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**Report Highlights:**

Bermuda, a \$100 million plus market for consumer-oriented food products, lies just 600 miles off the East Coast of the United States. This British territory whose inhabitants enjoy one of the highest per capita incomes in the world, looks to the United States to source most of its food needs. Thus, U.S. suppliers will find Bermuda to be a receptive market for their products. However, they must be willing to carve their own niche in a competitive and sophisticated retail landscape.

## Market Fact Sheet: Bermuda

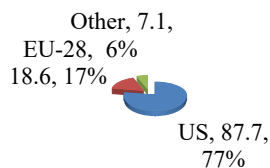
### Executive Summary

Bermuda's economy is driven by international business, including insurance and financial services, which represent about 85 percent of GDP. Tourism is the country's second largest industry. Economic growth has been slow since the global recession of 2008-09 and Bermuda continues to struggle with a shrinking workforce and aging population. While the effects of the Covid-19 pandemic are expected to weigh down the economy further, Bermuda still boasts one of the highest per capita incomes in the world.

### 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 \$113.4 million in 2019, with the United States capturing 77 percent of this market segment.

### Imports of Consumer-Oriented Products, 2019 (USD Millions)



### Food Processing Industry

Given very limited agricultural activity, food processing is also minimal. Bermuda has one dairy plant. Locally produced agricultural goods include items such as pork, poultry, eggs, horticultural crops, dairy, honey, and flowers.

### Food Retail Industry

An estimated 70 percent of imported foods and beverages are channeled through the retail sector. This sector includes traditional grocery stores, neighborhood shops, and farmer outlets to more modern, upscale supermarkets, convenience stores, and gas marts. Total grocery retail sales (excl. sales tax) is estimated at \$295 million in 2019.

### Quick Facts CY 2019

**Imports of Consumer-Oriented Prod.:** \$113 mill.

#### Bermuda's Top 10 Growth Products (2019)

- |                         |                         |
|-------------------------|-------------------------|
| 1. Snack Foods, NESOI   | 6. Pork & Pork Products |
| 2. Prepared Foods       | 7. Choc. & Cocoa Prod.  |
| 3. Wine & Beer          | 8. Meat Prod., NESOI    |
| 4. Non-Alc. Beverages   | 9. Processed Fruits     |
| 5. Processed Vegetables | 10. Other Cons. Prod.   |

#### Food Industry by Channels (USD million) 2019

Bermuda Agricultural Total Imports*	\$120
Grocery Retail Annual Sales	\$295
Consumer Food Service Annual Sales	\$85

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

#### Key Retailers in Bermuda

- |                         |                        |
|-------------------------|------------------------|
| 1. The Market Place     | 4. Harrington Hundreds |
| 2. Lindo's Family Foods | 5. Miles Market        |
| 3. SuperMart            | 6. Arnold's Markets    |

#### GDP/Population

Population: 71,750 (July 2020 estimate)  
GDP: 6.127 billion (2016 est., ppp)  
GDP per capita: \$99,400 (2016 est.)

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

Strengths	Weaknesses
Proximity; well-established relationships between U.S. suppliers and Bermudian buyers.	New products can be difficult to introduce given large number of brands already present.
Opportunities	Threats
Niche products in demand by affluent population.	n/a

## I. Market Summary

Bermuda is a self-governing overseas territory of the U.K., located about 600 miles off the coast of Cape Hatteras, North Carolina. Bermuda is actually an archipelago consisting of approximately 180 islands, islets and rocks. The largest, Main Island, is home to the capital city of Hamilton and to most of Bermuda’s 71,750 inhabitants. Bermuda ranks among the top countries in the world in terms of per capita GDP, which is estimated at \$99,400 (2016).

International business, including financial services, insurance and reinsurance, constitute approximately 85 percent of Bermuda’s total GDP. Tourism is the second leading industry, accounting for about 5 percent of GDP and yet employing a much larger share of the population. The United States is the source of over 80 percent of tourists visiting Bermuda.

Agriculture does not play a significant role in the economy, contributing less than one percent of GDP. With a landmass of only 21 square miles (roughly one-third the size of the District of Colombia), no rivers or fresh water lakes, and a high population density, commercial farming in Bermuda is highly constrained. For the most part, local agricultural production is limited to small volumes of pork, poultry, eggs, dairy, bananas, citrus, other fruit and vegetables, and honey. There are also some commercial flower growers who supply a variety of long-stemmed cut flowers for the local market. When certain locally grown food products are in season, the government imposes temporary embargoes on the importation of competing products to protect local farmers. Local importers are always well aware of these short-lived embargoes and will schedule their shipments around them as to avoid any import issues and not affect local farmers. These temporary embargoes do not really hinder shipments of U.S. goods.

Advantages	Challenges
Only 14 percent of Bermuda’s 21 square miles of land is arable, limiting local farming and underscoring the need for imports of practically all foods.	Limited space in supermarkets only allows shelf space for high demand products. Lesser-known or new products will find it difficult to compete with established, well-known brands.
The United States is the leading supplier of food and beverage products into Bermuda, accounting for 77 percent of all imports of consumer-oriented products.	Bermuda may prohibit the importation of specific fresh fruits, vegetables and flowers, during unspecified periods throughout the year.
The United States is the island’s closest trading partner, which allows for lower shipping times compared to other competitors.	Tariffs on selected food items are as high as 25 percent.
Overall Bermuda is very receptive to U.S. products. Product clearance is usually quick and straightforward.	U.S. suppliers may find selling directly to the retail sector challenging because of the established distribution networks. Narrow road infrastructure also limits all cargo traffic to the island to 20 ft. containers and forces the government to limit the number of delivery trucks for distribution.

Given its very limited agricultural output, Bermuda relies on imports for most of its food needs. The retail sector is estimated to account for roughly 70 percent of the \$113 million in imports of consumer-oriented products, with the remaining 30 percent being channeled through the food service sector. The

Bermuda retail industry includes well-established outlets ranging from small “mom and pop” shops, convenience stores, gas marts, and large, modern supermarkets.

After years of sluggish growth, Bermuda was hoping for improved economic conditions in 2020. While the COVID-19 pandemic may have resulted in unexpectedly strong short-term sales for the retail sector, the overall economic impact of the pandemic over the next twelve months and beyond remains to be seen. With consumer pocketbooks affected in Bermuda just as everywhere else in the world, and tourism still waiting to restart, more austere times may lie ahead.

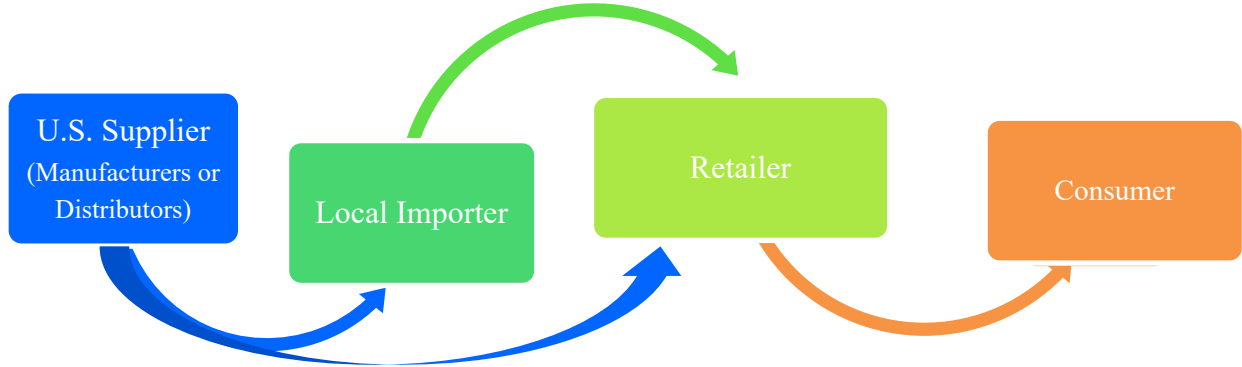
## II. Road Map for Market Entry

### A. Entry Strategy

Bermudian’s high GDP per capita is reflected in their purchasing of high-end, premium quality, and name brand products. Importers hold U.S. products in high regard with respect to quality, value and packaging. However, breaking into Bermuda’s retail market can be somewhat challenging because of the extensive establishment of many well-known U.S. brands in the market. U.S. brands account for over 80 percent of goods on store shelves. Limited retail shelf space can also be a constraint for market newcomers, resulting in a competitive retail environment. For many retailers, new products can only be introduced at the expense of existing ones.

Reaching out by phone or email is usually the prescribed method for initial contact with Bermudian retail buyers. If buyers are interested, they will usually encourage the U.S. supplier to visit them to talk in person. In country-visits are normally the most effective way of learning about Bermuda’s retail market and assessing the potential of new-to-market products. Alternatively, many Bermudian buyers often travel to 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, to seek out new products. This can be an excellent opportunity for U.S. suppliers to meet one-on-one with Bermudian buyers.

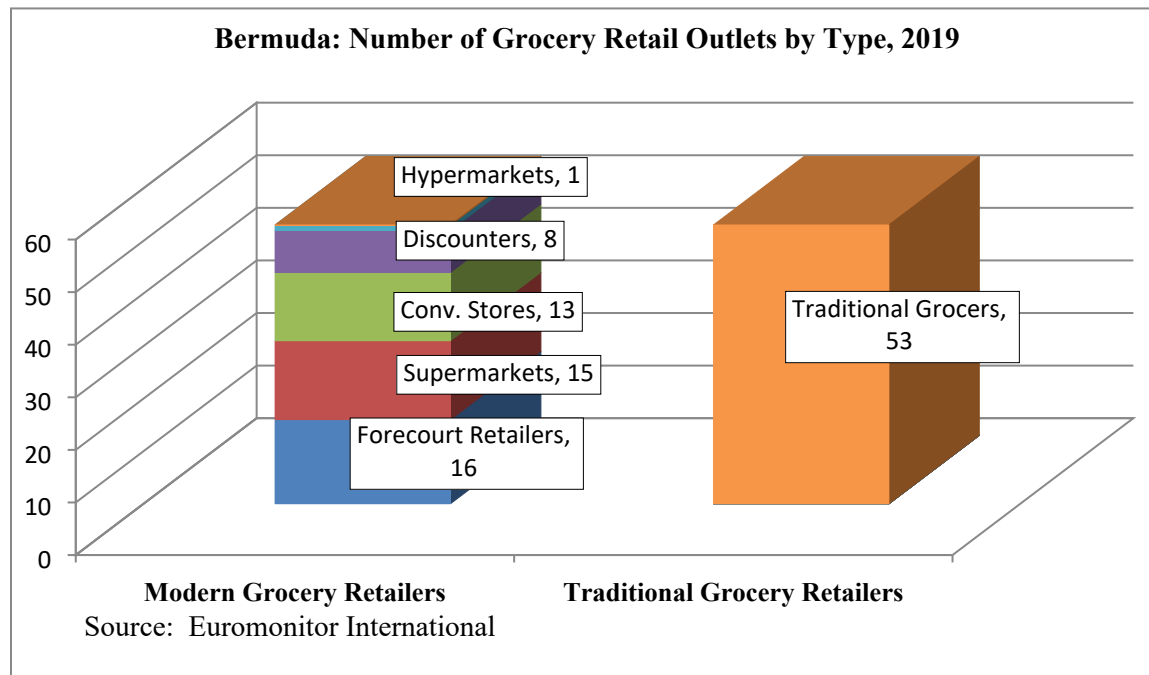
### B. Market Structure



U.S. consumer-oriented products to Bermuda are shipped on a weekly basis predominantly from the northeastern region of United States, namely from the New York/Newark area and Philadelphia. The flow chart below illustrates how U. S consumer-oriented products make their way from U.S. suppliers to

consumers in Bermuda. Although some retailers will buy direct from U.S. suppliers, the overwhelming volume of food and beverages sold in Bermuda’s retail sector is channeled through local importers/distributors.

According to Euromonitor International, Bermuda’s retail sector is made up of over 100 outlets, evenly distributed between modern and traditional grocery stores, as illustrated below. However, in terms of sales, modern outlets dwarf traditional grocers six to one. Supermarkets are the most important channel in this regard, accounting for 38 percent of total retail grocery sales, followed by hypermarkets (19 percent), discounters (18 percent), traditional grocers (14 percent), forecourt retailers (seven percent), and convenience stores (five percent).



### C. Company Profiles and Top Host Country Retailers

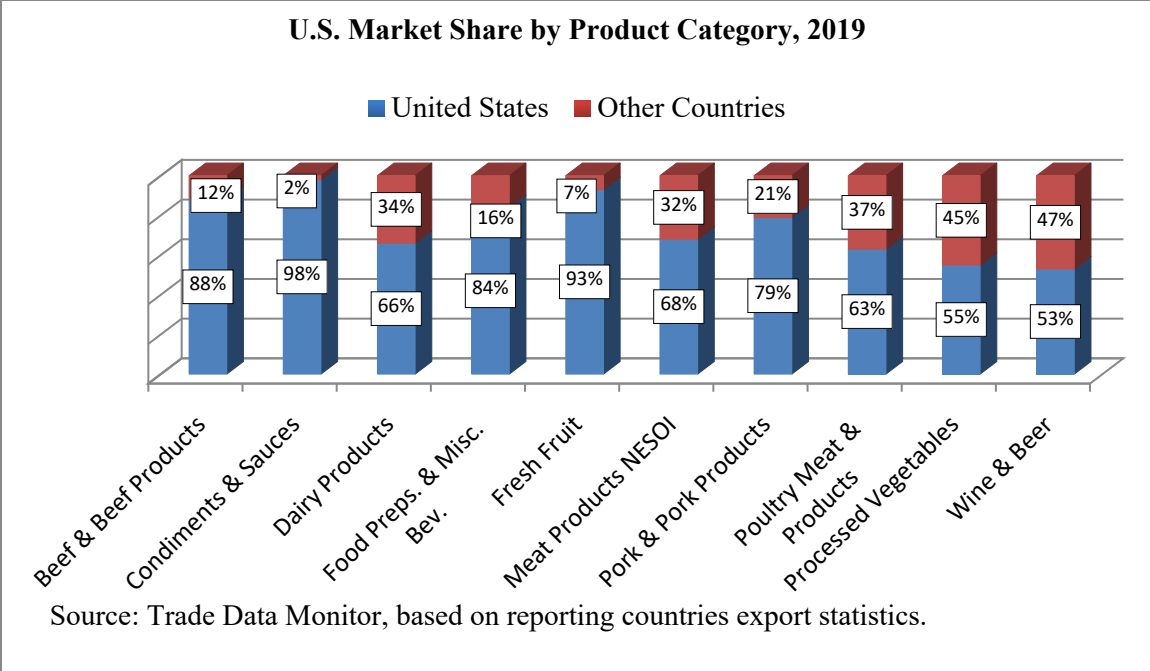
Because franchises are not allowed in Bermuda, all grocery retail operations are locally owned companies. As mentioned earlier, there are over 100 retail outlets, from small grocery shops, convenience stores, specialty shops, and large modern supermarkets. The few farms operating in Bermuda usually have small market stores where they sell locally grown crops and meats (e.g. pork, duck, turkey, chicken). One such store is Wadson’s Home Farm Market. Local fishermen also have a few outlets of their own and they also supply retailers with local catch, which includes spiny lobster (from September to March), rockfish (black grouper), yellowfin tuna, wahoo, and glasseye snapper. In terms of major supermarkets, some of the main ones include the MarketPlace group, Arnold’s Markets, Lindo’s Family Foods, the Supermart, Miles Market and Harrington Hundreds.

Company	Num. of Outlets	Website or Facebook Page
MarketPlace	8	<a href="https://www.marketplace.bm">https://www.marketplace.bm</a>
Lindo's Family Foods	2	<a href="http://www.lindos.bm">http://www.lindos.bm</a>
Miles Market	1	<a href="https://miles.bm">https://miles.bm</a>
Arnold's Markets	3	<a href="https://www.facebook.com/arnoldsmarketsbermuda/">https://www.facebook.com/arnoldsmarketsbermuda/</a> <a href="https://www.facebook.com/arnoldsdiscountwarehouse/">https://www.facebook.com/arnoldsdiscountwarehouse/</a>
Supermart	2	<a href="https://www.supermart.bm">https://www.supermart.bm</a>
Harrington Hundreds	1	<a href="https://harringtonhundreds.bm">https://harringtonhundreds.bm</a>
Wadson's Home Farm Market	1	<a href="http://www.wadsonsfarm.com/wadsons-home-farm-market">http://www.wadsonsfarm.com/wadsons-home-farm-market</a>
Price Rite	2	<a href="http://pricerite.bm">http://pricerite.bm</a>
Soares & Son Grocery	1	<a href="https://www.facebook.com/soaresgrocery/">https://www.facebook.com/soaresgrocery/</a>
C-Mart Ltd.	1	<a href="https://www.facebook.com/C-Mart-Ltd-359945847436070/">https://www.facebook.com/C-Mart-Ltd-359945847436070/</a>
The Garden Market	1	<a href="https://www.facebook.com/GardenMarketBDA/">https://www.facebook.com/GardenMarketBDA/</a>
ER Fisheries and Foods	1	<a href="https://erfisheries.bm/">https://erfisheries.bm/</a>

### III. Competition

The United States has a stable 77 percent market share of Bermuda's food market. In 2019, U.S. exports of consumer-oriented products to Bermuda totaled \$92.2 million. The next closest competitor is the EU with \$19.1 million in exports (15.9 percent), followed by Canada with \$2.9 million (2.4 percent), New Zealand with \$2.6 million (2.2 percent), and Brazil with \$1.4 million (1.2 percent).

The top five import categories are wine and beer, food preparations and miscellaneous beverages, poultry meat & products (ex. eggs), dairy products, and fresh fruit. These five categories represent approximately 70 percent of consumer-oriented product imports. U.S. wine faces strong competition from the EU, particularly from France.



**IV. Best Product Prospects**

Although per capita income in Bermuda is among the highest in the world, the cost of living is also high. 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.

**A. Top Consumer-Oriented Products Imported from the World, 2018**

	USD
Wine & Beer	18,278,324
Food Preps. & Misc. Bev	16,601,498
Poultry Meat & Prods. (ex. eggs)	11,640,012
Dairy Products	10,239,598
Fresh Fruit	10,006,206
Beef & Beef Products	8,910,716
Processed Vegetables	5,481,440
Condiments & Sauces	4,710,655
Fresh Vegetables	4,043,544
Meat Products NESOI	3,936,367

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

**B. Top Consumer-Oriented Products Imported from the United States, 2019**

	USD 000's
Poultry Meat & Prods. (ex. eggs)	11,952
Snack Foods NESOI	10,165
Fresh Fruit	9,956
Dairy Products	8,732
Prepared Food	8,537
Beef & Beef Products	7,214
Wine & Beer	6,747
Non-Alcoholic Bev. (ex. juices)	5,835
Fresh Vegetables	3,663
Processed Vegetables	2,833

Source: US Census Bureau Trade Data.

*U.S. exports of snack foods and chocolate and cocoa products to Bermuda registered record export levels in 2019.*

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

N/A. Bermuda imports virtually all types of food products.

#### D. 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. The Government of Bermuda 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 (fresh, unfrozen, whole or shredded larger than 2 mm in diameter); 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 Bermuda, 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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Bermuda's Customs Tariff 2020 can be viewed at the following link:

[https://www.gov.bm/sites/default/files/BERMUDA\\_CUSTOMS\\_TARIFF\\_2020.pdf](https://www.gov.bm/sites/default/files/BERMUDA_CUSTOMS_TARIFF_2020.pdf)

**Attachments:**

No Attachments