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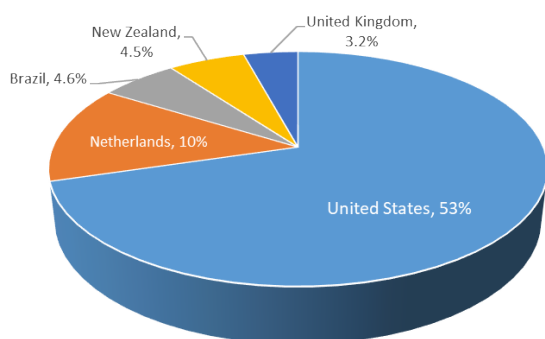
In 2018, the United States exported over \$1 Billion in U.S. consumer-oriented products to the Caribbean Basin. With limited agricultural production, most Caribbean islands rely heavily on imported food products, particularly from the United States. The United States, with a 53 percent market share, is the main supplier of food products to the Caribbean. This report aims to provide U.S. suppliers general information on export opportunities in the Caribbean Basin.

Market Fact Sheet: Caribbean Basin

EXECUTIVE SUMMARY¹

The Caribbean is one of the most fragmented and diverse regions in the world. Countries generally have good relations, including close commercial and social ties, with the United States. Agricultural production and processing is limited and tourism is the leading industry in the region. While the economic trends in 2018 and 2019 were generally encouraging, there was considerable difference in performance between markets. In 2018, total imports of agricultural and related products reached US \$2.9 billion, a 4.8 percent increase from 2017.

IMPORTS OF CONSUMER ORIENTED PRODUCTS



Total imports of consumer-oriented products amounted to \$1.9 billion in 2018, with the United States capturing about 53 percent, or \$1 billion of this market segment.

FOOD PROCESSING INDUSTRY

Food production is limited in the islands covered by the CBATO and there is virtually no economies of scale, food processing is much less prevalent. In fact, bulk and intermediate agricultural products account for less than 20 percent of U.S. agricultural and related exports to the islands covered by the CBATO.

RETAIL FOOD INDUSTRY

¹ Note: This factsheet refers to the 23 island markets covered by the Caribbean Basin Agricultural Trade Office (CBATO) in Miami: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Bermuda, BES Islands (Bonaire, St. Eustatius, and Saba), British Virgin Islands, Cayman Islands, Curaçao, Dominica, Grenada, Guadeloupe, Martinique, Montserrat, Saint Barthélemy, Saint Kitts and Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, Sint Maarten, Trinidad and Tobago, and Turks and Caicos Islands. (The Dominican Republic, Haiti and Jamaica are covered by the Office of Agricultural Affairs in Santo Domingo.)

An estimated 55 to 65 percent of consumer-oriented agricultural imports in the Caribbean are destined for the retail sector. According to Euromonitor International², grocery retail sales amounted to over \$6 billion in 2018, an 8 percent increase from 2017.

FOOD SERVICE INDUSTRY

Tourism is a key factor in generating demand for U.S. products in the food service sector. Investments in tourism infrastructure in recent years have strengthened the long-term potential of the region's hotel, restaurant and food service sector. Overall, the Caribbean HRI food service sector is estimated to account for roughly 35 to 45 percent of consumer-oriented agricultural imports.

QUICK FACTS CY 2018	
Imports of Consumer Oriented Products (USD)	\$1.9 billion USD
GDP Per Capita (CBATO Region)	\$7,500 - \$85,700
Population	4 million (CBATO Region)
Top 5 CBATO Markets for U.S. Ag and Related Products	<ol style="list-style-type: none"> 1. Trinidad and Tobago 2. The Bahamas 3. Aruba 4. Barbados 5. Bermuda
Top 10 U.S. Consumer Oriented Exports	<ol style="list-style-type: none"> 1. Prepared Foods 2. Poultry (Ex. Eggs) 3. Dairy Products 4. Beef and Beef Products 5. Wine and Beer 6. Pork and Pork Products 7. Fresh Vegetables 8. Processed Vegetables 9. Eggs and Products 10. Condiments and Sauces

STRENGTHS/WEAKNESS/OPPORTUNITIES/ THREATS	
STRENGTHS	WEAKNESS
Half of all tourists visiting the region are from the United States, boosting demand for U.S. foods.	Ocean transportation rates from the United States are often higher than those from Europe.
OPPORTUNITIES	THREATS
The regulatory environment is favorable for U.S. products.	Some products, particularly meat and poultry, may be restricted in certain markets due to EU or island-specific regulations.

² Euromonitor International has data for the following countries in the CBATO region: Anguilla, Antigua, Aruba, Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Curacao, Dominica, Grenada, Guadeloupe, Martinique, Sint Maarten, St Kitts, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago

I. Market Overview

Countries in the Caribbean generally have good relations, including close commercial and social ties, with the United States. Politically speaking, the Caribbean is a mix of independent states, overseas departments or dependencies of European countries, and members of a European Kingdom. From small states, with populations in the thousands like Dominica to larger islands like Trinidad and Tobago (population of 1.4 million), countries in the region are quite diverse. Islands like The Bahamas, Aruba, St. Lucia, Sint Maarten, and Turks and Caicos are highly dependent on tourism, while others have more diversified economies. Visits to the region by U.S. tourists grew by 3.3 percent in 2018. Tourism continues to be the leading industry in the Caribbean region.

The Caribbean's economic prospects are improving. However, there are substantial variations across islands. Tourism depending economies have been growing faster in the last two years and are expected to experience one to two percent GDP growth in 2019 and 2020. However, some countries continue to struggle with high fiscal deficits and public debt, casting a shadow on prospects of healthy and sustained economic growth.

The region is also extremely vulnerable to natural disasters. It has been almost two years since Hurricanes Irma and Maria tore through the Caribbean. In October 2019, several islands in The Bahamas were devastated by Hurricane Dorian, but Nassau, the capital and economic engine, was mostly unaffected. Recovery and reconstruction efforts are still underway in many markets providing new opportunities for new tourism infrastructure developments.

The Caribbean is a natural market for U.S. exporters. Caribbean importers have a long history of doing business with the United States. Their strong interest in U.S. products is mainly due to close proximity, long-standing reputation of high quality products, and superior quality of service. In fact, many local importers have noted that they are able to source a variety of products from non-U.S. suppliers, but few of these suppliers can match their U.S. counterparts in terms of product quality and reliability. The regulatory environment in the islands is also quite receptive toward U.S. products. Given these favorable conditions, it is no surprise that the United States is the largest supplier of food products to the Caribbean.

According to Trade Data Monitor, total exports of agricultural and related products to the CBATO region reached US \$2.9 billion in 2018. The U.S. exported over \$1.6 billion or 54 percent of total agricultural and related exports to the region. As a market, the CBATO region was 19th for U.S. exports of agricultural and related products in 2017³. For U.S. consumer-oriented exports, the CBATO region was tenth worldwide, and third behind Canada and Mexico in the Western Hemisphere, in 2018.

³ Source: Global Agricultural Trade System (GATS). <https://apps.fas.usda.gov/Gats/>

Table 1. Advantages and Challenges for U.S. Suppliers

Advantages	Challenges
With little arable land and food production, the islands of the Caribbean must import most of their food needs.	In some markets, such as the French West Indies, a key constraint is breaking the traditional ties with Europe. Chefs in many islands are trained in Europe and thus prefer European products.
The tourism sector is rebounding in most islands. Tourists, particularly the 8 million plus stopover visitors, fuel demand for consumer-oriented agricultural products in the region’s hotel and restaurant foodservice sector.	Caribbean economic well-being is highly dependent on tourism. Hence, economies remain very susceptible to factors that may disrupt tourism (i.e. the world economy, terrorism, more active hurricane seasons, the Zika epidemic, etc.).
The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 55 percent overall).	Other competitors, in particular from Europe, are also targeting the Caribbean.
The regulatory environment at present is open to U.S. products.	Some products, particularly meat and poultry, may be restricted in certain markets due to EU or island-specific regulations.
U.S. exporters, particularly south Florida consolidators, service the market well and are in many ways better positioned to supply the Caribbean than competitors.	Importers generally purchase small quantities of specific products and favor mixed rather than full container loads.

II. Exporter Business Tips

The Caribbean is an excellent market for U.S. suppliers due in large part to the fact that demand for imported food products is largely inelastic. Countries in the Caribbean must import the majority of their food requirements due to production constraints - insufficient arable land, scant water resources on some islands, no economies of scale, and a limited food-processing sector. For the most part the 4 million island residents are quite familiar with U.S. brands and hold U.S. products in high regards in terms of quality. The United States is the main supplier to the Caribbean of food products, largely in part on the strength of these favorable conditions.

Entering the Caribbean Market

The best way for a U.S. supplier to export to the Caribbean market is to first research potential niches, and develop an effective marketing plan. In doing so, it is important to weigh the advantages and disadvantages of using an importer/wholesaler versus selling directly to different customers throughout the region. The decision will not be the same for all U.S. exporters. For instance, large U.S. suppliers with a dedicated sales force who can travel to the islands periodically to service their customers may find it advantageous to work directly with multiple retail and food service accounts throughout the islands. Exporters who are not able to do so will find it easier to work with an importer/wholesaler in a particular island. The latter is, in fact, the easiest and preferred method for most U.S. exporters.

In general, Caribbean buyers rely heavily on consolidators, particularly those located in South Florida, for shipment of mixed container-loads to their local ports. As a result, a crucial part of doing business with

Caribbean importers, is building a relationship with a consolidator in South Florida (and in New York/New Jersey to ship to Bermuda). Since some large resorts and chain supermarkets often order larger shipments directly from suppliers, the main resource for medium to smaller sized retail and food service businesses are local importer/wholesalers, making them a good target for smaller U.S. exporters. These importers/wholesalers will work with prospective U.S. suppliers to meet local standards and regulations and find the best distribution channel. Local importers will usually stay informed of changing regulations and duties on food and beverage products.

General Consumer Food Tastes and Consumption Trends

U.S. brands are recognized and respected by Caribbean consumers. Exposure to U.S. food and culture through television and travel, influences local preferences. Furthermore, due to increased access to technology and social media, the younger population keeps up to date and demands the latest consumer trends in the United States. This age group tends to be more health conscious and is aware of emerging food trends. Nonetheless, price is still a predominant factor when making purchasing decisions in the region.

Tourism and the Caribbean

Tourism is the backbone of most Caribbean economies in terms of revenue generation, employment, and overall economic well-being, except for Trinidad and Tobago, which is largely dependent on oil production. In 2018, international visitor arrivals to the islands of the Caribbean Basin (23.9 million) were nearly six times greater than the local population (4.1 million). Of these visitor arrivals, two-thirds were cruise ship passengers and the remainder were stopover visitors. Tourists, particularly the 8 million plus stopover visitors, fuel demand for consumer-oriented agricultural products in the region's hotel and restaurant foodservice sector.

Trade Shows

Caribbean importers attend food and beverage trade shows in the United States. Among the shows with a strong presence of Caribbean importers are the National Restaurant Show, Summer Fancy Food Show, and the Americas Food and Beverage Show. The Caribbean Basin Agricultural Trade Office annually leads delegations of Caribbean buyers to these trade shows. Please contact our Office to connect with Caribbean buyers attending these U.S. trade shows.

III. Import Food Standards and Regulations and Import Procedures

In most islands, food safety responsibilities fall under the Ministry of Public Health or its equivalent. The Ministry of Agriculture may also play a role with plant and animal products both in terms of public health and plant and animal health. Meat and poultry, dairy products, seafood, and produce typically require import approval and health/country of origin certification. For example, phytosanitary certificates from the country of origin must accompany imported fresh produce and plants. Health certificates must accompany live animals and animal products. Certain items may be restricted if the government decides they pose a risk to food safety or plant and animal health. It is always a good idea for U.S. exporters to verify that their product is eligible for entry into a particular island prior to shipping.

Most Caribbean countries follow international standards (e.g., Codex Alimentarius standards) and fully accept U.S. standards for food and agricultural products, including the standard U.S. nutritional fact panel. However,

U.S. suppliers must be aware that EU standards may apply for some EU Member State territories in the Caribbean. The French overseas departments of Guadeloupe and Martinique are a case in point, as they require food and beverage products to be labeled in French and to comply with French and EU norms. In general, enforcement of labeling and other product standards is carried out mostly at the port of entry, but routine and random checks at the retail and wholesale levels are conducted. As always, good communication with local importers will help to ensure proper compliance with local food laws.

More information on Caribbean Basin import requirements can be found in the Food and Agricultural Import Regulations and Standards (FAIRS) reports available via the [USDA Global Agriculture Information Network \(GAIN\)](#) for the following countries: Aruba, The Bahamas, Barbados, Bermuda, Cayman Islands, Cuba, Curacao, Sint Maarten, and Trinidad and Tobago. ⁴

IV. Market Sector Structure and Trends

A. HRI Food Service Sector

The Caribbean's tourism sector continued to rebound in 2018 and in 2019. Tourism is a key factor in generating demand for U.S. products in the food service sector. Recent investments in tourism infrastructure have also strengthened the long-term potential of the region's hotel, restaurant and food service sector. Overall, the Caribbean HRI food service sector is estimated to account for roughly 35 to 45 percent of consumer-oriented agricultural imports. According to Euromonitor International, with over 3,314 outlets in the region, sales in the food service sector reached \$819 million in 2018.

The percentage of Caribbean hotels and restaurants that are independently owned varies from approximately 90 percent in Grenada to 25 percent in The Bahamas (Nassau in particular). This characteristic influences the flow of imports to the island. The independently owned restaurant or hotel is more likely to source food and beverage products from local importers/wholesalers, while larger chain restaurants and hotels have both the connections and the economies of scale to make direct imports from U.S. suppliers.

While corporate-owned resorts and hotels have boomed over recent years, independently owned food service businesses are still strong on all Caribbean islands. Local independently owned restaurants remain especially popular in countries such as Aruba, Barbados, Bermuda, the Cayman Islands, Sint Maarten/St. Martin, and Turks and Caicos. Some of the world's most acclaimed chefs are working in the Caribbean. Using high quality ingredients, these chefs and their restaurants often are a valuable platform for introducing U.S. food and beverage products. However, many chefs are European-trained and thus breaking their preference toward European products can be challenging. Heightened interest of chefs in the use of locally produced ingredients is a recent trend, similar to other parts of the world.

More information can be found in the [USDA Global Agriculture Information Network \(GAIN\)](#) for the following countries: Bahamas (2018), Trinidad and Tobago (2016), Turks & Caicos Islands (2016), Eastern Caribbean (2015), Cayman Islands (2019), Bermuda (2012), Barbados (2012), Aruba (2011), Bermuda (2011).

⁴ GAIN reports are available via the following link: <https://gain.fas.usda.gov/>

B. Retail Sector

An estimated 55 to 65 percent of consumer-oriented agricultural imports in the Caribbean are destined for the retail sector. Most of the products stocked on the shelves of Caribbean retail stores are imported. The retail food sector is heterogeneous and dynamic and is composed of modern grocery outlets (hypermarkets, supermarkets, discounters, and gas marts) and small, traditional retail operations. According to Euromonitor International sales in the grocery retail sales in the CBATO region amounted to over \$6 billion in 2018, a 2 percent increase from 2017.

As in the HRI sector, smaller retailers such as neighborhood 'mom and pop' stores will buy most if not all of their products from local import wholesalers. These retailers have a slower turnaround on product sales and have limited space for storage, which both lead to wholesale as a preferred option for sourcing food and beverage products.

In contrast, supermarket chains often have both local and U.S. or foreign-based purchasing offices. They work closely with U.S. suppliers to find the best prices for products of interest. Again, a consolidator in South Florida is still crucial to the equation in this market segment.

International retail chains in the Caribbean include IGA (U.S.), Massy Stores (Trinidad and Tobago) Price Smart (U.S.), Cost-U-Less (Canada), Save-A-Lot (U.S.), Carrefour (France), Casino (France), and Albert Heijn Zeelandia (Holland). While these retail outlets do quite well, 'mom and pop' stores will continue to supply a large share of consumers' needs for basic supplies. In addition, national and international convenience stores and gas marts play a small but growing role in consumer food purchases, contributing about five percent of total retail food sales.

An interesting market niche in the retail sector is yacht provisioning. Yachters (or 'yachtees' as they are known in some islands) often phone or fax in their orders to harbor stores or may venture into town to visit the local supermarkets who cater to their specific needs. This is especially prevalent in the British Virgin Islands, Antigua and Barbuda, and Trinidad and Tobago.

Additional information is available in the [USDA Global Agriculture Information Network \(GAIN\)](#) for the following countries: Aruba (2018), Trinidad and Tobago (2017), the Eastern Caribbean (2015), The Bahamas (2019), Cayman Islands (2013), and Bermuda (2010).

C. Food Processing Sector

Food processing in the broad Caribbean Basin is highly concentrated in the larger countries such as the Dominican Republic and Jamaica, which are outside the CBATO region. Food production is limited in the islands covered by the CBATO and there is virtually no economies of scale, food processing is much less prevalent. In fact, bulk and intermediate agricultural products account for less than 20 percent of U.S. agricultural and related exports to the CBATO islands. Nonetheless, there is processing of wheat flour, pasta products, rice, bakery products, soy products, dairy products, and animal feeds in Trinidad and Tobago and Barbados. 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.

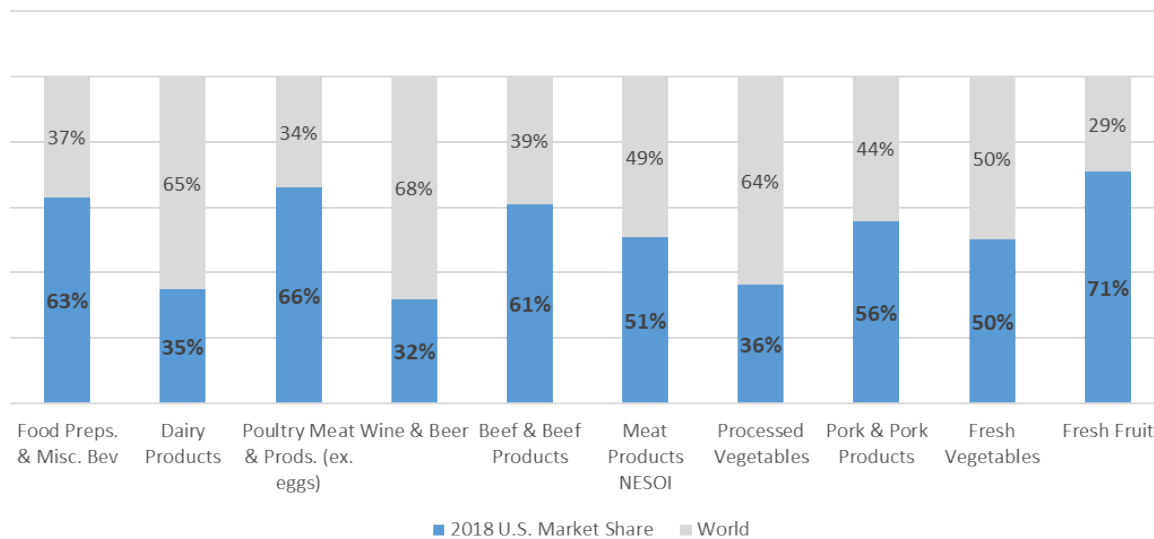
V. Agricultural and Food Imports

In 2018, the Caribbean Basin imported \$1.9 billion consumer-oriented products, a 0.3 percent increase from 2017. The United States is the main supplier of food products to the Caribbean. U.S. exports of consumer-oriented products were over \$1 billion million in 2018, or 53 percent of all consumer-oriented imports. Consumer-oriented products account for two-thirds of all U.S. agricultural and related product exports to the Caribbean, with food preparations and misc. beverages, poultry meat and products, beef and beef products, wine and beer and meat products round the top five export categories.

U.S. market share ranges from single digits in the French islands of Guadeloupe and Martinique to over 90 percent in Turks and Caicos. The top five markets for consumer-oriented imports (The Bahamas, Trinidad and Tobago, Bermuda, Aruba, and the Cayman Islands) account for over two-thirds of U.S. agricultural exports to the region.

The Caribbean market is witnessing increasing competition from Europe, Canada, South and Central America. While the United States still enjoys several major advantages over its competitors, U.S. suppliers should remain mindful that in coming years rising competition could necessitate closer monitoring of the market in order to capitalize on emerging opportunities in the region.

Chart 1. U.S. Market Share of Consumer Oriented Imports in the CBATO Region (2018)



Source: Trade Data Monitor, LLC. Based on reporting countries export statistics.

Table 2. Top Markets for Consumer Oriented Imports in the CBATO Region and U.S. Market Share. (2018)

Country	Global Imports	Imports from the U.S.	U.S. Market Share	Top Three Competitors
Trinidad & Tobago	\$478,355	\$ 201,070	42%	New Zealand (9%); Canada (5%); Netherlands (4.7%)
Bahamas	\$299,520	\$ 226,237	76%	Brazil (6%); Canada (3%); France (2%)
Curacao	\$168,700	\$ 57,156	34%	Netherlands (40%); Brazil (8%); Colombia (5%)
Aruba	\$162,719	\$ 81,394	50%	Netherlands (25%); Brazil (9%); Colombia (3%)
Barbados	\$136,394	\$ 58,849	43%	New Zealand (14%); United Kingdom (8%); Canada (6%)
Bermuda	\$111,063	\$ 85,351	77%	United Kingdom (6%); France (3%); Italy (2.5%)
Sint Maarten	\$ 90,313	\$ 56,898	63%	Netherlands (17%); France (9%); Brazil (4%)
Cayman Islands	\$ 86,921	\$ 64,560	74%	France (10%); Italy (4%); United Kingdom (3.5%)
St. Lucia	\$ 58,889	\$ 32,566	55%	United Kingdom (10%); New Zealand (6%); France (5%)
Antigua & Barbuda	\$ 56,732	\$ 25,633	45%	Madagascar (16%); Brazil (8%); Netherlands (7%)
Turks & Caicos Islands	\$ 37,546	\$ 32,796	87%	France (6%); Italy (1.5%); Germany (1%)
Grenada	\$ 35,840	\$ 14,126	39%	Brazil (19%); Netherlands (10%); New Zealand (7%)
Virgin Islands (British)	\$ 34,036	\$ 24,423	72%	United Kingdom (5%); Netherlands (3%); Colombia (3%)
St. Vincent & the Grenadines	\$ 25,384	\$ 12,772	50%	United Kingdom (22%); Malaysia (4%); Netherlands (3%)
St. Kitts & Nevis	\$ 23,329	\$ 15,001	64%	Brazil (10%); United Kingdom (5%); Peru (5%)
Guadeloupe	\$ 20,347	\$ 2,524	12%	New Zealand (23%); Colombia (19%); Costa Rica (18%)
Dominica	\$ 19,982	\$ 8,937	45%	Netherlands (13%); Brazil (9%); United Kingdom (7%);
Martinique	\$ 14,256	\$ 847	6%	Costa Rica (20%); New Zealand (18%); ; Colombia (13%)
Anguilla	\$ 7,711	\$ 6,331	82%	Brazil (5%); Canada (3%); Denmark (2%)
Montserrat	\$ 1,771	\$ 896	51%	Egypt (23%); Netherlands (11%); United Kingdom (10%)

Source: Trade Data Monitor, LLC. Based on reporting countries export statistics.

Market opportunities exist for practically all high-value, consumer-oriented foods/beverages and seafood products in the Caribbean Basin. Some of the most prominent growth categories for U.S. products include:

Table 3. Top Consumer Oriented Imports in the CBATO Region (2018, Million, USD\$)

Description	2018	Market Share	%Δ 2018/17
Chicken Cuts And Edible Offal (Including Livers) Frozen	\$143,631,669	8%	0.90
Food Preparations Nesoi	\$127,217,484	7%	-0.20
Cheese, Nesoi, Including Cheddar And Colby	\$ 85,929,089	5%	2.06
Meat Of Bovine Animals, Boneless, Frozen	\$ 82,647,628	4%	5.35
Wine Of Fresh Grapes (Other Than Sparkling Wine) And Grape Must With Fermentation Prevented, Etc. By Adding Alcohol, Containers Of Not Over 2 Liters	\$ 73,558,178	4%	3.47
Bread, Pastry, Cakes, Biscuits And Similar Baked Products, Nesoi, And Puddings, Whether Or Not Containing Chocolate, Fruit, Nuts Or Confectionary	\$ 64,993,144	3%	4.82
Beer Made From Malt	\$ 62,529,370	3%	17.80
Meat Of Swine, Nesoi, Frozen	\$ 39,125,908	2%	-10.81
Potatoes, Including French Fries, Prepared Or Preserved Otherwise Than By Vinegar Or Acetic Acid, Frozen	\$ 37,527,955	2%	5.03
Sauces And Preparations Therefor, Nesoi; Mixed Condiments And Mixed Seasonings	\$ 36,830,862	2%	13.98

Source: Trade Data Monitor, LLC. Based on reporting countries export statistics.

VI. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to the Caribbean Basin region, please contact the Caribbean Basin Agricultural Trade Office in Miami, Florida. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

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Attachments:

No Attachments