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Report Highlights:

The Caribbean retail grocery sector continued on the upswing in 2021. The region increased its imports of consumer-oriented agricultural products by 14 percent in 2021, reaching an estimated $2.45 billion. The outlook calls for moderate growth as the region continues on the path to recovery from the COVID-19 pandemic and markets such as Guyana and Turks and Caicos Islands emerge as larger players in the regional context.

Market Factsheet: Caribbean

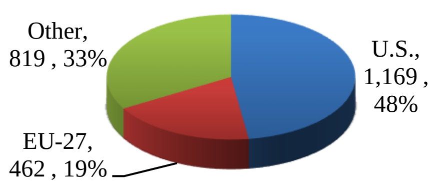
Executive Summary

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 $2.45 billion in 2021, with the United States capturing 47.7 percent of the market.

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. This sector includes traditional grocery stores to more modern, upscale supermarkets. Total grocery retail sales (excl. sales tax) 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. Unfortunately, the COVID-19 pandemic brought tourism to a standstill in 2020, greatly impacting the region's hotels and restaurants. The sector is recovering but tourist numbers have not yet returned to pre-pandemic levels.

Quick Facts CY 2021

Imports of Consumer-Oriented Prod.: $2.45 bill.

Top 10 Growth Products

1. Dairy Products	6. Beef & Beef Prod.
2. Poultry & Prod.	7. Non-Alc. Bev.
3. Processed Vegetables	8. Pork & Pork Prod.
4. Soups & Other Prep.	9. Fresh Vegetables
5. Bkry Prod, Cereals, Pasta	10. Fresh Fruit

Food Industry by Channels (USD billion) 2021

Imports of Consumer-Oriented Products*	$2.45
Grocery Retail Annual Sales	$9.7
Consumer Food Service Annual Sales	$1.7

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

GDP/Population

Population: 4.9 million (July 2022 estimate)
GDP: $557 mill (Dominica, 2017 est.) - $24 bill (Trinidad and Tobago, 2019 est.)
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.

Strengths	***Weaknesses***
Proximity; well-established relationships between U.S. suppliers and Caribbean buyers.	Meat and poultry may be restricted in certain markets due to island-specific regulations.
Opportunities	***Threats***
U.S. tourists account for roughly 50 percent of all tourists visiting the region, bolstering demand for U.S. foods.	Prolonged impact of the COVID-19 pandemic.

I. Market Summary

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

Given its fragmented nature and with only 4.6 million inhabitants (2020 estimate), the Caribbean might seem like a small market for U.S. suppliers of retail food and beverage products. However, with very limited agricultural production and food processing, the region relies heavily upon imported foods to meet demand. Demand is normally spurred further by over 20 million stopover visitors and cruise ship passengers that visit the region annually, the current COVID-19 pandemic notwithstanding. In 2021, the Caribbean imported $2.45 billion in consumer-oriented products, of which the United States supplied $1.2 billion (47.7 percent).

Approximately 70 percent of imports of consumer-oriented products are channeled through the retail sector. The retail grocery market in the Caribbean is as heterogeneous as the 24 markets that make up the region. From traditional 'mom and pop' grocery stores to state-of-the-art supermarkets and hypermarkets that mirror the most sophisticated grocery outlets in the United States and Europe, the Caribbean offers a plethora of retail grocery options. When the world-wide COVID-19 lockdown of March 2020 occurred, the Caribbean retail grocery sector experienced an unexpected windfall in demand, driven at first by panic buying and later by the need to cook meals at home. According to Euromonitor, Caribbean retail grocery sales increased by 6.25 percent in 2020 when compared to 2019.

The abrupt increase in demand resulting from the pandemic was accompanied by a number of shifts in consumer trends. With health being front and center in current Caribbean conversations, the initial run on basic staples soon turned to more healthy food options. Nutritious foods, fresh produce, natural, and less processed foods all became more sought after. Given the austerity of the times, demand for value products ballooned as well. Many retailers also found themselves developing or expanding online ordering and home delivery systems in order to cope with a surge in demand for these services.

The extent to which these trends will take root and become more permanent once the pandemic subsides remains to be seen. As most Caribbean countries wait for a return to normal activity, especially in the tourism sector, one country seems poised for robust growth. Following a recent discovery of oil off its shores, Guyana is expected to undergo considerable economic expansion in the years to come. Opportunities in Guyana's retail sector are expected to expand accordingly.

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.

In fact, U.S. exports of consumer-oriented products to Guyana expanded by 31 percent in 2021, reaching $56 million. The Turks and Caicos Islands market has also expanded considerably in recent years, becoming a top 10 Caribbean market for U.S. suppliers of consumer-oriented products in 2021.

Advantages	Challenges
● With little arable land and food production, the islands of the Caribbean must import most of their food needs.	● Caribbean economic well-being is highly dependent on tourism. Most small island economies are very susceptible to any factors that may disrupt tourism (i.e., the world economy, terrorism, more active hurricane seasons, etc.).
● U.S. exporters, particularly south Florida consolidators, service the market well and are in many ways better positioned to supply the Caribbean than competitors.	● COVID-19 has altered consumer behavior overnight forcing quick changes at the retail level: focus on value products rather than premium brands, the boom in home cooking, increasing demand for on-line shopping and home delivery, consumers demanding healthier food options, etc.
● The United States has a dominant market share in the vast majority of Caribbean islands (estimated at 47.7 percent overall).	● A key constraint in the French West Indies is breaking traditional ties with Europe. These islands source almost all their food from the EU, making introducing U.S. products more challenging.
● The regulatory environment at present is open to U.S. products.	● Some products, particularly meat and poultry, may be restricted in certain markets due to EU or island-specific regulations.
● Value brands and products offering healthier alternatives are finding greater acceptance among Caribbean consumers.	● Rising price levels around the world in 2022 are beginning to reign in demand, making new product introductions more challenging, particularly for premium products,

II. Road Map for Market Entry

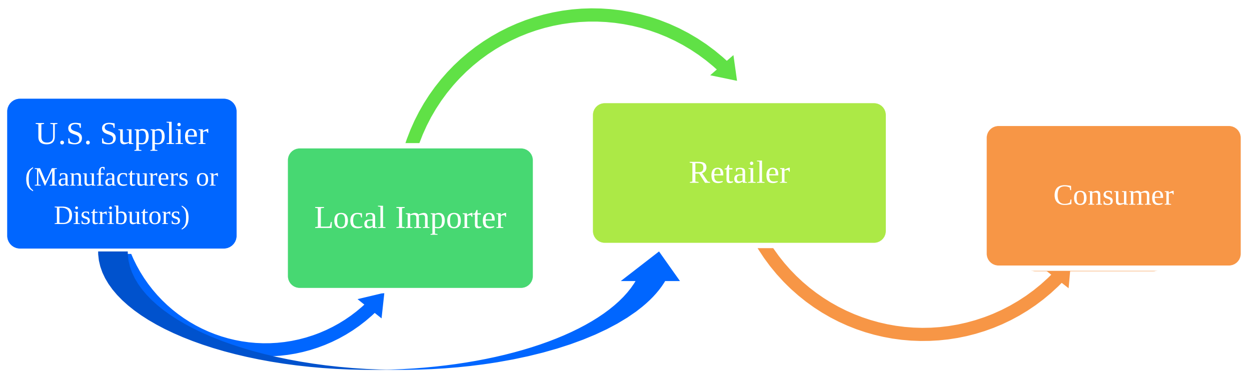
A. Entry Strategy

Many of the larger retailers in the Caribbean prefer to buy products directly from manufacturers when possible. However, the most common method for U.S. suppliers to enter the Caribbean retail food market is through local importers/distributors. Generally speaking, local importers/distributors have broad access to food and beverage supply channels, possess adequate warehouse facilities, carry a large inventory of products, and service many accounts.

Meeting Caribbean retailers and importer/distributors can be accomplished in several ways. While in-person visits to the different countries is perhaps the most effective method of establishing contacts, understanding the needs and limitations of potential customers, and learning the nuances of each individual market, this can be very time consuming and expensive given the fragmented nature of the region. An excellent alternative is meeting buyers at U.S. trade shows, such as the Summer Fancy Food Show in New York, Natural Products Expo East, and the Americas Food and Beverage Show in Miami, where Caribbean buyers often flock to seek out new products. These events present invaluable opportunities for U.S. suppliers to meet one-on-one with Caribbean buyers.

Contact the CBATO for more information on Caribbean buying missions to these events or lists of Caribbean retail buyers. Contact information is provided in Section V.

B. Market Structure

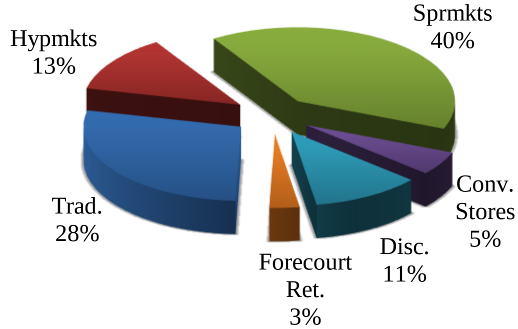


Most commercially imported products flow to the Caribbean according to the chart above. South Florida, which has an abundance of food exporters, brokers, and consolidators, is the main gateway for U.S. consumer-oriented exports to the Caribbean. Several shipping lines service the region from South Florida's three seaports (Port of Miami, Port Everglades, and Port of Palm Beach). The major exception to the rule is Bermuda which, because of its more northern location, sources most of its food imports from the northeastern region of United States, namely from the New York/Newark area and Philadelphia. Caribbean consumers, particularly those in islands in close proximity to the United States, will often travel to South Florida to purchase food and beverage products (and household goods) at the retail level, and then have them shipped to their respective country. This is especially true in The Bahamas, but consumers will travel to South Florida from as far away as Trinidad and Tobago to purchase U.S. goods and ship them back for their own consumption as well as resale.

According to Euromonitor, the Caribbean retail food sector is comprised of over 16,000 outlets of which traditional groceries make up over 85 percent. Large and modern supermarkets and hypermarkets, despite accounting for only four percent of total retail outlets, make up over 50 percent of grocery retail sales compared to 28 percent from traditional grocery retailers/outlets. Discounters, convenience stores and forecourt retailers make up the remainder of retail sales. After just 0.3 percent growth in 2019, total Caribbean retail grocery sales ballooned by over 6 percent in 2020, reaching nearly $9.5 billion. The increase, fueled by the COVID-19-related surge in consumer demand, continued its upward momentum in 2021, albeit at a more moderate rate of 2.8 percent.

Caribbean[1]: Breakdown of Grocery Outlets by Type, 2021		
Outlet Type	**No. of Units**	**Value RSP ($ Mill)**
Traditional Grocers	14,433	2,727.8
Hypermarkets	36	1,215.3
Supermarkets	589	3,898.1
Conv. Stores	578	508.6
Discounters	210	1,092.5
Forecourt Retailers	681	303.6
TOTAL	16,527	9,745.9

Caribbean[1]: Percentage of Retail Sales by Outlet Type, 2021



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

Source: Euromonitor.

C. Company Profiles and Top Host Country Retailers

Most retail grocery stores/outlets in the Caribbean are made up of one or two small outlets operating in a single country. There are also a handful of grocery outlets with multiple stores that dominate one particular market. Such is the case with Foster's in the Cayman Islands, Graceway Supermarkets in Turks and Caicos Islands, and Rite Way Supermarkets in the British Virgin Islands. There is also a significant number of large retailers with multiple stores spread across several islands. The largest of these is Massy Stores, a regional retailer with over 40 stores in five countries (Trinidad and Tobago, Barbados, St. Lucia, St. Vincent and the Grenadines, and Guyana). Its sister company, Massy Distribution, a large import-distribution business, operates in several countries in the region and has an export business located in Miami. International retailers such PriceSmart, Cost-U-Less, and Van den Tweel Supermarkets also operate modern supermarkets and warehouse club stores in several islands. In the French islands of Guadeloupe and Martinique, French retailers Carrefour, EcoMax, and Leader Price have a dominating presence in the market. Carrefour is also the largest retailer in Sint Maarten and has a store in Curacao as well. The following table shows some of the most prominent retailers in the Caribbean.

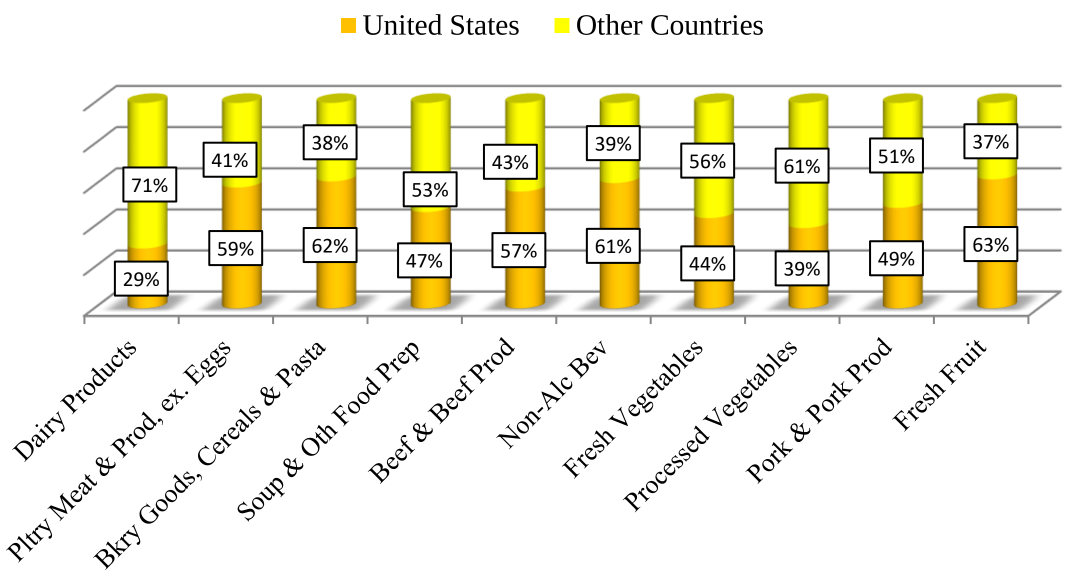
Company	Country	No. of Outlets	Website or Facebook Page
Market Place	Bermuda	8	https://www.marketplace.bm
Lindo's Family Foods	Bermuda	2	http://www.lindos.bm
Arnold's Markets	Bermuda	3	https://www.facebook.com/arnoldsmarketsbermuda/ https://www.facebook.com/arnoldsdiscountwarehouse/
Supermart	Bermuda	2	https://www.supermart.bm
Solomon's Fresh Market	The Bahamas	2	https://solomonsfreshmarkets.com/
Super Value	The Bahamas	13	https://supervaluequalitymarkets.com/
Foster's	Cayman Islands	8	https://fosters.ky/
Hurley's	Cayman Islands	1	https://hurleys.ky/
Graceway Supermarkets	Turks & Caicos	6	http://www.gracewaysupermarkets.com/iga
Massy Stores	TT, Barbados, St. Lucia, St. Vincent, Guyana	40+	https://www.massystores.com/
EcoMax	Guadeloupe, Martinique	36	https://www.facebook.com/EcomaxGuadeloupe/
Leader Price	Guadeloupe, Martinique	22	https://www.leaderprice-martinique.com/
Carrefour	Guadeloupe, Martinique, Sint Maarten, Curacao	12	http://carrefour-guadeloupe.com/baissedesprix/, https://www.carrefour-martinique.com/, http://www.cmsxm.net/, https://www.crfrcuracao.com/
PriceSmart	Barbados, TT, Aruba	6	https://www.pricesmart.com/site/tt/en
Cost-U-Less	Cayman I., St. Maarten, Barbados, Curacao	4	https://www.costuless.com/
Epicurean Fine Foods	Antigua & Barbuda	2	http://www.epicureanantigua.com/
Super Food	Aruba	1	https://www.superfoodaruba.com/
Ling & Sons	Aruba	1	https://www.lingandsons.com/
Rite Way Food Market	British Virgin Islands	8	https://www.rtwbvi.com/
CK Greaves Supermarket	St. Vincent	4	http://ckgreaves.com/
Persad's D Food King	TT	5	https://www.facebook.com/dfoodking/about/
Xtra Foods	TT	4	https://www.facebook.com/XtraFoodsArima/
JTA Supermarkets	TT	5	https://jtasupermarkets.com/home/
Tru Valu Supermarkets	TT	5	https://www.facebook.com/TruvaluTT/

III. Competition

The United States has a 47.7 percent share of the Caribbean's market for imported consumer-oriented food and beverage products. In 2021, U.S. exports of consumer-oriented products to the region totaled $1.2 billion. The next closest competitor is the EU with $462.8 million in exports (18.9 percent), followed by Brazil with $135.0 million (5.5 percent), the United Kingdom with $105.3 million (4.3 percent), and New Zealand with $99.8 million (4.1 percent).

In 2021 the top five import categories were dairy products, poultry meat and products (excluding eggs), processed vegetables, soups and other food preparations, and bakery goods/cereals/pasta. These five categories represented 47 percent of total consumer-oriented product imports. U.S. market share in the top 10 categories of imported consumer-oriented products is shown in the following chart.

U.S. Market Share by Product Category, 2021



Source: Trade Data Monitor.

IV. Best Product Prospects

A. Products Present in the Market that have Good Sales Potential

Given the Caribbean's limited domestic food production, the region relies heavily upon imports of all types of food and beverage products. However, continuing economic challenges and more recently the sudden spike in price levels throughout most economies is beginning to take its toll on retail grocery demand in the region. The shift toward more value products and private labels continues to take place. Niche products, especially in the healthy foods category, are also showing good potential.

B. Top Consumer-Oriented Products Imported from the World, 2019-2021 (USD 000's)

	2019	2020	2021
Dairy Products	334,830	315,774	346,676
Poultry Meat & Prods. (ex. eggs)	204,114	183,443	225,846
Processed Vegetables	208,494	190,928	208,825
Soup & Other Food Preparations	175,757	168,545	189,284
Bakery Goods, Cereals & Pasta	180,478	175,536	174,296
Beef & Beef Products	149,923	135,751	168,601
Non-Alcoholic Bev. (ex. juices, coffee, tea)	112,619	100,132	115,069
Pork & Pork Products	91,399	88,490	110,392
Fresh Vegetables	106,804	96,330	106,932
Fresh Fruit	86,342	91,743	102,582

Source: Trade Data Monitor.

C. Top Consumer-Oriented Products Imported from the United States, 2019-2021 (USD 000's)

	2019	2020	2021
Poultry Meat & Prods. (ex. eggs)	145,403	129,610	151,087
Dairy Products	118,156	103,073	108,129
Bakery Goods, Cereals, & Pasta	119,171	110,541	107,817
Beef & Beef Products	96,380	72,065	96,186
Food Preparations	67,767	70,674	75,603
Non-Alcoholic Bev. (ex. juices)	79,928	66,463	73,447
Fresh Fruit	52,414	55,120	64,644
Pork & Pork Products	51,295	44,612	54,261
Eggs & Products	43,217	44,857	49,928
Fresh Vegetables	44,604	42,563	47,252

Source: US Census Bureau Trade Data.

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

As a whole, U.S. products have an important presence in practically all Caribbean markets. The only exceptions to this are the French overseas departments of Guadeloupe and Martinique. These islands have traditionally sourced the vast majority of their imports from the EU, particularly from France. Consequently, U.S. market share in these islands is in the single digits. Breaking these traditional commercial ties in favor of U.S. products is quite challenging but does offer significant potential.

E. Products Not Present Because They Face Significant Barriers

The number of restricted products is minimal. The Importation of Milk (Prohibition) Act 1997 prohibits the importation of any of the following dairy products into Bermuda: raw milk, pasteurized milk, ultra-pasteurized milk, ultra heat-treated milk, and manufactured milk. A few Caribbean countries may also prohibit the importation of select produce items for plant quarantine purposes. These include: fresh, unfrozen citrus originating in Florida; fresh, unfrozen papaya; fresh, unfrozen sweet potato/North American yam; fresh, unfrozen corn on the cob; carrots; and fresh, unfrozen mangoes (unless they are certified to have been hot water treated at a USDA approved facility).

V. Key Contacts and Further Information

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

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Attachments:

No Attachments