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## Trinidad and Tobago

### Retail Food Sector

### Country Report

## 2005

**Approved by:**

Omar Gonzalez, Acting Director  
Caribbean Basin ATO

**Prepared by:**

Kay Logan, Agricultural Marketing Specialist

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**Report Highlights:**

This report is intended to aid U.S. exporters of food and beverage products in profitably entering the US\$617 million retail food market in Trinidad and Tobago. This report summarizes important market developments, presents a road map for market entry, provides sub-sector profiles, describes the overall competitive situation facing U.S. suppliers, and highlights the best prospects for this country's retail food market.

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## SECTION I. MARKET SUMMARY

The two-island republic of Trinidad and Tobago is the southernmost country in the Caribbean archipelago, approximately seven miles off the Venezuelan coast. Trinidad and Tobago has a total area of 1,980 square miles, slightly smaller than that of Delaware. Trinidad and Tobago's 1.3 million people share a common culture, but trace their ancestry back to Africa, India, Europe, China, the Middle East and the Mediterranean. The majority of Trinidad and Tobago's population lives on the island of Trinidad, a mixture of metropolis, tropical forests, and mountains. On the contrary, the island of Tobago is a small tourist spot known for its beautiful beaches.

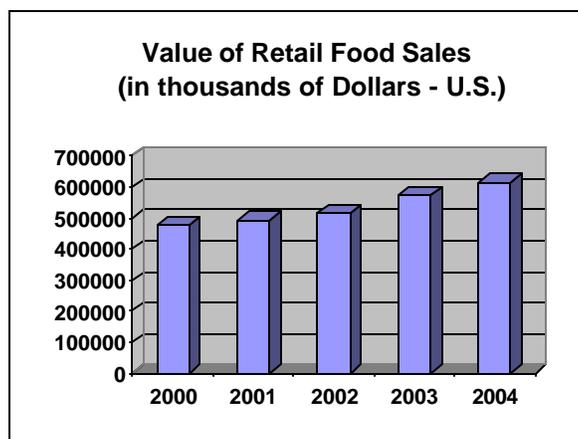
Trinidad and Tobago experienced its tenth straight year of economic growth in 2004. Gross domestic product (GDP) for Trinidad and Tobago was US\$11.48 billion in 2004 – a 5.7 percent increase from 2003. Unlike most of its Caribbean neighbors, Trinidad has a large industrial sector, which is primarily based on petroleum and natural gas production and processing. The agricultural sector remains a small but vital part of the national economy. Tourism, mainly concentrated in Tobago, is a growing sector, although not proportionately as in many other Caribbean islands.

Trinidad and Tobago has a dynamic and developing retail food sector. Trinidad and Tobago's retail market is composed of over 500 chain food stores (supermarkets, grocery stores, and gas marts), with estimated annual sales of US\$617 million (2004 est.).

	2000	2001	2002	2003	2004
Total Number of Retail Food Stores	631	586	572	558	513

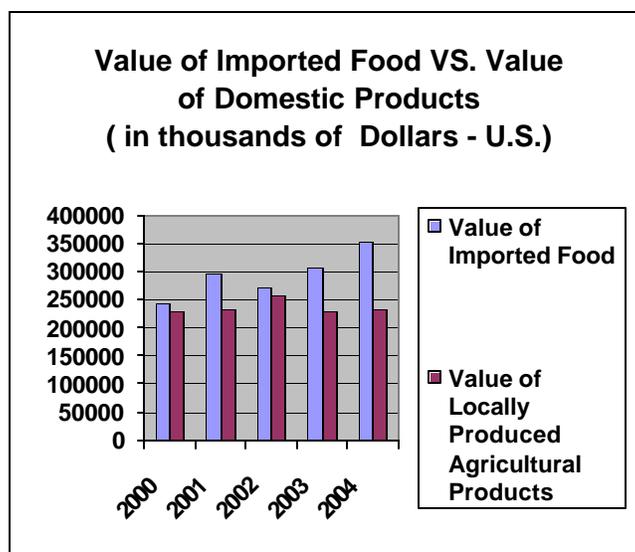
Source: Trinidad and Tobago Central Statistical Office

While the above chart shows that the total number of retail food stores has declined over a five-year period (2000-2004), it is important to note that the total value of retail food sales has increased over this same five-year period. Due to increasing competition among retail food stores and the pressure to enhance customer satisfaction, a number of trends have taken place in the retail food sector. With an aim for a "one stop shop experience," many of the supermarket chains have begun to consolidate, renovate and remodel their stores. Larger stores with wider aisles and checkout counters, and the introduction of in-house bakeries and delis, are becoming quite common. Another major trend in the retail food sector is the shift toward offering a broader range of U.S. imported products. The quality, convenience, and competitive pricing of U.S. products are just some reasons why this trend has taken place. Additionally, there is a large trend toward low fat and health foods. While the majority of supermarkets are conveniently located in near workout facilities, many locals visit the supermarket to buy power drinks, fresh fruits and vegetables after their workouts. Entire aisles are now used to display low fat and health food products.



Source: Trinidad and Tobago Central Statistical Office

In an effort to meet consumer desires and obtain the ingredients needed by a thriving food processing industry, Trinidad and Tobago is heavily dependent on agricultural imports. In 2004, Trinidad and Tobago's agricultural imports totaled US\$352 million. Consumer-oriented agricultural products and edible fish and seafood products comprised roughly 57 percent of all agricultural exports to Trinidad and Tobago. The United States is the country's main trading partner in terms of food and beverage products. Over 40 percent of food imports are from the U.S. In 2004, the U.S. exported US\$163 million in agricultural fish, and forestry products to Trinidad and Tobago, of which US\$51 million were consumer-oriented agricultural products, and US\$1 million were edible fish and seafood products. Approximately 70 percent of the country's total consumer-oriented import products are directed towards the retail sector while the remaining 30 percent is channeled to the food service sector.



Source: Trinidad and Tobago Central Statistical Office

The following table illustrates the market advantages (strengths and opportunities) and market challenges (weaknesses and threats) facing U.S. exporters:

Advantages	Challenges
Strong political, economic, and cultural ties with the United States gives U.S.	The Caribbean Community and Common Market (CARICOM) trade agreement

food and beverage products a competitive advantage.	offers duty-free access to Trinidad and Tobago food market for other Caribbean member nations.
The frequent advertisement of U.S. food and beverage products on cable television maintains the popularity of U.S. products among Trinidad and Tobago consumers.	Local wholesalers already carry many major U.S. and international brands. It may be difficult for new products to compete with these brands and it may be hard to find a local importer who does not carry competing brands.
The two-island republic benefits from one of the highest per capita incomes in the Caribbean region (estimated at US\$10,500 in 2004). The islands' flourishing middle class and the growing number of women in the workforce increase the demand for consumer-ready and convenience foods.	With the strong cultural influence of East Indians, Africans, and Europeans, the "Trini" palate is unique. The U.S. food industry needs to be able to cater to their distinct tastes.
Trinidad and Tobago has relatively liberalized import policies which encourage trade.	Due to certain legislative measures, selected goods (i.e. citrus and honey) may face restricted access.
Trinidad and Tobago has excellent trade and communication infrastructure and a fairly modern and efficient distribution system.	Although Trinidad and Tobago is one of the largest markets in the Caribbean, as in most other island nations, individual orders tend to be small and favor mixed rather than full container loads.

## SECTION II: ROAD MAP FOR MARKET ENTRY

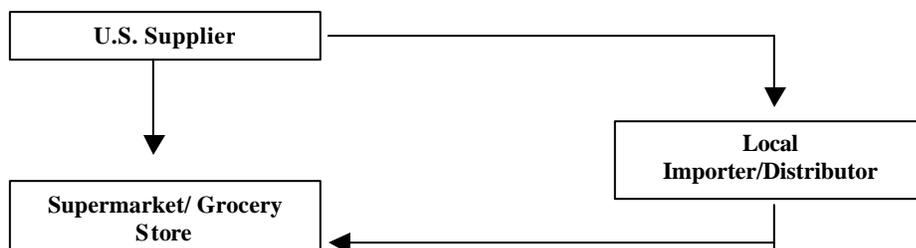
### A. Supermarkets, Grocery Stores, and Wholesale Food Clubs

#### Entry Strategy

Supermarkets in Trinidad and Tobago import between 70 to 80 percent of their food products for their stores. To successfully enter the Trinidad and Tobago retail food market, U.S. exporters should contact local importers/distributors and large retailers. During the Christmas Holiday, some supermarkets import certain fresh fruit products, such as grapes and apples, directly from U.S. suppliers. Hi-Lo Food Stores, the nation's largest supermarket chain, has their own distribution network and therefore is able to directly import some of their food and beverage products from U.S. suppliers. Moreover, Price Smart, a U.S.-style warehouse-shopping club, imports approximately 60 to 65 percent of their products directly. However, since most supermarkets do not have warehouse ability, local importers/distributors continue to lead the retail import industry. U.S. suppliers interested in entering the retail food market should start by sending product literature and samples of their product to local importers/distributors and large retailers. Additionally, many local importers, as well as retailers, also travel to trade shows such as the Americas Food and Beverage Show in Miami, Florida. Good follow-up with prospective clients after the trade show is essential in order to develop a successful business relationship.

#### **Market Structure**

The following chart illustrates how products are passed from U.S. suppliers to the retail food outlets:



Company Profiles of the Top 8 Supermarkets:

<b>Retailer Name &amp; Outlet Type</b>	<b>Ownership</b>	<b>No. Of Outlets</b>	<b>Location (city/region)</b>	<b>Purchasing Agent Type</b>
Hi-Lo Food Stores	Local	17	Island wide (Trinidad)	Local Importer/Direct
JTA	Local	4	San Fernando, Couva (Trinidad)	Local Importer
Tru Valu	Local	4	St. James, Diego Martin, Valsayn, Trincity (Trinidad)	Mostly Local Importer
Naipaul's Xtra Foods	Local	2	Chaguanas, Grand Bazaar (Trinidad)	Local Importer
Price Smart	Foreign: U.S.	2	Port of Spain, Chaguanas (Trinidad)	Direct
Penny Savers	Local	2	Scarborough, Mt. Irvine (Tobago)	Local Importer
Westside Foods	Local	1	Arima (Trinidad)	Local Importer
Food Giant Supermarket's	Local	1	Barataria (Trinidad)	Local Importer

**B. Convenience Stores and Gas Marts**

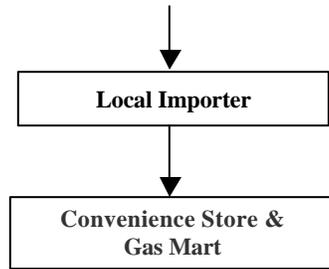
**Entry Strategy**

Due to the limited storage space that convenience stores and gas marts have, these operations require frequent deliveries of small orders from local importers/distributors and local manufacturers/producers. The best way for a U.S. importer to introduce a product to convenience stores and gas marts is by contacting local importers.

**Market Structure**

The following chart illustrates how products are passed from U.S. suppliers to convenience stores and gas marts.





**Gas Mart Profiles**

The Trinidad & Tobago National Petroleum Marketing Company (NP), with a network of 215 service stations, is the country’s sole marketer of petroleum fuels. NP’s convenience stores are known as Quik Shoppes. Quik Shoppes located throughout the two islands have quick-service restaurants and also carry a wide range of products including grocery, beverages, and snack items.

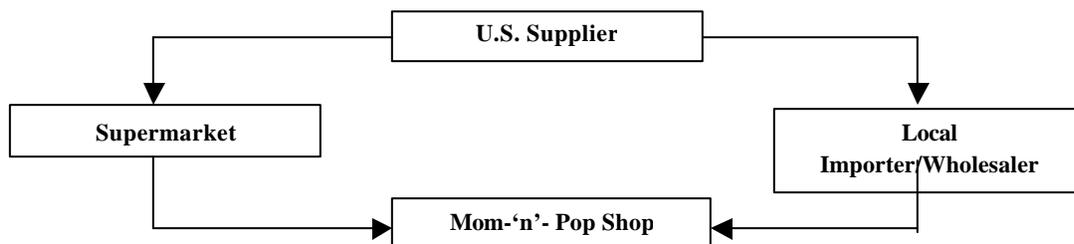
**C. Traditional Markets - Mom-‘n’-Pop Shops, Small Independent Grocery Stores and Wet Markets**

**Entry Strategy**

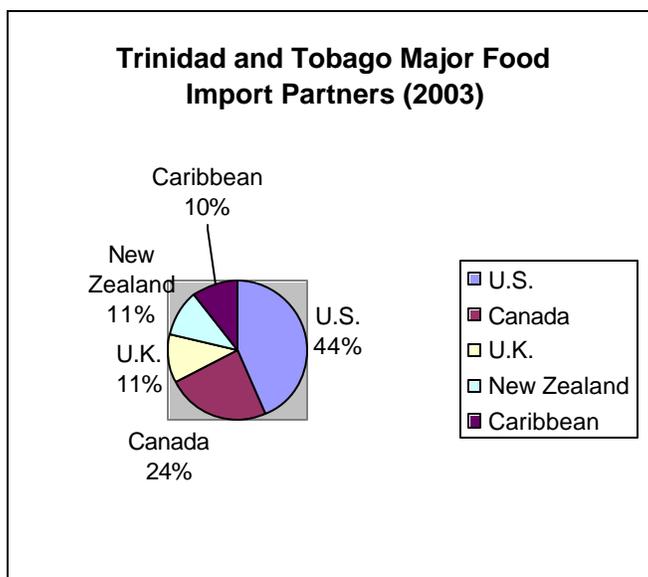
The best method for entering the traditional retail markets, including mom-‘n’-pop shops, independent grocery stores, and wet markets, is through local importers/wholesalers. Traditional market storeowners like to buy from local importers/wholesalers because their prices are low, and in turn, they can retail their goods at prices competitive with those of supermarket chains. Most small independent grocery stores operate their stores out of their homes, and thus enjoy a rent-free advantage over other types of food stores. These operations typically cater to the micro-community, i.e. persons who live in and around a particular village or community. Customers receive highly personalized service, and tend to be loyal.

**Market Structure**

The following chart illustrates how products are passed from U.S. suppliers to the traditional retail markets:



SECTION III: COMPETITION



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

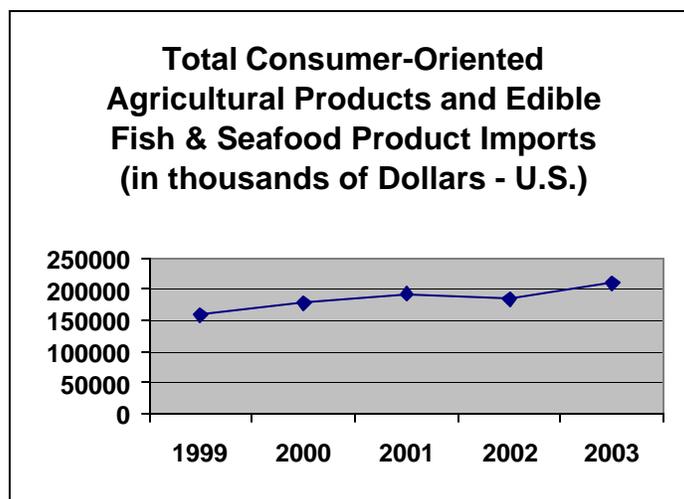
Market share competition for the exportation of food and beverage products to Trinidad and Tobago is led by the United States. In general, U.S. prices are competitive with local and international products. The biggest competition U.S. exporters face is from domestic producers. Trinidad boasts one of the largest food processing industries in the Caribbean. Its major strength is in poultry production, being the fourth largest Caribbean producer after the Dominican Republic, Jamaica and Cuba. Trinidad and Tobago is also a large supplier of seafood.

The government of Trinidad and Tobago imposes high tariffs on selected items, such as ice cream and certain poultry products, which may be produced locally or regionally within the Caribbean. Aside from local competition, U.S. products also face competition from other foreign suppliers. Given Trinidad and Tobago’s many ties with the U.K. and Canada, products and brands from these countries are prevalent in the market and may hold a certain sentimental edge among consumers in some cases. The following table illustrates the respective country market shares in different product categories:

Product Category	Import Value 2003	Major Supply Sources and Rank	Share of Import Market 2003
Meat Products	US\$22 million	1. U.S.A. 2. New Zealand 3. Canada  (Brazil is also a major supplier - market share percentage is not available)	29% 23% 21%
Fish and Seafood Products	US\$8 million	1. Canada 2. South Africa 3. Brazil	41% 11% 10%

		(U.S.A. is a minor supplier - 2%)	
Processed Meat, Fish, and Seafood Products	US\$9.3 million	1. Canada 2. U.S.A. 3. Brazil	25% 24% 21%
Dairy Products  **Trinidad & Tobago imports bulk milk powder to repack and sale under local brand names.	US\$45 million	1. Ireland 2. U.S.A. 3. New Zealand  (The E.U. is a major supplier - 36%)	24% 17% 16%
Fresh Vegetables	US\$21.7 million	1. Canada 2. Netherlands 3. U.S.A.	29% 26% 21%
Fresh Fruit and Tree Nuts	US\$10.3 million	1. U.S.A. 2. India 3. St. Vincent and the Grenadines	55% 18% 10%
Processed Vegetable, Fruit, and Tree Nut Products	US\$28.5 million	1. U.S.A. 2. Canada 3. Belize	27% 19% 16%
Other Processed Foods	US\$29.5 million	1. U.S.A. 2. Costa Rica 3. United Kingdom	46% 12% 7%
Non-Alcoholic Beverages, Wine, and Beer	US\$30.6 million	1. United Kingdom 2. Brazil 3. St. Lucia  (U.S.A. is a minor supplier - 8%)  (The E.U. is a major supplier - 42%)	28% 15% 12%
Coffee, Tea, and Spices	US\$4.4 million	1. Chile 2. India 3. Canada  (U.S.A. is a minor supplier - 7%)	38% 10% 9%

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



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

#### SECTION IV: BEST PRODUCT PROSPECTS

The following charts illustrate the best product prospects for U.S. exporter entering the Trinidad retail food sector:

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

- Fruit Juices
- Beef
- Turkey (especially around the Christmas Holiday)
- Pork
- Fresh Produce (e.g., apples, grapes, citrus, broccoli)
- Cake Mixes
- Soups
- Cheeses

There has been a wide trend towards consuming packaged/cooked foods in Trinidad and Tobago. Supermarket managers have noted the sales potential of goods such as powdered coconut milk, packaged roti (a local delicacy similar to a wrap), cake mixes, and pre-seasoned meat products. With a growing Muslim community, there is also a large demand for suppliers of *Halal* meats.

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

- Healthy food products or nutraceuticals (e.g., vitamins, low-fat foods, granola bars)
- Herbal products (e.g.; tea)
- Non-Caribbean produce (e.g., raspberries, strawberries, broccoli, black mushrooms)
- Pickled products
- Ethnic food ingredients, sauces, and other condiments for Indian, Thai, Japanese and Italian Cuisines (in strong demand)

The products listed below have good sales potential. Their access is restricted by high tariffs yet they all have niche markets to fill:

- Ice cream
- Beer and wine

- Specialty fresh produce (e.g., brussels sprouts, asparagus, artichokes)
- Processed fruits and vegetables
- Wheat Flour

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

- Citrus
- Honey
- Margarine
- Avocados
- Further processed chicken and beef

## SECTION V: MARKET ENTRY CONSIDERATIONS

All food and beverage imports are subject to the CARICOM Common External Tariff (CET). Since 1999, CET levels for most products have been reduced to a targeted range of 0 percent to 20 percent. However, for certain products the CET rates are as high as 40 percent. In addition to the import duties, a 15 percent value-added tax (VAT) is collected on retail sales of the majority of imported, as well as locally produced goods.

Following high and rising food prices (food prices increased by 21 percent in December 2004), there have been renewed calls by the Supermarkets' Association of Trinidad and Tobago (SATT) for the removal of duty and VAT on food items. Higher food prices may have resulted from several factors including bad weather conditions, the changing demand for goods, and the prolonged and short-term stoppages at the country's main seaport, Port of Spain.

The following documents are required for the importation of goods to Trinidad and Tobago:

- CARICOM Invoice
- Supplier Invoice
- Bill of Lading or Airway Bill
- Certificate of Origin
- Shipping Documents
- Declaration of Value
- Certificate of Health/Sanitary Certificate (if required)
- Import License (for negative list items only)

For more on food and agricultural import regulations and standards, please refer to GAIN Report TD4001.

## SECTION VI. CONTACT INFORMATION

**A. For more information on Trinidad and Tobago 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 1<sup>st</sup> Ave., Suite 720  
Miami, FL 33131  
Phone: (305) 536-5300  
Fax: (305) 536-7577  
E-mail: [cbato@cbato.net](mailto:cbato@cbato.net)

Paul Hoffman, Director  
E-mail: [paul@cbato.net](mailto:paul@cbato.net)  
Omar González, Deputy Director  
E-mail: [omar@cbato.net](mailto:omar@cbato.net)  
Graciella Juelle, Marketing Assistant  
E-mail: [grace@cbato.net](mailto:grace@cbato.net)

Please visit our website for more reports and information on Trinidad and Tobago and other Caribbean Islands: <http://www.cbato.fas.usda.gov>

#### **Other Sources of Information on Trinidad and Tobago:**

##### **Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO)**

Trade & Investment Unit  
Natalie Paul-Harry  
Level 1 Maritime Centre  
#29 Tenth Avenue  
Barataria  
Tel: 1-868-675-7034 Ext 276  
Fax: 1-868-675-7338  
Email: [npaulharry@tidco.co.tt](mailto:npaulharry@tidco.co.tt)  
Website: [www.tidco.co.tt](http://www.tidco.co.tt)

##### **Central Statistical Office**

Mr. Clifford Lewis  
Officer in Charge, National Accounts  
National Statistics Building  
80 Independence Square  
Port of Spain  
Tel: 1-868-623-4493 Ext 4400  
Fax: 1-868-625-3802  
Email: [bizinfo@wow.net](mailto:bizinfo@wow.net)

##### **National Agricultural Marketing and Development Company (NAMDEVCO)**

Mr. Samaroo Dowlath  
Chief Executive Officer  
Cor S S Erin Rd  
M2 Ring Rd  
DEBE  
Tel: 1-868-647-3218, 1-868-647-3467  
Fax: 1-868-647-6087  
E-Mail: [mktnamdevco@rave-tt.net](mailto:mktnamdevco@rave-tt.net), [ceonamdevco@tstt.net.tt](mailto:ceonamdevco@tstt.net.tt)

##### **Trinidad Hotels, Restaurants and Tourism Association (THRTA)**

Bernadette Nathaniel  
Executive Director  
PO Box 243, Port of Spain  
c/o Trinidad and Tobago Hospitality and Tourism Institute  
Airway Road, Chaguaramas  
Tel: 1-868-634-1174/5  
Fax: 1-868-634-1176  
Email: [info@tnthotels.com](mailto:info@tnthotels.com)

Supermarket Association of Trinidad and Tobago (SATT)

Mr. Heeranand Maharaj, President

Mr. Robin Persad, Educational Research

Macoya Rd, Tunapuna

Telefax: 1-868-663-2622

Email: [tsatt@tstt.net.tt](mailto:tsatt@tstt.net.tt)

Website: [www.supermarkettt.org](http://www.supermarkettt.org)

**Food and Drug Administration**

Mr. Deoraj Ramcharan

Chief Food and Drug Inspector

92 Fredrick St.

Port of Spain

Tel: 1-868-623-2834

Fax: 1-868-623-2477

Email: [cfdd@carib-link.net](mailto:cfdd@carib-link.net)

**Ministry of Agriculture**

**Land and Marine Resources**

Head Office, St. Clair

Port of Spain

Tel: 1-868-622-1221

**Ministry of Consumer Affairs**

Consumer Affairs Division

Agostini Compound

3 Duncan Street

Port of Spain

Tel: 1-868-623-7741