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Report Highlights:

The Dominican Republic (DR) continues to list as one of the fastest growing and most dynamic economies in Latin America and the Caribbean. In 2022, U.S. agricultural exports totaled nearly \$2.2 billion, an all-time record, powered by strong demand for consumer-oriented products. The DR continues to rank as the fourth-largest market for U.S. agricultural exports in the Western Hemisphere, trailing Canada, Mexico, and Colombia. The informal retail sector accounts for more than 75 percent of all retail sales. Meanwhile, e-commerce continues to gain ground as the fastest growing category for 2022.

Market Fact Sheet: Dominican Republic

The Dominican Republic (DR) is an upper middle-income country. In 2022, the DR inflation rate reached 7.8 percent and is forecast to fall to 5.7 percent in 2023, according to the International Monetary Fund (IMF). 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 2022, the Central Bank of the Dominican Republic recorded DR's gross domestic product (GDP) at \$114 billion and the IMF projected DR's GDP to rise by 4.2 percent in 2023. 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 apparatuses have become one of the most dynamic exportable supplies. Major imports include consumer-oriented products and livestock feed, with the United States as a top partner.

Imports of Consumer-Oriented Products



Figure 1. The United States is the top supplier of consumer-oriented agricultural products to the DR, capturing 47 percent market share in 2022. Source: Trade Data Monitor (TDM).

Food Processing Industry

The Central Bank of DR valued the food processing industry at \$4.3 billion for calendar year (CY) 2022 in activities categorized as “food industry” with an additional \$1.1 billion for processed beverages and other products over the same period. For more information, please 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, which is growing rapidly, is dominated by locally-owned companies. However, despite the fast growth, supermarkets only

account for 20-25 percent of retail sales. Most sales are still in the traditional channel, which includes neighborhood stores (i.e., *colmados*) and warehouses, which offer largely local products.

Quick Facts CY 2022	
List of Top 10 Growth Products	
1) Dog & Cat Food	6) Tree Nuts
2) Distilled Spirits	7) Beer
3) Pork & Pork Products	8) Beef & Beef Products
4) Dairy Products	9) Fresh Vegetables
5) Meat Products	10) Chocolate & Cocoa Products
Consumer-Oriented Trade (U.S. billion)	
DR Imports (all sources)	2.29
DR Imports (from U.S.)	1.07
DR Exports (all destinations)	2.13
DR Exports (to U.S.)	1.36
Top DR Retailers*	
1) Apresio	6) Supermercados Bravo
2) Sirena	7) Jumbo
3) Plaza Lama	8) PriceSmart
4) Supermercados Nacional	9) Sirena Market
5) Hipermercados Olé	10) La Cadena
GDP/Population	
Population:	11.12 million
GDP:	US\$114 billion
GDP per capita:	US\$10,700
Median income per capita:	US\$3,600

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

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 98 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	Challenges
Additional trade liberalization through the full implementation of CAFTA-DR by 2025.	Delays for import permits and sanitary registration, which can affect the availability of imported ingredients.
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 over \$1 billion in 2022, 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 2022 [Exporter Guide](#) and the Food and Agriculture Import Regulations and Standards ([FAIRS](#)) narrative report.

On March 11, 2022, the Dominican Republic (DR) issued a [sanitary alert](#) for imported U.S. poultry and poultry products, warning that shipments from U.S. states with confirmed cases of Highly Pathogenic Avian Influenza (HPAI) will be blocked from entering the DR. In light of this alert, Post is under negotiations with local authorities to update their sanitary protocols in accordance with international standards and reverse the action. For more information, please read the [voluntary report](#) on this subject.

The Dominican retail sector can be divided into two distinct 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 derive from the modern retail channel.

The traditional retail channel is subdivided into three main components: neighborhood stores known as "*colmados*," walk-in food warehouses known as "*almacenes*," and public markets known as "*mercados*," which are 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 traditional retail channels.

Supermarket Chains: The number of Dominican modern supermarkets has doubled over the last 20 years. Supermarkets are concentrated in the greater Santo Domingo metropolitan area and other large urban centers. There are currently more than 160 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 valued added tax (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 about the latest information and import-related regulations for the DR. Post can assist with connecting stakeholders with the proper authorities.

After stakeholders complete market research, FAS can support connecting them with retailers and importers. 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 conducting either an in-country visit, participate in a trade mission (i.e., coming from the United States), or attend a trade show, such as the Americas Food and Beverage Show in Miami, which invites Dominican buyers. It is critical to develop personal connections to conduct business 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. A mix of product entry models 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 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. Most supermarkets in the country continue to offer U.S. products in some of their private label products, which offer an opportunity for private label manufacturers.

In recent years, however, supermarket chains have turned their attention towards the lower-income sectors. 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 have increased in quantity of establishments and in the products they can offer.

According to Euromonitor International, e-commerce continued to gain ground representing the fastest growing category in 2022, with beauty and personal care products as well as food and beverages placing at the top of the category. The informal retail sector in the Dominican Republic, which accounts for an outsized majority of retail sales, operates throughout the country, although it is most common in high-traffic areas, such as busy streets and open-air markets. There is also a segment of high-end consumers participating in informal retail through social media platforms, such as Instagram. Modern grocery stores will continue to serve as an area of investment over the next five years as retailers look to expand their product and services with a clear focus on providing convenience. Private label development and the evolution of modern payment options, which grant consumers access to new financing, will enable modern grocery stores to differentiate themselves from small, local outlets.

Top Country Retailers

Based on the market structure described above, there are eight main supermarket chains in the DR. Follow the links below for more information:

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

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

[Hipermercados Olé](#)

[Supermercados Bravo](#)

[PriceSmart](#)

[Supermercados La Cadena](#)

[Carrefour](#)

SECTION III. COMPETITION AND IMPORT MARKET SHARE

Overall, the United States is the top supplier to the DR for consumer-oriented products, achieving 47 percent market share in 2022. For beef and beef products, the United States captured 96 percent market share in 2022, valued at \$97.6 million, due to geographic proximity, high-quality cuts, and a preference for Certified Angus Beef in both food service and retail sectors.

U.S. pork and pork product exports to DR totaled \$233.6 million, a 55 percent spike year-over-year. U.S. pork enjoys nearly 90 percent of the Dominican import market. For dairy products, domestically produced cheese is not currently comparable to imported cheese due to differences in variety, quality, and sanitary factors. For DR imports, U.S. cheese secured 34 percent market share, although still underperforming the European Union, which seized 57 percent of the market. Nevertheless, it is important to note that U.S. dairy exports to the DR rose 35 percent over the same period last year.

In 2022, U.S. apples captured 98 percent market share, and continues to enjoy a strong presence in the local market; U.S. pears to DR enjoyed 53 percent market share, and U.S. grapes secured 38 percent of the market. Chilean pears and Peruvian grapes, both well represented in local grocery stores, achieved 47 percent and 40 percent market share respectively in 2022. This past year, U.S. fresh fruit achieved a 13 percent increase from the same period last year, representing 71 percent of the Dominican market. Finally, for potatoes and fresh vegetables, the United States is the dominant foreign supplier (61 percent and 36 percent respectively) but faces headwinds due to seasonal local competition.

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

January - December U.S. Exports to the DR (in millions of dollars)			
Product	2020	2021	2022
Consumer Oriented Agricultural Total	672.7	898.8	1,067.7*
Beef & Beef Products	33.7	78.6	97.6*
Pork & Pork Products	90.5	150.7	233.6*
Poultry Meat & Prods. (ex. eggs)	81.0	95.9*	80.9
Meat Products NESOI	4.1	5.9	7.8*
Eggs & Products	0.4	3.0	0.2
Dairy Products	92.3	116.0	156.8*
Fresh Fruit	35.3	39.4	44.7*
Processed Fruit	7.9	9.8*	9.5
Fresh Vegetables	12.2	13.7	16.5*
Processed Vegetables	21.3	26.8*	21.2
Fruit & Vegetable Juices	34.8	48.7	50.5*
Tree Nuts	8.5	9.6	12.5*
Confectionery	4.0	5.1	5.1
Chocolate & Cocoa Products	10.9	13.8	16.5*
Bakery Goods, Cereals, & Pasta	33.6	36.6	42.1
Food Preparations	34.9	33.4	37.3
Condiments & Sauces	21.4	26.5	31.2*
Non-Alcoholic Bev. (ex. juices)	14.7	14.0	10.8
Beer	7.0	10.9	14.2*
Wine & Related Products	12.7	20.1	20.4*
Distilled Spirits	16.2	30.6	48.0*
Nursery Products & Cut Flowers	1.5	1.7	2.0
Dog & Cat Food	4.4	6.3	10.0*
Other Consumer Oriented	89.3	101.6*	98.4

*Denote highest export levels since at least CY 1970. Data 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
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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)

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Attachments:

No Attachments