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Caribbean Basin

Food Processing Ingredients Sector

Eastern Caribbean

2006

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Report Highlights:

The eastern Caribbean region offers large opportunities for U.S. Suppliers of food and beverages ingredients. In 2005, the eastern Caribbean region imported approximately U.S. \$129 million worth of bulk commodity, intermediated or semi-processed agricultural products, and seafood products from the United States. The United States has the largest market share in the following major categories: Meat, Dairy, Fresh Vegetables/Fruits, Nuts, Cereals, Oil Seed, Oleagic Fruits, Grain, Animal/Vegetable Fats, and Oils.

Includes PSD Changes: No
Includes Trade Matrix: No
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This report covers the eastern Caribbean region, comprising of Anguilla, Antigua and Barbuda, Barbados, Dominica, Grenada, Guadeloupe, Martinique, Montserrat, St. Barthelemy, St. Eustatius, St. Kitts and Nevis, St. Lucia, St. Martin/St. Maarten, St. Vincent and the Grenadines, Saba, and Trinidad and Tobago.

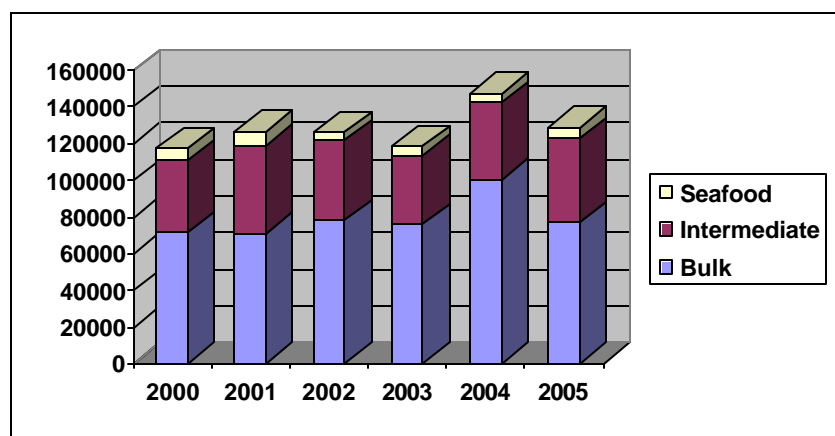
SECTION I. MARKET SUMMARY

The structure of the food processing industry within the eastern Caribbean region can be categorized in five groupings as follows: multinational firms, large-scale firms, medium-sized firms, small-scale firms, and micro-sized firms. Micro-sized and small-scale processors of pepper sauces, jams, jellies, fruit nectars, rum, and other alcoholic beverages are prevalent throughout the entire region. However, the majority of the medium to large-scale food processors are located on the islands of Trinidad and Barbados. These include manufacturers of processed meat and fish, pasta products, bakery products, confectionary products, dairy products, fruits and vegetables, packaged and convenience foods, and edible oils and fats. Medium to large-scale grain mills producing wheat flour, rice, and animal feeds are also present on the islands of Barbados, Grenada, Guadeloupe, Martinique, St. Vincent, and Trinidad.

The eastern Caribbean region, particularly the islands of Trinidad and Barbados, offers large opportunities for U.S. suppliers of food and beverage ingredients. Several factors are currently driving the growth of the food processing sector in these two islands. These include the relatively high standards of living and education, increased exposure to other regions of the world through travel and the Internet, rising number of women in the workforce, the pursuit for a healthier society, and an increase in foreign direct investment (FDI).

Due to the minimal amount of arable land and the seasonality of crops, processors within the region do not have a continuous ready supply of local agricultural products. Therefore, food processors rely heavily on the importation of raw materials. Food processors within the region buy roughly 20 percent of raw materials and food ingredients from local suppliers and import 80 percent from international suppliers. The United States is the region's main trading partner in terms of bulk commodity, high-value intermediate agricultural products, and seafood products with an estimated 37 percent market share. In 2005, the eastern Caribbean region imported approximately US \$129 million worth of bulk commodity, intermediate or semi-processed agricultural products, and seafood products from the United States.

**Eastern Caribbean
Bulk Commodity, Intermediate Agricultural, and Seafood Product Imports from the
United States
2000-2005**



Source: FAS' U.S. Trade Internet System using data from the Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Trinidad and Tobago

Trinidad and Tobago's food processing industry is one of the most advanced manufacturing sub-sectors in the Caribbean region. While contributing over 50 percent of the total non-energy manufacturing sector output, the food processing industry is the largest non-energy manufacturing sector in the two-island republic. Trinidad and Tobago's food processing industry is comprised of 424 firms, employs an estimated 9,000 people, and accounts for roughly 3 percent of the total GDP of the economy (US \$13.7 billion estimated 2005 total GDP). More importantly, the food processing industry accounts for approximately 36.5 percent of the total value added of the manufacturing sector in Trinidad and Tobago. Included in this percentage is the fish processing industry. Trinidad and Tobago's fish processing industry benefits from the prime geographical location of the two islands and the diverse fish resource. There are twelve fish processing facilities located on the island of Trinidad and there are four located on the island of Tobago. While no official forecasts have been made regarding the expected growth rate of Trinidad and Tobago's food processing sector, Trinidad and Tobago's food processing industry increased by an average of 6.5 percent between 2000 and 2004.

**Food Processing Firms by Product Area
Trinidad and Tobago**

Meat/Fish	50
Ice Cream	12
Fruit & Vegetables	29
Bakeries	188
Confectionery	16
Alcoholic Beverages	5
Non-Alcoholic Beverages	15
Other	109
Total	424

Source: *Trinidad and Tobago Food and Beverage Industry Team using data from the Trinidad and Tobago Central Statistical Office.*

Barbados

Barbados' food processing industry, which is comprised of 192 firms, has historically played a fundamental role in the island's economy. This industry is the largest employer in Barbados' manufacturing sector and accounts for roughly 3 percent of the total GDP of the economy (US \$3.1 billion estimated 2005 total GDP). The food processing industry is also the largest single export-earning manufacturing sub-sector in Barbados, accounting for 35.7 percent of the export earnings of the total domestic exports. While no official forecasts have been made regarding the expected growth rate of Barbados' food processing sector, Barbados' food processing industry increased by an average of 10 percent between 2001 and 2005.

Food Processing Firms by Product Area Barbados

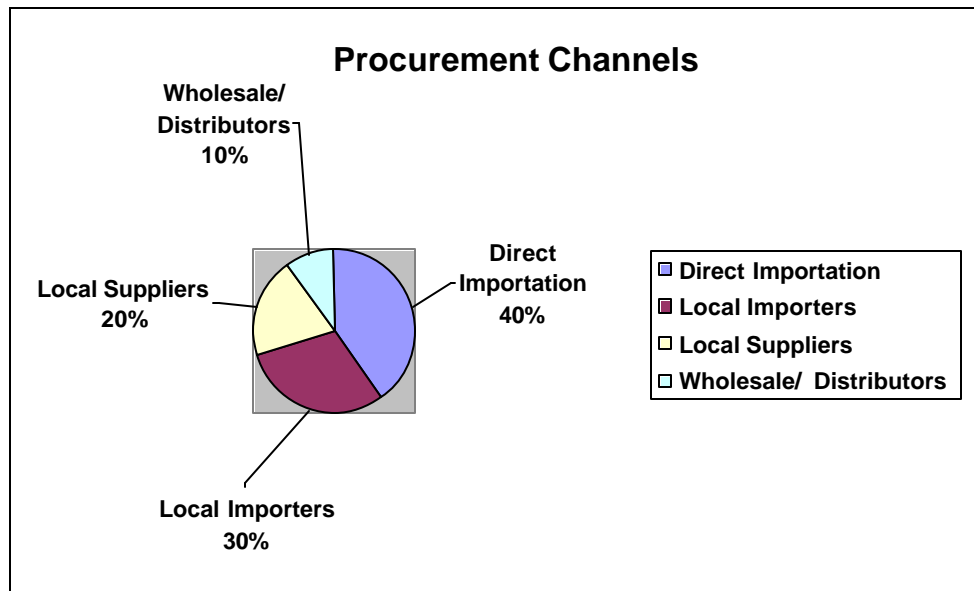
Meat	9
Fish	6
Grain Mill	3
Pasta & Couscous	4
Dairy	8
Fruit & Vegetables	8
Bakery	71
Confectionery	1
Alcoholic Beverages	13
Non-Alcoholic Beverages	16
Animal Feeds	4
Other	49
Total	192

Source: *Barbados Statistical Service*

The following table illustrates the market advantages and market challenges in the eastern Caribbean facing U.S. exporters:

Advantages	Challenges
Due to an inconsistent and insufficient supply of local agricultural products, food processors within the eastern Caribbean must import most of their food ingredients and raw materials.	As in most island states, individual orders for raw materials and food ingredients tend to be small.
The eastern Caribbean islands are characterized by relatively liberalized import policies, which encourage trade.	Selected goods may face restricted access due to the legislative framework and regulatory system of each island-state.
Eastern Caribbean food processors view U.S. suppliers as a reliable source of quality food ingredients.	Trading blocks such as the Caribbean Community and Common Market (CARICOM) offer duty-free access to many of the eastern Caribbean islands for other member states.
In general, the eastern Caribbean islands are characterized by efficient supply chain systems.	While most of the large-scale processing companies have a production process that is semi-automated or fully automated, the majority of the small to medium-scale companies still rely on small-scale equipment and manual labor in the production process.

SECTION II. ROAD MAP FOR MARKET ENTRY

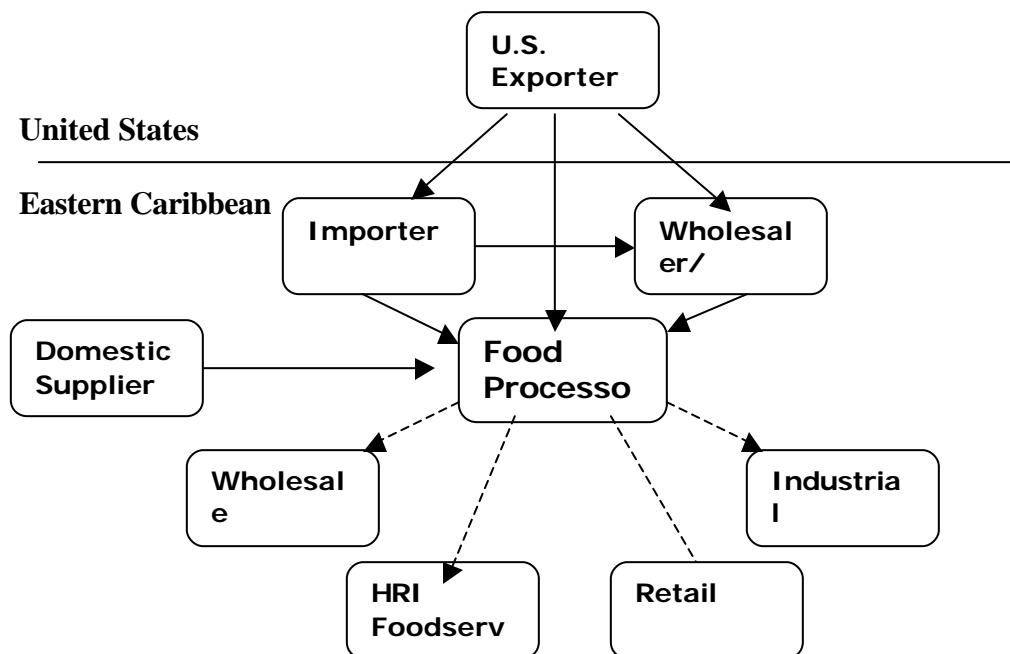


ENTRY STRATEGY

U.S. suppliers can enter the eastern Caribbean food processing market by exporting directly, or working with a large importer or a large wholesaler/distributor. Food processors buy approximately 40 percent of their raw materials and food ingredients directly, 30 percent from large importers, 20 percent from local suppliers, and 10 percent from large wholesaler/distributors.

Regardless of which entry strategy is chosen, food processors within the region stress the importance of personal visits and sending samples upon request. Food processors also travel to trade shows such as the International Dairy-Deli-Bake Association (IDDBA) Show and the International Beverage Association Show (Interbev) Show in an effort to meet face-to-face with U.S. product representatives.

MARKET STRUCTURE



COMPANY PROFILES

Following is a list of some of the key food processors in the eastern Caribbean:

Company	Production Location	Product Types	End-Use Channels	Procurement Channels
Anguilla Rums Ltd.	Anguilla	Alcoholic - Beverages	n/a	n/a
Antigua Brewery Ltd.	Antigua	Alcoholic - Beverages	n/a	n/a
Antigua Distillery Ltd.	Antigua	Alcoholic - Beverages	n/a	n/a
Alamac Manufacturing Co.	Barbados	Snack Foods (Potato Chips; Tortilla Chips; Corn Chips)	n/a	n/a
Baker's Choice	Barbados	Bakery Products	Retail; Wholesale; HRI Food Service	Domestic Supplier; Local Importer; Import Directly
Banks (Barbados) Breweries	Barbados	Alcoholic Beverages	Wholesale; Retail	Import Directly; Domestic Supplier; Local Importer; Wholesaler/Distributor
Barbados	Barbados	Non-Alcoholic	n/a	n/a

Bottling Co. Ltd.		Beverages		
Barbados Dairy Industries (Pine Hills Dairy)	Barbados	Dairy Products; Juices	Retail; Wholesale	Import Directly; Domestic Suppliers
Barbados Mills Ltd.	Barbados	Wheat Flour	Government Agencies; Wholesale; Industrial	Import Directly; Domestic Suppliers
Bico Limited	Barbados	Ice Cream	Wholesale; Retail	Wholesaler/Distributor; Import Directly; Local Importer; Domestic Supplier
Hill Milling Co.	Barbados	Snack Foods; Dry Goods and Condiments (Corn Meal; Rice; Pasta; Corn Curls; Popcorn)	Retail	Import Directly; Domestic Supplier
Hipac Limited	Barbados	Beef, Poultry, and Pork Products; Other Canned Products	n/a	n/a
Mount Gay Distilleries Limited	Barbados	Alcoholic Beverages	n/a	n/a
Morgan's Fish House	Barbados	Fish and Seafood Products	n/a	n/a
Purity Bakeries	Barbados	Bakery Products	n/a	n/a
Roberts Manufacturing	Barbados	Shortening and Margarine; Soybean Oil; Soya Milk; Cheese	Retail; HRI Food Service	Import Directly; Domestic Supplier
The West Indies Rum Distillery Ltd.	Barbados	Alcoholic - Beverages	n/a	n/a
West India Biscuit Co. Ltd.	Barbados	Snack Foods (Cookies; Crackers)	n/a	n/a
Dominica Brewery & Beverages Ltd.	Dominica	Alcoholic - Beverages	n/a	n/a

Shellingford Estate	Dominica	Alcoholic - Beverages	n/a	n/a
Caribbean Agro Industries, Ltd.	Grenada	Wheat Flour; Animal Feeds	n/a	n/a
Grenada Breweries Ltd.	Grenada	Alcoholic - Beverages	n/a	n/a
Grenada Sugar Factory	Grenada	Alcoholic - Beverages	n/a	n/a
Westerhall Estate	Grenada	Alcoholic - Beverages	n/a	n/a
Brasserie Du Corsaire	Guadeloupe	Alcoholic - Beverages	n/a	n/a
Grandes Brasseries Antillaises	Guadeloupe	Alcoholic - Beverages	n/a	n/a
Grands Moulins des Antilles	Guadeloupe	Wheat Flour and Other Grain Mill Products	n/a	n/a
Sagba	Guadeloupe	Alcoholic - Beverages	n/a	n/a
Bar Le Terminal	Martinique	Alcoholic - Beverages	n/a	n/a
Brasserie Lorraine	Martinique	Alcoholic - Beverages	n/a	n/a
Frasier Des Iles	Martinique	Wheat Flour and Other Grain Mill Products	n/a	n/a
St. Kitts Breweries Ltd.	St. Kitts	Alcoholic - Beverages	n/a	n/a
Windward & Leeward Breweries	St. Lucia	Alcoholic - Beverages	n/a	n/a
Saint Martin Bottlers	St. Martin	Alcoholic - Beverages	n/a	n/a
St. Maarten Breweries NV	St. Maarten	Alcoholic - Beverages	n/a	n/a
The East Caribbean Group of Companies	St. Vincent	Wheat Flour; Rice; Animal Feeds	Wholesale	International Broker

St. Vincent Brewery Ltd.	St. Vincent	Alcoholic - Beverages	n/a	n/a
Albrosco Ltd.	Trinidad	Processed Meats	n/a	n/a
Bermudez Biscuit Company Ltd.	Trinidad	Snack Foods (Crackers; Cookies)	n/a	n/a
Carib Brewery	Trinidad	Alcoholic and Non-Alcoholic Beverages	n/a	n/a
Dockside Seafoods Ltd.	Trinidad	Fish and Seafood Products	n/a	n/a
Erin Farm Ltd.	Trinidad	Processed Meats	n/a	n/a
Flavorite Foods	Trinidad	Dairy Products (Frozen Novelties; Ice Cream)	Retail; Wholesale; HRI Food Service	Local Importer; Import Directly
Hummingbird Rice Mills	Trinidad	Rice; Wheat Flour	n/a	n/a
Kiss Baking Company Ltd.	Trinidad	Bakery Products (Bread; Cakes; Snack Cakes)	n/a	n/a
Macfoods Meat Processors Ltd.	Trinidad	Meat Products	n/a	n/a
Master Mix of Trinidad Ltd.	Trinidad	Poultry; Animal Feeds	n/a	n/a
National Cannery	Trinidad	Dry Goods and Condiments; Prepared Fruit/Vegetables	Retail; HRI Food Service; Wholesale; Industrial	Import Directly; Domestic Suppliers; Local Importer; Wholesaler/Distributor
National Flour Mills Ltd.	Trinidad (3 processing plants)	Dry Goods and Condiments; Wheat Flour; Rice; Corn; Animal Feeds	Wholesale; Retail	Import Directly; Local Supplier
Nestle Trinidad and Tobago Ltd.	Trinidad	Dairy Products; Breakfast Cereals; Chocolate and Confectionary; Prepared Foods; Beverages	n/a	n/a
Nutramix	Trinidad	Flour; Animal	n/a	n/a

Flour Mills		Feeds		
Seafood Enterprises Ltd.	Trinidad	Fish and Seafood Products	n/a	n/a
S.M. Jaleel and Company Ltd.	Trinidad	Non-Alcoholic Beverages	n/a	n/a
Warnerville Grain Mills Ltd./ Heat 'N Eat Ltd.	Trinidad	Poultry; Turkey	n/a	n/a
Willie's Homemade Ice-Cream	Trinidad	Ice Cream	n/a	n/a

SECTOR TRENDS

Consumption Trends

Processors within the industry seek to satisfy the strong demand within the market for safe, healthy, and nutritious foods, influencing the type and quality of inputs being used in processed foods. There is a growing trend within the region towards the consumption of low fat and health food products, as well as functional and convenient food products that require little or no preparation time.

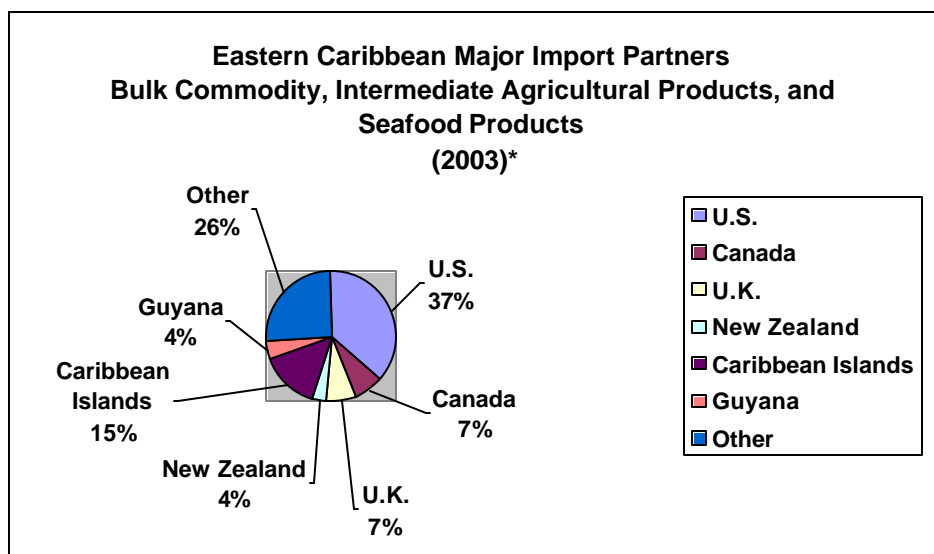
Productivity and Foreign Exchange Earnings

Over the last few years, the region's processing productivity output and foreign exchange earnings have increased as a result of globalization and trade liberalization. Due to their key geographical location, food processors within the eastern Caribbean export a substantial number of products to South American, Central American, and North American markets. Food processors within the region also benefit from direct trade access to member states of trading blocks such as the Caribbean Community and Common Market (CARICOM).

Plants Abroad

There has been a current growth trend towards the opening of food production plants abroad, and this trend is expected to continue. Successful companies such as SM Jaleel, National Canners, and Bermudez Biscuit Company (Trinidad), have expanded production processes beyond their nation's borders by opening operations in other Caribbean countries such as Jamaica and Guyana, either through Joint Ventures or alliances.

SECTION III. COMPETITION



* Note: This is the most complete, up-to-date data for the eastern Caribbean region

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

The United States is the leading supplier of raw materials and food ingredients to the food-processing sector of the Eastern Caribbean. Food processors within the eastern Caribbean region highly regard U.S. products with respect to quality and consistency. However, due to the highly price-sensitive market, there has been an increase in competition from other foreign suppliers.

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 \$71.3 million	1. United States 2. Canada 3. New Zealand	43% 16% 15%
Fish and Seafood Products	US \$25.4 million	1. Canada 2. United States 3. Caribbean Islands	26% 17% 15%
Dairy Products	US \$87.9 million	1. United States 2. New Zealand 3. Ireland	19% 18% 14%
Fresh Vegetables	US \$41.8 million	1. United States 2. Netherlands 3. Canada	36% 25% 21%
Fresh Fruit and Tree Nuts	US \$23.9 million	1. United States 2. Caribbean Islands 3. India	57% 17% 8%
Coffee, Tea, and	US \$8 million	1. Chile	29%

Spices		2. United States 3. Caribbean Islands	18% 9%
Cereals	US \$59.3	1. United States 2. Guyana 3. Caribbean Islands	84% 11% 2%
Milling Products, Malt, Starches, Inulin, Wheat Gluten	US \$28.4 million	1. Caribbean Islands 2. United Kingdom 3. United States	33% 20% 17%
Oil Seed, Oleagic Fruits, Grain, Seed	US \$40 million	1. United States 2. China 3. Argentina	85% 5% 4%
Animal/Vegetable Fats and Oils	US \$35 million	1. United States 2. Caribbean Islands 3. Argentina	40% 24% 10%
Sugars and Sugar Confectionary	US \$46.3 million	1. Guyana 2. United Kingdom 3. United States	42% 16% 15%

*** Note: This is the most complete, up-to-date data for the eastern Caribbean region**

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

SECTION IV. BEST PRODUCT PROSPECTS

The following chart illustrates the best product prospects for U.S. exporters entering the eastern Caribbean processing sector:

- Beef
- Turkey
- Pork
- Nuts
- Tomato Paste
- Soy Beans
- Wheat
- Rice
- Course Grains
- Nutraceuticals
- Non-Caribbean produce
- Ethnic food spices
- Dairy Products
- Sugar, Sweeteners, Bases

**U.S. Exports of Bulk Commodity, Intermediate Agricultural Products, and Seafood
Product to the Eastern Caribbean Islands
2005**

Product Category	Export Value 2005
Wheat	US \$30.2 million
Course Grains	US \$15.7 million
Rice	US \$7.1 million
Soybeans	US \$18 million
Pulses	US \$1.8 million
Peanuts	US \$1.3 million
Soybean Meal	US \$4.4 million
Soybean Oil	US \$4 million
Vegetable Oils	US \$4 million
Animal Fats	US \$4.4 million
Sugar, Sweetener, Bases	US \$5.9 million
Seafood Products	US \$6.4 million

Source: FAS' U.S. Trade Internet System using data from the Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

SECTION V. CONTACT INFORMATION

For more information on the eastern Caribbean and for a list of importers within the region, please contact:

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