



An online review of Foreign Agricultural Service initiatives and services

## Market and Trade Data

### Look East to the Caribbean's Food Ingredient Markets

*By Kay Logan*

Food processing is an important manufacturing sector for the eastern Caribbean region. With little arable land, the islands must import about 80 percent of the ingredients they need for food processing industries.

In 2005, the United States supplied about 37 percent of these ingredients, exporting \$129 million worth of bulk, intermediate, and seafood products to the islands. U.S. suppliers also claim the largest market share in the region for imported meats, dairy, fresh vegetables and fruits, nuts, cereals, oilseeds, fruits, grain, animal and vegetable fats, and soybean, cottonseed, and corn oils.

#### Trinidad, Barbados Lead Growth

The islands of Trinidad and Barbados claim the most medium- to large-scale processors of meats, fish, fruits, vegetables, pasta, bakery, confectionery, and dairy products. They also process and package convenience foods, edible oils, and fats.

Several factors drive the growth of food processing in Trinidad and Barbados — relatively high standards of living and education,

increased exposure to other regions, more women in the workforce, the pursuit of a healthier society, and an increase in foreign direct investment.

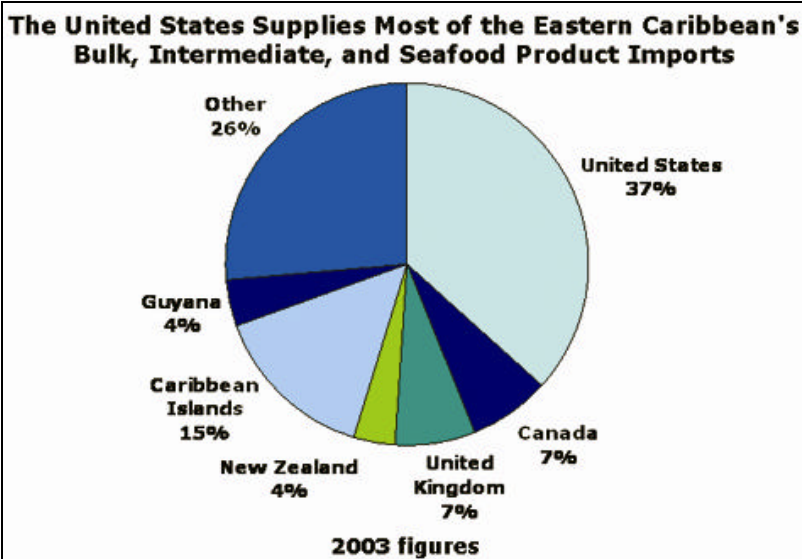
Food processing is the largest non-energy manufacturing sector in the two-island republic of Trinidad and Tobago, contributing over 50 percent of total manufactured output. About 9,000 people are employed by 424 firms, accounting for approximately 3 percent of the total GDP (gross domestic product) of \$13.7 billion. The islands also have 16 fish processing plants.

Barbados has 192 food processing firms, the largest employing manufacturing sector in the island. In 2005, food processing accounted for roughly 3 percent of the total island GDP of \$3.1 billion. The firms also account for 35.7 percent of the export earnings of Barbados.

Barbados, Grenada, Guadeloupe, Martinique, St. Vincent, and Trinidad also have wheat, rice, and feed mills.

#### The Personal Touch Matters

Food processors buy about 50 percent of raw materials and food ingredients directly, 30 percent from large importers, 20 percent from local suppliers, and 10 percent from large wholesalers or distributors. Personal visits and product samples are very important to customers on the islands. U.S. suppliers can also meet representatives of island food industry firms at trade shows such as the IDDBA (International Dairy-Deli-Bake Association) Show and the Interbev (International Beverage Association) Show.



### Competition Getting Stiffer

The United States is the leading supplier of raw materials and ingredients to the food processing sector of the Eastern Caribbean. Food processors within the Eastern Caribbean region regard U.S. products highly with respect to quality and consistency. However, due to the highly price-sensitive market, there has been an increase in competition from other foreign suppliers. This table ranks the top three suppliers for product categories in 2003.

Product Category	Import Value	Top Suppliers by Rank	Import Market Share
<b>Meats</b>	\$71.3 million	1. United States 2. Canada 3. New Zealand	43% 16% 15%
<b>Fish and seafood</b>	\$25.4 million	1. Canada 2. United States 3. Caribbean Islands	26% 17% 15%
<b>Dairy</b>	\$87.9 million	1. United States 2. New Zealand 3. Ireland	19% 18% 14%
<b>Fresh vegetables</b>	\$41.8 million	1. United States 2. Netherlands 3. Canada	36% 25% 21%
<b>Fresh fruits and tree nuts</b>	\$23.9 million	1. United States 2. Caribbean Islands 3. India	57% 17% 8%
<b>Coffee, tea, and spices</b>	\$8 million	1. Chile 2. United States 3. Caribbean Islands	29% 18% 9%
<b>Cereals</b>	\$59.3 million	1. United States 2. Guyana 3. Caribbean Islands	84% 11% 2%
<b>Milling products, malt, starches, and wheat gluten</b>	\$28.4 million	1. Caribbean Islands 2. United Kingdom 3. United States	33% 20% 17%
<b>Oilseeds, fruits, grains, and seeds</b>	\$40 million	1. United States 2. China 3. Argentina	85% 5% 4%
<b>Fats and oils</b>	\$35 million	1. United States 2. Caribbean Islands 3. Argentina	40% 24% 10%
<b>Sugar and confectionery</b>	\$46.3 million	1. Guyana 2. United Kingdom 3. United States	42% 16% 15%

### Best Prospects

There has been a growing trend in the islands for safe, healthy, and nutritious foods, as well as functional and convenient products with little or no preparation time.

Over the past few years, Caribbean food processors have extended their customer base to many countries in the Americas, and some have opened plants abroad.

These products offer the best prospects for growth:

- Beef, turkey, and pork
- Nuts
- Tomato paste
- Soybeans
- Wheat and rice
- Coarse grains
- Nutraceuticals
- Non-Caribbean produce
- Ethnic spices
- Dairy
- Sugar, sweeteners, and bases ■

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