

Required Report: Required - Public Distribution

Date: September 28, 2021

Report Number: C12021-0003

Report Name: Food Service - Hotel Restaurant Institutional

Country: Caribbean Basin

Post: Miami ATO

Report Category: Food Service - Hotel Restaurant Institutional

Prepared By: Omar Gonzalez

Approved By: Candice Bruce

Report Highlights:

Eager to put the COVID-19 pandemic behind it, the Caribbean is doing all it can to attract visitors and kick-start its tourism sector in 2021. Despite new COVID variants and vaccination challenges slowing the recovery, tourism is beginning to rebound and thus the region's Hotel Restaurant and Institutional (HRI) foodservice sector is beginning to see increased activity as well. Consequently, U.S. exports of consumer-oriented agricultural products to the Caribbean are also beginning to trend upward.

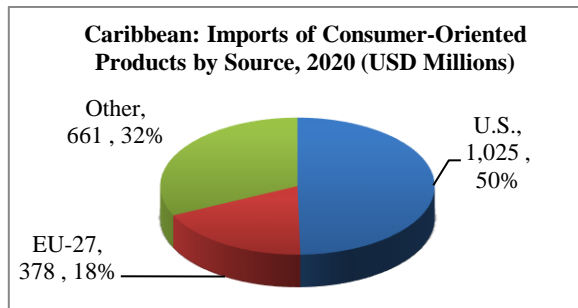
Market Fact Sheet: Caribbean

Executive Summary

Largely driven by tourism, the Caribbean HRI food service sector is normally a dynamic industry teaming with opportunities for suppliers of U.S. food and beverage products. However, the March 2020 lockdown brought about by the COVID-19 pandemic halted tourism and shut down food service operations to a large extent. Although the pandemic has yet to relent, the tourism industry has made enormous efforts to mitigate its effects, allowing activity in the sector to slowly resume.

Imports of Consumer-Oriented Products

With limited domestic food production, the Caribbean must import most of its food needs. Consumer-oriented products represent 78 percent of the region's imports of agricultural products. Total imports of consumer-oriented agricultural products totaled \$2.1 billion in 2020, with the United States capturing 50 percent of the market.



Food Processing Industry

Given very limited agricultural activity, food processing is also minimal in most countries. Locally produced agricultural goods include sugar, rice, tropical fruits, vegetables, root crops, spices, dairy, poultry, pigs, goats, and sheep.

Food Retail Industry

An estimated 70-80 percent of imported foods and beverages are channeled through the retail sector. This sector includes traditional grocery stores to more modern, upscale supermarkets. Total grocery retail sales (excl. sales tax) are estimated at \$9.4 billion in 2020.

Quick Facts CY 2020

Imports of Consumer-Oriented Prod.: \$2.1 bill.

Top 10 Growth Products

1. Bakery, Cereals, Pasta
2. Food Preparations
3. Fresh Vegetables
4. Condiments & Sauces
5. Fresh Fruit
6. Processed Fruit
7. Eggs & Egg Products
8. Non-alc. Bev, ex juice
9. Pork & Pork Prod.
10. Beef & Beef Prod.

Food Industry by Channels (USD billion) 2020

Imports of Consumer-Oriented Products* \$2.1
 Grocery Retail Annual Sales \$9.4
 Consumer Food Service Annual Sales \$1.4

**Based on reporting countries export statistics (excludes freight, insurance & import duties.).*

GDP/Population

Population: 4.6 million (July 2020 estimate)

GDP: \$855 mill (Dominica) - \$36.5 bill (Trinidad and Tobago), 2019 estimates.

Real GDP per capita: \$11,917 (Dominica) - \$81,798 (Bermuda), 2019 estimates.

Sources: Trade Data Monitor, U.S. Census Bureau Trade Data, Euromonitor Intl., CIA World Factbook.

Strengths/Weaknesses/Opportunities/Challenges

<i>Strengths</i>	<i>Weaknesses</i>
Proximity; well-established relationships between U.S. suppliers and Caribbean buyers.	Many European Chefs present in the region are unfamiliar with U.S. products.
<i>Opportunities</i>	<i>Threats</i>
U.S. tourists account for roughly 50 percent of all tourists visiting the region, bolstering demand for U.S. foods.	Prolonged impact of COVID-19 pandemic.

I. Market Summary

For purposes of this report, the terms “Caribbean” and “Caribbean Basin” refer to the 25 markets¹ covered by the Caribbean Basin Agricultural Trade Office (CBATO) in Miami, with the exception of Cuba.

The Caribbean Basin is a mix of independent states, overseas departments or dependencies of European countries, and islands that are part of a European kingdom. The region has 4.6 million inhabitants, of which two thirds are concentrated in five markets: Trinidad and Tobago, Guyana, Guadeloupe, Martinique and The Bahamas. The population is incredibly diverse and is made up of descendants from original native tribes that inhabited the region and people of African, European, Indian, Middle Eastern, and Chinese descent, among others.

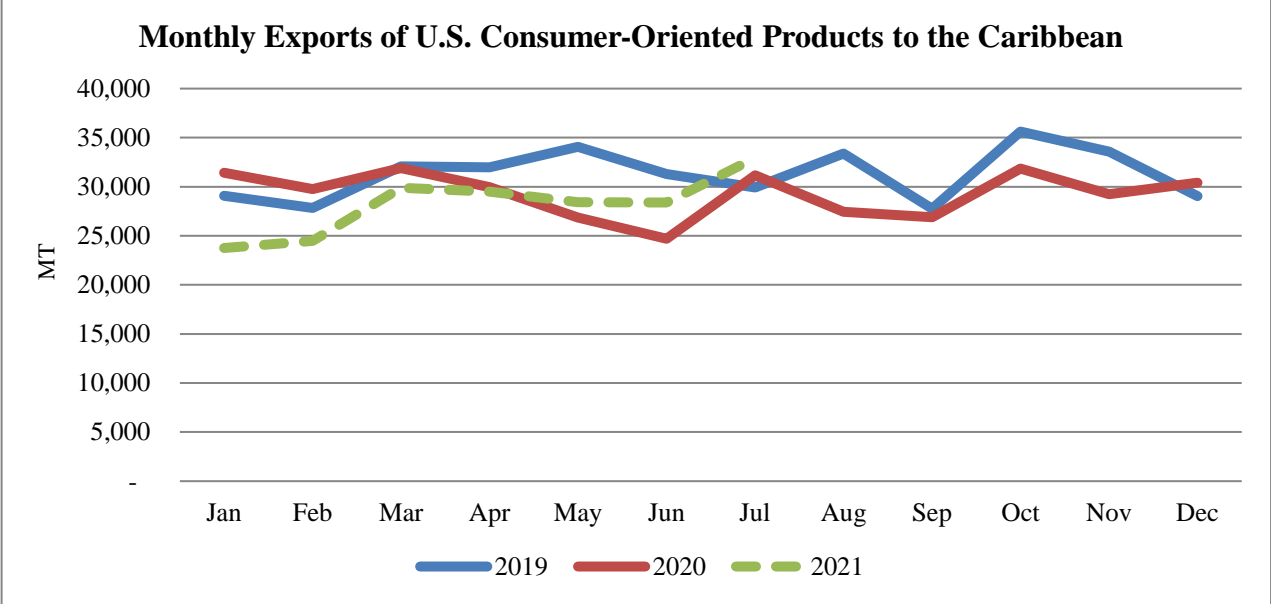
At first glance, the region with its fragmented island geography, a combined land mass of only 36,850 sq. km (roughly 1.5 times the size of the State of Maryland), and a population of under 5 million, could easily be overlooked as a market for U.S. food service products. However, with limited agricultural production and food processing, in addition to roughly eight million stop-over tourists and 14 million cruise ship passengers visiting the region annually, the demand for food products is considerable. In 2020, the Caribbean imported \$2.1 billion in consumer-oriented agricultural products from the world, with \$1 billion (50 percent) coming from the United States. An estimated 20-30 percent of these imports are channeled to the region’s HRI food service sector. Until the COVID-19 lockdown of 2020, the region’s HRI food service sector exhibited considerable growth, increasing by a healthy 4 percent from 2017 to 2019, according to Euromonitor. However, with the pandemic forcing the shuttering of the region’s tourism sector and eateries having to contend with prolonged lockdowns, curfews, and dine-in-restrictions, HRI food service sales are estimated to have plummeted by 34 percent in 2020, topping off at \$1.4 billion. Under these difficult circumstances, job losses and permanent business closures have also taken place in the sector.

According to International Monetary Fund (IMF) estimates, in 2020 real GDP growth for the tourism-dependent economies of the Caribbean fell by 10.1 percent. The GDP for Trinidad and Tobago, whose economy is based largely on oil and natural gas, fell 7.8 percent. In fact, the only country experiencing positive economic growth in 2020 was Guyana (43.4 percent), which is seeing its economy expand by leaps and bounds as a result of newfound oil reserves entering into production.

Beginning in May 2020, markets throughout the Caribbean gradually began reopening hoping to spark a much-needed recovery. However, the reopening has been uneven throughout the region, as

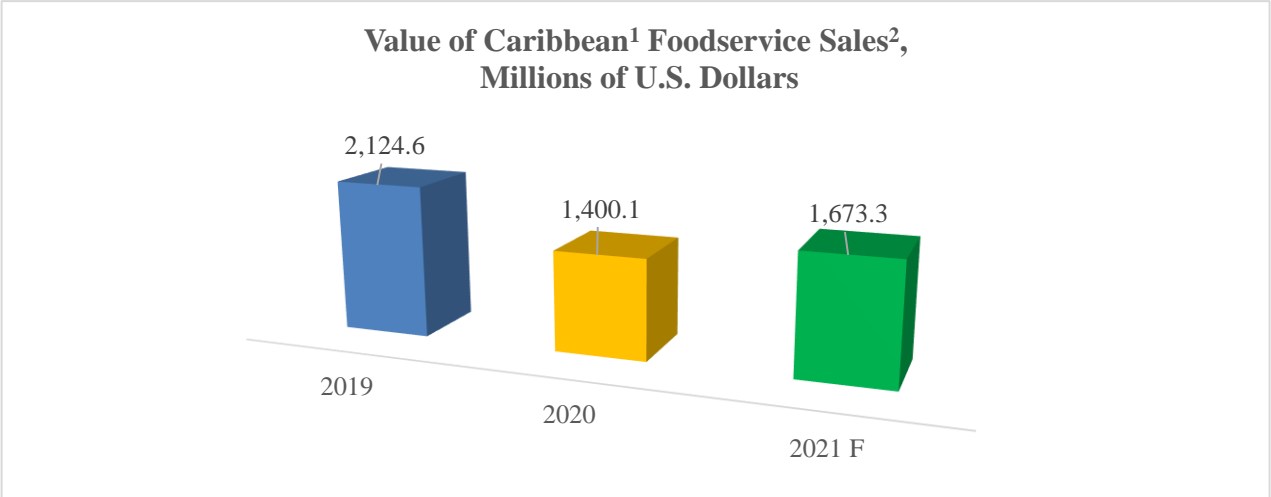
1- The CBATO’s region of coverage consists of the following 25 markets: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Bermuda, British Virgin Islands (BVI), Caribbean Netherlands or BES Islands (Bonaire, Sint Eustatius and Saba), Cayman Islands, Cuba, Curaçao, Dominica, Grenada, Guadeloupe, Guyana, 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.

governments have based their reopening plans on their individual situation in relation to the pandemic. Nonetheless, efforts by governments and the private sector to implement health and safety measures to mitigate the impact of the pandemic are helping to slowly bring back tourists to the region. Reportedly over 90 percent of the region’s hotels are now open and occupancy rates, bookings, and airlift are all increasing as well.



Source: U.S. Census Bureau.

As a result of the reopening, preliminary numbers indicate that U.S. exports of consumer-oriented products to the region have begun to rebound (see graph above). In fact, July 2021 volume of U.S. exports of consumer-oriented products to the Caribbean region was the highest in the last 15 months. Sales of the region’s foodservice sector also are exhibiting signs of improvement.



1 - Includes all markets covered by the CBATO, except BES Islands, Montserrat, Saint Barthélemy, St. Martin, and Turks and Caicos Islands.

2 - Retail sales price (excludes taxes).

Source: Euromonitor.

Advantages	Challenges
With little arable land and food production, the islands of the Caribbean must import most of their food needs.	The COVID-19 lockdown has financially weakened the Caribbean food service sector and has even forced several operators out of business. Until the pandemic subsides, it will weigh down any recovery prospects for the sector.
U.S. exporters, particularly south Florida consolidators, service the market well and are in many ways better positioned to supply the Caribbean than competitors.	The HRI food service sector is highly dependent on tourism. Hence, the sector is very susceptible to any factors that may disrupt tourism (i.e. the COVID-19 pandemic, the world economy, terrorism, more active hurricane seasons, etc.).
The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 50 percent overall).	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 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.

II. Road Map for Market Entry

A. Entry Strategy

The best method for U.S. suppliers to enter the Caribbean HRI food service market is through local importers/distributors. Generally speaking, local importers/distributors have broad access to food and beverage supply channels, possess adequate warehouse facilities, carry a large inventory of products, and service many HRI accounts. While most importers/distributors service both the retail and HRI markets, specialized HRI importers/distributors exist on a few islands. Thus, U.S. suppliers can achieve maximum sales volume by working with local importers. Food service operators buy most of their product needs from local importers. Sometimes Caribbean food service operations may circumvent this channel by importing directly from U.S. suppliers. For instance, high-end restaurants may fly in fresh seafood from Boston or other specialty goods from elsewhere during the December-April tourist season. Even products that are not of U.S. origin are often shipped from the United States, since U.S. suppliers carry a wide variety of international specialty foods. Wines and liquors tend to be imported and distributed by companies dedicated exclusively to these types of products.

Hotels and resorts under the umbrella of large, well-known brands may rely on U.S. buying offices and/or established hospitality supply chain organizations such as AVENDRA. Select importers in different islands may belong to these supply chain networks and thus have access to large hotel customers. However, most of the trade of U.S. food service products flows to Caribbean importers via well-known U.S. food service suppliers, especially those in the South Florida (e.g. SYSCO, Cheney Brothers, US Foods, and Gordon Food Service among others). In fact, Bahamas Food Services, the leading food importer/distributor in The Bahamas, is owned by SYSCO.

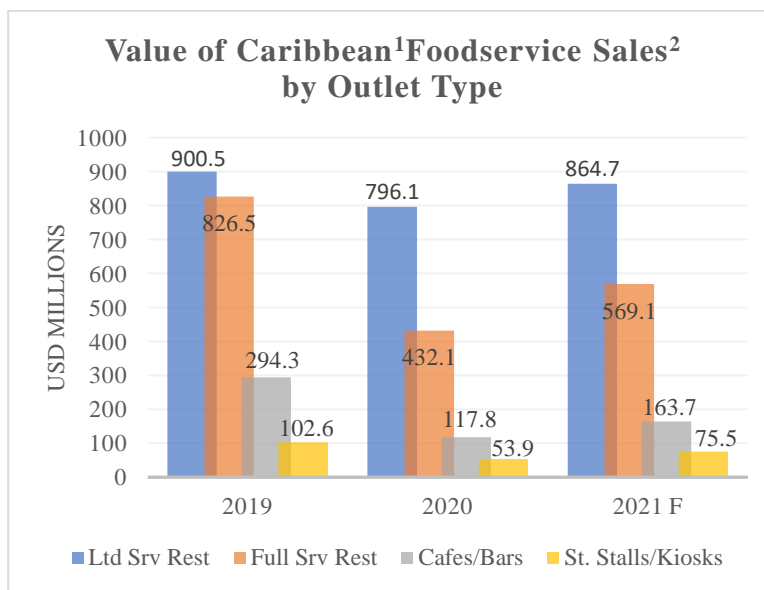
Meeting Caribbean food service buyers can be accomplished in several ways. Many of them often travel to U.S. trade shows, such as the National Restaurant Association (NRA) Show in Chicago

and the Americas Food and Beverage Show in Miami. The CBATO and Foreign Agricultural Service (FAS) partner organizations often organize Caribbean buying delegations to these shows. The Taste of the Caribbean chef competition (<https://chtataste.com/>), organized by the Caribbean Hotel and Tourism Association, is also an excellent opportunity for meeting food service professionals from the region. This prestigious event attracts chef teams from throughout the region and it offers an excellent platform for showcasing U.S. products to many of the region’s best chefs. It takes place in Miami in June of each year. Contact the CBATO for more information on Caribbean buying missions to these events or lists of Caribbean food service buyers. Contact information is provided in Section V.

B. Market Structure

According to Euromonitor International, the Caribbean HRI food service sector is made up of approximately 6,500 outlets, with full-service restaurants and stalls & kiosks accounting for three quarters of these. With only 12 percent of all outlets, limited-service restaurants (mainly fast-food chains) account for over half (56 percent) of the sector’s sales. Approximately 58 percent of all outlets are part of a chain and the remaining 42 percent are independent. The following charts illustrate how the HRI food service sector is structured.

Caribbean ¹ : Breakdown of Food Service Outlets by Type, 2020		
Outlet Type	No. of Units	Value RSP ² (\$ Mill)
Full Service Restaurants	2,780	432.1
Street Stalls & Kiosks	2,115	53.9
Ltd. Service Restaurants	828	796.1
Cafes & Bars	808	117.8
Self Service Cafeterias	3	0.3
TOTAL	6,534	1,400.1



1- Includes all markets covered by the CBATO, except BES Islands, Montserrat, Saint Barthélemy, St. Martin, and Turks and Caicos Islands.

2- Retail sales price (excludes taxes).

Source: Euromonitor.

C. Distribution

U.S. consumer-oriented products are shipped on a weekly basis to the Caribbean, mostly in the form of mixed containers. For the most part, U.S. exports are shipped to the region from South Florida ports. U.S. exports to Bermuda (which technically is not part of the Caribbean) are predominantly shipped from the northeastern region of United States, namely from the New York/Newark area and Philadelphia. The flow chart to the right illustrates how U.S. consumer-oriented products make their way from U.S. suppliers to food service outlets in the Caribbean. Although some food service operators will buy direct from U.S. suppliers, the overwhelming volume of food and beverages sold in the region is channeled through local importers/distributors.



D. Sub-Sector Profiles

Hotels & Resorts:

Given the large number of tourists visiting the islands annually, hotel and resort eateries play an important role in the overall food service sector of the region. Large mega resorts such as Atlantis (4,000 rooms) and Baha Mar (2,000+ rooms) in The Bahamas offer multiple restaurants, cafes, indoor and poolside bars, etc. Despite the great buying power of these larger establishments, local importers and distributors remain an important supplier due to both the ever-changing needs and limited storage space for dry and refrigerated goods. Moreover, by using local importers for perishable products such as fresh produce, these establishments do not need to worry as much about spoilage as they would by importing directly. The same holds true for moderate sized hotels, resorts, and smaller boutique hotels. International hotel and resort chains present in the region include: Marriott, Hilton, Hyatt, Four Season, Sandals, RIU, Rosewood, SLS, Holiday Inn, Radisson, Crowne Plaza, Sheraton, and Wyndham, among others.

Restaurants:

With its many cultural influences from around the world, the region boasts an incredible diversity of cuisines. Chefs from practically every corner of the planet can be found in the region's 2,780 full-service restaurants. From Michelin star fine dining establishments to casual chain eateries (e.g. Tony Roma's, Outback Steakhouse, Texas de Brazil, TGI Fridays) to popular beachside restaurants, the Caribbean is renowned for its culinary diversity. Many islands have their own culinary festivals that highlight the dishes of local and international chefs. Some of these events attract world-class chefs and celebrities. Two of the most notable events include the Cayman Cookout

(<https://caymancookout.com/>) and the Caribbean Food and Wine Festival (<http://caribbeanfoodandwinefestivaltc.com/>) held in Providenciales, Turks and Caicos Islands.

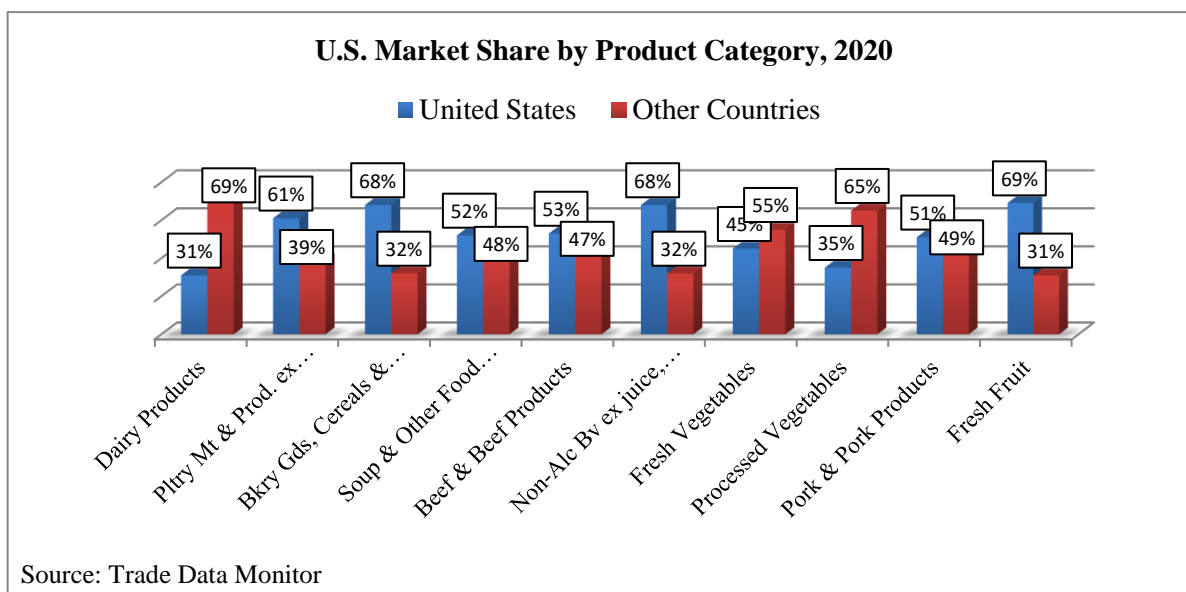
Limited-service restaurants (fast food eateries and delivery/takeaway outlets) represent over 50 percent of total HRI food service sales in the Caribbean. There is a plethora of both international and local fast-food chains throughout the region. Some of the most prominent ones include: McDonald’s, Burger King, Wendy’s, Pizza Hut, Little Caesars, Church’s Chicken, Quiznos, Subway, KFC, Taco Bell, Pollo Tropical, Denny’s, Chefette (Barbados), Royal Castle (Trinidad), Pizza Boys (Trinidad), Wok N’ Roll (Trinidad), Donut Boys (Trinidad), among others. Most restaurants rely on local importers, which also serve as wholesalers/distributors, to source their imported food and beverage supply.

Institutional:

Catering is an important niche within the region’s HRI food service sector, yet airline catering, snack bars and eateries in the dozens of airports in the region, and marine catering (to offshore oil rigs) are areas that are often overlooked. Local/regional companies that specialize in these business areas usually service this sub-sector.

III. Competition

The United States has a 50 percent market share of the Caribbean’s food market. In 2020, U.S. exports of consumer-oriented products to the Caribbean totaled \$1 billion. The next closest competitor is the EU with \$378.2 million in exports (18.3 percent), followed by Brazil with \$103.3 million (5 percent), New Zealand with \$95.0 million (4.6 percent), and the UK with \$94.5 million (4.6 percent). The top five import categories are dairy products, poultry meat & products (ex. eggs), bakery goods/cereals/pasta, soup & other food preparations, and beef & beef products. These five categories alone represent nearly half of consumer-oriented product imports.



IV. Best Product Prospects

As mentioned earlier, given limited domestic production and processing of food products, the Caribbean is dependent on imports of the full range of food and beverage products. The HRI food service sector is an important demand driver of imported foods.

A. Top Consumer-Oriented Products Imported from the World, 2020

	USD
Dairy Products	312,000,861
Poultry Meat & Products (excluding eggs)	183,637,132
Bakery Goods, Cereals & Pasta	162,443,742
Soup & Other Food Preparations	161,965,743
Beef & Beef Products	135,623,806
Non-Alcoholic Beverages (ex. juice, coffee, tea)	94,474,670
Fresh Vegetables	92,944,945
Processed Vegetables	92,917,446
Pork & Pork Products	87,910,224
Fresh Fruit	79,792,122

Source: Trade Data Monitor

B. Top Consumer-Oriented Products Imported from the United States, 2020

	USD 000's
Poultry Meat & Products (excluding eggs)	129,610
Bakery Goods, Cereals & Pasta	110,541
Dairy Products	103,073
Beef & Beef Products	72,065
Soup & Other Food Preparations	70,674
Non-Alcoholic Beverages (ex. juice, coffee, tea)	66,463
Fresh Fruit	55,120
Eggs & Egg Products	44,857
Pork & Pork Products	44,612
Fresh Vegetables	42,563

Source: U.S. Census Bureau

C. Products Not Present in Significant Quantities but which have significant Sales Potential

N/A. The Caribbean imports virtually all types of food products.

D. Products Not Present Because They Face Significant Barriers

The number of restricted products is minimal. Bermuda prohibits the importation of any of the following dairy products: raw milk, pasteurized milk, ultra-pasteurized milk, ultra-heat-treated milk,

and manufactured milk. A few governments may also prohibit the importation of select produce items for plant quarantine purposes (e.g. citrus from Florida) or they may temporarily ban the importation of select produce items to protect local farmers during harvest time. Certain poultry products also face high import duties in Barbados, which effectively keeps them out of that market.

V. Key Contacts and Further Information

A list of useful links is attached to this report. If you have questions or comments regarding this report, or need assistance exporting to the Caribbean, 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.

Caribbean Basin Agricultural Trade Office
Foreign Agricultural Service, U.S. Department of Agriculture
909 SE 1st. Ave, Suite 720
Miami, Florida 33131
T: (305) 536-5300; F: (305) 536-7577
Email: atocaribbeanbasin@usda.gov
FAS Website: www.fas.usda.gov

Attachments: [Useful Links.docx](#)