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Report Highlights:

Sales in the Caribbean retail grocery sector decreased by 1.7 percent in 2022, primarily as the result of closing retail outlets in the French West Indies. At the same time, the region increased imports of consumer-oriented agricultural products by 18 percent, reaching an estimated $3 billion. Moderate growth is expected as the region continues to recover from the COVID-19 pandemic and markets such as Guyana and Turks and Caicos Islands emerge as larger players in the regional context.

Attachments:

No Attachments

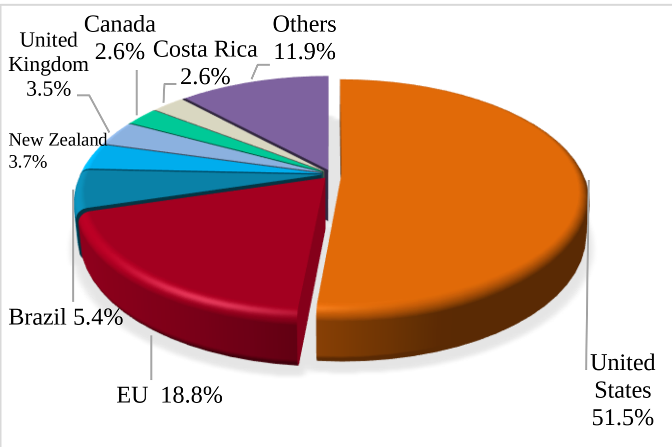
Market Factsheet: Caribbean

Executive Summary

The Caribbean, with an estimated population of 4.9 million, 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 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 $2.9 billion in 2022, with the United States capturing 51.5 percent of the market.



Food Processing Industry

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

Food Retail Industry

An estimated 85 percent of imported foods and beverages are channeled through the retail sector. This sector includes a range of traditional grocery stores to gourmet/healthy upscale supermarkets. Total grocery retail sales (excl. sales tax) were estimated at $9.8 billion in 2022.

Food Service Industry

Tourism is a key factor in generating demand for U.S. products in the food service sector.

Quick Facts CY 2022

Imports of Consumer-Oriented Products
$2.99 billion

Top 10 Growth Products

1. Poultry Meat & Products
2. Dairy Products
3. Bakery, Cereal & Pasta
4. Beef & Beef Products
5. Food Preparations
6. Non-Alcoholic Beverages
7. Fresh Fruits
8. Eggs & Egg Products
9. Fresh Vegetables
10. Pork & Pork Products

Food Industry by Channels (USD billion) 2022

Imports of Consumer-Oriented Products*	$ 2.99
Grocery Retail Annual Sales	$ 9.98
Consumer Food Service Annual Sales	$ 1.87

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

GDP/Population
Population: 4.9 million (December, 2022 estimate)
GDP: $500 million (British Virgin Island, 2017 est.) - $35.1 billion (Trinidad and Tobago, 2021 est.)
** Based on reporting countries export statistics (excludes freight, insurance & import duties.).*

Top Markets by GDP per capita
Bermuda $80,300, Cayman Island $67,500, Aruba $38,900

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

Strenghts	Weaknesses
Proximity; well-established relationships between U.S. suppliers and Caribbean buyers.	Real wage growth decline; decreasing purchasing power; and increasing poverty.
Opportunities	**Threats**
The tourist industry is rebounding and visitor spending has almost fully returned to pre-Covid levels.	Growing food security concerns; the region looking to diversify imports and increase local production.

I. Market Summary

Note: For purposes of this report, the terms "Caribbean" and "Caribbean Basin" refer to the 25 markets[1] covered by the Caribbean Basin Agricultural Trade Office (CBATO) in Miami, with the exception of Cuba.

Given its fragmented nature and with only 4.9 million inhabitants (2022 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 which is further fueled by the region's over 7.6 million annual stopover visitors and cruise ship passengers. In 2022, the Caribbean imported $2.9 billion in consumer-oriented products, of which the United States supplied $1.5 billion (51.1 percent).

Approximately 85 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. Rising inflation and falling wages, however, are affecting the food industry and the purchasing power of consumers. Grocery basket size continues to shrink as consumers buy fewer items and behavior moves toward "purchasing the necessities, more than wants." The small local grocer still dominates the market, offering convenience and one stop shopping to consumers. After the Covid-19 pandemic, educated consumers are increasingly more conscious about health. Therefore, in these markets, there is a growing preference for nutritious foods, fresh produce, clean-label, and special diets such as vegan, gluten-free, and sugar-free. Given the low income per capita in the average population in the region, however, the demand for these products remains relatively small. Many retailers continue to invest in online ordering and home delivery systems which surged in demand during the pandemic.

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
U.S. exporters, particularly south Florida consolidators, service the market well and are in many ways better positioned to supply the Caribbean than competitors.	● Caribbean economic well-being is highly dependent on tourism. Most small island economies are very susceptible to any factor that may disrupt tourism (i.e., the world economy, terrorism, active hurricane seasons, etc.).
● The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 51 percent overall).	● Many Caribbean importers have limited warehouse capacity and prefer small quantities with continuous replenishment.
● The regulatory environment at present is generally open to U.S. products.	● A key constraint in the French West Indies is overcoming traditional ties with Europe. These islands source almost all their food from the EU, making the introduction of U.S. products more challenging.
● Value brands and products offering healthier alternatives are finding greater acceptance among Caribbean consumers.	● Health concerns remain in the Caribbean population, so better-for-you products have a market opportunity. Especially at good prices, as inflation is forcing consumers to seek the best value.

II. Road Map for Market Entry

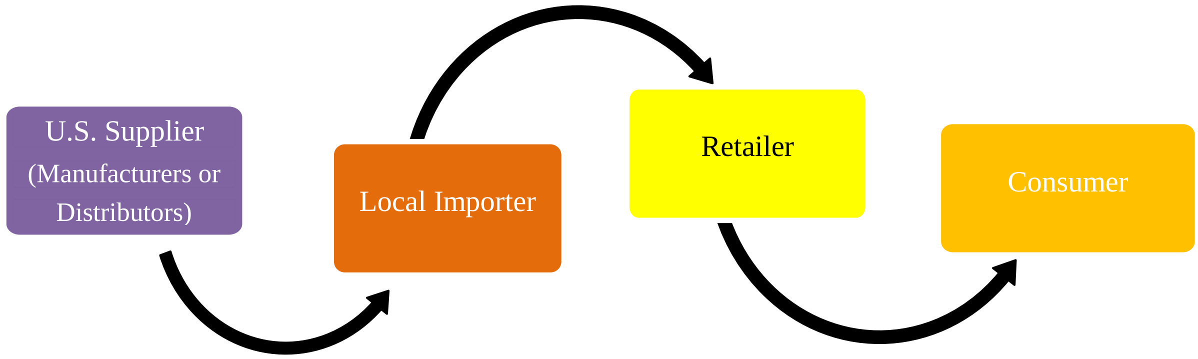
A. Entry Strategy

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. Business-to-business e-commerce is another option for retailers to purchase merchandise and some suppliers offer options to purchase through a platform or a purchase order system.

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 can be 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 National Restaurant Association Show in Chicago, 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 present invaluable opportunities 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



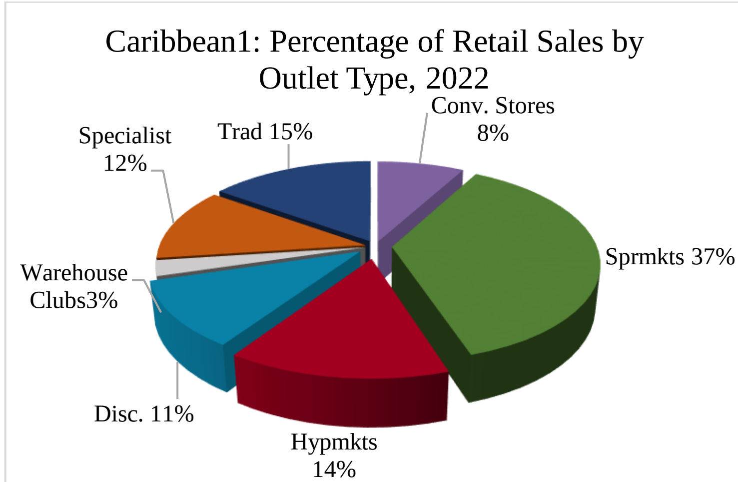
Most commercially imported products flow to the Caribbean according to the chart above. South Florida, which has an abundance of food exporters, brokers, and consolidators, is the main gateway for U.S. consumer-oriented exports to the Caribbean. Several shipping lines service the region from South Florida's three seaports (Port of Miami, Port Everglades, and Port of Palm Beach).

The major exception is Bermuda which, because of its more northern location, sources most of its food imports from the northeastern 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 16,254 outlets of which traditional groceries make up over 87 percent. Large and modern supermarkets, hypermarkets and warehouse clubs account for only 12 percent of total retail outlets but make up over 54 percent of grocery retail sales compared to 27 percent from traditional grocery retailers/outlets. Discounters, convenience stores and other retailers make up the remainder of retail sales.

Caribbean retail grocery sales dropped 1.7 percent in 2022 from $10.2 billion to nearly $9.9 billion. The largest grocery market in the region is Trinidad and Tobago, with total value sales of $ 2.6 billion, followed by Guadeloupe $1.3 billion and The Bahamas $1.2 billion. Additionally, Guyana is expected to undergo considerable economic expansion in the years as a result of its wealth from oil reserves.

Caribbean[1]: Breakdown of Grocery Outlets by Type, 2022		
Outlet Type	**No. of Units**	**Value RSP ($ Mill)**
Traditional Grocers	14,133	2,707.8
Hypermarkets	45	1,439.0
Supermarkets	591	3,700.7
Conv. Stores	1,277	792.5
Discounters	205	1,091.1
Warehouse Clubs	3	254.5
TOTAL	16,254	9,985.6



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

C. Company Profiles and Top Host Country Retailers

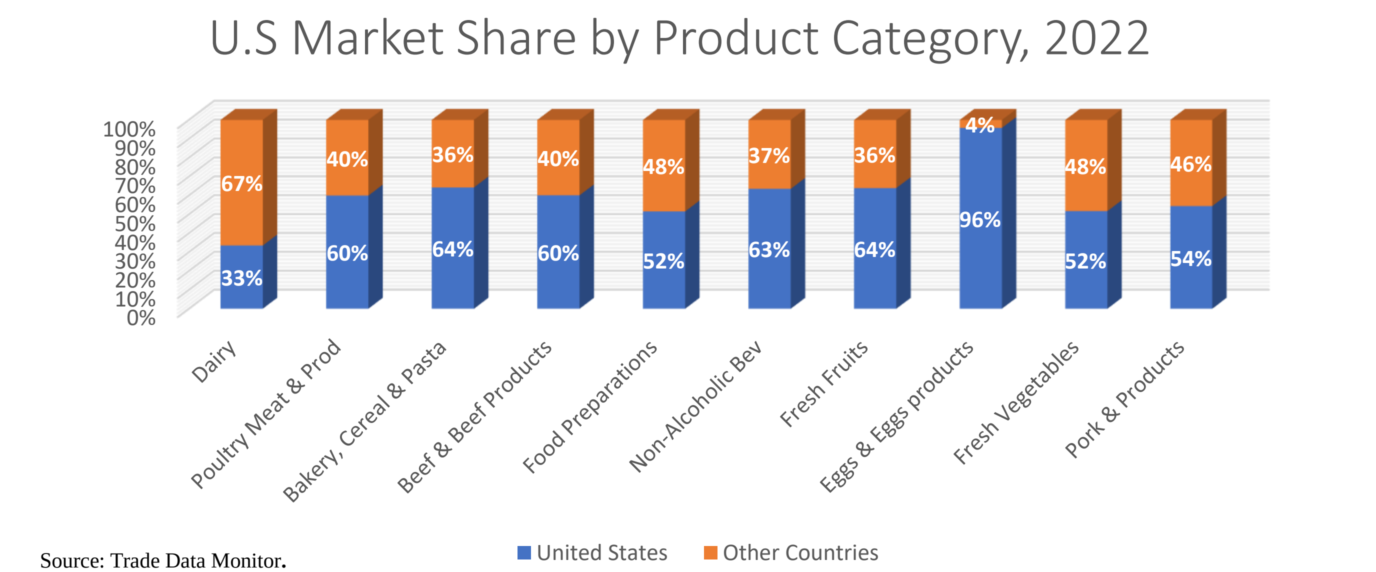
Most retail grocery stores/outlets in the Caribbean are made up of one or two small outlets operating in a single country. There is also a handful of grocery outlets with multiple stores that dominate one particular market. Some of the top market retailers include:

	Company	Markets	No. of Outlets	Link
1	Massy Stores	Barbados, Guyana, St. Lucia, Trinidad and Tobago, St. Vincent	57	https://www.massystores.com/
2	EcoMax	Guadeloupe, Martinique	36	https://www.facebook.com/EcomaxGuadeloupe
3	Leader Price	Guadeloupe, Martinique	22	https://www.leaderprice-martinique.com/
4	Super Value	The Bahamas	13	https://supervaluequalitymarkets.com/
5	Carrefour	Guadeloupe, Martinique, Sint Maarten, Curacao	12	https://www.carrefour-martinique.com http://carrefourguadeloupe.com/baissedesprix/ http://www.cmsxm.net/ https://www.crfrcuracao.com/
6	Market Place	Bermuda	8	https://www.marketplace.bm
7	Rite Way Food Market	British Virgin Islands	8	https://www.riteway.vg/
8	Graceway Supermarket	Turks & Caicos	6	http://www.gracewaysupermarkets.com/iga
9	Price Smart	Barbados, Trinidad and Tobago, Aruba	6	https://www.pricesmart.com/site/en/country-picker
10	Tru Valu Supermarket	Trinidad and Tobago	4	https://www.facebook.com/TruValuSupermarkets/

III. Competition

The United States has a 51.5 percent share of the Caribbean's market for imported consumer-oriented food and beverage products. In 2022, U.S. exports of consumer-oriented products to the region totaled $1.5 billion. The next closest competitor is the EU with $562.9 million in exports (18.8 percent), followed by Brazil with $162.4 million (5.4 percent), New Zealand with $110.1 million (3.7 percent) and the United Kingdom with $105.9 million (3.5 percent).

The top five import categories in 2022 were poultry meat & products (excluding eggs), dairy products, bakery goods/cereals/pasta, beef and beef products and food preparations. These five categories represented $692.1 million or forty six percent of total consumer-oriented product imports. U.S. market share in the top 10 categories of imported consumer-oriented products is shown in the following chart.



Source: Trade Data Monitor.

IV. Best Product Prospects Categories

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. However, continuing economic challenges, including increased prices throughout most economies, are beginning to take their toll on retail grocery demand in the region. The shift toward more value products and private labels continues to take place. Niche products, especially in the healthy foods category, are also showing good potential.

B. Top Consumer-Oriented Products Imported from the World, 2020-2022 (USD 000's)

	2020	2021	2022
Dairy Products	315,774	346,676	381,094
Poultry Meat & Prods. (ex. eggs)	183,443	225,846	290,983
Soup & Other Food Preparations	168,545	189,284	242,753
Bakery Goods, Cereals & Pasta	175,536	174,296	204,773
Beef & Beef Products	135,801	168,844	198,554
Fresh Vegetables	96,330	107,038	141,504
Non-Alcoholic Bev. (ex. juices, coffee, tea)	100,132	116,111	140,884
Pork & Pork Products	88,490	110,741	119,120
Processed Vegetables	94,630	102,188	138,763
Fresh Fruit	91,743	102,582	122,254

Source: Trade Data Monitor

C. Top Consumer-Oriented Products Imported from the United States, 2020-2022 (USD 000's)

	2020	2021	2022
Poultry Meat & Prods. (ex. eggs)	111,307	133,236	174,485
Dairy Products	97,231	101,926	127,594
Bakery Goods, Cereals, & Pasta	110,527	107,730	131,525
Beef & Beef Products	71,821	96,086	119,248
Food Preparations	84,935	89,217	125,094
Non-Alcoholic Bev. (ex. juices)	64,695	70,610	89,441
Fresh Fruit	55,117	64,397	78,148
Pork & Pork Products	44,553	54,334	64,749
Eggs & Products	44,857	49,941	77,812
Fresh Vegetables	42,161	47,316	73,141

Source: Trade Data Monitor.

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

U.S. products generally have an important presence in Caribbean markets with the French overseas departments of Guadeloupe and Martinique as the exceptions. These islands have traditionally sourced the 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 challenging but does offer significant potential.

E. Products Not Present Because They Face Significant Barriers

The number of restricted products in the Caribbean region 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.

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Attachments:

No Attachments