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Prepared By: Omar Gonzalez

Approved By: Candice Bruce

Report Highlights:

Caribbean imports of consumer-oriented products shrunk from \$2.3 billion in 2019 to \$2.1 billion in 2020 as a result of the COVID-19 pandemic, yet Caribbean retail grocery sales grew by an estimated 6 percent during the same period. While the decline in economic activity impacted Caribbean pocketbooks, lockdown orders (including the shuttering of all food service operations) forced a sudden shift in demand toward retail foods. Going forward, opportunities in the sector are expected to remain for U.S. suppliers seeking to take advantage of emerging retail trends.

Market Fact Sheet: Caribbean

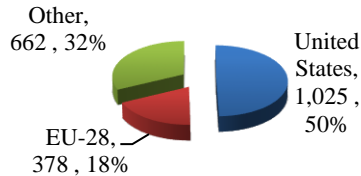
Executive Summary

The Caribbean is an excellent market for U.S. suppliers. Proximity, close commercial ties with the United States, a large influx of tourists, and a relatively trade-friendly regulatory environment all contribute to the attractiveness of this vast market.

Imports of Consumer-Oriented Products

Practically all foods must be imported, as domestic production is quite limited. Total imports of consumer-oriented agricultural products totaled \$2.1 billion in 2020, with the United States capturing 50 percent of the market.

Imports of Consumer-Oriented Products, 2020 (USD Millions)



Food Processing Industry

Given very limited agricultural activity, food processing is also minimal in most countries.

Food Retail Industry

An estimated 70 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 \$9.5 billion in 2020.

Food Service Industry

Tourism is a key factor in generating demand for U.S. products in the food service sector. Unfortunately, the COVID-19 pandemic brought tourism to a standstill in 2020, greatly impacting the region's hotels and restaurants. The sector, which has grown rapidly in recent years and normally accounts for over \$2 billion in sales, is eagerly awaiting a "return to normal."

Quick Facts CY 2020

Imports of Consumer-Oriented Products: \$2.1 billion.

Top 10 Growth Products (2018-2020)

1. Fresh Fruit
2. Dog & Cat Food
3. Soups & Oth. Prep.
4. Pork & Pork Prod.
5. Eggs & Products
6. Bakery Goods, Cereals, Pasta
7. Condiments & Sauces
8. Fresh Vegetables
9. Processed Fruit
10. Poultry Meat

Food Industry by Channels (USD billion) 2020

Imports of Consumer-Oriented Products: 2.1
 Grocery Retail Annual Sales: 9.5
 Consumer Food Service Annual Sales: 1.4

Key Grocery Retailers in the Caribbean

1. Massy Stores (Trinidad & Tobago, SL, SVG, Guyana)
2. EcoMax (Guadeloupe, Martinique)
3. Leader Price (Guadeloupe, Martinique)
4. Carrefour (Guad, Martinique, Sint Maarten, Curacao)
5. Super Value (The Bahamas)

GDP/Population

Population: 4.6 million (July 2020 estimate)
 Real 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 International, CIA World Factbook.

Strengths	Weaknesses
Proximity; well-established relationships between U.S. suppliers and Caribbean buyers.	Meat and poultry may be restricted in certain markets due to island-specific regulations.
Opportunities	Threats
U.S. tourists account for one out of every two tourists visiting the region, bolstering demand for U.S. foods.	Prolonged impact of the COVID-19 pandemic.

I. Market Summary

Note: 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.

Given its fragmented nature and with only 4.6 million inhabitants (2020 estimate), the Caribbean might seem like a small market for U.S. suppliers of retail food and beverage products. However, with very limited agricultural production and food processing, the region relies heavily upon imported foods to meet demand. Demand is normally spurred further by over 20 million stopover visitors and cruise ship passengers that visit the region annually, the current COVID-19 pandemic notwithstanding. In 2020, the Caribbean imported \$2.1 billion in consumer-oriented products, of which the United States supplied \$1 billion (50 percent).

Approximately 70 percent of imports of consumer-oriented products are channeled through the retail sector. The retail grocery market in the Caribbean is as heterogeneous as the 24 markets that make up the region. From traditional ‘mom and pop’ grocery stores to state-of-the-art supermarkets and hypermarkets that mirror the most sophisticated grocery outlets in the United States and Europe, the Caribbean offers a plethora of retail grocery options. When the world-wide COVID-19 lockdown of March 2020 occurred, the Caribbean retail grocery sector experienced an unexpected windfall in demand, driven at first by panic buying and then by the need to cook meals at home. According to Euromonitor, Caribbean retail grocery sales increased by 6.25 percent in 2020 when compared to 2019.

The abrupt increase in demand resulting from the pandemic was accompanied by a number of shifts in consumer trends. With health being front and center in current Caribbean conversations, the initial run on basic staples soon turned to more healthy food options. Nutritious foods, fresh produce, natural, and less processed foods all became more sought after. Given the austerity of the times, demand for value products ballooned as well. Many retailers also found themselves developing or expanding online ordering and home delivery systems in order to cope with a surge in demand for these services.

The extent to which these trends will take root and become more permanent once the pandemic subsides remains to be seen. However, it is expected that the increased focus on health will continue to drive consumers towards healthier food choices. As most Caribbean countries wait for a return to normal activity, especially in the tourism sector, one country seems poised for robust growth. Following a recent discovery of oil off its shores, Guyana is expected to undergo considerable economic expansion in the years to come. Opportunities in Guyana’s retail sector are expected to expand accordingly.

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.

Advantages	Challenges
<ul style="list-style-type: none"> ● With little arable land and food production, the islands of the Caribbean must import most of their food needs. 	<ul style="list-style-type: none"> ● Caribbean economic well-being is highly dependent on tourism. Most small island economies are very susceptible to any factors that may disrupt tourism (i.e. the world economy, terrorism, more active hurricane seasons, etc.).
<ul style="list-style-type: none"> ● U.S. exporters, particularly south Florida consolidators, service the market well and are in many ways better positioned to supply the Caribbean than competitors. 	<ul style="list-style-type: none"> ● COVID-19 has altered consumer behavior overnight forcing quick changes at the retail level: focus on value products rather than premium brands, the boom in home cooking, increasing demand for on-line shopping and home delivery, consumers demanding healthier food options, etc.
<ul style="list-style-type: none"> ● The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 50 percent overall). 	<ul style="list-style-type: none"> ● A key constraint in the French West Indies is breaking traditional ties with Europe. These islands source almost all their food from the EU, making introducing U.S. products more challenging.
<ul style="list-style-type: none"> ● The regulatory environment at present is open to U.S. products. 	<ul style="list-style-type: none"> ● Some products, particularly meat and poultry, may be restricted in certain markets due to EU or island-specific regulations.
<ul style="list-style-type: none"> ● The COVID-19 lockdown has boosted retail sales. 	

II. Road Map for Market Entry

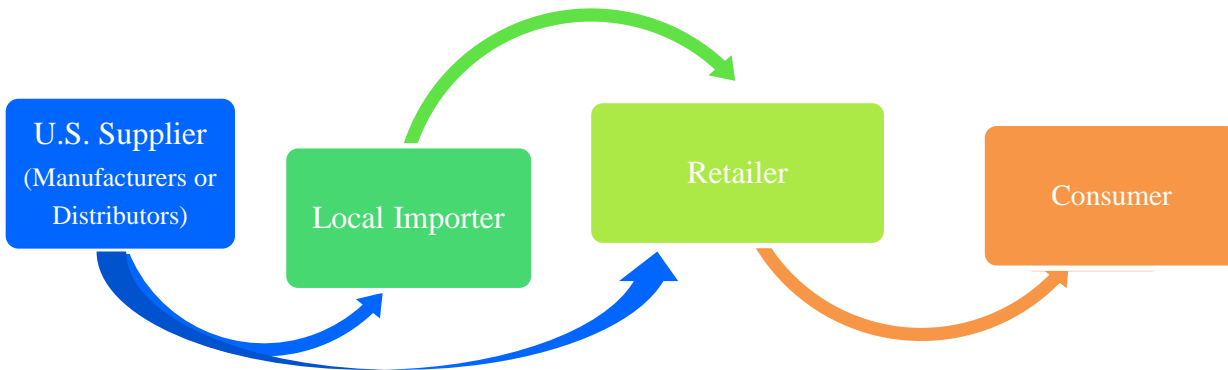
A. Entry Strategy

Many of the larger retailers in the Caribbean prefer to buy products directly from manufacturers when possible. However, the most common method for U.S. suppliers to enter the Caribbean retail food 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 accounts.

Meeting Caribbean retailers and importer/distributors can be accomplished in several ways. While in-person visits to the different countries is perhaps the most effective method of establishing contacts, understanding the needs and limitations of potential customers, and learning the nuances of each individual market, this can be very time consuming and expensive given the fragmented nature of the region. An excellent alternative is meeting buyers at U.S. trade shows, such as the Summer Fancy Food Show in New York, Natural Products Expo East, and the Americas Food and Beverage Show in Miami, where Caribbean buyers often flock to seek out new products. These events are invaluable opportunity for U.S. suppliers to meet one-on-one with Caribbean buyers.

Contact the CBATO for more information on Caribbean buying missions to these events or lists of Caribbean retail buyers. Contact information is provided in Section V.

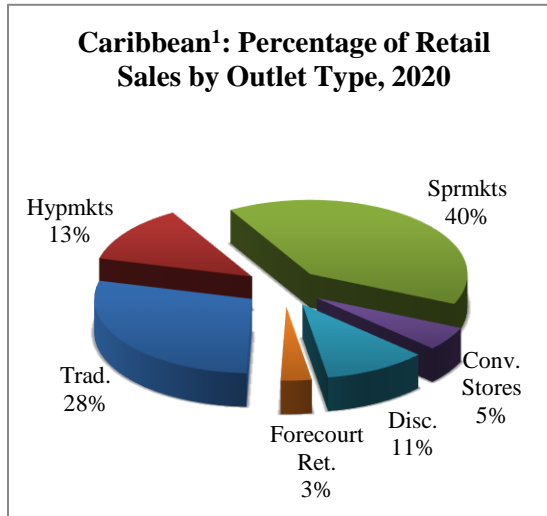
B. Market Structure



Most commercially imported products flow to the Caribbean according to the chart above. South Florida, which has an abundance of food exporters, brokers, and consolidators, is the main gateway for U.S. consumer-oriented exports to the Caribbean. Several shipping lines service the region from South Florida's three seaports (Port of Miami, Port Everglades and Port of Palm Beach). The major exception to the rule is Bermuda which, because of its more northern location, sources most of its food imports from the northeastern region of United States, namely from the New York/Newark area and Philadelphia. Caribbean consumers, particularly those in islands in close proximity to the United States, will often travel to South Florida to purchase food and beverage products (and household goods) at the retail level, and then have them shipped to their respective country. This is especially true in The Bahamas, but consumers will travel to South Florida from as far away as Trinidad and Tobago to purchase U.S. goods and ship them back for their own consumption as well as resale.

According to Euromonitor, the Caribbean retail food sector is comprised of over 16,000 outlets of which traditional groceries make up nearly 90 percent. Large and modern supermarkets and hypermarkets, despite accounting for only four percent of total retail outlets, make up over 50 percent of grocery retail sales compared to 28 percent from traditional grocery retailers/outlets. Discounters, convenience stores and forecourt retailers make up the remainder of retail sales. Total Caribbean retail grocery sales increased from \$8.9 billion in 2019 to \$9.5 billion in 2020, largely due to the COVID-19 lockdown and the related surge in demand for retail foods.

Caribbean ¹ : Breakdown of Grocery Outlets by Type, 2020		
Outlet Type	No. of Units	Value RSP ² (\$ Mill)
Traditional Grocers	14,596	2,695.0
Hypermarkets	36	1,188.5
Supermarkets	587	3,796.7
Convenience Stores	568	479.9
Discounters	209	1,024.9
Forecourt Retailers	679	293.9
TOTAL	16,675	9,478.9



1- Excludes BES Islands, Montserrat, Saint Barthélemy, St. Martin, and Turks and Caicos Islands.
Source: Euromonitor.

C. Company Profiles and Top Host Country Retailers

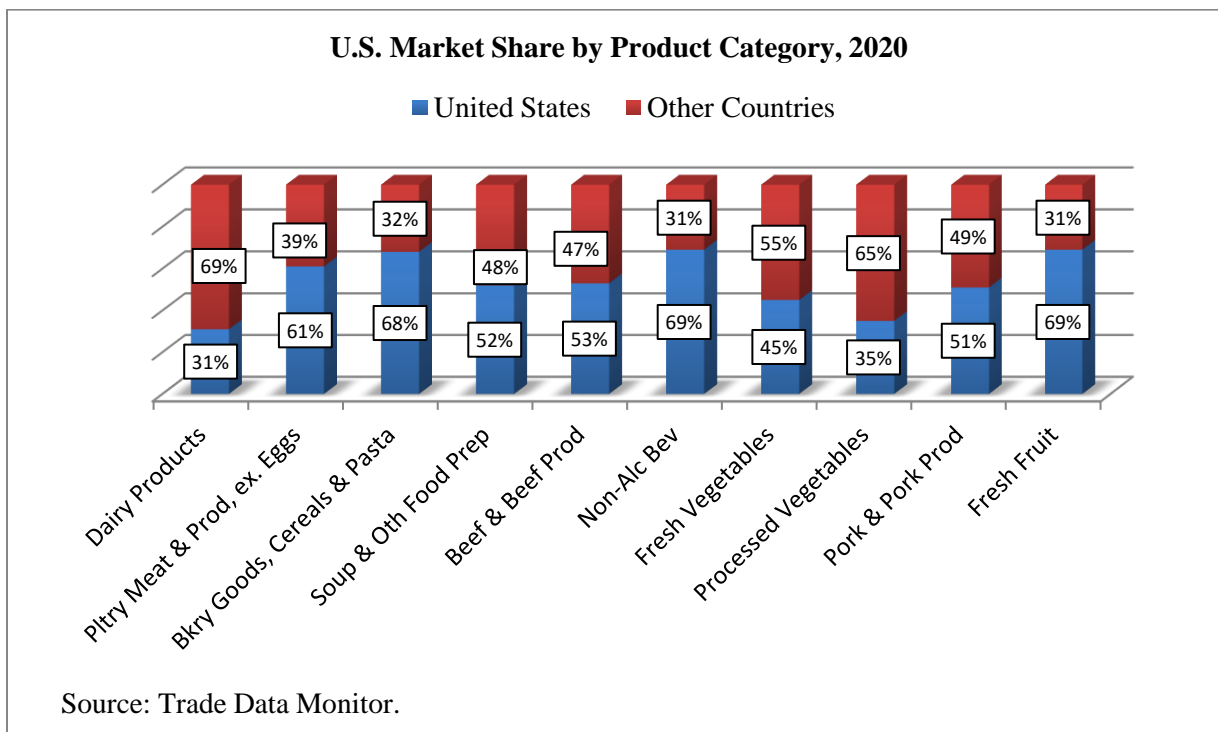
Most retail grocery stores/outlets in the Caribbean are made up of one or two small outlets operating in a single country. There are also a handful of grocery outlets with multiple stores that dominate one particular market. Such is the case with Foster's in the Cayman Islands, Graceway Supermarkets in Turks and Caicos Islands, and Rite Way Supermarkets in the British Virgin Islands. There is also a significant amount of large retailers with multiple stores spread across several islands. The largest of these is Massy Stores, a regional retailer with over 40 stores in five countries (Trinidad and Tobago, Barbados, St. Lucia, St. Vincent and the Grenadines, and Guyana). Its sister company, Massy Distribution, a large import-distribution business, operates in several countries in the region and has an export business located in Miami. International retailers such as PriceSmart, Cost-U-Less, and Van den Tweel Supermarkets also operate modern supermarkets and warehouse club stores in several islands. In the French islands of Guadeloupe and Martinique, French retailers Carrefour, EcoMax, and Leader Price have a dominating presence in the market. Carrefour is also the largest retailer in Sint Maarten and has a store in Curacao as well. The following table shows some of the most prominent retailers in the Caribbean.

Company	Country	Num. of Outlets	Website or Facebook Page
Market Place	Bermuda	8	https://www.marketplace.bm
Lindo's Family Foods	Bermuda	2	http://www.lindos.bm
Arnold's Markets	Bermuda	3	https://www.facebook.com/arnoldsmarketsbermuda/ https://www.facebook.com/arnoldsdiscowntwarehouse/
Supermart	Bermuda	2	https://www.supermart.bm
Solomon's Fresh Market	The Bahamas	2	https://solomonsfreshmarkets.com/
Super Value	The Bahamas	13	https://supervaluequalitymarkets.com/
Foster's	Cayman Islands	8	https://fosters.ky/
Hurley's	Cayman Islands	1	https://hurleys.ky/
Graceway Supermarkets	Turks & Caicos	6	http://www.gracewaysupermarkets.com/iga
Massy Stores	TT, Barbados, St. Lucia, St. Vincent, Guyana	40+	https://www.massystores.com/
EcoMax	Guadeloupe, Martinique	36	https://www.facebook.com/EcomaxGuadeloupe/
Leader Price	Guadeloupe, Martinique	22	https://www.leaderprice-martinique.com/
Carrefour	Guadeloupe, Martinique, Sint Maarten, Curacao	12	http://carrefour-guadeloupe.com/baissedesprix/ , https://www.carrefour-martinique.com/ , http://www.cmsxm.net/ , https://www.crfcuracao.com/
PriceSmart	Barbados, TT, Aruba	6	https://www.pricesmart.com/site/tt/en
Cost-U-Less	Cayman I., St. Maarten, Barbados, Curacao	4	https://www.costuleless.com/
Epicurean Fine Foods	Antigua & Barbuda	2	http://www.epicureanantigua.com/
Super Food	Aruba	1	https://www.superfoodaruba.com/
Ling & Sons	Aruba	1	https://www.lingandsons.com/
Rite Way Food Market	British Virgin Islands	8	https://www.rtwbvi.com/
CK Greaves Supermarket	St. Vincent	4	http://ckgreaves.com/
Persad's D Food King	TT	5	https://www.facebook.com/dfoodking/about/
Xtra Foods	TT	4	https://www.facebook.com/XtraFoodsArima/
JTA Supermarkets	TT	5	https://jtasupermarkets.com/home/
Tru Valu Supermarkets	TT	5	https://www.facebook.com/TruvaluTT/

III. Competition

The United States has a 49.6 percent share of the Caribbean’s market for imported consumer-oriented food and beverage products. In 2020, U.S. exports of consumer-oriented products to the region 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 million (4.6 percent), and the United Kingdom with \$94.6 million (4.6 percent).

In 2020 the top five import categories were dairy products, poultry meat and products (excluding eggs), bakery goods/cereals/pasta, soups and other food preparations, and beef and beef products. These five categories represented 46 percent of consumer-oriented product imports. U.S. market share in the top 10 categories of imported consumer-oriented products is shown in the following chart.



IV. Best Product Prospects

A. Products Present in the Market that have Good Sales Potential

Given the Caribbean’s limited domestic food production, the region relies heavily upon imports of all types of food and beverage products. Thus, there are excellent opportunities for the full range of retail products in the Caribbean. Challenging economic conditions stemming from the Covid-19 pandemic, coupled with several years of limited growth and high unemployment, could create the opportunities for value products. Niche products, especially in the healthy foods category, also show good potential.

B. Top Consumer-Oriented Products Imported from the World, 2018-2020 (USD)

	2018	2019	2020
Dairy Products	329,176,721	330,744,004	312,000,680
Poultry Meat & Prods. (ex. eggs)	188,307,350	203,817,605	183,619,169
Bakery Goods, Cereals & Pasta	155,797,064	172,173,949	162,443,742
Soup & Other Food Preparations	148,753,006	169,461,618	162,064,335
Beef & Beef Products	146,304,935	149,861,350	135,623,806
Non-Alcoholic Bev. (ex. juices, coffee, tea)	105,163,906	108,974,943	94,474,609
Fresh Vegetables	92,787,168	103,593,164	92,944,824
Processed Vegetables	98,153,225	100,497,802	92,913,574
Pork & Pork Products	80,968,684	91,017,254	87,910,224
Fresh Fruit	69,119,413	74,671,911	79,757,554

Source: Trade Data Monitor.

C. Top Consumer-Oriented Products Imported from the United States, 2018-2020 (USD)

	2018	2019	2020
Poultry Meat & Prods. (ex. eggs)	139,556	145,403	129,534
Bakery Goods, Cereals, & Pasta	106,889	119,140	110,432
Dairy Products	109,236	118,172	103,085
Beef & Beef Products	89,262	96,380	71,856
Food Preparations	60,067	67,775	70,681
Non-Alcoholic Bev. (ex. juices)	76,931	79,928	66,445
Fresh Fruit	49,389	52,428	55,205
Eggs & Products	44,361	43,217	44,868
Pork & Pork Products	45,532	51,295	44,672
Fresh Vegetables	43,027	44,604	42,609

Source: US Census Bureau Trade Data.

D. Products Not Present in Significant Quantities but have Significant Sales Potential

As a whole, U.S. products have an important presence in practically all Caribbean markets. The only exceptions to this are the French overseas departments of Guadeloupe and Martinique. These islands have traditionally sourced the vast majority of their imports from the EU, particularly from France. Consequently, U.S. market share in these islands is in the single digits. Breaking these traditional commercial ties in favor of U.S. products is quite challenging but does offer significant potential.

E. Products Not Present Because They Face Significant Barriers

The number of restricted products is minimal. The Importation of Milk (Prohibition) Act 1997 prohibits the importation of any of the following dairy products into Bermuda: raw milk, pasteurized milk, ultra-pasteurized milk, ultra heat-treated milk, and manufactured milk. A few Caribbean countries may also

prohibit the importation of select produce items for plant quarantine purposes. These include: fresh, unfrozen citrus originating in Florida; fresh, unfrozen papaya; fresh, unfrozen sweet potato/North American yam; fresh, unfrozen corn on the cob; carrots; and fresh, unfrozen mangoes (unless they are certified to have been hot water treated at a USDA approved facility).

V. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to the Caribbean Basin, 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

Attachments:

No Attachments