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Report Highlights:

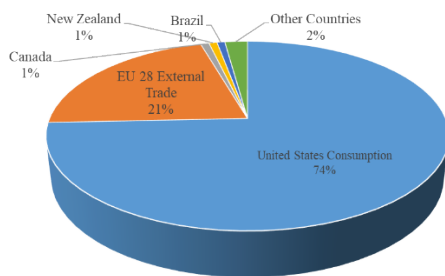
The Cayman Islands tourism industry has experienced tremendous growth during the past several years. Tourism arrivals reached a record-breaking 2.4 million in 2018, a 10 percent increase from 2017. Tourism is the key driver of trends and demands in the food service sector. With a new airport, hotels, and restaurants in the pipeline, U.S. exporters will find excellent opportunities for U.S. products in the Cayman Islands food service sector.

Market Fact Sheet: Cayman Islands

Executive Summary

Tourism and financial services are the main drivers of the Cayman economy. Together these sectors represent about 75 percent of total GDP. The Cayman Islands economy continued to grow at a steady pace in 2018, with GDP rising by 3.3 percent. Recent investments in tourism and tourism infrastructure are fueling growth opportunities. The Cayman Islands has one of the highest standards of living in the world.

Imports of Consumer-Oriented Products



Total imports of consumer-oriented products amounted to \$87 million in 2018, with the United States capturing about 74 percent, or \$65 million of this market segment.

Food Processing Industry

Food processing is negligible due to limited agricultural production. Arable land is only 1 percent of total land use, and Cayman must import most of its food needs. However, some items such as eggs, chicken, beef, seafood, fruits and vegetables are produced in small quantities for the local market.

Food Retail Industry

An estimated 60 percent of imported foods and beverages are channeled through the retail sector. This sector includes modern supermarkets, gas marts and traditional outlets. Retail sector sales were estimated at \$152 million in 2018.

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Quick Facts CY 2018

Imports of Consumer-Oriented Products (USD) \$87 million

Cayman Islands 10 Growth Categories in (2018)

1. Spices	6. Fresh Vegetables
2. Eggs and Products	7. Condiments and Sauces
3. Snack Foods	8. Beef and Beef Products
4. Tree Nuts	9. Chocolate, Cocoa Products
5. Dog and Cat Food	10. Processed Vegetables

Food Industry by Channels 2018

Cayman Agricultural Total Exports*	\$59,000
Cayman Agricultural Total Imports*	\$95 million
Grocery Retail Annual Sales (Modelled)	\$152
Consumer Food Service Annual Sales (Modelled)	\$15

*Based on reporting countries export statistics.

U.S. Fast Food Franchises

Burger King	Pizza Hut
KFC	Subway
Domino's Pizza	Wendy's

GDP/Population

Population: 65,813 (Fall 2018)
 GDP: \$2.507 billion (2017 est.)
 GDP per capita: \$56,334 (2017 est.)

Sources: Cayman Islands Economics and Statistics Office, CIA the World Factbook; Euromonitor International; Trade Data Monitor, LLC. U.N. Trade Data World Integrated Trade Solution.

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
The Cayman Islands is a major importer of U.S. consumer-oriented food products.	Importers already carry many major U.S. brands and some market segments may be saturated.
Opportunities	Challenges
International restaurants, cafés, fast food outlets and hotel chains are increasing.	HRI enterprises are expanding their offerings of international products as a way to differentiate themselves from competitors.

I. Market Summary

The Cayman Islands is a British Overseas Territory located about 480 miles south of Miami, 150 miles south of Cuba and 180 miles northwest of Jamaica. It is comprised of three separate islands: Grand Cayman, Cayman Brac and Little Cayman. Approximately 50,000 inhabitants live in Grand Cayman, the most cosmopolitan of the three islands. The majority of hotels, restaurants, condominiums and shopping are located on the western end of the island. Despite its small size, the Cayman Islands is one of the most stable and prosperous places in the Western Hemisphere. With a GDP per capita over \$50,000 USD, Caymanians enjoy a high standard of living. The economy is largely dependent on tourism and financial services, which together account for roughly 70 to 75 percent of GDP.

Annually the Cayman Islands attracts over 463,000 stopover visitors, primarily from North America and Europe. Tourists from the United States represent 85 percent of all stop over tourists. Approximately 1.9 million cruise ship passengers visit the Cayman Islands annually. Tourist's expenditures were estimated at \$98.1 million in 2018, an increase of 12.5 percent over 2017. According to the Cayman Islands Ministry of Tourism, the country attracts a very affluent segment of international travelers, with more than 30 percent reporting household incomes of over \$200,000 per year. Tourism is largely geared toward the high-end luxury market.

With only about 1 percent of its land area being arable, agricultural production is quite limited. Consequently, the Cayman Islands relies almost entirely on imported foods to meet the demands of its population and tourists.

ADVANTAGES AND CHALLENGES

Advantages	Challenges
The Cayman Islands is a major importer of U.S. consumer oriented food products.	Importers already carry many major U.S. brands and some market segments may be saturated.
A high-end market where consumers and tourists demand higher quality and healthier products.	There is increased competition from European providers.
International restaurants, cafés, fast food outlets and hotel chains are increasing.	HRI enterprises are expanding their offerings of international products as a way to differentiate themselves from competitors.
Market opportunities for healthy and organic food products are expanding.	The farm to table trend has gained popularity among local and international consumers.

II. Road Map for Market Entry

A. Entry Strategy

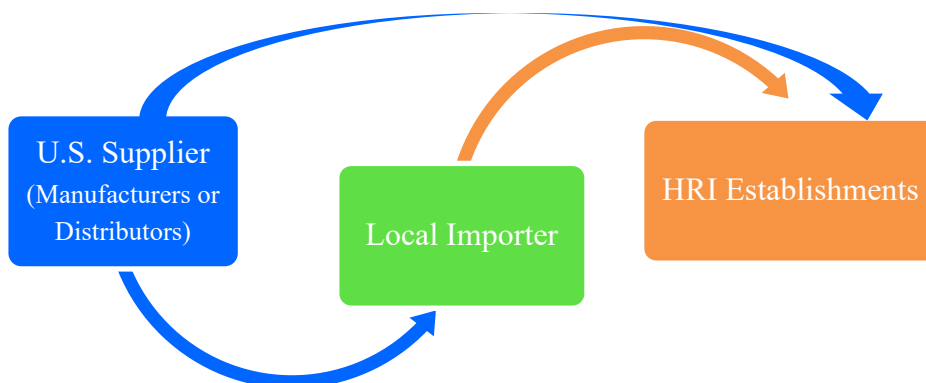
The Cayman Islands market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. The best method for U.S. suppliers to enter the Cayman Islands food service market is via local importers/distributors that service many HRI accounts. Local importers/distributors have broad access to the food and beverage markets, possess adequate warehouse facilities, and carry a large inventory of products.

Thus, U.S. suppliers can achieve maximum sales volume by working with local importers. On average, food service operators buy approximately 95 percent of their food and beverage products from local importers. In a few cases where food service operators need specialty items not carried by local suppliers, they may import those items directly. Even products that are not of U.S. origin are usually shipped from the United States since U.S. suppliers carry a wide variety of specialty foods. Wines and liquors tend to be imported and distributed by companies dedicated exclusively to these types of products. Exporters of U.S. food and beverage products interested in contacting Cayman importers can email our office at atocaribbeanbasin@fas.usda.gov for more information. A list of potential clients can be provided upon request.

The most effective way to introduce new products in the HRI sector is to work with chefs and food/beverage managers to sample products to generate demand. Importers usually rely on requests from chefs and food/beverage managers to stock new products. Nonetheless, importers are always interested in learning about new products and some will take the initiative to introduce products to their customers, especially if the supplier provides promotional incentives. If feasible, traveling to the Cayman Islands to meet with potential customers (importers/chefs/food and beverage managers) and gain first-hand knowledge of the market frequently yields the best results. Alternatively, many local importers and food service professionals also travel to U.S. trade shows such as the Americas Food and Beverage Show in Miami and the Restaurant Show in Chicago. Please contact the Caribbean Basin Agricultural Trade Office (CBATO) if you would like to reach out to Cayman importers participating in these trade shows.

B. Market Structure and Distribution

The flow chart below illustrates how products move from U.S. suppliers to different HRI outlets in the Cayman Islands. U.S. suppliers ship product to importers and distributors in Grand Cayman, who in turn sell to hotels, restaurants, and other eateries throughout the islands. The overwhelming volume of food and beverages sold in the Cayman Islands HRI sector is channeled through importers/distributors. Some of the larger restaurant chains and some hotels will import specialty items directly from U.S. suppliers.



C. Sub Sector Profiles

a. Hotels, Resorts, Apartments and Guest Houses.

One of the unique characteristics of the Cayman market, is that they have a significant inventory of vacation homes and condominiums. In fact, the Cayman Islands accommodation stock is distributed evenly between hotels, apartments and guesthouses. According to the Cayman Islands Department of Tourism, there are over 6,395 total rooms available. Please see the following chart for a summary of rooms per type of accommodation.

Table 1. Distribution of Rooms per Category in the Cayman Islands

Category	Grand Cayman	Cayman Brac	Little Cayman	Total
Condos	2751	72	35	2858
Villas	801	122	27	950
Hotels	2457	52	78	2587
Total	6009	246	140	6395

Source: CIDOT

Leading hotel chains in the Cayman Islands include The Ritz Carlton Hotel, Westin Grand Cayman, Grand Cayman Marriott Beach Resort, Kimpton Seafire Resort and Spa, Wyndham Reef Resort, Comfort Suites Seven Mile Beach and MargaritaVille Beach Resort. A new Curio Hotel by Hilton is scheduled to open in 2021. Hotels and resorts rely on both local importers and distributors and import directly from major consolidators in the United States, in particular, from South Florida.

Table 2. Largest Hotels in the Cayman Islands by Number of Rooms

Company	Rooms	Number of Restaurants
Ritz Carlton Hotel	365	5
Westin Grand Cayman	343	6
Grand Cayman Marriott Beach Resort	295	2
Kimpton Seafire Resort + Spa	266	5
Margaritaville Resort	285	5
Wyndham Reef Resort	152	3

b. Restaurants

Known as the *Culinary Capital of the Caribbean*, the Cayman Islands have gained international recognition for its diverse and unique dining experiences. Given the many nationalities present in the islands and the large influx of tourists, the diversity of restaurants, both in terms of cuisine and style, is quite impressive. With over 200 restaurants, the Cayman Islands is home to a rich mix of popular U.S. fast food franchises, casual eateries and bars, and a wide assortment of upscale, eclectic restaurants, which offer world class dining.

Annually several gastronomy events and food festivals take place in the Cayman Islands attracting worldwide attention from renowned chefs and foodies. Among these are the Cayman Restaurant Month (October), Cayman Cocktail Week (October), the Cayman Cookout (January-February), and Taste of Cayman Food and Drink Festival (April). These events help shape the HRI industry by introducing new products and food trends to the Cayman market.

As stated above, tourists frequently stay in apartments and condominiums. They purchase their food and beverage needs from local grocery stores and dine out regularly. They also frequently contract the services of local chefs and catering companies who in turn purchase their products from local importers.

c. Institutional

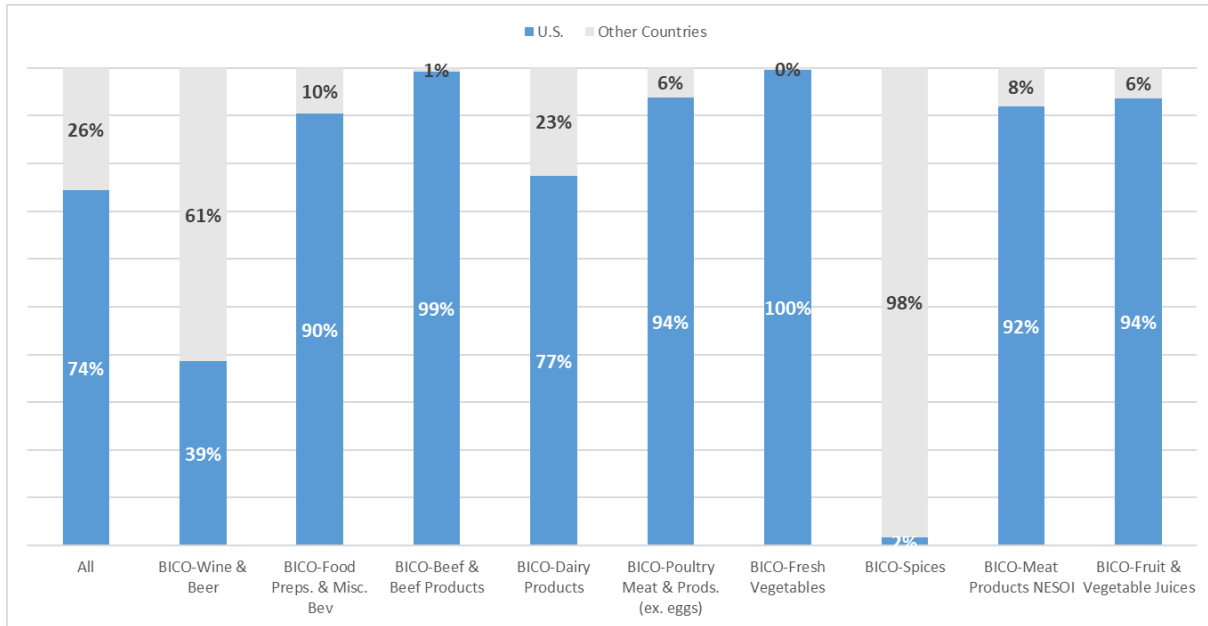
The institutional sub-sector in the Cayman Islands is covered mostly by catering companies that purchase their food products from local importers/distributors. Together with government agencies, these companies provide services to local hospitals, prisons and schools. Catering is a growing niche in the Cayman Islands that creates additional opportunities for U.S. suppliers.

III. Competition

The United States has the largest market share in consumer-oriented products, representing \$65 million, or 74 percent in 2018, an 8.4 percent increase from 2017. The European Union (EU) is the largest competitor with 21 percent market share in consumer-oriented imports.

Responding to demand from affluent consumers and tourists, importers are increasingly diversifying their items to include more products from European, Asian and Latin American suppliers. Top worldwide consumer-oriented import categories in 2018 were Wines and Beers, Food Preps and Misc. Beverages, Beef and Beef Products, Dairy Products, and Poultry Meat and Products. These five categories encompassed over 50 percent of total consumer-oriented imports. U.S. wines and spices face strong competition from the EU, in particular from France.

Table 4. Consumer Oriented Imports and U.S. Market Shares (2018)



Source: Trade Data Monitor, LLC. Based on reporting countries export statistics. (In Spices, France dominates the market with 98% of all imports).

IV. Best Product Prospects

Market opportunities exist for practically all high value consumer-oriented foods and beverages in the Cayman Islands. Cayman tourists and consumers alike closely follow the latest food trends, reflecting the availability and growing market for vegan, healthy and organic products. At the same time, consumers demand high quality meats, wines, and fresh produce. In 2018, the poultry, eggs, dairy, fresh vegetables, snack foods, fish, and pet foods from the United States had record export levels.

Table 5. Top 20 Consumer-Oriented Products Imported from the World

Rank	HS Subheading	Description	2018 (million USD)	% Change 2018/17
1	220421	Wine Of Fresh Grapes	\$10	26.63
2	220300	Beer Made From Malt	\$5	-10.57
3	90510	Vanilla, Neither Crushed Nor Ground	\$4	0
4	20714	Chicken Cuts And Edible Offal (Including Livers) Frozen	\$4	0.51
5	160100	Sausages And Similar Products, Of Meat, Meat Offal Or Blood	\$4	15.36
6	20110	Carcasses And Half-Carcasses Of Bovine Animals, Fresh Or Chilled	\$4	32.75
7	190590	Bread, Pastry, Cakes, Biscuits And Similar Baked Products	\$4	16.13
8	70999	Vegetables, Fresh Or Chilled, Nesoi	\$3	2.64
9	220410	Sparkling Wine Of Fresh Grapes	\$2	10.17
10	230910	Dog And Cat Food, Put Up For Retail Sale	\$2	20.78
11	210690	Food Preparations Nesoi	\$2	-9.79
12	20130	Meat Of Bovine Animals, Boneless, Fresh Or Chilled	\$2	0.38
13	20220	Meat Of Bovine Animals, Cuts With Bone In (Other Than Half Or Whole Carcasses), Frozen	\$2	-11.64
14	200912	Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20	\$2	12.22
15	190190	Malt Extract; Food Products Of Flour, Meal, Etc. With Cocoa (If Any) Under 40% And Milk Or Cream Products With Cocoa (If Any) Under 50%, Nesoi	\$1	35.48
16	70519	Lettuce (Lactuca Sativa), Except Head Lettuce, Fresh Or Chilled	\$2	62.14
17	190410	Prepared Foods Obtained By The Swelling Or Roasting Of Cereals Or Cereal Products	\$1	-25.18
18	40690	Cheese, Nesoi, Including Cheddar And Colby	\$1	8.5
19	210390	Sauces And Preparations Therefor, Nesoi; Mixed Condiments And Mixed Seasonings	\$1	17.25
20	60290	Live Plants (Including Their Roots), Cutting And Slips, N.E.S.O.I.; Mushroom Spawn	\$1	13.07

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

A. Products not present in significant quantities but which have good sales potential.

The Cayman Islands has an ample variety of products available. However, importers and consumers are always interested in new food and beverage alternatives.

B. Products Not Present Because They Face Significant Barriers:

There are no significant barriers for U.S. products in the Cayman Islands.

V. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to the Cayman Islands, 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