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Report Highlights:

The Dominican Republic is one of the fastest-growing and most dynamic economies in Latin America and the Caribbean. With U.S. agricultural products exports reaching \$1.8 billion and consumer-oriented exports reaching \$904.2 million in 2021, the country represents the fourth-largest market in the Western Hemisphere, only behind Mexico, Canada, and Colombia. Retail sales recorded an increase in 2021 and are forecast to experience moderate growth over the next five years.

Market Fact Sheet: Dominican Republic

The Dominican Republic (DR) is an upper middle-income country. In 2021, the DR inflation rate reached 8.2 percent and according to the International Monetary Fund (IMF), the projection for 2022 is 8.4 percent. The DR is the second-largest economy in the Caribbean, just behind Cuba, and the third-largest country in terms of population (behind Cuba and Haiti). In 2021, the Central Bank of the Dominican Republic recorded DR's gross domestic product (GDP) at \$95 billion and the IMF projected a 5.5 increase for 2022. DR's major export growth has shifted away from its traditional products (i.e., raw sugar, green coffee, and cacao) to gold, ferro-nickel, free-trade zone products, fruits, and other agricultural products. In recent years, medical instruments and devices have become one of the most dynamic exportable products. Major imports include consumer-oriented products and livestock feed, with the United States as a top partner.

Imports of Consumer-Oriented Products

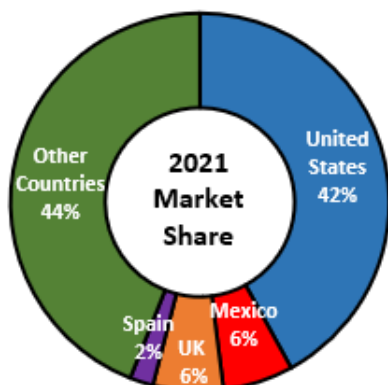


Figure 1. Among CAFTA-DR signatories, the United States is the top supplier of consumer-oriented agricultural products to the DR, capturing 47 percent market share in 2021. *Source:* Trade Data Monitor (TDM).

Food Processing Industry

The DR's food processing industry is valued at \$10.6 billion for calendar year (CY) 2021 in activities categorized as "food industry", with an additional \$3.2 billion for processed beverages and other products in the same period. For more information, refer to Post's 2022 [Food Processing Ingredients](#) report.

Food Retail Industry

The Dominican modern retail sector offers a wide variety of U.S. products. The sector is dominated by locally-owned companies and is growing rapidly. However, despite fast growth, supermarkets only account for 20-25 percent of retail sales. Most sales are still in the traditional channel, which includes neighborhood stores (colmados) and warehouses, which offer largely local products.

Quick Facts CY 2021

List of Top 10 Growth Products

- | | |
|-------------------------|-----------------------------|
| 1) Eggs & Products | 6) Wine & Related Products |
| 2) Beef & Beef Products | 7) Dog & Cat Food |
| 3) Distilled Spirits | 8) Meat Products NESOI |
| 4) Beer | 9) Fruit & Vegetable Juices |
| 5) Pork & Pork Products | 10) Confectionery |

Consumer-Oriented Trade (U.S. billion)

DR Imports (all sources)	2.03
DR Imports (from U.S.)	0.85
DR Exports (all destinations)	2.06
DR Exports (to U.S.)	1.24

Top DR Retailers*

- | | |
|--------------------------|-------------------|
| 1) Aprezio | 6) Bravo |
| 2) La Sirena | 7) Jumbo |
| 3) Plaza Lama | 8) La Cadena |
| 4) National Supermarkets | 9) PriceSmart |
| 5) Ole Hypermarkets | 10) Sirena Market |

GDP/Population

Population: 10.85 million
GDP: US\$95 billion
GDP per capita: US\$8,721

Source: Global Agricultural Trade System (GATS), Trade Data Monitor (TDM), DR Central Bank. *Ordered by quantity of establishments

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 80 percent of products.	Higher cost of some U.S. products compared to competitors.
Proximity to the United States and strong demand for U.S. products.	Import sensitivity of several products.
Opportunities	Threats
Additional trade liberalization through the full implementation of CAFTA-DR by 2025.	The negative impact of the COVID-19 pandemic on the Hotel Restaurant Institutional (HRI) sector.
Growth potential for U.S. consumer-oriented products, livestock feed, and ingredients for the food processing industry.	Competition from other CAFTA-DR signees and other free trade agreement partners.

Figure 2. CAFTA-DR free trade agreement SWOC for U.S. exports.

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SECTION I. MARKET SUMMARY

DR is one of the largest and most stable economies in Latin America and the Caribbean. With U.S. consumer-oriented exports reaching \$904.2 million in 2021, the country represents the third-largest market for such products and the fourth largest for U.S. agricultural products in the Western Hemisphere. For information on the DR's market and import requirements, please refer to Post's 2021 [Exporter Guide](#) report and the Food and Agriculture Import Regulations and Standards ([FAIRS](#)) narrative report.

Starting March 2020, Dominican retailers faced challenges due to the COVID-19 global pandemic, including reduced hours of operations and internal decisions to maintain prices close to normal levels. For imports, retailers reported some delays at ports and changes in customs procedures, which affected product entry. These issues have since been resolved by the authorities. In addition, some imported products from the United States, such as high-value beef, forced retailers to seek alternative meat suppliers from importers who normally supply the hotel, restaurant and institutional sector. In February 2022, the DR's government lifted all restrictions established due to COVID-19, and the retail sector has been returning to normal operations.

On March 11, 2022, the Dominican Republic (DR) issued a [sanitary alert](#) for poultry and poultry products imported from the United States, a warning that goods coming from U.S. states with confirmed cases of Highly Pathogenic Avian Influenza (HPAI) will be blocked from entering the DR, a situation that may affect imports, and subsequently, the retail sector.

The Dominican retail sector can be divided into two distinct segments or channels: the modern and the traditional. The modern retail distribution channel is comprised of three main components: supermarket chains, independent supermarkets, and convenience stores known as "food shops". Supermarket chains dominate this segment and offer a wide variety of U.S. products. However, despite their prominence and growth, only 20 to 25 percent of retail sales are via the modern retail channel.

The traditional retail channel is subdivided into two main components: neighborhood stores known as "*colmados*" and walk-in food warehouses known as "*almacenes*," or "*mercados*", located mainly in traditional street markets. In addition to direct sales to the public, *almacenes* also serve as suppliers to *colmados*. It is estimated that 70 to 80 percent of retail food sales are through the traditional retail channel.

Supermarket Chains: The number of Dominican modern supermarkets has doubled over the last 20 years. Supermarkets are concentrated in the greater Santo Domingo and other large urban areas. There are currently more than 158 supermarkets nationwide, which is a 30 percent increase in new stores over the past two years. See Section II for major supermarket chains.

Independent Supermarkets: The second component of the modern food retail channel is made up of independent supermarkets. With more than 40 points of sale, the majority are based in Santo Domingo and Santiago, the two largest cities. Most of these independent supermarkets have joined forces under an umbrella group known as the National Union of Low-Cost Supermarkets (UNASE).

Convenience Stores: The last component of the modern food retail channel is comprised of convenience stores, which are mainly located in gas stations and focus on pre-packaged and ready-to-eat foods and beverages. They offer a large selection of U.S. brands (some produced outside the United States), including snacks, sodas, other non-alcoholic beverages, rum, wine, and beer. Customers generally only purchase food and beverages to consume onsite in this inexpensive and social environment. There are no regional or national chains in this sub-segment.

Advantages and Challenges in the Market

Advantages	Challenges
<ul style="list-style-type: none"> • The implementation of CAFTA-DR, which has lowered or eliminated duties on 98 percent of products • An increasingly modern retail sector, which seeks new, high-quality products • A growing number of consumers demanding higher quality and healthier products • Proximity between the DR and United States and strong commercial and cultural ties • Efficient food distribution channels 	<ul style="list-style-type: none"> • Competition from other CAFTA-DR signees and the DR’s other free trade agreement partners • Delays for import permits and sanitary registration, which can affect the availability of imported ingredients • Cold chain limitations • 18 percent VAT and high logistical costs

SECTION II. ROAD MAP FOR MARKET ENTRY

2.1. Entry Strategy and Distribution Channel

To enter the Dominican market, FAS Santo Domingo recommends to first review the [FAIRS](#) report to learn the most up-to-date information and import-related regulations for the DR. Post can assist with connecting stakeholders with the proper authorities when necessary.

After stakeholders complete market research, FAS can provide assistance in connecting with retailers and importers or providing advice. In addition, many U.S. agriculture-related trade associations have in-country representatives to promote products in the DR and can assist with information on market trends and opportunities. Finally, FAS Santo Domingo recommends to conduct either an in-country visit, participate in a trade mission coming from the United States, or attend a trade show, such as the Miami Food and Beverage Show, which invites Dominican buyers, as developing personal connections are important in the Dominican market.

Given the diversity and rapid rate of change within the Dominican retail sector and the broad mix of domestically-produced and imported products, there are many avenues for product entry. Several of the large (and modern) retail chains directly source products, which generally involve few intermediaries. However, given the prevalence of low purchase volumes in some specialty products, specialization among importers, and the prominent role played by freight consolidators, it is more common that multiple intermediaries are involved in product importation and placement. Common combinations in this sector, depending on the chain and product, may include various intermediaries, although a common model will be as follows:



2.2. Market Structure

Major Trends

Over the last three decades, the Dominican retail sector has undergone significant changes in response to sustained economic growth. During that time, supermarkets developed from average store sizes of 200-500 square meters (in the early 1990s) up to sizes of 10,000 square meters in the early 2000s. This growth in size was due to a focus on serving the expanding urban middle- and upper-middle classes, which were experiencing rapid increases in income. This expansion in store size and number of outlets also meant a greater selection of products for consumers. Supermarkets have increased product selections from 30,000 products in the 1990's to up to 85,000 (during the high season) in recent years. There has also been an expansion in the availability of non-grocery goods and services for supermarket clients to facilitate “one stop shopping”. Goods and services, such as banking, household appliances, fast food, telecommunications, and pharmacies, are now commonly co-located with supermarkets.

In a related development, supermarket chains now offer an increasing number of products under their own brands. Consumers have benefited from special promotions and lower prices as stores seek to attract customers for these products. While there has been a negative impact on some local product manufacturers, who have seen their revenue decrease by up to 15 percent, this development also offers an opportunity for private label manufacturers. Most supermarkets in the country continue to offer U.S. products in some of their private label products.

In recent years, however, supermarket chains are turning their attention towards the lower-income sectors, which make up close to 50 percent of the population. This has resulted in the construction of smaller stores (approximately 3,000 square meters), which offer mainly perishable foods and home supplies. Meanwhile, there are substantial changes among smaller retail operations such as the “*colmados* and *colmadoes*” (neighborhood stores or mom and pop stores). They are increasing their number of locations and product offerings, and including a range of imported products on their shelves.

According to Euromonitor International, Dominican 2021 retail logged an increase in sales. However, the pandemic continued to cap sales growth in 2021 for several reasons. Firstly, consumers were price sensitive, as the economic fallout of the pandemic affected consumer purchasing power. In addition, there were still restrictions in terms of shopping for most of 2021, and this also dampened value sales. Retail will register moderate growth over the 2021-2022 forecast period with some sectors performing better than others. For instance, modern grocery retailers will continue to steal market share from traditional grocery retailers and e-commerce, and even more so, mobile e-commerce will register very high value growth.

Finally, major retailers reported great success after launching on-line platforms amid COVID-19 challenges. Two of the largest supermarket chains reported that this change represented a step forward in their sales strategy, with faster and easier consumer access to products. The on-line platforms also resulted in increased frequency of orders.

Top Host Country Retailers

Based on the market structure described above, there are eight main supermarket chains in the DR, which you can learn more about by following the links below (official websites):

[Grupo Ramos](#) (Aprezio, La Sirena, Sirena Market, Supermercados Pola)

[Plaza Lama](#)

[Centro Cuesta Nacional](#) (Nacional Supermarkets, Jumbo, Jumbo Express)

[Hipermercados Olé](#)

[Supermercados Bravo](#)

[Supermercados La Cadena](#)

[PriceSmart](#)

[Carrefour](#)

SECTION III. COMPETITION AND MARKET SHARE

Overall, the United States is the top supplier to the DR of products in the consumer-oriented category, achieving a 42 percent market share in 2021. For beef and beef products, the United States scored a 96.8 percent market share in 2021, valued at US\$78.7 million, due to geographic proximity to the DR, high-quality products, and a preference for Certified Angus Beef in both the food service and retail sectors. U.S. pork and pork products exports were valued at US\$150.8 million, a 66.7 percent increase on a year-over-year percentage basis. U.S. pork maintained a 94.8 percent of Dominican import market share.

For dairy products, domestically-produced cheese is not currently comparable to imported cheese due to differences in variety, quality, and sanitary factors. For imports, U.S. cheese reached a 37 percent market share, underperforming the European Union, which secured a 59 percent share. Nevertheless, it is important to note that U.S. dairy exports to the DR had a 26 percent increase over the previous year.

In 2021, the U.S. apples, with 96 percent market share continued to enjoy a strong presence in the local market; 47.7 percent for pears, and 50 percent for grapes. Chilean pears and Peruvian grapes are present in the market. Chilean pears had 52.3 percent market share, and Peruvian grapes 33.4 percent in 2021. This past year, the U.S. fresh fruit sector achieved a 15 percent increase from the same period last year. This represents 72.5 percent of the Dominican market. Finally, for potatoes and fresh vegetables, the United States is the dominant foreign supplier (81 percent and 45 percent, respectively) but faces headwinds due to seasonal local competition.

On March 7, 2022, President Luis Abinader addressed the nation to announce [10 policy measures](#) to ease inflationary pressures in the Dominican Republic (DR) due to the lingering effect of the COVID-19 pandemic and the ongoing conflict between Russia and Ukraine. According to the Central Bank of the Dominican Republic, in 2021, the DR recorded its highest inflation rate of 8.5 percent in over 14 years, as food prices continue to rise sharply during the first quarter of 2022. But despite policy measures that

are aimed at lowering retail prices, two of the measures will have the secondary effect of easing competition for non-U.S. agricultural products by cutting tariff rates to zero and subsidizing the imports of inputs, even from non-CAFTA-DR signatories. To read a complete report on these measures follow the [link](#).

SECTION IV. BEST PRODUCTS PROSPECTS CATEGORIES

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

Industry sources indicate that the best product prospects in the Dominican retail sector include U.S. dairy products (e.g., cheese, yogurt, and powdered milk), although they continue to face onerous and time-consuming import regulations. Other top categories are poultry, beef and beef products, flour and other baking ingredients, spices, candies, fresh fruit, processed vegetables, prepared foods, condiments and sauces, snacks, eggs and egg products, and fruit and vegetable juices. There is also growth potential for existing and new alcoholic beverage products within the distilled spirits, wine, and craft beer categories.

4.2. Top Consumer-Oriented Products Imported from the United States

Consumer Oriented Products Exports from the United States to the DR (US\$ Million)			
Product	2019	2020	2021
Consumer Oriented Agricultural Total	695.8	673.1	904.2
Beef & Beef Products	65.7	33.7	78.7
Pork & Pork Products	77.7	90.5	150.8
Poultry Meat & Prods. (ex. eggs)	77.8	81.0	95.7
Meat Products NESOI	4.1	4.1	5.9
Eggs & Products	2.2	0.4	3.0
Dairy Products	88.7	92.3	116.3
Fresh Fruit	36.2	35.3	40.9
Processed Fruit	7.1	7.9	9.7
Fresh Vegetables	12.6	12.2	13.7
Processed Vegetables	22.2	21.3	26.9
Fruit & Vegetable Juices	30.9	34.8	48.7
Tree Nuts	10.2	8.5	9.6
Confectionery	6.0	4.0	5.1
Chocolate & Cocoa Products	13.6	11.0	13.8
Bakery Goods, Cereals, & Pasta	36.4	33.6	36.6
Food Preparations	34.1	34.9	33.4
Condiments & Sauces	19.9	21.4	26.5
Non-Alcoholic Bev. (ex. juices)	14.8	14.7	14.0
Beer	8.8	7.3	13.6
Wine & Related Products	16.4	12.7	20.4
Distilled Spirits	20.9	16.2	30.6
Nursery Products & Cut Flowers	2.4	1.5	1.7
Dog & Cat Food	3.8	4.4	6.3
Other Consumer Oriented	83.5	89.3	102.2

Denote highest export levels since at least CY 1970

Source: U.S. Census Bureau Trade Data

4.3. Products Not Present in Significant Quantities but which have Good Sales Potential

Retailers continue to report that most consumer-oriented products listed above that can be offered under private labels will have good sales potential. Retailers see opportunities to target low-income consumers with lower-priced products.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Foreign Agricultural Service (FAS/USDA)

United States Embassy in the Dominican Republic
Ave. República de Colombia # 57, Santo Domingo, Dominican Republic
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E-mail: agsantodomingo@usda.gov
Website: www.fas.usda.gov

Please do not hesitate to contact this office for more detailed information about the Dominican food market, lists of importers, major players in the sector, and any other related questions.

Industry and Commerce Ministry of the Dominican Republic (MICM)

Torre MICM, Av. 27 de Febrero No. 306, Bella Vista. Santo Domingo, Dominican Republic.
Telephone: 809- 685-5171 | E-mail: info@micm.gob.do
Website: <https://www.micm.gob.do/>

Ministry of Health

General Directorate of Medicines, Food and Health Products – DIGEMAPS- (Sanitary Registration)
Av. Dr. Héctor Homero Hernández esq. Av. Tiradentes, Ensanche La Fe.
Santo Domingo, Dominican Republic.
Tel: 809-541-3121; Email: infoministeriodesalud@gob.do
Websites: <https://digemaps.msp.gob.do/menu/>;
<https://msp.gob.do/web/>

Commercial Enterprises National Organization (ONEC)

Torre Biltmore, Suite 401, Ave. Abraham Lincoln No. 1003, D.N.
Santo Domingo, Dominican Republic
Telephone: 809-683-7229 | E-mail: info@onec.org.do
Website: <http://www.onec.org.do/>

National Union of Economic Supermarkets (UNASE)

Calle Rodrigo Pérez No. 6, El Almirante. Santo Domingo Este, Dominican Republic
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National Federation of Retailers and Food Merchants (FENACODEP)

Prolongación Independencia No. 390, KM 81/2, Urbanización Miramar, Apartado Postal 6D. Santo Domingo, Dominican Republic
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Dominican Institute for Quality Standards (INDOCAL)

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National Institute for the Consumer Rights Protection (ProConsumidor)

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Attachments:

No Attachments