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GAIN Report

Global Agricultural Information Network

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Caribbean Basin

Retail Foods

Trinidad and Tobago Retail Food Sector Report

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Report Highlights:

U.S. exports of consumer-oriented products to Trinidad and Tobago have experienced ten percent average annual growth over the past five years, reaching an all-time-high of \$237.7 million in 2015.

Although low energy prices have stifled growth in the country's gas and oil based economy of late, Trinidad and Tobago remains one of the largest and most dynamic markets in the Caribbean. The country's diverse retail sector, through which roughly 70 percent of all imported foods are channeled, continues to present market opportunities for U.S. exporters.

Post:

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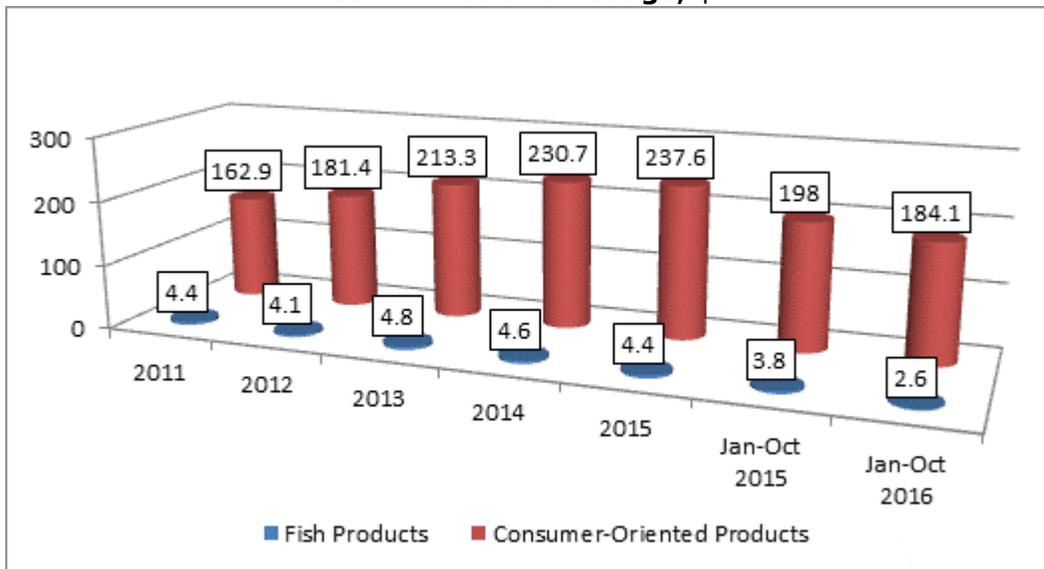
SECTION I. MARKET SUMMARY

The two-island republic of Trinidad and Tobago (TT) is the southernmost country in the Caribbean archipelago, approximately seven miles off the northeastern coast of Venezuela. TT has a total area of 5,128 square kilometers (1,980 square miles), slightly smaller than Delaware. TT's 1.2 million people share a common culture, but trace their ancestry back to Africa, India, Europe, China, the Middle East and the Mediterranean. The majority of TT's population lives on the island of Trinidad, a mixture of bustling urban centers, rural plains and mountainous tropical forests.

Contrasting with Trinidad's robust business sector, the island of Tobago is a small tourist destination known for its beautiful beaches and laid-back lifestyle.

Considered a high-income country (according to World Bank criteria), TT is one of the wealthiest and most developed countries in the Caribbean. After averaging slightly over eight percent annual economic growth from 2000 to 2007, economic activity has slowed considerably since then, possibly registering a contraction of 2.7 percent in 2016 according to IMF estimates. Low oil prices have taken a toll on TT's energy-based economy. Gas and oil account for approximately 40 percent of TT's GDP and 80 percent of export revenues. Financial services and manufacturing are also important contributors to the economy. Tourism, mainly concentrated on the island of Tobago, is a small yet growing sector which is being targeted for continued expansion. The expectation is for an improvement in economic performance in 2017, possibly reaching 2.3 percent growth in GDP.

U.S. Exports of Consumer-Oriented Products and Fish Products to Trinidad and Tobago, \$ Mill.



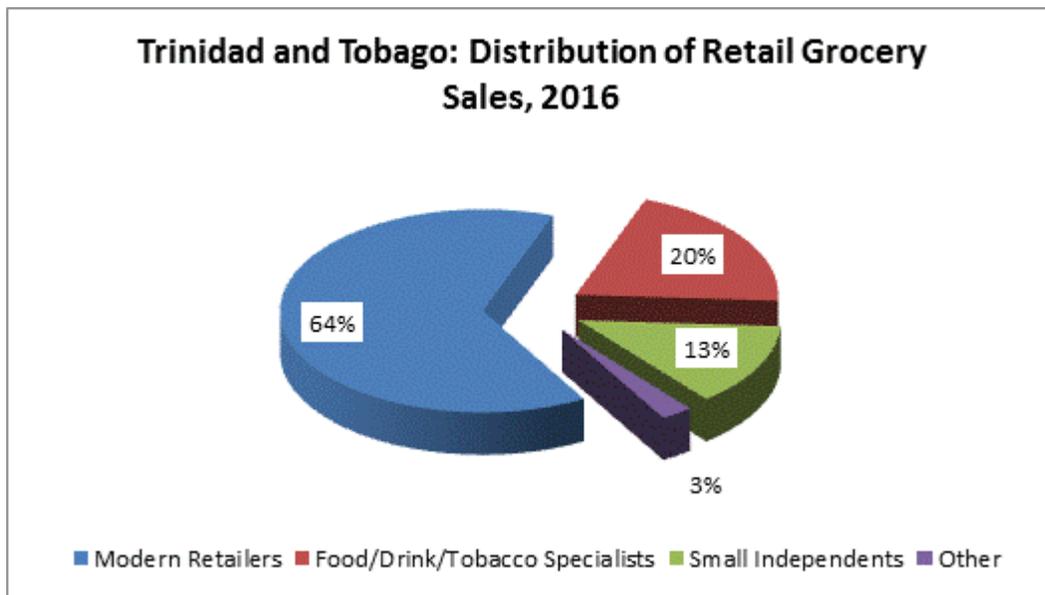
Source: U.S. Census Bureau trade data.

Agricultural activity remains small (less than one percent of GDP), yet the Government of TT is making efforts to revitalize the sector with the objective of boosting domestic food supplies. Given

its limited agricultural production, TT must import most of its food needs. In 2015, TT imported \$889 million in agricultural, fish and forest products, with nearly two-thirds of these imports being consumer-oriented and seafood products. The remaining one-third are primarily made up of bulk and intermediate products which are utilized by over 300 processors to produce a variety of food and drink products, including wheat flour, poultry, pork, beverages, snacks, sauces, and condiments.

Of the \$578 million in consumer-oriented and seafood products imported into TT (2015), an estimated 70 percent move through retail channels and 30 percent through the hotel, restaurant, and institutional food service sector. TT's retail food sector is heterogeneous and dynamic.

According to Euromonitor International, the sector is composed of approximately 73 modern grocery outlets (hypermarkets, supermarkets, discounters, gas marts and convenience stores), and over 2,400 mostly small, traditional retail operations.



Note: Based on Retail Value (Retail Sales Price), excluding Sales Tax.

Source: Derived from data from Euromonitor International.

Growth in retail grocery sales has been strong in recent years, reaching an estimated \$3.4 billion in 2015 according to Euromonitor International. However, the recent slowdown in the economy is expected to dampen growth in retail grocery sales. Following are some of the main trends taking place in the sector.

* Over the past several years many of the larger retailers have been refurbishing and expanding their existing stores. A few large hypermarkets have opened and many of the existing supermarkets now have modern facilities with wide aisles and checkout counters. In-house bakeries, delis and food service counters/buffets are quite common now.

* Some new players are also entering the retail grocery market. A large number of Chinese workers brought into TT during a recent construction boom have stayed in TT and opened many grocery outlets, particularly in the central and southern regions of TT.

* Over the past several years there has been a shift toward offering a broader range of imported products, particularly from the United States. However, tight economic conditions of late have prompted a preference for value brands and products.

* There is a trend towards low-fat and health foods, and to a lesser extent towards organic products. Many supermarkets are catering to health-oriented consumers by dedicating entire aisles to display healthy foods and drinks.

* More and more women are entering the workforce. According to Euromonitor International, the number of women in the workforce has grown by an average of 2.75 percent over the past five years, compared to 0.35 percent average annual growth for men. This growth is translating into greater demand for ready-to-eat meals and convenience foods.

* Modern pharmacies are beginning to carry food and beverage products as part of their product mix. Companies such as SuperPharm (nine stores), Kappa Drugs Ltd. (two stores), and Starlite Pharmacy (one store) are becoming significant outlets for many consumer-oriented foods.

Advantages	Challenges
With limited agricultural production, TT must import most of its food needs.	Despite its domestic agricultural limitations, TT possesses a relatively vibrant food processing sector. U.S. suppliers will encounter competition from local TT suppliers of wheat flour, poultry, pork, beverages, snacks, biscuits, sauces, and other processed products.
The United States is the number one supplier of imported consumer-oriented foods to TT, with a 44 percent share of the market.	Local importers/distributors already carry many major U.S. brands. It may be difficult for new products to compete with these brands and to find an importer who does not carry competing brands.
Exposure to U.S. media as well as language, cultural, and commercial ties with the United States all contribute to consumers having a positive attitude toward U.S. products.	The 2008 trade agreement between the Caribbean and the EU has set the stage for increased competition from Europe.
The regulatory environment at present is fairly open to U.S. products.	As a member of CARICOM, TT offers duty-free access to other CARICOM-member countries. This has a positive impact on the price-appeal of regional goods which may compete with U.S. products in select categories.
Proximity is a big plus. U.S. exporters, particularly south Florida consolidators, service the market very well and are in many ways better positioned to supply TT than competitors.	Although TT is one of the largest markets in the Caribbean, individual orders tend to be relatively small and favor mixed rather than full container loads.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Understanding how imported products flow into TT is key to penetrating the market. While imports may be channeled through various avenues, there are two specific ones by which most imported products make their way to TT retailers:

A. The first and most common way is through an importer/distributor. This is by far the preferred method, particularly by smaller retailers who do not possess sufficient warehouse space to handle

large volumes.

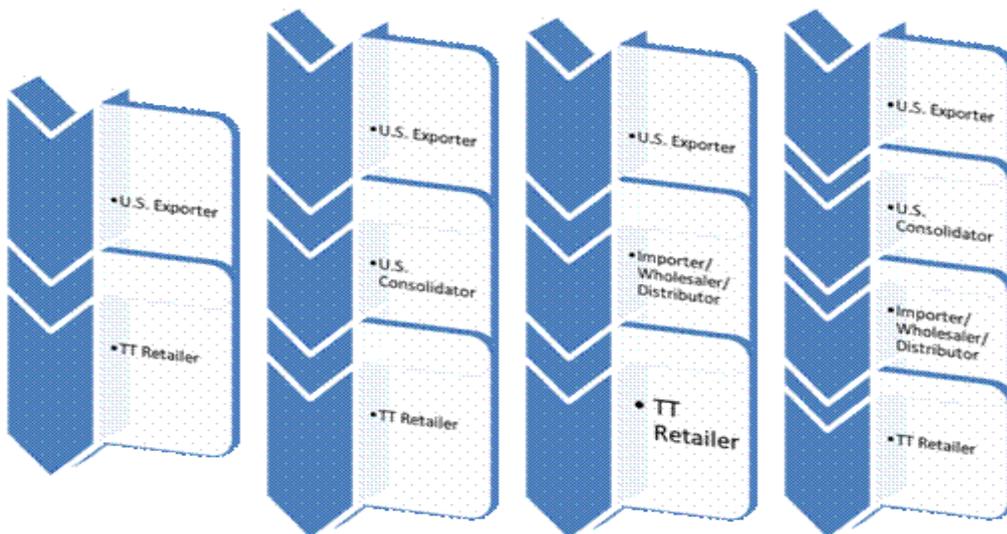
B. The second avenue entails direct purchases by TT retailers, particularly the larger ones. Many of the larger chains such as Massy Stores, the nation's largest supermarket chain, have sufficient warehouse space, handle enough volume, and have the necessary international contacts to directly source products. Price Smart, a U.S.-style warehouse-shopping club, is another example of a retailer which imports products directly. However, direct purchasing is not always limited to large retailers. A growing trend involves small retailers (even individuals in some cases) traveling to South Florida to seek out bargains from grocery wholesalers and then shipping products back to TT in mixed containers.

All retailers, whether they import directly or not, also purchase imported products through local importers/distributors. To successfully enter the TT retail food market, U.S. exporters should contact local importers/distributors and large retailers to gauge interest followed by sending product literature and samples. If feasible, traveling to TT to meet with potential customers and observe the market first-hand offers the best results. Alternatively, many local importers and retailers also travel to U.S. trade shows such as the Americas Food and Beverage Show in Miami, Florida. Good follow-up with prospective clients after trade shows is essential to develop successful business relationships.

The Supermarket Association of Trinidad and Tobago, with over 150 member supermarkets and importers/distributors, can also be an excellent resource for identifying and contacting many of the key players in the retail market. See contact information in Section V(C).

Product Flow of Imported Products

The following chart illustrates the different ways by which imported U.S. products reach TT retail food outlets.



Market Structure

Some of the main retailers are listed below.

A. Super stores, Supermarkets, Hyper Markets or Super Centers, Club and Warehouse Outlets

Company Profiles

Retailer Name & Outlet Type	Ownership	No. of Outlets	Location (City/Region)	Purchasing Agent Type
Massy Stores (Supermarket)	Local	20*	Island-wide (Trinidad)	Local Importer/Direct
Persad's D'Food King (Supermarket)	Local	7	Mostly in Southern Trinidad	Local Importer/Direct
Tru Valu (Supermarket)	Local	6	St. James, Diego Martin, Valsayn, Trincity (Trinidad)	Local Importer/Direct
J.T.A. Supermarkets	Local	5	San Fernando, Cross Crossing, Marabella, Couva (Trinidad)	Local Importer/Direct
PriceSmart (Club Warehouse)	Foreign: U.S.	4	Chaguanas, Port of Spain, Mausica, San Fernando (Trinidad)	Local Importer/Direct
NaiPaul's XTRA Foods (Supermarket)	Local	3	Chaguanas, Grand Bazaar, St. Augustine (Trinidad)	Mostly Local Importer
Penny Savers (Supermarket)	Local	3	Scarborough, Carnbee, Canaan (Tobago)	Mostly Local Importer

*Two stores operate under different names (Food Masters & LB's).

B. Convenience Stores, Gas Marts, Kiosks

Due to limited storage space, convenience stores and gas marts require frequent deliveries of small orders from local importers/distributors and local manufacturers/producers. The best way for a U.S. exporter to introduce a product to this market segment is by contacting local importers/distributors.

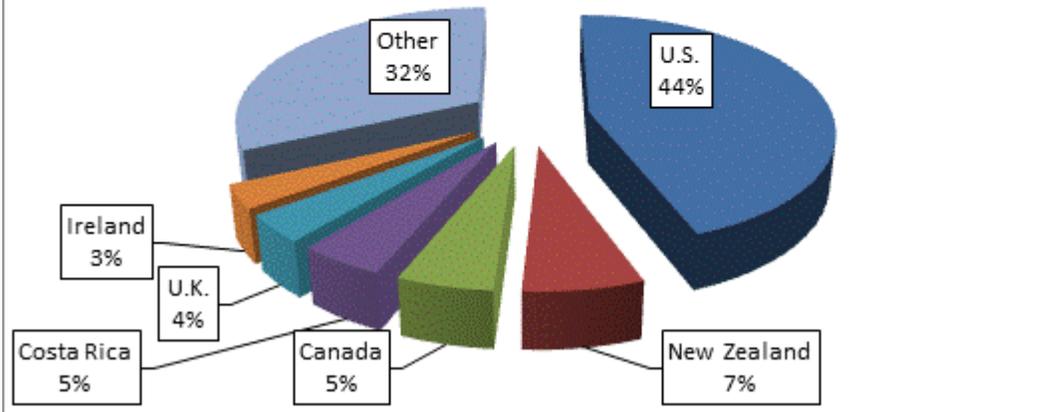
The Trinidad & Tobago National Petroleum Marketing Company (NP), with a network of over 200 service stations, is the country's sole marketer of petroleum fuels. NP's convenience stores are known as Quik Shoppes. Quik Shoppes located throughout the two islands have quick-service restaurants and carry a wide range of products including groceries, beverages, and snack items.

C. Traditional Markets – "Mom and Pop" small Independent grocery stores and wet markets
 "Mom and Pop" shops, independent grocery stores, and wet markets also source products through local importers/distributors. Because of the small nature of their operations, traditional market storeowners prefer to buy from local importers/distributors that can provide them with reasonable prices and regular delivery and service. Most small independent grocery stores operate stores out of homes or in small neighborhood outlets. These operations typically cater to the micro-community (people who live in and around a particular neighborhood or village) and customers receive personalized service and tend to be loyal.

The National Agricultural Marketing and Development Corporation (NAMDEVCO) also operators several farmers markets and wholesale markets throughout the country. NAMDEVCO is a government organization. See contact information in Section V(C).

SECTION III. COMPETITION

Trinidad and Tobago: Main Suppliers of Imported Consumer-Oriented Products, 2015



Source: Global Trade Atlas.

At 44 percent, the U.S. share of the TT market for imported consumer-oriented products dwarfs that of all other competitors. According to U.S. trade data, U.S. exports of consumer-oriented products posted a record high in 2015, reaching \$237.6 million. This number is likely to decline in 2016 as foreign exchange supplies are tight and more austere consumer spending prevails. U.S. suppliers are also more likely to experience pressure from competitors in these leaner times. New Zealand, the number two supplier of imported products, is competitive in dairy products and lamb. Canada, which ranks third among all suppliers, has a relatively strong presence in many branded products, seafood, potato products and pork. Europe also competes in the market, particularly with branded products and dairy. Costa Rica has also begun to make inroads in to the market, especially with produce.

Competition from foreign countries will likely heat up in coming years. The 2008 trade agreement between the Caribbean and the European Union (EU) has effectively begun reducing tariffs for a large number of EU agricultural goods over the next 25 years (see GAIN report C19001 - Caribbean Signs Trade Accord with EC, 1/22/2009).

U.S. suppliers also face competition from within TT and from neighboring Caribbean islands. As mentioned earlier, TT has a rather well developed food processing industry and there are a large number of consumer-oriented food and beverage products supplied locally. Barbadian and Jamaican products are particularly popular in TT. Local and regional suppliers are often more adept at catering to the unique "Trini" palate, which has influences from a variety of ethnic groups in the market.

The following table illustrates the respective country market shares in different product categories:

Product Category & Total Imports (2015)	Major Supply Sources (2015)	Strengths of Key Supply Countries	Advantages & Disadvantages of Local Suppliers

Snack Foods (\$27.9 million)	U.S.: 50.3% U.K.: 16.4% Brazil: 5.0%	<p>In most product categories the United States is either the leading supplier or one of the top three suppliers. Competitive pricing, quality products and proximity are some of the key advantages of U.S. suppliers. Exposure to U.S. media as well as language, cultural, and commercial ties with the United States all contribute to consumers having a positive attitude toward U.S. products.</p> <p>In some of the larger import categories (red meats and dairy) where the United States faces competition from New Zealand, Australia, Canada, Europe, and South America, competitive pricing is a key factor.</p>	<p>With strong cultural influences from Asia, Africa, Europe, and the Middle East, the “Trini” palate is quite unique. Local and regional suppliers are often more adept at catering to consumer tastes and adapting to preferences of the many ethnic groups.</p>
Breakfast Cereals & Pancake Mix (\$5.7 million)	U.S.: 71.4% Mexico: 15.0% U.K.: 10.1%		
Red Meats, FR/CH/FZ (\$60.9 million)	U.S.: 28.2% Uruguay: 19.6% Australia: 16.1%		
Red Meats, Prep/Pres (\$20.2 million)	U.S.: 43.1% Brazil: 28.0% Canada: 18.4%		
Poultry Meat (\$30.2 million)	U.S.: 90.4% Canada: 7.5% U.K.: 1.6%		
Dairy Products (\$89.7 million)	New Zealand: 32.0% Ireland: 14.3% U.S.: 21.3%		
Eggs & Products (\$18.9 million)	U.S.: 89.6% France: 6.9% Netherlands: 2.1%		
Fresh Fruit (\$10.6 million)	U.S.: 97.2% Canada: 1.7% New Zealand: 1.0%		
Fresh Vegetables (\$24.7 million)	Costa Rica: 22.9% U.S.: 22.2% Netherlands: 20.2%		
Processed Fruit & Veg. (\$49.2 million)	U.S.: 35.4% Canada: 13.2% Netherlands: 10.0%		
Fruit &	Belize: 47.8%		

Vegetable Juices (\$16.8 million)	U.S.: 24.0% Costa Rica: 6.0%		
Tree Nuts (\$10.6 million)	U.S.: 53.3% India: 42.4% Canada: 2.8%		
Wine & Beer (\$14.4 million)	U.S.: 43.6% France: 24.5% Italy: 8.2%		
Pet Foods (\$7.2 million)	U.S.: 98.7% Costa Rica: 1.2% Thailand: 0.1%		
Fish & Seafood (\$36.5 million)	China: 20.8% Canada: 16.6% U.S.: 12.1%		

Source: Trade data is from the Global Trade Atlas database. Because complete import data for TT are not available, the above numbers represent global exports to TT based on reporting countries export statistics.

SECTION IV. BEST PRODUCT PROSPECTS

Products Present in the Market Which Have Good Sales Potential

Market opportunities exist for virtually all consumer-oriented foods/beverages and seafood products in TT. Some of the most prominent growth categories are listed below. Export opportunities for these and practically all other product categories remain strong.

Product Category	Market Size	Imports (2015, millions of US\$)	5-Yr. Avg. Annual Import Growth (%)	Import Tariff Rate (%)	Key Constraints Over Market Development	Market Attractiveness for USA
Snacks	n/a	27.9	4	0-20	Some local and regional competition	TT possesses one of the strongest economies in the Caribbean. Per capita income and disposable income are relatively high. The United States has experienced record-setting growth in its
Eggs & Prods.	n/a	18.9	10	0-40		
Beef	n/a	30.9	5	0-20	n/a	
Condiments & Sauces	n/a	10.9	15	15-20	Some local and regional competition	
Tree Nuts	n/a	10.6	12	0-40	n/a	
Beer	n/a	5.0	83	TT\$6.76 – 8.45/liter	Some local and regional	

					competition	consumer-oriented and fish product exports to TT in recent years. TT consumers have a strong preference for U.S. products. The United States is the leading supplier in practically all major product categories.
Wine	n/a	9.0	17	6.5%, TT\$37.38 – 67.60/liter	n/a	
Fresh Fruit	n/a	10.6	10	40	Some local and regional competition	

Source: Trade data is from the Global Trade Atlas database. Because complete import data for TT are not available, the above numbers represent global exports to TT based on reporting countries export statistics. Import tariffs from TT Customs Act, which incorporates the Common External Tariff of the Caribbean Community (CARICOM). Exemptions and/or other taxes/surcharges may apply in TT. For definitive information on actual applied rates, it is recommended that U.S. exporters contact TT's Customs and Excise Division (see Section V for contact information).

Products Not Present in Significant Quantities but that Have Good Sales Potential

- Health food products (e.g. low-fat foods, granola bars, organic products)
- Herbal products (e.g. tea)
- Non-Caribbean & specialty produce (e.g. raspberries, strawberries, Brussels sprouts, asparagus, artichokes)
- Ethnic food products and ingredients, particularly Halal products and sauces/condiments for Indian cuisine.

Products Not Present Because They Face Significant Barriers

n/a

SECTION V. POST CONTACT AND FURTHER INFORMATION

A. FOR MORE INFORMATION PLEASE CONTACT:

Caribbean Basin Agricultural Trade Office (CBATO)
Foreign Agricultural Service
U.S. Department of Agriculture
909 SE 1st. Ave., Suite 720
Miami, FL 33131
Tel: (305) 536-5300
Fax: (305) 536-7577
E-mail: atocaribbeanbasin@fas.usda.gov
Website: www.cbato.fas.usda.gov

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B. OTHER U.S. GOVERNMENT SOURCES:

Foreign Agricultural Service (FAS), USDA

This site provides extensive information on FAS programs and services, trade statistics, market research, trade shows and events, and much more.

www.fas.usda.gov

U.S. Department of State

This site provides valuable information on travel & business in foreign countries, U.S. Embassies and Consulates around the world, and U.S. Bilateral Relations Fact Sheets.

<http://www.state.gov>

Central Intelligence Agency

The CIA's on-line World Factbook provides useful and up-to-date guides for practically every country in the world.

[World Factbook](#)

More information on marketing U.S. products and services is available in the Country Commercial Guide for TT.

[Country Commercial Guide](#)

C. NON-U.S. GOVERNMENT SOURCES:

National Agricultural Marketing and Development Corporation (NAMDEVCO)

S.S. Erin Road

Debe, Trinidad

Tel: 1 (868) 647-3218/3467/3866/7576/1340/7907/2368

Fax: 1 (868) 647-6087

Email: contact@namdevco.com

The Supermarket Association of Trinidad and Tobago

St. Augustine, Trinidad

Tel: 1 (868) 663-2622

Email: info@supermarketassociationtnt.com

For information on import duties contact:

Research & Policy Unit

Customs & Excise Division

Ministry of Finance

Nicholas Court, Abercromby Street

Port of Spain, Trinidad

Tel: 1 (868) 625-3311 to 19 ext. 260

Fax: 1 (868) 623-8557

E-mail: policyunit@customs.gov.tt

Web: [TT Customs Act & Tariff Schedule](#)

* The above website contains the TT Customs Act, which includes the TT Tariff Schedule. It is provided for the readers' convenience; USDA does NOT in any way endorse, guarantee the

accuracy of, or necessarily concur with the information contained in this website.

D. LINKS TO OTHER USEFUL REPORTS:

Food and Agricultural Import Regulations and Standards (FAIRS) - TT Country Narrative Report
[TT FAIRS Narrative Report](#)

Food and Agricultural Import Regulations and Standards (FAIRS) - TT Export Certificate Report
[TT FAIRS Certificate Report](#)

Export Guide-Caribbean Basin
[Exporter Guide](#)