USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 7/30/2019
GAIN Report Number: CB1902

Caribbean Basin

Retail Foods

The Bahamas Retail Foods Report

Approved By:
Richard A. Battaglia, Director
Prepared By:
Isabel C. Davila, Agricultural Marketing Specialist

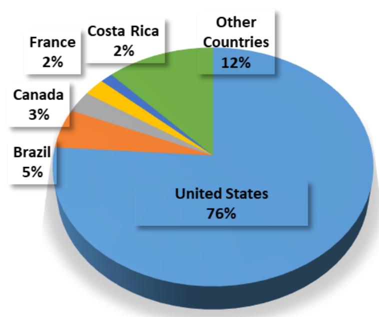
Report Highlights:
The Bahamas is the second largest market for U.S. consumer-oriented products in the Caribbean. It sources over 70 percent of its consumer-ready products from the United States, creating an environment of opportunity for U.S. suppliers of retail products in practically all product categories. Bahamian demand for U.S. products and brands is driven by its proximity to the United States and familiarity with the American lifestyle and culture. Modest upticks in the economy and growth in private consumption should create new opportunities for U.S. suppliers in the retail sector.

Market Fact Sheet: The Bahamas

Executive Summary

The Bahamian economy is driven by tourism, international banking, and investment management, which represent about 85 percent of GDP. After a period of slow economic growth, The Bahamas is showing signs of a modest recovery in 2019. Recent investments in tourism and tourism infrastructure are fueling growth opportunities. Over 1.4 million stop-over tourists visit the island, of which 80 percent are from the United States

Consumer-Oriented Imports



Total imports of consumer-oriented products amounted to $310 million in 2018, with the United States capturing about 76 percent, or $237 million of this market segment.[1]

Food Processing Industry

The Bahamas has about 20 food and beverage processors of notable size. Half of these processors are manufacturers of soft drinks and producers of mineral water, which account for most of the supply in their respective markets. Remaining processors specialize in poultry, fruit and vegetable products, fish products, dairy products, and sugar products. There is no domestic beef or pork production.

Food Retail Industry

The retail sector includes well-established outlets ranging from small "mom and pop" shops, gas marts, and independent grocers, to large supermarket chains and wholesale club stores. It is estimated that there are over 100 retail outlets in The Bahamas.

Contact: Caribbean Basin ATO Miami
atocaribbeanbasin@fas.usda.gov

Quick Facts CY 2018

The Bahamas Top 10 Growth Products in (2018)

1. Poultry	6. Snacks
2. Meat (Beef)	7. Breads
3. Pork	8. Pasta and Cereals
4. Live Plants	9. Dairy: Cheese
5. Wine and Beer	10. Non-Alcoholic Beverages

Food Industry by Channels (USD million) 2018

Bahamas Agricultural Total Exports*	$2
Bahamas Agricultural Total Imports*	$318
Grocery Retail Annual Sales (Modelled)	$590
Consumer Food Service Annual Sales (Modelled)	$194

*Based on reporting countries export statistics.

Examples of Bahamas Retailers

Centerville Food Market
Solomon's Supermarket
Solomon's Fresh Foods
Super Value Supermarkets
Quality Supermarkets

GDP/Population

Population: 332,634
GDP: $12.06 billion (2017 est.)
GDP per capita: $32,400 (2017 est.)

Sources: CIA the World Factbook; Euromonitor International; Global Trade Atlas; U.N. Trade Data World Integrated Trade Solution.

Strengths/Weaknesses/Opportunities/Challenges

	Weaknesses
g	Due to the small size of the market, it is difficult for many retail outlets to purchase products directly from U.S. suppliers.
	Challenges
lustry.	New product introductions can be difficult due to the extensive establishment of major brands already in the market.

I. Market Summary

The Bahamas is an archipelago of over 700 islands located off the southeast coast of Florida. Although only about thirty of the islands are populated, over 332,000 people permanently reside in The Bahamas. The majority of the population lives on the island of New Providence where Nassau, the capital, is located, and in Freeport on Grand Bahama Island.

A favorable climate, along with numerous beaches, year-round attractions and close proximity to the United States, make tourism the engine of the Bahamian economy. Tourism and tourism related construction and manufacturing, the country's largest economic sector, account for approximately two-thirds of GDP and employ about half of the Bahamian workforce. In 2018, over 6 million stop-over tourists and cruise ship passengers visited The Bahamas. Top tourist destinations include Nassau, Freeport, and several of the Out Islands[2]. Nearly 80 percent of tourists visiting The Bahamas are from the United States. Recent investments in new hotels and tourism infrastructure has solidified The Bahamas' position as a leading tourist destination in the region.

The lack of arable land for farming to support the food consumption of the local population and tourists has led to the importation of over 80 percent of The Bahamas agricultural needs. In 2018, the Bahamas consumer-oriented food imports were valued at $310 million. Of this amount, approximately 60 to 70 percent is channeled toward the retail sector, while the remaining 30 to 40 percent is directed toward the hotel, restaurant and institutional (HRI) food service sector.

The Bahamas retail industry includes well-established outlets ranging from small "mom and pop" shops, gas marts, and independent grocers, to large supermarket chains and wholesale club stores. Post estimates that the Bahamas has over 100 retail outlets. According to Euromonitor data, total grocery retail sales (excluding sales tax) in 2018 were $590 million, of which sixty percent were channeled through supermarkets and forty percent through traditional grocers. Grocery retail sales experienced an impressive eight percent growth since 2017.

Advantages	Challenges
With little arable land and limited food production, The Bahamas must import most of its food needs.	Economic well-being is highly dependent on tourism, particularly from the United States. The Bahamian economy is susceptible to factors that may disrupt tourism (i.e. the world economy, terrorism, active hurricane seasons, etc.).
The Bahamas offers good opportunities for U.S. exporters interested in entering the market. U.S. food products represent the majority of the foreign food products imported into the Bahamas	Importers already carry many major U.S. brands and some market segments may be saturated. New product introductions can be difficult due to the extensive establishment of major brands already in the market
U.S. exports dominate the retail food industry with over 50 percent market share in most product categories.	Although the United States has a dominant market share, Canada, Europe, and Brazil offer competitive prices for similar quality products.
Bahamian importers have considerable experience working with U.S. companies and have extensive knowledge of the U.S. food export system.	Due to the small size of the market, it is difficult for retail outlets to purchase products directly from U.S. suppliers.

[2] The Out Islands or Family Islands are the smaller, outer islands of The Bahamas, and they include the islands of Abacos, Acklins and Crooked Islands, Andros, Berry Islands, Bimini, Cat Island, Eleuthera, Harbour Island, Exumas, Inagua, Long Island, Mayaguana and San Salvador.

II. Road Map for Market Entry

A. Entry Strategy

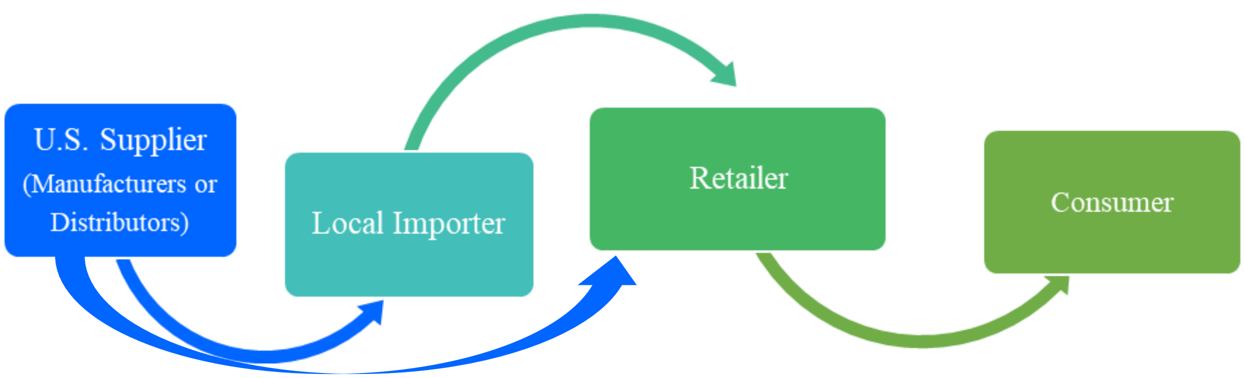
Importers hold U.S. products in high regard with respect to quality, price, and packaging. However, breaking into The Bahamas retail market can be somewhat challenging because of the extensive establishment of many well-known U.S. brands in the market.

U.S. companies interested in exporting to The Bahamas are encouraged to visit the island and meet with importers and distributors to better understand the market. Local importers have well-established distribution channels for imported products, have relatively large warehouse facilities which are computerized and mechanized, and possess their own fleets of trucks and vans for distribution. Most importers carry a full line of fresh, frozen, and dry products, while several specialize in providing fresh produce, seafood, and alcoholic beverages.

The preferred method of contact is through e-mail. If the importer is interested in your product, they will usually schedule an in-office appointment to talk in person. Another preferred method is through various trade shows attended by Bahamian importers. Among the most frequented shows are the National Restaurant Association Show, the Summer Fancy Food Show in New York and the Americas Food and Beverage Show in Miami. Please contact the Caribbean Basin Agricultural Trade Office (CBATO) if you want to reach out to Bahamian importers participating in these trade shows.

Although the Bahamas regulatory system is fairly open and friendly towards U.S. products, U.S. suppliers are encouraged to review the FAIRS Annual Country Report to confirm their product complies with local regulations[3].

B. Market Structure and Distribution



Of the total grocery retail food sales in The Bahamas, the lion's share of products are imported from the United States, with the majority of these imports being channeled through local importers (which also typically serve as wholesalers/distributors). There are approximately 30 importers of food and beverage products located on the islands of New Providence and Grand Bahama.

Large retailers with sufficient sales volume and storage space will often buy some of their product mix directly from U.S. suppliers. However, exporting through a local Bahamian importer will ensure maximized brand distribution and effective product management. Importers will also typically demand exclusivity when introducing a new product or brand into the market.

---

[3]FAIRS Annual Country Report for The Bahamas https://www.fas.usda.gov/data/caribbean-basin-fairs-annual-country-report-bahamas

C. Company Profiles and Top Host Country Retailers

The majority of supermarkets in The Bahamas are located in Nassau, on the island of New Providence, which is home to roughly 80 percent of the country's population. Supermarkets are also located in Freeport on Grand Bahama Island. Deli counters are present in most supermarkets, and a few supermarkets have bakeries and seafood departments.

Although large-chain supermarkets are located in the populated areas, smaller independent grocers maintain a strong presence in the market. While these retail outlets carry a more limited inventory than the larger supermarkets, they are conveniently located throughout the main islands of The Bahamas and typically offer products at lower prices and a wide selection of ethnic condiments and spices.

Wholesale club stores in Nassau, Freeport, and Abaco are usually located in major shopping centers. These outlets carry a full line of food products in club and institutional-sized packs, in addition to apparel, appliances, and home furnishings.

Gas marts obtain practically all of their products from local importers/distributors. In the rare case that there is a specialty item not carried by a local distributor, the gas mart will usually ask the distributor to source the product. Seldom will convenience stores buy direct from overseas suppliers, as their limited product mix is usually readily available from local distributors. The best method of targeting gas marts is through local distributors.

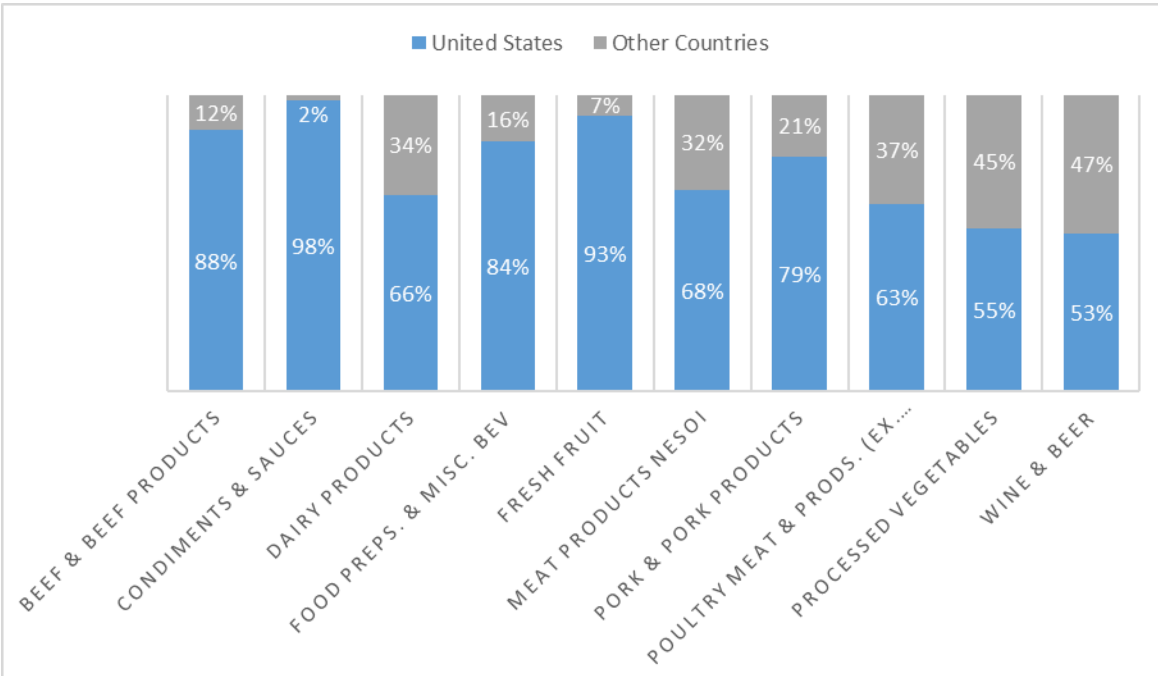
Table 3. Examples of Retailers in The Bahamas (Alphabetical Order)

Company	# of Outlets	Website
Abaco Groceries Ltd.	1	N/A (Facebook Page)
Centerville Food Market	1	N/A/ (Facebook Page)
Cost Right Warehouse Club	2	http://www.amlfoods.com/memberships.html
Maxwell's Supermarket Abaco	1	https://www.pricerightabaco.com/
Price Right Abaco	1	http://www.pricerightabaco.com/
Solomon's Fresh Markets	2	http://www.solomonsfreshmarkets.com/
Solomon's Supercenter	4	http://www.amlfoods.com/solomons/
Super Value/Quality Supermarkets	13	http://supervaluequalitymarkets.com/

III. Competition

The Bahamas has averaged two percent growth in U.S. Consumer Oriented imports in the last five years. Although the U.S. has over 50 percent market share in all consumer-oriented product categories, Bahamian retailers are increasingly diversifying their items to include more products from European, Asian and Latin American suppliers. Competition is increasing in some product categories including poultry, wines and beer, snacks and processed vegetables.

Table 5. Import Category and U.S. Market Shares (2018)



Source: Global Trade Atlas. Based on reporting countries export statistics.

IV. Best Product Prospects

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

Market opportunities exist for practically all high/value consumer-oriented foods and beverages and seafood products in The Bahamas. In 2018, the following product categories had record export levels: eggs and egg products, tree nuts, snack foods, condiments and sauces, and wine and beer.

B. Top 20 Consumer-Oriented Products The Bahamas Imported from the World

HS CODES	DESCRIPTION	2018	Δ 2018-2017 (%)
20714	Fowls, Cuts Froz	$ 28,534	-6
210690	Food Preps, Nesoi	$ 16,937	10
190590	Other Bakers Wares	$ 16,826	
20230	Bovine Boneless Froz	$ 16,635	8
220421	Grape Wines Nes	$ 13,920	16
20329	Swine Cuts, Froz	$ 10,726	-20
210390	Sauces Nes,	$ 9,528	11
40690	Cheese Except Fresh	$ 7,583	-1
160100	Sausages	$ 7,413	-2
60290	Plants Live, Nes	$ 6,834	-13
200410	Potatoes, Prepared	$ 6,813	12
20130	Bovine Boneless Fr/C	$ 5,306	22
190410	Cereal Foods Roast	$ 4,880	9
40291	Milk Unsweet Concent	$ 4,779	-10
220299	Nonalcoholic Beverages, Nesoi	$ 4,298	-21
190531	Cookies (Sweet Biscuits)	$ 4,002	10
40721	Bird Eggs, Gallus domesticus, Fresh	$ 3,923	66
210500	Ice Cream	$ 3,916	
40510	Butter	$ 3,871	36
20712	Fowls, Whole Froz	$ 3,800	-13

Source: Global Trade Atlas. Based on reporting countries export statistics.

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

The Bahamas has a wide variety of products available. However, importers and consumers are always interested in new food and beverage alternatives.

Although not present in large quantities, the health food trend has recently been on the rise in the Bahamian food market. Some of the more affluent areas of The Bahamas, like Cable Beach, on New Providence Island, have witnessed a small surge in health and gourmet food stores openings. Supermarkets have widened their offerings of food and beverages for the health-conscious consumer and tourist.

D. Products Not Present Because They Face Significant Barriers:

While there are no significant barriers for U.S. food products, The Bahamas does attempt to limit imports of poultry and produce by requiring import licenses, the issuance of which may be suspended during seasonal harvest times. Nonetheless, given the proximity and historical business ties, U.S. suppliers will find that the Bahamian regulatory environment is quite import-friendly.

V. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to The Bahamas, 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
Telephone: (305) 536-5300
Email: atocaribbeanbasin@fas.usda.gov
Web site: www.cbato.fas.usda.gov

U.S. Embassy in The Bahamas
42 Queen St.
Nassau, The Bahamas
Phone: 242-322-1181
Fax: 242-356-7174
https://bs.usembassy.gov/