

Required Report: Required - Public Distribution

Date: December 29, 2021

Report Number: C12021-0008

Report Name: Exporter Guide

Country: Caribbean Basin

Post: Miami ATO

Report Category: Exporter Guide

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Report Highlights:

Hit hard by the COVID-19 pandemic (both in terms of public health and economic performance), the tourism-dependent Caribbean is anxiously awaiting a return to more normal times characterized by growing tourist arrivals, which in many ways are the economic lifeblood of the region. U.S. exporters, who supply roughly half of all agricultural products to the Caribbean, saw their sales to the region decline by 10 percent in 2020. To the extent the pandemic is brought under control and tourists return to the Caribbean in bigger numbers, economic recovery will gain momentum. During the first 10 months of 2021, U.S. agricultural suppliers have already seen their exports to the region rebound by 12 percent when compared to the same period a year earlier.

Market Factsheet: Caribbean

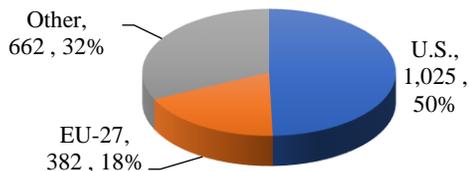
Executive Summary

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 \$2.1 billion in 2020, with the United States capturing 50 percent of the market.

Caribbean: Imports of Consumer-Oriented Products by Source, 2020 (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 \$9.5 billion in 2020.

Food Service Industry

Tourism is a key factor in generating demand for U.S. products in the food service sector. Unfortunately, the COVID-19 pandemic brought tourism to a standstill in 2020, greatly impacting the region's hotels and restaurants. The sector, which had experienced rapid growth prior to the pandemic, saw its sales decline by 34 percent in 2020. As countries in the region begin their post-COVID recovery and tourists slowly flock back to the islands, the food service sector has begun to rebound in 2021.

Quick Facts CY 2020

Imports of Consumer-Oriented Prod.: \$2.1 bill.

Top 10 Growth Products

1. Poultry Meat & Prod.
2. Bkry Prod, Crls, Pasta
3. Dairy Products
4. Beef & Beef Products
5. Food Preparations
6. Non-Alc. Bev.
7. Fresh Fruit
8. Eggs & Products
9. Pork & Pork Prod.
10. Fresh Fruit

Food Industry by Channels (USD billion) 2020

Imports of Consumer-Oriented Products* \$2.1
 Grocery Retail Annual Sales \$9.5
 Consumer Food Service Annual Sales \$1.4
**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.

<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 original native tribes that inhabited the region and people of African, European, Indian, Middle Eastern, and Chinese 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 in terms of revenue generation, employment, and overall economic well-being. 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.

Unfortunately, the COVID-19 pandemic has dealt an enormous blow to the Caribbean region. In addition to the toll on the health of the population, the economic shock has been profound. The abrupt and widespread contraction of economic activity, including the shuttering of the region’s tourism sector (the engine of most Caribbean countries), brought about dramatic increases in unemployment and underemployment, reduced productivity and income, increases in poverty, and substantial new demands on government resources for health and social purposes, among other things. According to International Monetary Fund (IMF) estimates, in 2020 real GDP growth for the tourism-dependent economies of the Caribbean fell by 10.1 percent and Trinidad and Tobago fell 7.8 percent. In fact, the only country experiencing positive economic growth in 2020 was Guyana (43.4 percent), which is seeing its economy expand by leaps and bounds as a result of newfound oil reserves entering into production. While overall economic recovery in the region has begun in 2021, just how robust the upswing will be remains largely dependent on the recovery of the tourism sector, which in turn hinges largely on tourist confidence in travel and COVID-19 mitigation measures.

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
<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 50 percent overall). 	<ul style="list-style-type: none"> ● In some markets, such as the French West Indies, a key constraint is breaking the traditional ties with Europe. Chefs in many islands are trained in Europe and thus prefer European products.
<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 main 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

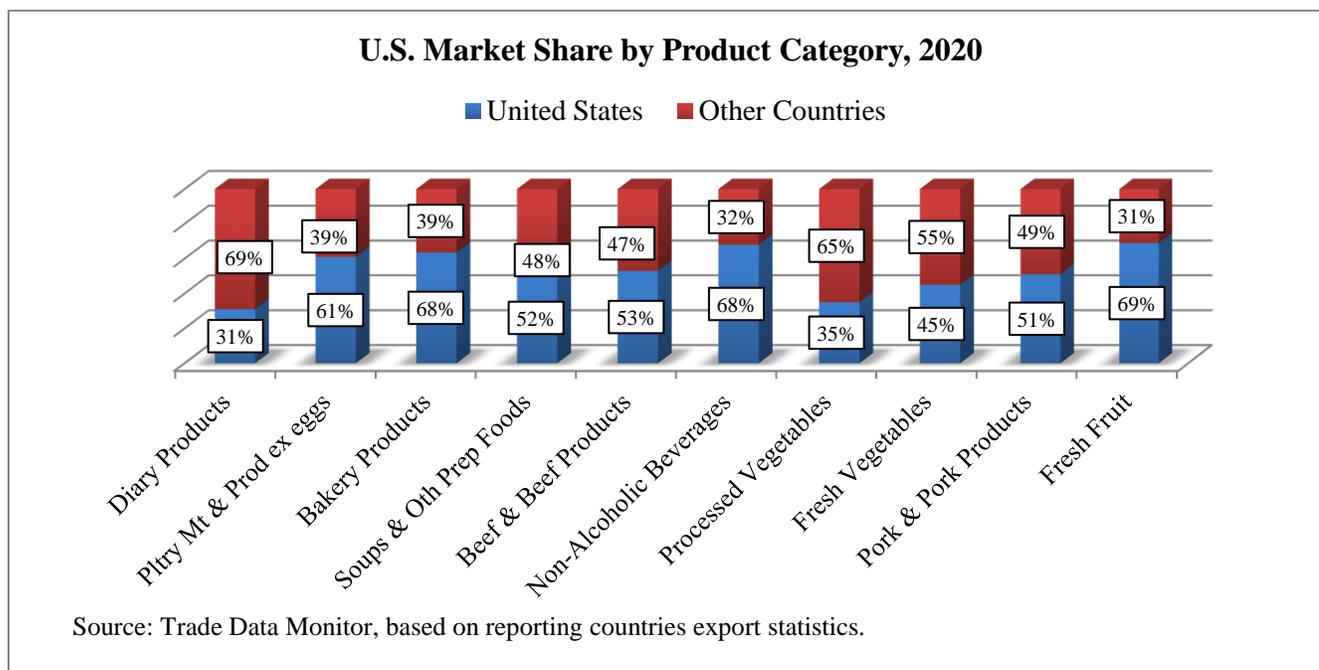
In most Caribbean countries, food safety responsibilities fall under the Ministry of Public Health or its equivalent. The Ministry of Agriculture may also play a role with plant and animal products in terms of both public health and plant and animal health. Meat and poultry, dairy products, seafood, 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, sales in the grocery retail sales in the CBATO region totaled an estimated \$9.5 billion in 2020, an increase of 6 percent over 2019. This rather large increase was due to the COVID-related surge in retail demand. Retail sales are expected to taper off in 2021 and 2022, growing between 0.5 percent to 1.2 percent.

Type	Number of Outlets	Retail Sales \$ Millions
Convenience Stores	568	479.9
Discounters	209	1,024.9
Forecourt Retailers	679	293.9
Hypermarkets	36	1,188.5
Supermarkets	587	3,796.7
Traditional Retailers	14,596	2,695.0
TOTAL	16,675	9,478.9

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

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 6,500 outlets, with full-service restaurants, cafes and bars accounting for 55 percent of these. With only 13 percent of all outlets, limited service restaurants (mainly fast food chains) account for 57 percent of the sector's total sales, estimated at \$1.4 billion in 2020. As a whole, sales in the sector are estimated to have plunged by 34 percent in 2020 (largely due to COVID-related shutdowns), but they are expected to rebound by 19 percent and 15 percent in 2021 and 2022, respectively.

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 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.

Type	Number of Outlets	Retail Sales \$ Millions
Full Service Restaurants	2,780	432.1
Street Stalls & Kiosks	2,115	53.9
Cafes & Bars	808	117.8
Ltd. Service Restaurants	828	796.1
Self Service Cafeterias	3	0.3
TOTAL	6,534	1,400.1

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

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 2020, the region imported \$2.6 billion in agricultural products and exported \$0.7 billion, a deficit of \$1.9 billion. Trade data indicate that agricultural imports declined by 8.8 percent in 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.

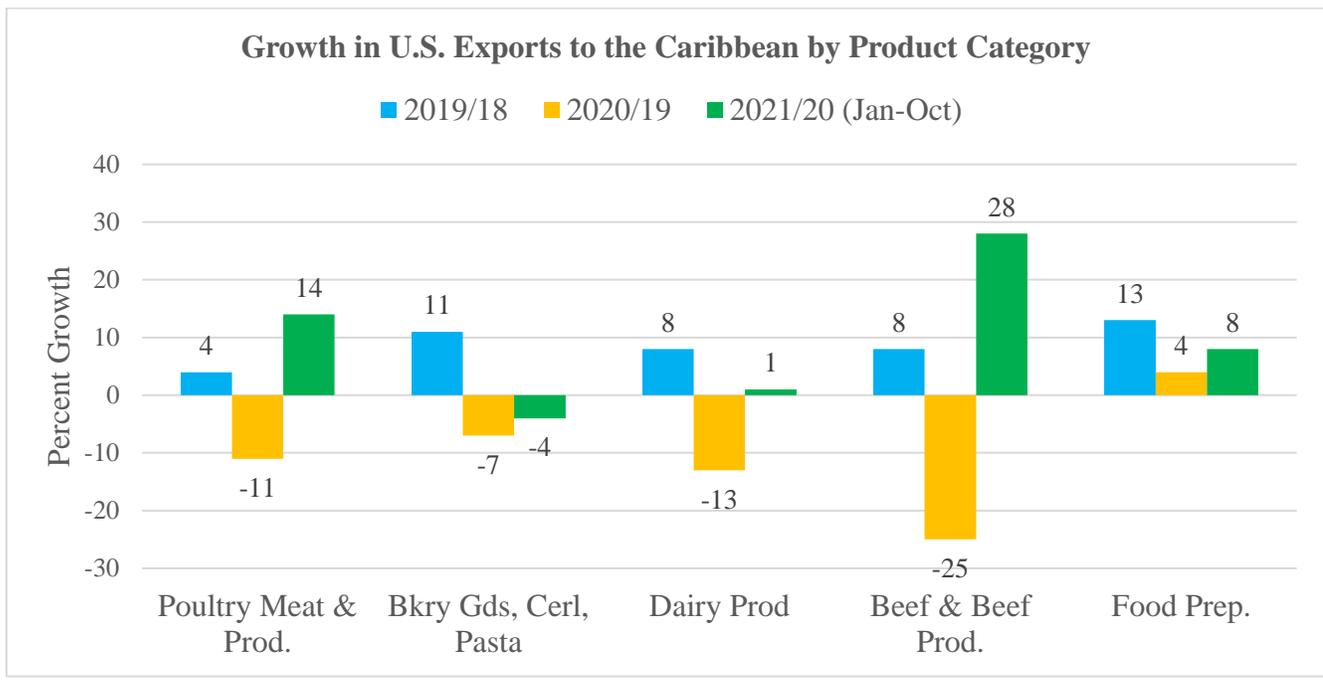
The United States has a 50 percent overall share of the Caribbean market for agricultural products. Data indicate that U.S. share is highest in markets such as Turks and Caicos Islands and Cayman Islands where the U.S. accounts for 80 percent or more of all agricultural imports. However, in the French overseas departments of Guadeloupe and Martinique where most products are imported from mainland France, U.S. foods are few and far in between, and thus 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 80 percent. The remainder is made up of intermediate or semi-processed products (13 percent) and bulk commodities (7 percent).

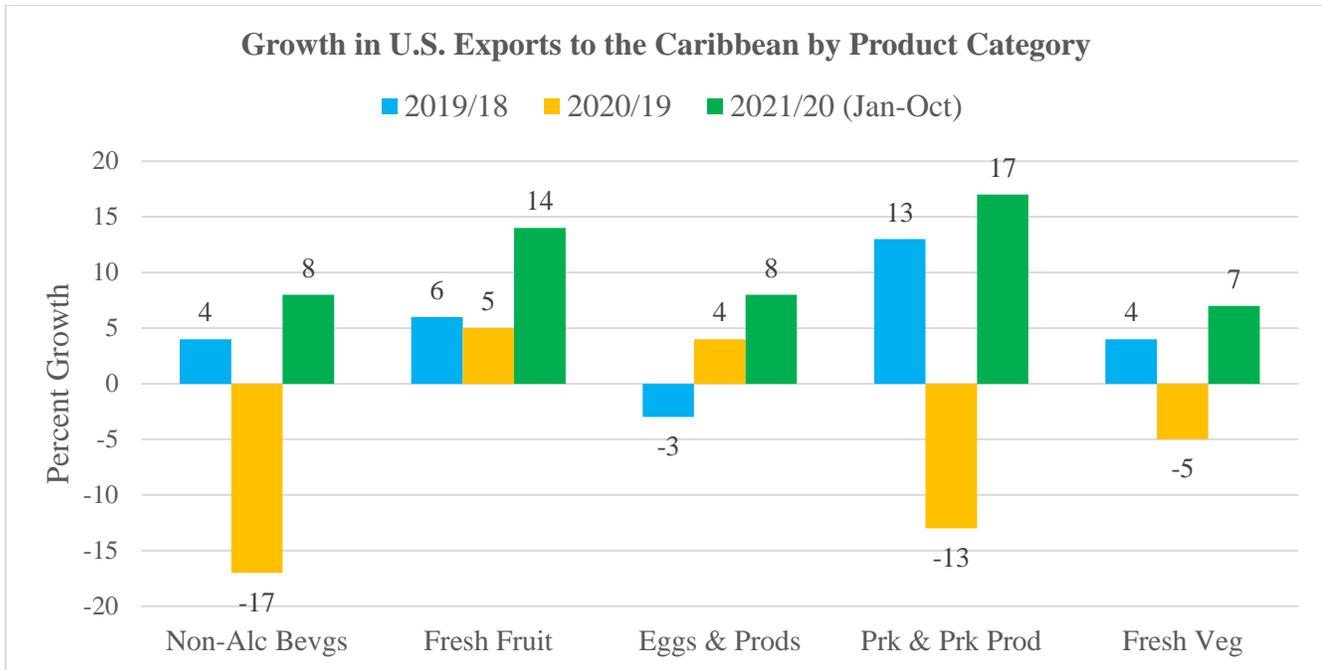
U.S. Exports of Agricultural Products to the Caribbean, 2016-2020					
	2016	2017	2018	2019	2020
Product Category	Value (US\$)				
Bulk Total	120,493	125,802	141,485	124,415	139,697
Intermediate Total	164,191	157,208	174,142	160,080	153,259
Consumer Oriented Total	1,086,055	1,106,942	1,113,712	1,177,457	1,018,765
Poultry Meat & Prods. (ex. eggs)	136,828	150,965	139,556	145,403	129,610
Bakery Goods, Cereals, & Pasta	104,417	103,914	106,889	119,171	110,541
Dairy Products	102,821	109,160	109,236	118,156	103,073
Beef & Beef Products	95,677	89,193	89,262	96,380	72,065
Food Preparations	77,406	58,725	60,067	67,767	70,674
Non-Alcoholic Bev. (ex. juices)	82,516	78,482	76,931	79,928	66,463
Fresh Fruit	47,124	50,294	49,389	52,414	55,120
Eggs & Products	37,661	39,578	44,361	43,217	44,857
Pork & Pork Products	44,993	46,285	45,532	51,295	44,612
Fresh Vegetables	32,370	36,628	43,027	44,604	42,563
Condiments & Sauces	33,888	33,736	37,017	38,831	36,096
Dog & Cat Food	30,758	28,467	30,671	33,756	32,563
Processed Vegetables	40,587	38,873	36,116	32,862	31,890
Fruit & Vegetable Juices	43,519	36,707	35,433	36,852	29,031
Wine & Related Products	37,263	38,080	36,527	37,888	22,989
Distilled Spirits	21,670	24,896	24,576	31,013	21,304
Other Consumer Oriented	17,944	19,133	21,835	21,935	19,139
Chocolate & Cocoa Products	19,237	18,447	17,862	19,278	15,033
Beer	19,117	19,080	17,603	18,491	13,287
Meat Products NESOI	12,400	34,462	32,693	24,389	13,138
Tree Nuts	12,579	11,947	13,317	14,904	12,947
Nursery Products & Cut Flowers	13,629	17,877	21,949	21,397	11,967
Processed Fruit	9,884	9,513	10,116	12,949	10,593
Confectionery	11,766	12,500	13,749	14,576	9,210
TOTAL Agricultural Products	1,370,739	1,389,951	1,429,339	1,461,951	1,311,721

Source: US Census Bureau Trade Data.

While there are signs of a modest economic recovery in 2021 (some islands making important strides in the fight against COVID-19, overall economic activity inching forward, tourism slowly improving, and commodity exporters 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 chart illustrates some of the product categories with the most growth potential for U.S. exporters.



Source: U.S. Census Bureau Trade Data.



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