and beverages imports destined to the retail sector are estimated to be \$7 million dollars, which accounts for approximately 60 to 70 percent of the market. The remaining 30 to 40 percent is channeled to the food service sector. Retail stores in St. Vincent target the local population. In contrast, those in the Grenadines are more geared

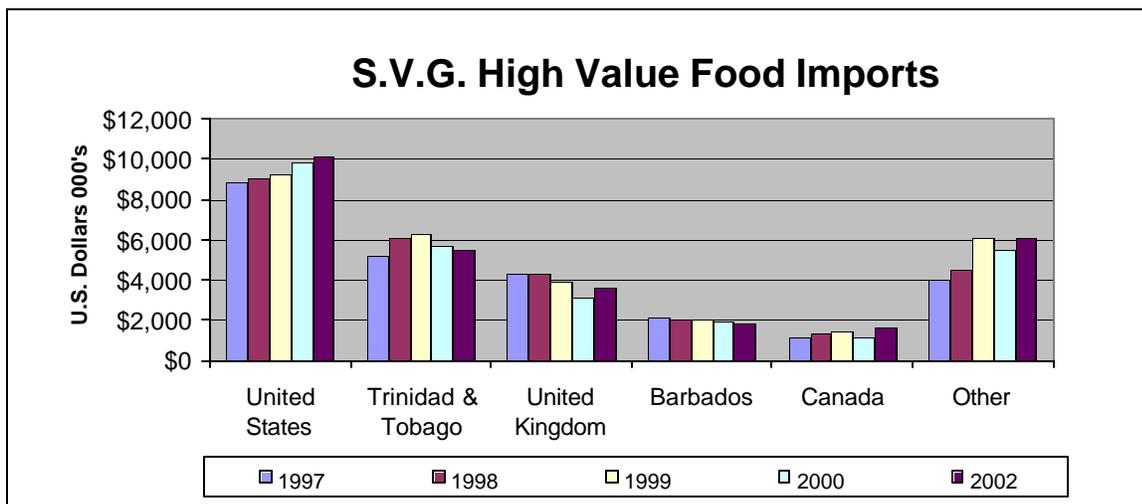
toward tourists. Every inhabited island in the nation has at least one reasonably well-stocked retail store for the purchase of foodstuffs.

The United States is the nation's biggest trading partner in terms of food and beverage products. The leading 35 percent market share in 2002 is attributed to proximity, quality, and competitive pricing of U.S. high value products. The second largest trading partner is Trinidad & Tobago, mainly because of proximity to S.V.G. and trade agreements. The United Kingdom takes the third slot due to the nation strong British heritage. Other trading partners include Barbados, Canada, Jamaica, Ireland, Denmark, the Netherlands, and St. Lucia.



Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

The United States is the only country that has consistently increased the amount of exports to S.V.G. since 1997. This increasing trend is due to the U.S. ability to adapt to the island's food needs, offering high quality food products at relatively low prices. Other main trading partners have experienced a gradual decrease over the last years. Please note that information is not available for 2001.



Market Trends

- Low fat and healthy foods are becoming more and more popular in S.V.G. due to the growing health conscious population.
- Locals are increasingly requesting food products targeted to diabetics due to high rates of the disease in the island.
- Demand for convenience foods and other value added foods is expanding as the country's economy continues to grow.
- The market for snack foods and energy drinks is on the rise in part because of a large number of students from St. George's School of Medicine (Grenada) who spend 4 months in St. Vincent on an exchange program.

Advantages	Challenges
Locals consider U.S. food products high quality.	Importers and retailers usually purchase food products in small volumes.
S.V.G. has been importing most of its food needs due to a declining agricultural sector.	St. Vincent Marketing Corp. has a monopoly on sugar imports.
The United States leads the food and beverage market due to the proximity to S.V.G. and ease of shipment.	CARICOM trade agreement offers duty-free access to S.V.G. food market for other Caribbean member nations.
Local consumers are knowledgeable about U.S. brand-name products mainly because of cable TV.	Import licenses protect local production as well as products from CARICOM countries such as selected fruits and vegetables.
Product labeling standards are voluntary in S.V.G.	Citrus is not allowed from Florida due to the Citrus Canker disease.

Section II. Road Map for Market Entry

A. SUPERMARKETS AND GROCERY STORES

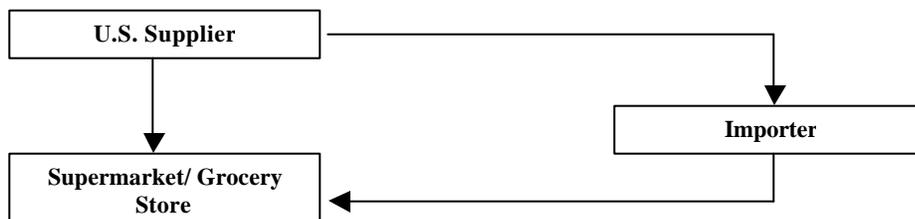
Entry Strategy

The best way for a U.S. supplier to introduce a new product into the S.V.G. retail market is first by sending product literature and samples. If interested, retail buyers then prefer to meet with the U.S. supplier, or, in some cases, would like for the U.S. supplier to meet with their local importer/distributor. Some importers ask U.S. suppliers to assist them with marketing material and moreover with a promotional campaign to help move products off the shelves.

Importers also attend U.S. trade shows to meet U.S. companies interested in the S.V.G. food market. The Americas Food & Beverage Show in Miami and the privately run U.S. Food Service, Inc. show are among the most popular.

Market Structure

Supermarkets in S.V.G. import between 60 to 80 percent of their food products directly for their own stores. They also represent, wholesale and distribute major brands to other retail outlets and to the food service industry. Grocery stores import between 20 to 40 percent of their food needs. Other importers and distributors supply them with the remaining 60 to 80 percent. Locally grown/manufactured foods sold in the S.V.G. retail market are few and include produce, meat and poultry, and bakery products.

Product Flow for Imported Products:**Company Profiles**

Retail Name and Type	Ownership	No. of Outlets	Location	Purchasing Agent
C. K. Greaves & Co., Ltd., Supermarket	Local	2	St. Vincent	Local & Direct Importer
Bonadies Supermarket, Supermarket	Local	2	St. Vincent	Local & Direct Importer
P. H. Viera & Co. Ltd., Supermarket	Local	1	St. Vincent	Local & Direct Importer
St. Vincent Marketing Corp., Supermarket	Local	1	St. Vincent	Local & Direct Importer
Delcos Supermarket, Grocery Store	Local	1	St. Vincent	Local & Direct Importer
Randys Supermarket, Grocery Store	Local	1	St. Vincent	Local & Direct Importer
Gourmet Foods, Grocery Store	Local	1	St. Vincent	Local & Direct Importer
Knights Trading & Supermarket, Grocery Store	Local	2	Bequia	Local & Direct Importer
Euro Shopper, Grocery Store	Local	1	Bequia	Local & Direct Importer
Grand Union Supermarket, Grocery Store	Local	1	Union Island	Local & Direct Importer
Lambi's Supermarket, Grocery Store	Local	1	Union Island	Local & Direct Importer
Little Price Supermarket, Grocery Store	Local	1	Union Island	Local & Direct Importer
Corea's Food Store, Grocery Store	Foreign: Barbados	1	Mustique	Local & Direct Importer
Mustique General Store, Grocery Store	Local	1	Mustique	Local & Direct Importer
Dennis Supermarket, Grocery Store	Local	1	Mayreau	Local & Direct Importer

All six supermarkets are located in the nation's capital, Kingstown. They target mainly local customers. C.K. Greaves & Co., Ltd., with two outlets (C.K. Greaves and Sunrise), has probably the widest selection of products in town. C.K. Greaves Supermarket, the larger store, also has a warehouse and a bakery. Sunrise Supermarket is in the process of expanding its meat and deli counters. Bonadies, which also has two outlets, is one of the islands most well known supermarkets. St. Vincent Marketing Corp., which started with a small retail outlet, recently inaugurated a much bigger new store with approximately six cash registers. It also operates a wholesale facility and manages the islands largest meat market, abattoir, fresh market, and fresh produce packaging house.

Of the 12 grocery stores operating in S.V.G., many just have one or two cash registers but offer a fair selection of food products and toiletries. These grocery stores import some

products directly but their purchasing volumes are much less than the large supermarkets. In St. Vincent, they compete with big supermarket stores by offering proximity to home (or journey home) and better customer service. One of these groceries, Gourmet Food, offers an excellent selection of imported cheeses, exotic meats and seafood, along with other deli items. In the Grenadines, grocery stores and mom & pop shops are the main source of food purchases as there are no major supermarkets on these islands.

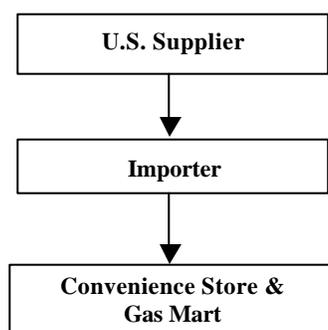
B. CONVENIENCE STORES AND GAS MARTS

Entry Strategy

Convenience stores obtain most of their food products from local distributors and local manufacturers/producers. It is estimated that only 20 to 30 percent of their food supplies are imported. The best way for a U.S. importer interested in introducing a product to convenience stores is by contacting local importers and supermarkets. They will supply convenience stores with their basic food needs.

Market Structure

Product Flow for Imported Products:



Company Profiles

Retail Name	Ownership	No. of Outlets	Location	Purchasing Agent
AZ's Convenient Store	Local	1	Kingstown, St. Vincent	Local & Direct Importer
T.C. Bayside Mini Mart	Local	1	Kingstown, St. Vincent	Local & Direct Importer
M & G Enterprise Ltd.	Local	1	Kingstown, St. Vincent	Local & Direct Importer
Doris Fresh Foods	Local	1	Port Elizabeth, Bequia	Local & Direct Importer
Tannis Brothers	Local	1	Front Street, Bequia	Local & Direct Importer
Captain Gourmet's Grocery	Local	1	Clifton, Union Island	Local & Direct Importer
Dennis Supermarket	Local	1	Mayreau	Local & Direct Importer

Convenience stores offer a small selection of food products and often target tourists including those visiting by yacht. They usually sell a small selection of meat, seafood, dry goods, and alcoholic & non-alcoholic beverages. About 6 Shell and Texaco gas-marts are also present in the retail market and carry basic staples.

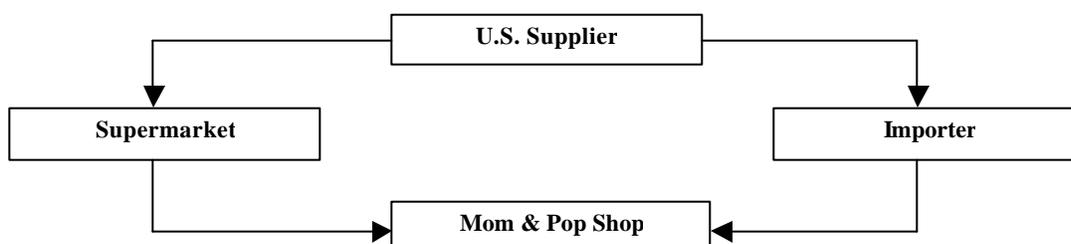
C. TRADITIONAL MARKETS AND MOM & POP SHOPS

Entry Strategy

Mom and pop shops do not import directly from the U.S. supplier. Therefore, the best way to introduce a product is through a local importer or distributor.

Market Structure

Product Flow for Imported Products:



Sub-Sector Profile

As mentioned earlier, S.V.G. has about 400 mom & pop shops. They sell mainly dry goods and local produce. Market Square is the main traditional market and it sells local vegetables, fruits and fish.

Section III. Competition

Competition for food and beverage products is led by the United States that supplies most of the nation's total needs. The high quality and competitive prices of U.S. food products, along to the U.S. proximity to S.V.G., are the winning factors of this advantageous position. The biggest competitors are other Caribbean countries such as Trinidad & Tobago and Barbados, and the United Kingdom. The first two are because of logistics reasons and the last one because of the nation's strong relations with the U.K.

The following products and countries compete with U.S. products:

- **Beef:** U.K., Canada and local.
- **Poultry:** U.K. and other Caribbean countries.
- **Pork:** U.K., local and other Caribbean countries.
- **Fresh Produce:** local and other Caribbean countries.
- **Seafood:** U.K., Canada, Netherlands, and other Caribbean countries.
- **Dry Goods:** U.K., Canada, Denmark, local and other Caribbean countries.
- **Dairy Products:** U.K., Canada and Denmark.
- **Alcoholic Beverages:** U.K., France, South America, local and other Caribbean countries.
- **Non-Alcoholic Beverages:** U.K., local and other Caribbean countries.
- **Specialty Foods:** U.K., Canada, France and Germany.
- **Bakery Ingredients:** other Caribbean countries.

The United States dominates the market in the categories shown in the following table. U.S. food products comprise sixty to eighty percent of the market share for fresh fruits, pet foods, fresh/chilled/frozen red meats, processed fruits and vegetables, and poultry meats.

Top 10 U.S. Food Products in S.V.G. Import Market for 2002			
U.S. High Value Food Product	Market Share	U.S. High Value Food Product	Market Share
Fresh Fruits	88%	Red Meats (Prepared/Preserved)	39%
Pet Foods	86%	Mixed Container Loads	32%
Red Meats (Fresh/Chilled/Frozen)	78%	Breakfast Cereals & Pancake Mixes	31%
Processed Fruits & Vegetables	64%	Snack Foods (Excl. Nuts)	28%
Poultry Meats	63%	Fruit & Vegetable Juices	20%

Source: UN Trade Data

Section IV. Best Prospects

A. Products Present in the Market Which Have Good Sales Potential

Market opportunities exist for a wide array of retail products:

- "Healthy products"
- Snack foods
- Convenience or value added goods
- Dairy products
- Beef
- Poultry products
- Pulses

B. Products Not Present in Significant Quantities but Which Have Good Sales Potential

- Diabetic products
- Energy drinks
- Organic products

C. Products Not Present Because They Face Significant Barriers

Products that are not allowed into S.V.G. include:

- Citrus from Florida (Citrus Canker)

Others that are heavily restricted by licenses or duties include:

- Locally grown types of fruits and vegetables
- Rice
- Water
- Bakery ingredients

Section V. Import Regulations

Customs offices are located in every populated island in the nation. Officers require the following documentation for the entry of food imports:

- Import declaration
- Commercial invoice
- Bill of lading or airway bill
- Packaging list
- Certificate of origin
- Certificate of value or bill of exchange
- Insurance certificate

Goods usually take between one to two weeks to clear customs. S.V.G. custom offices also offer a quick customs clearance process for a fee charged to importers.

Upon entry, food products are inspected by the Department of Health. Meat imports have to be inspected by veterinarians from the Ministry of Agriculture. In order to import fresh produce to S.V.G., U.S. exporters are required to have a phyto-sanitary permit. In the case of seafood, an approval of the Fisheries Department is required.

Product labeling standards in S.V.G. are voluntary, although they are in the process of making them compulsory. They do not enforce the standards because local products do not yet meet them. S.V.G. Bureau of Standards recommends that the following standards should be included in the products label:

- Name of product
- English language
- List of ingredients, including food additives
- Net contents and drained weight of the food (when applicable)
- Name and address of the manufacturer packer, distributor, importer, or vendor
- Country of origin
- Batch or lot identification
- Date of minimum durability
- Storage instructions
- Instructions for use
- Grade designations

Imports of goods that compete with agricultural exports of CARICOM countries are subject to licenses. S.V.G. has a reserve list of about 80 items subject to licensing. Goods that compete with locally made products are prohibited in some cases. A minimum of forty-eight hours is required for processing an application for license to import food products into the nation. A charge of \$5 EC (approximately \$2 US) in stamps is required to apply.

St. Vincent Marketing Corporation is a statutory body that acts on behalf on the government as importer of commodities and exporter of fresh produce and seafood. It also maintains the competitiveness of selected food products by buying them directly from the producer/manufacturer and selling them to consumers at reasonable prices. In addition, the Corporation has a monopoly on sugar imports. Furthermore, St. Vincent legislation provides government authority to administer trade in any commodity by simple administrative decision.

Section VI. Contact Information

A. For more information on St. Vincent & the Grenadines and a list of importers for your U.S. product, please contact:

**Caribbean Basin Agricultural Trade Office
Foreign Agricultural Service
United States Department of Agriculture**

909 SE 1st Ave., Suite 720
Miami, FL 33131
Phone: (305) 536-5300
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E-mail: angel@cbato.net

Please visit our website for more reports and information on St. Vincent & the Grenadines and other Caribbean Islands:

<http://www.cbato.fas.usda.gov>, click on "U.S. Exporters"

B. Other Sources of Information on St. Vincent & the Grenadines:

St. Vincent Marketing Corporation

Mr. Sonny A. Williams, CEO

P.O. Box 872

Upper Bay Street

Kingstown, St. Vincent

Tel: 784-457-1603

Fax: 784-456-2673

Email: svmc@caribsurf.com

Ministry of Agriculture, Land & Fishery

Mr. Philmore Isaacs, Chief Agricultural Officer

Richmont Hill

Kingstown, St. Vincent

Tel: 784-456-1410

Fax: 784-457-1688

Email: agrimin@caribsurf.com

Ministry of Foreign Affairs, Commerce and Trade

Mr. Nathaniel Williams, Minister

Kingstown, St. Vincent

Tel: 784-456-2060

Fax: 784-456-2610

Email: mtrade@caribsurf.com

St. Vincent & the Grenadines Customs Department

Ms. Kenlyn Jones

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Kingstown, St. Vincent

Tel: 784-456-1083

Fax: 784-458-4561

Email: customs@caribsurf.com

St. Vincent & the Grenadines Bureau of Standards

Mr. Ezra D. Ledger, Director

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Fax: 784-457-8175

Email: svgbs@caribsurf.com

St. Vincent & the Grenadines Ministry of Tourism and Culture

Hon. Rene Baptiste, Minister
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Fax: 784-451-2425
Email: tourism@caribsurf.com
Website: www.svgtourism.com

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St. Vincent & the Grenadines Hotel & Tourism Association

Ms. Vida Bernard
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Tel: 784-458-4379
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