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Report Highlights:

The Caribbean's rebound from the economic downturn induced by the COVID-19 pandemic has been slow. Anxious for better times, the region is looking ahead at 2023 and hoping for improved tourist arrivals that will spark a return to more robust economic growth. Improved Caribbean economic activity also means greater opportunities for U.S. agricultural suppliers. During the first 10 months of 2022, U.S. agricultural exports of consumer-oriented products to the region reached \$1.25 billion, a 35 percent gain when compared to the same period in 2021.

Market Factsheet: Caribbean

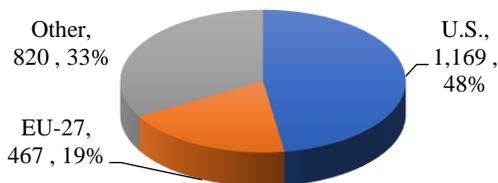
Executive Summary

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 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 \$2.5 billion in 2021, with the United States capturing 48 percent of the market.

Figure 1: Caribbean Imports of Consumer-Oriented Products by Source, 2021 (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, which includes traditional grocery stores to more modern, upscale supermarkets. Total grocery retail sales are estimated at \$9.7 billion in 2021.

Food Service Industry

Tourism is a key factor in generating demand for U.S. products in the food service sector. As the Caribbean tourism industry regains its footing after being dealt a near-knockout blow by COVID-19, opportunities in the HRI food service sector are expected to rise accordingly.

Table 1: Quick Facts CY 2021

Imports of Consumer-Oriented Prod.: \$2.5 bill.

Top 10 Growth Products

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

Food Industry by Channels (USD billion) 2021

Imports of Consumer-Oriented Products* \$2.5
 Grocery Retail Annual Sales \$9.7
 Consumer Food Service Annual Sales \$1.67

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

GDP/Population

Population: 4.6 million (July 2020 estimate)
 GDP: \$710 mill (Dominica) - \$33.2 bill (Trinidad and Tobago), 2020 estimates.
 Real GDP per capita: \$9,900 (Dominica) 2020 est, - \$81,800 (Bermuda), 2019 estimate.

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

Table 2

<i>Strengths</i>	<i>Weaknesses</i>
Proximity; well-established relationships between U.S. suppliers and Caribbean buyers.	Many European Chefs present in the region are unfamiliar with U.S. products.
<i>Opportunities</i>	<i>Threats</i>
U.S. tourists account for roughly 50 percent of all tourists visiting the region, bolstering demand for U.S. foods.	Prolonged impact of COVID-19 pandemic.

I. Market Overview

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), with the exception of Cuba.

The Caribbean Basin is a large and highly fragmented region of the Americas. It is a mix of independent states, overseas departments or dependencies of European countries, and islands that are part of a European kingdom. The region has 4.6 million inhabitants, of which two thirds are concentrated in five markets: Trinidad and Tobago, Guyana, Guadeloupe, Martinique, and The Bahamas. The population is incredibly diverse and is made up of descendants from native tribes that inhabited the region and people of African, European, Indian, and Middle Eastern descent, among others.

Gross Domestic Product (GDP) ranges from \$710 million in Dominica to \$33.2 billion in Trinidad and Tobago. GDP per capita ranges from \$9,900 in Dominica to \$81,800 in Bermuda. The economy of Trinidad and Tobago, by far the largest in the region, is based mainly on oil and natural gas. In Guyana, where one of the largest new discoveries of oil in the world was recently made, the country is also banking on oil to propel its economy forward and serve as a catalyst for much needed development. In practically all other Caribbean markets, tourism is the driving force behind island economies. Approximately eight million stopover tourists and 14 million cruise ship passengers visit the region annually. Tourists, particularly stopover visitors, fuel demand for consumer-oriented agricultural products.

Economic recovery from the COVID-19 pandemic and the shuttering of the region’s tourism sector has been slow. Emergence of new COVID variants, insufficient airlift to many Caribbean destinations, travelers contending with higher risk and costs associated with COVID testing and quarantine requirements, and other factors led to slower-than-hoped-for tourist arrivals in 2021 and 2022. While inbound tourist numbers are improving, they remain below pre-pandemic levels in most countries. These numbers are of critical importance given that the lion’s share of countries in region rely on tourism for their economic well-being.

Following a 9.4 percent contraction in 2020, GDP of tourism-dependent Caribbean countries is estimated to have grown by only 2.8 percent in 2021. This growth level is expected to only inch upward in 2022 and remain relatively flat in 2023. Owing largely to the rise in energy prices, Trinidad and Tobago is expected to see more moderate growth (5.5 percent) in 2022 before settling to a more modest 3 percent growth rate in 2023. Guyana, on the other hand, will continue to experience double-digit growth for the foreseeable future as a result of oil production.

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.

Table 3

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"> ● The COVID-19 lockdown has financially weakened the Caribbean food service sector and has even forced several operators out of business. Until the pandemic subsides, it will weigh down any prospects of a sustained recovery for the sector.
<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"> ● Caribbean economic well-being is highly dependent on tourism. Hence, the sector is very susceptible to any factors that may disrupt tourism (i.e., the COVID-19 pandemic, the world economy, terrorism, more active hurricane seasons, etc.).
<ul style="list-style-type: none"> ● The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 48 percent overall). 	<ul style="list-style-type: none"> ● In some markets, such as Guadeloupe and Martinique, a key constraint is breaking the traditional ties with Europe. Practically all their trading is done with mainland France.
<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.

II. Exporter Business Tips

The best way for a U.S. supplier to export to the Caribbean market is to first research potential niches and develop an effective marketing plan. In doing so, it is important to weigh the advantages and disadvantages of using an importer/wholesaler versus selling directly to different customers throughout the region. The decision will not be the same for all U.S. exporters. For instance, large U.S. suppliers with a dedicated sales force who can travel to the islands periodically to service their customers may find it advantageous to work directly with multiple retail and food service accounts throughout the region. Exporters who are not able to do so will find it easier to work with an importer/wholesaler in a particular island/country. The latter is, in fact, the easiest and preferred method for most U.S. exporters.

Local Business Customs and Trends

In general, Caribbean buyers rely heavily on consolidators, particularly those located in South Florida, for shipment of mixed container-loads to their local ports. As a result, a crucial part of doing business with Caribbean importers is building a relationship with a consolidator in South Florida (and in New York/New Jersey for those seeking to export to Bermuda). Since some large resorts and supermarket chains often order larger shipments directly from suppliers, the primary resource for small and medium-sized U.S. suppliers are local importers/wholesalers. These importers/wholesalers will work with prospective U.S. suppliers to meet local standards and regulations and find the best distribution channel. They are also likely to stay informed of changing regulations and duties on food and beverage products.

A good way to meet with Caribbean importers is to attend key food and beverage trade shows in the United States. Among the shows with a strong presence of Caribbean importers are the National Restaurant Association (NRA) Show in Chicago, the Summer Fancy Food Show in New York City, and the Americas Food and Beverage (AFB) Show in Miami. The CBATO and its partner organizations (e.g., Southern United States Trade Association, Food export Midwest, Food Export Northeast, U.S. Meat Export Federation, and USA Poultry and Egg Export Council among others) often lead delegations of Caribbean buyers to these and other trade shows and buying missions. Please contact the CBATO (see Section VI) to connect with Caribbean buyers attending these U.S. trade events.

General Consumer Food Tastes and Consumption Trends

U.S. brands are well recognized and in high demand by Caribbean consumers. Exposure to U.S. food and culture through television, travel, and U.S. food franchises present in the region greatly influence local preferences. Furthermore, due to increased access to technology and social media, Caribbean consumers (particularly the younger generations) keep up to date with the latest consumer trends taking place in the United States and around world. This, in turn, further influences consumer preferences.

One important development in the market is the growing concern regarding the rise of obesity and diabetes in the region, which can lead to a multitude of other serious health complications. Studies conducted by the University of the West Indies (UWI) estimate that one in every four adults in some Caribbean Community (CARICOM) countries has diabetes. Moreover, practically all countries in the CBATO region have diabetes national prevalence rates higher than the world average and a few have national prevalence rates that are nearly double the world average. One in three Caribbean children is estimated to be overweight or obese. Thus, just as in many other parts of the world, Caribbean consumers are attempting to take a more active role in their health care, which includes seeking out healthy eating alternatives and following nutritional guidelines more closely. This is especially the case among young consumers. Nonetheless, price is still a predominant factor when making purchasing decisions in the region.

III. Import Food Standards & Regulations and Import Procedures

In most Caribbean countries, food safety responsibilities fall under the Ministry of Public Health or its equivalent. The Ministry of Agriculture may also play a role with plant and animal products in terms of both public health and plant and animal health. Meat and poultry, dairy products, seafood, and produce typically require import approval and health/country of origin certification. For example, phytosanitary certificates from the country of origin must accompany imported fresh produce and plants. Health certificates must accompany live animals and animal products. Certain items may be restricted if the government decides they pose a risk to food safety or plant and animal health. It is always recommended that U.S. exporters verify that their product is eligible for entry into a particular market prior to shipping.

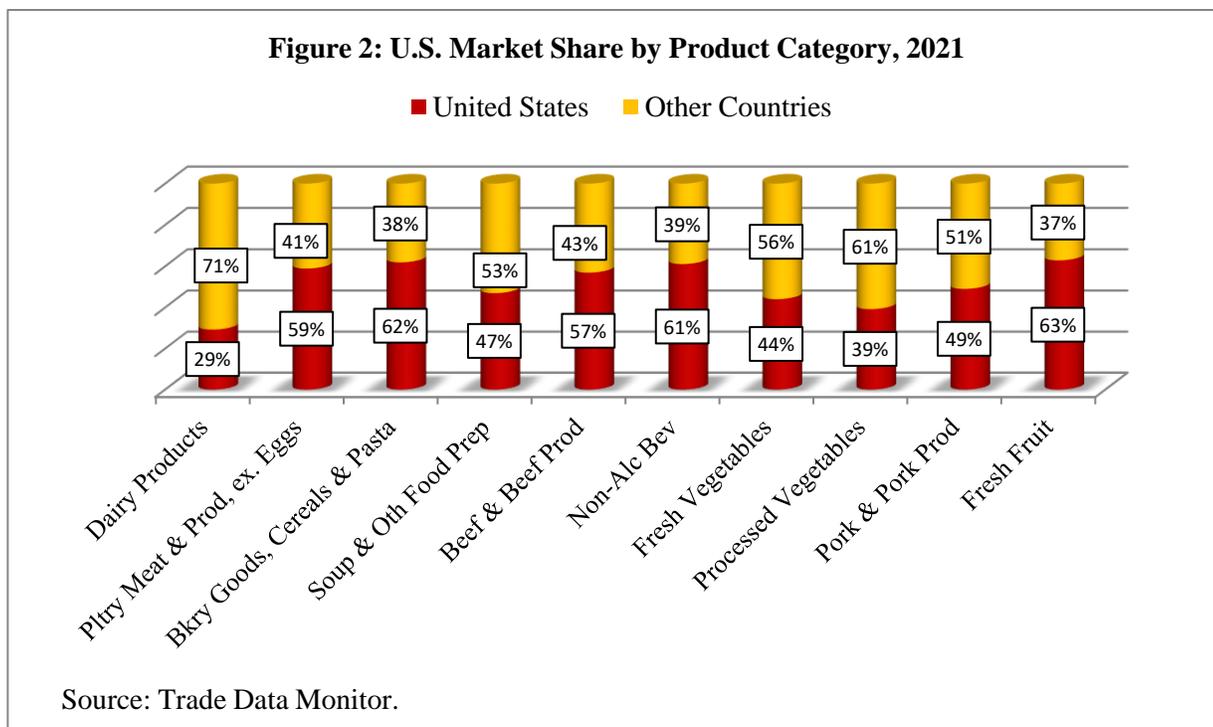
Most Caribbean countries follow international standards (e.g., Codex Alimentarius standards) and fully accept U.S. standards for food and agricultural products, including the standard U.S. nutritional fact panel. However, U.S. suppliers must be aware that European Union (EU) standards may apply for some EU Member State territories in the Caribbean. The French overseas departments of Guadeloupe and

Martinique are a case in point, as they require food and beverage products to be labeled in French and to comply with French and EU norms. In general, enforcement of labeling and other product standards is carried out mostly at the port of entry, but routine and random checks at the retail and wholesale levels are also conducted. As always, good communication with local importers will help to ensure proper compliance with local food laws.

More information on Caribbean Basin import requirements can be found in the Food and Agricultural Import Regulations and Standards (FAIRS) reports available via the [USDA Global Agriculture Information Network \(GAIN\)](#) for the following countries: Aruba, The Bahamas, Barbados, Bermuda, Cayman Islands, Curacao, Sint Maarten, and Trinidad and Tobago.

IV. Market Sector Structure and Trends

The top five import categories for the Caribbean Basin are dairy products, poultry meat & products (ex. eggs), bakery products, soups and other prepared foods, and beef & beef products. These five categories alone represent approximately one third of all consumer-oriented product imports. With only a few exceptions, the United States has the leading market share in practically all product categories.



A. Retail Sector

An estimated 70 percent of consumer-oriented agricultural imports in the Caribbean are destined for the retail sector. Most of the products stocked on the shelves of Caribbean retail stores are imported. The retail food sector is heterogeneous and dynamic and is composed of modern grocery outlets (hypermarkets, supermarkets, forecourt retailers, discounters, and gas marts) and small, traditional grocery operations. According to Euromonitor International, grocery retail sales in the CBATO region totaled an estimated \$9.7 billion in 2021, an increase of 2.8 percent over 2020. After the rather large COVID-related surge in retail demand in 2020, retail sales are expected to continue to exhibit only modest growth in 2022 and 2023, growing between 0.8 percent to 1.9 percent, respectively.

International retail chains in the Caribbean include Massy Stores (Trinidad and Tobago) Price Smart (U.S.), Cost-U-Less (Canada), Save-A-Lot (U.S.), Carrefour (France), Casino (France), and Albert Heijn Zeelandia (Holland). While these retail outlets do quite well, 'mom and pop' stores will continue to supply a large share of consumers' needs for basic supplies. Additional information can be found in Retail Sector reports via the [USDA Global Agriculture Information Network \(GAIN\)](#). Reports are available for: Aruba, Trinidad and Tobago, the Eastern Caribbean, The Bahamas, Cayman Islands, and Bermuda.

B. HRI Food Service Sector

The Caribbean HRI food service sector is estimated to account for roughly 30 percent of consumer-oriented agricultural imports. According to Euromonitor International, the sector is made up of over 6,900 outlets, with full-service restaurants, cafes and bars accounting for three quarters of these. With only 13 percent of all outlets, limited-service restaurants (mainly fast food chains) account for 54 percent of the sector's total sales, estimated at \$1.68 billion in 2021. With continued growth in tourism expected, HRI food service sales could expand by 15 percent in 2022 and another 10 percent in 2023.

The percentage of Caribbean hotels and restaurants that are independently owned varies from approximately 90 percent in Grenada to 25 percent in The Bahamas (Nassau in particular). This characteristic influences the flow of imports to the island. The independently owned restaurant or hotel is

Table 4: Caribbean¹ Grocery Retailers By Type, 2021

Type	Number of Outlets	Retail Sales \$ Millions
Convenience Stores	578	508.6
Discounters	210	1,092.5
Forecourt Retailers	681	303.6
Hypermarkets	36	1,215.3
Supermarkets	589	3,898.1
Traditional Retailers	14,443	2,727.8
TOTAL	16,527	9,745.9

¹Excludes Turks and Caicos, Montserrat, St. Martin, St. Barts, BES Islands & Cuba.
Source: Euromonitor International.

Table 5: Caribbean¹ Food Service Operators By Type, 2021

Type	Number of Outlets	Retail Sales \$ Millions
Full-Service Restaurants	2,886	539.0
Street Stalls & Kiosks	2,294	72.7
Cafes & Bars	844	159.1
Ltd. Service Restaurants	879	904.9
Self Service Cafeterias	3	0.3
TOTAL	6,906	1,676.0

¹Excludes Turks and Caicos, Montserrat, St. Martin, St. Barts, BES Islands & Cuba.
Source: Euromonitor International.

more likely to source food and beverage products from local importers/wholesalers, while larger chain restaurants and hotels have both the connections and the economies of scale to make direct imports from U.S. suppliers.

While corporate-owned resorts and hotels have boomed over recent years, independently owned food service businesses are still strong on all Caribbean islands. Local independently owned restaurants remain especially popular in countries such as Aruba, Barbados, Bermuda, the Cayman Islands, Sint Maarten/St. Martin, and Turks and Caicos. Some of the world's most acclaimed chefs are working in the Caribbean. Using high quality ingredients, these chefs and their restaurants often are a valuable platform for introducing U.S. food and beverage products. However, many chefs are European-trained and thus breaking their preference toward European products can be challenging. Heightened interest of chefs in the use of locally produced ingredients is a recent trend, similar to other parts of the world.

Additional information can be found in HRI Food Service Sector reports via the [USDA Global Agriculture Information Network \(GAIN\)](#). Reports are available for: The Caribbean Basin, The Bahamas, Trinidad and Tobago, Turks and Caicos Islands, the Eastern Caribbean, Cayman Islands, Bermuda, Barbados, and Aruba.

C. Food Processing Sector

Food processing in the broad Caribbean Basin is highly concentrated in the larger countries such as the Dominican Republic and Jamaica, which are outside the CBATO region, and to a lesser extent in Trinidad and Tobago. Because food production is limited in the CBATO region and there are virtually no economies of scale, food processing is much less prevalent. In fact, in 2020 bulk and intermediate agricultural products accounted for only 22 percent of U.S. agricultural exports to the CBATO region. Nonetheless, there is processing of wheat flour, pasta products, rice, bakery products, soy products, dairy products, and animal feeds in Trinidad and Tobago and Barbados. Food processors within the region buy roughly 20 percent of raw materials and food ingredients from local suppliers and import 80 percent from international suppliers.

V. Agricultural and Food Imports

In 2021, the region imported \$3.1 billion in agricultural products, an increase of 15.8 percent from 2020. The top five markets in the region for agricultural products are Trinidad and Tobago, The Bahamas, Curacao, Barbados, and Guyana. Together, these markets account for nearly two-thirds of all agricultural imports in the region.

The United States has a 48 percent overall share of the Caribbean market for agricultural products. Data indicate that U.S. share is highest in markets such as Turks and Caicos Islands and Cayman Islands where the U.S. accounts for 80 percent or more of all agricultural imports. However, in the French overseas departments of Guadeloupe and Martinique, where most products are imported from mainland France, U.S. foods are few and far in between and U.S. market share is minimal.

Given limited domestic agricultural output and food processing, consumer-oriented foods top the main categories of agricultural imports with 78 percent. The remainder is made up of intermediate or semi-processed products (12 percent) and bulk commodities (10 percent).

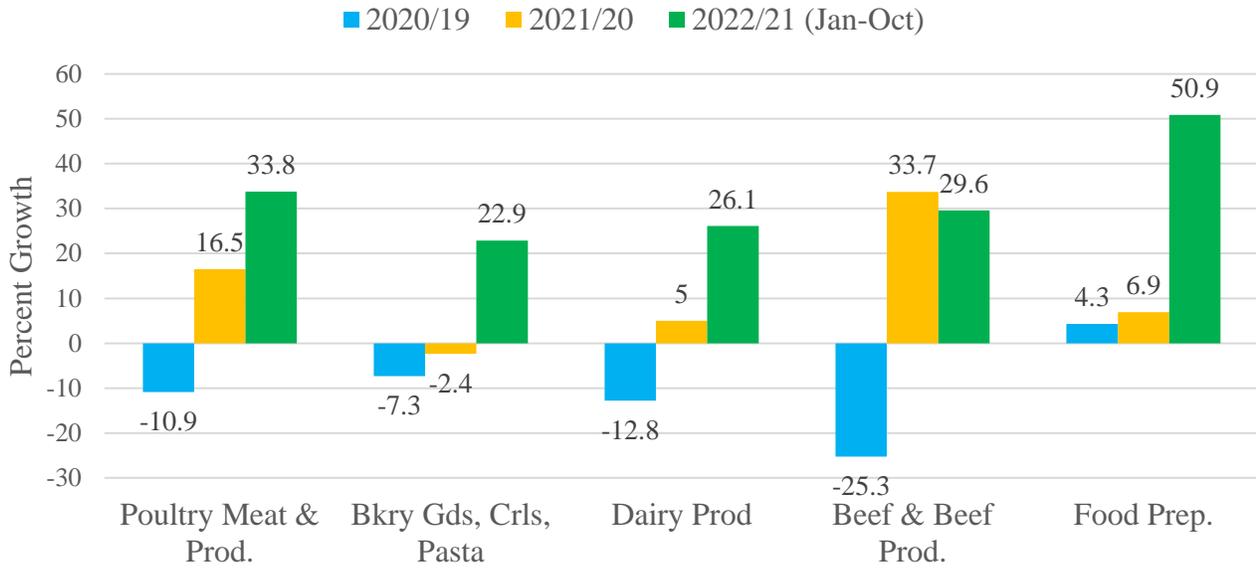
Table 6: U.S. Exports of Agricultural Products to the Caribbean, 2017-2021

	2017	2018	2019	2020	2021
Product Category	Value (US\$)				
Bulk Total	125,802	141,485	124,415	139,697	154,162
Intermediate Total	157,208	174,142	160,080	153,246	183,674
Consumer Oriented Total	1,106,942	1,113,712	1,177,472	1,017,890	1,163,235
Poultry Meat & Prods. (ex. eggs)	150,965	139,556	145,403	129,621	151,017
Dairy Products	109,160	109,236	118,167	103,095	108,247
Bakery Goods, Cereals, & Pasta	103,914	106,889	119,171	110,527	107,845
Beef & Beef Products	89,193	89,262	96,380	71,989	96,236
Food Preparations	58,725	60,067	67,767	70,702	75,597
Non-Alcoholic Bev. (ex. juices)	78,482	76,931	79,928	66,435	73,537
Fresh Fruit	50,294	49,389	52,414	55,117	64,397
Pork & Pork Products	46,285	45,532	51,295	44,612	54,352
Eggs & Products	39,578	44,361	43,217	44,857	49,944
Fresh Vegetables	36,628	43,027	44,604	42,563	47,211
Condiments & Sauces	33,736	37,017	38,831	36,096	40,602
Wine & Related Products	38,080	36,527	37,888	22,989	38,093
Processed Vegetables	38,873	36,116	32,867	31,890	34,476
Dog & Cat Food	28,467	30,671	33,756	32,563	33,650
Fruit & Vegetable Juices	36,707	35,433	36,852	29,028	28,781
Distilled Spirits	24,896	24,576	31,013	21,304	27,466
Other Consumer Oriented	19,133	21,835	21,935	19,139	22,666
Beer	19,080	17,603	18,491	12,475	19,682
Nursery Products & Cut Flowers	17,877	21,949	21,397	11,967	19,319
Chocolate & Cocoa Products	18,447	17,862	19,278	15,033	16,774
Tree Nuts	11,947	13,317	14,904	12,947	14,972
Meat Products NESOI	34,462	32,693	24,389	13,138	13,940
Processed Fruit	9,513	10,116	12,949	10,593	12,755
Confectionery	12,500	13,749	14,576	9,210	11,675
TOTAL Agricultural Products	1,389,952	1,429,339	1,461,967	1,310,833	1,501,071

Source: US Census Bureau Trade Data.

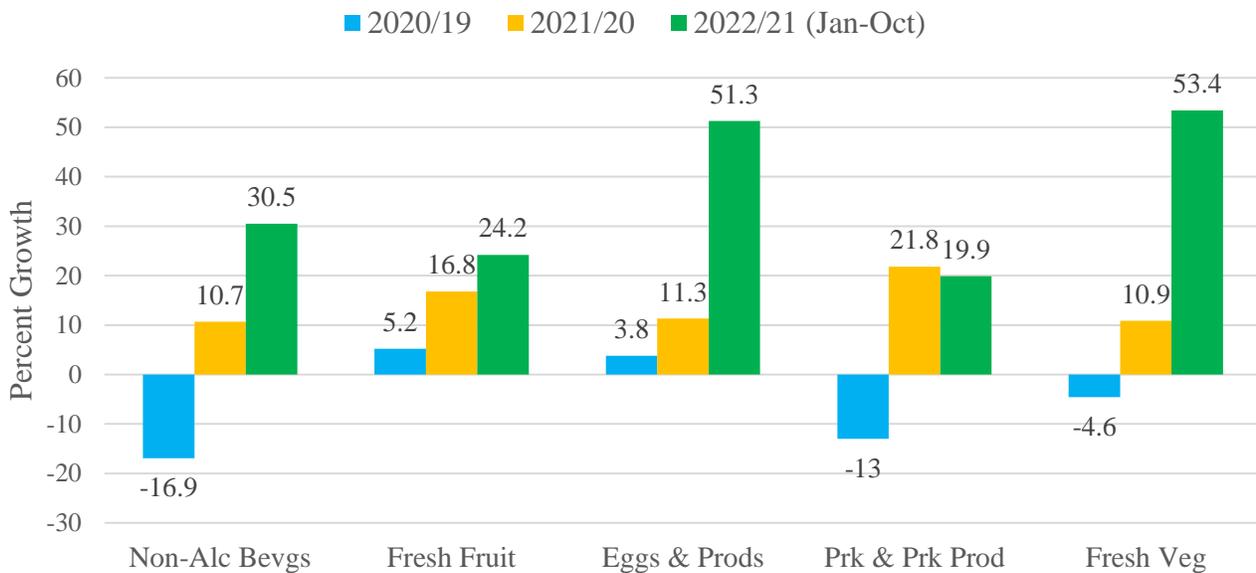
While there are signs of a modest economic recovery in 2022 (some islands making important strides in the fight against COVID-19, overall economic activity inching forward, tourism slowly improving, and commodity exporters in Guyana and Trinidad and Tobago benefitting from increased demand and higher energy prices), the fact remains that the economic impact of the pandemic will continue to weigh heavy on the region for years to come. However, as economic conditions slowly improve in the Caribbean, so too will opportunities that are expected to emerge in the region for the full range of consumer-oriented products. Value products and healthy foods, in particular, are expected to continue to do well as countries emerge from the pandemic. The following charts illustrate some of the product categories with the most growth potential for U.S. exporters.

Figure 3: Growth in U.S. Exports to the Caribbean by Product Category



Source: U.S. Census Bureau Trade Data.

Figure 4: Growth in U.S. Exports to the Caribbean by Product Category



Source: U.S. Census Bureau Trade Data.

VI. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to the Caribbean Basin region, please contact the CBATO in Miami, Florida. Caribbean importer listings are available from the CBATO for use by U.S. exporters of U.S. food and beverage products.

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Attachments:

No Attachments