



“ ”

USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 6/16/2003

GAIN Report Number: C13008

Caribbean Basin Retail Food Sector Report Grenada 2003

Approved by:

Margie Bauer

Caribbean Basin Agricultural Trade Office

Prepared by:

Angel F. González Trápaga

Agricultural Marketing Specialist

Report Highlights:

Grenada, often referred to as "The Spice Island of the Caribbean," is one of the smallest independent countries in the Western Hemisphere. Despite its size, the island imported \$14 million in food and beverage products from the United States in 2001. Market opportunities exist for a wide variety of U.S. products, including: beef, pork, poultry, dairy, produce, and alcoholic & non-alcoholic beverages. This report explains how to successfully enter Grenada's retail food market.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Miami [C11]
[C1]

Section I. Market Summary

Country Snapshot

The nation of Grenada consists of three islands: Grenada (133 sq. miles), Carriacou (120 sq. miles) and Petite Martinique (486 acres). It is located in the Eastern Caribbean between Trinidad and Tobago to the south and St. Vincent and the Grenadines to the north. It is just 100 miles north of Venezuela and 158 miles southwest of Barbados. The island is the southernmost of the Windward Islands and is bordered by 45 picturesque white sand beaches with turquoise waters and countless secluded coves. Grenada has a pleasant climate with a year-round average temperature of 80 degrees Fahrenheit.

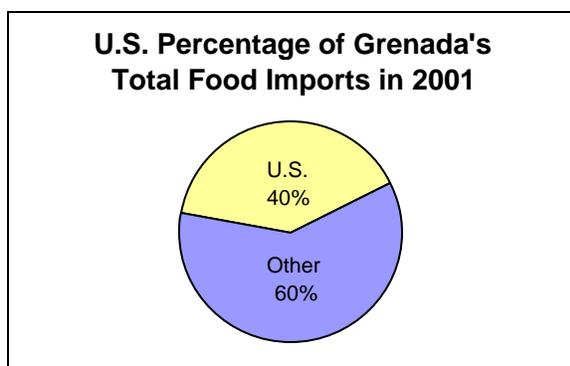
Total population in 2001 reached 102,000 with a Gross Domestic Product (GDP) per capita of \$4,750. About 95,000 people live in Grenada, 7,000 in Carriacou, and 900 in Petit Martinique. Eighty-five percent of the inhabitants are from African descent and the rest are a combination of East Indian and European descent (English, French, Portuguese, and Scottish). Grenada, with its French and British legacy, took full independence from Britain in 1974. Now it has a parliamentary democracy based on the British model. Everyone speaks English, the official language, and older generations also speak French patois. St. George's, located on the southwest coast of Grenada, is the capital, the main commercial center, and the seat of the government. Approximately 35,000 people live in St. George's.

Grenada is a developing Caribbean island nation with a steady annual economic growth since 1999. It shares a common currency with seven other members of the Organization of Eastern Caribbean States (OECS). The East Caribbean (EC) dollar is linked to the U.S. dollar at approximately \$2.72 to \$1 U.S. (rates may vary). Its economy, the fastest growing in the region, is based principally on tourism and agricultural production.

The tourism sector, backed by the commitment of the Government of Grenada, is the most promising sector for the future growth of the island's economy. Agricultural production is declining and faces many serious issues. For example, in the 1990's Grenadian farmers faced serious problems with quality issues in bananas and a mealy bug infestation that threatened the entire cocoa crop.

Market Overview

Most of Grenada's food imports are from the United States due to its proximity to the island and the quality, price, and diversity of U.S. high-value products. Grenadians are very receptive to U.S. food products as a result of a consistent flow of American tourists, education, business, and pleasure travel to the U.S., and its exposure to U.S. media through cable television. Many popular U.S. brands are already very well known and established in the marketplace. Grenada is a price-conscious market, so lower priced products have better acceptance by locals.



Data Source: U.N. Trade Statistics

In 2001, Grenada's total market for food imports was \$34 million. The U.S. accounted for the largest share of imports, with a 40 percent market share. Other trading partners include the United Kingdom, Canada, Brazil, and other Caribbean countries such as Trinidad & Tobago and Barbados. An estimated 60 to 70 percent of total food imports is destined for the retail sector. The remaining 30 to 40 percent is used by the food service sector.

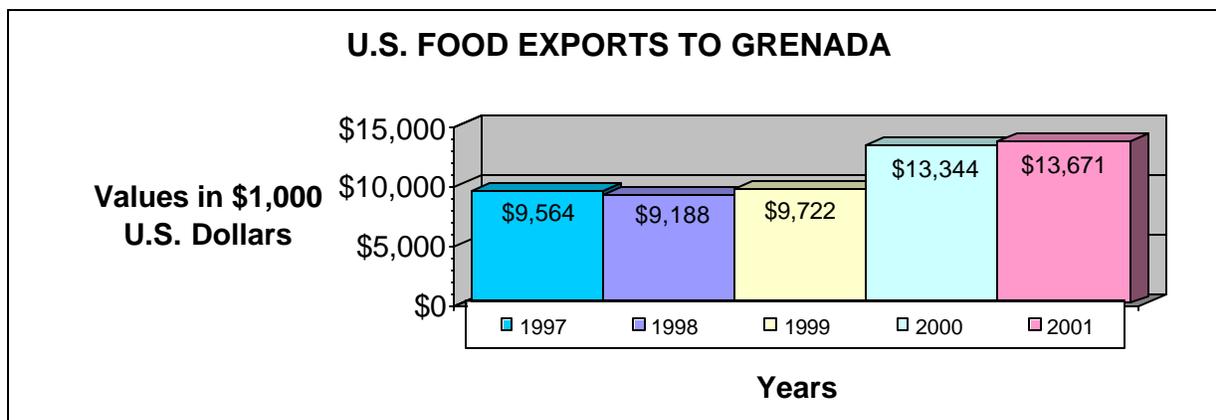
Grenada has about 8 large supermarkets, 2 gas marts, 1 club store, and a handful of convenience stores. In addition, an estimated 3,000 mom & pop shops are currently in business throughout the island. Several traditional markets, which are subsidized by the government, are located around the island for the purchase and sale of local produce.

Supermarkets and the island's only club store import most of their food products. They also buy approximately 20 to 30 percent of their food supplies from other importers or distributors. By contrast, gas marts, convenience stores, and mom & pop shops do not import directly. They obtain their food products from local wholesalers or distributors. Occasionally, when importers run out of their food supplies, mom & pop shops rely on supermarkets to get their staples.

The Grenadian government protects local agricultural production with import licenses. Protected food products include whole chicken, eggs, fresh produce, and high proof spirits. At the same time, all products except soft drinks, alcohol, cereal, produce, some dairy products, fresh & frozen seafood and condiments are government price controlled. Wholesale price control margins range from 5 to 15 percent and retail margins range from 10 to 29 percent. The Grenada Marketing & National Importing Board (GMNIB), a state trading enterprise, regulates the importation of certain commodities. Brown or white sugar, full cream powder milk, and rice - packed in 10 kg sizes or larger - have to be sold directly to the board. Then GMNIB distributes the products to importers and retailers.

Grenadian customs officials require the following documentation for the entry of imports: commercial invoice, bill of lading, packing list, certificate of origin, and certificate of value. Customs clearance usually takes 48 hours but for perishable products it could take less time. Tariffs for food products range from 5 to 80 percent. Imports, even when duty free, have a 5 percent tax surcharge.

Food exports from the United States to Grenada have been increasing since 1999. In 2001 total exports were \$14 million. This represents a 2.5 percent increase from the previous year. Importers anticipate the market will continue steady growth as a result of an improving economy and a new direct flight from London to Grenada scheduled to begin in the summer of 2003.



Data Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Market Trends

- Gas marts have been recently introduced in Grenada.
- Grenadian’s demand for convenience or value added goods is growing.
- Customers increasingly demand low fat and healthy foods.
- Organic foods are starting to make their presence in the islands as a result of demand by international students from the St George’s School of Medicine.
- Supermarkets are including deli and bakery sections.

Advantages	Challenges
Importers and retailers are very open to introduce new products.	Importers and retailers usually purchase food products in small volumes.
Most food imports are from the United States due to its proximity to the island and the high quality of U.S. products.	Importers are switching from U.S. poultry and pork because of lower prices and perceived comparable quality from Brazilian products.
Grenadian consumers have complete knowledge of the American culture and are very receptive to U.S. food products.	The Grenada Marketing & National Importing Board regulates the importation of bulk brown or white sugar, full cream powder milk and rice.
Grenada imports most of their food needs due to their small and seasonal local food production, and inconsistent quality of products.	Grenada has import licenses to protect local and regional manufacturers. Whole chickens, eggs, fresh produce, and high proof sprits are restricted.
Major importers are well-versed in doing business with American companies.	CARICOM trade agreement facilitates trade between Grenada and other member Caribbean nations.

Section II. Road Map for Market Entry

A. SUPERMARKETS

Entry Strategy

Grenada’s supermarkets import directly and also buy from other local importers. Most importers represent certain brands and distribute them to the different retail outlets, which explains why supermarkets do not import all their food product needs. The best ways for a U.S. supplier to introduce a new product are by, in order of importance:

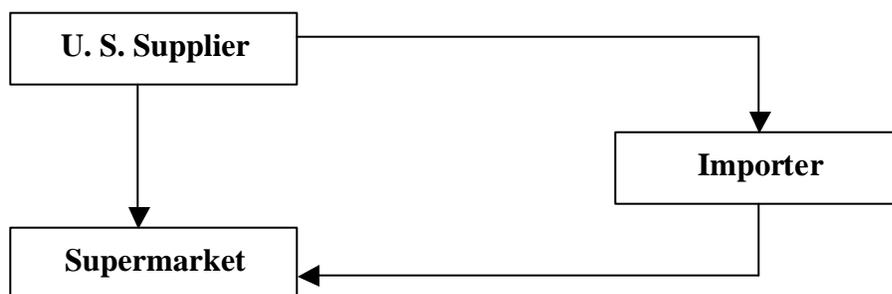
1. Providing product samples;
2. Providing product literature;
3. Meeting with importers at the Food Marketing Institute (FMI) and the Americas Food & Beverage trade shows; and,
4. Meeting with importers in their offices.

Market Structure

Supermarkets import an estimated 70 to 80 percent of their food supplies from non-CARICOM countries, primarily North America and Europe. As previously stated, the United States is the largest supplier. The remaining 20 to 30 percent of imports are brought from other Caribbean countries. Few local products are sold in supermarkets and they include rum, spices, poultry, fresh fish, and fresh produce.

Most importers receive weekly shipments of food products from their U.S. supplier. Importers typically wholesale, distribute, and may represent brand names.

Product Flow for Imported Products:



Company Profiles

Retail Name & Outlet Type	Ownership	No. of Outlets	Locations	Type of Purchasing Agent
Food Fair, (Supermarket/Wholesaler)	Local	2	The Carenage & Grand Anse, St. George's	Direct and Local Importer
Food Land, (Supermarket/Wholesaler)	Local	2	Lagoon Road & Market Square, St. George's	Direct and Local Importer
Real Value (Supermarket)	Local	1	Morne Rouge, St. George's	Direct and Local Importer
Bhola R. & Joseph O. (Supermarket)	Local	1	Victoria St. Grenville, St. Andrew	Direct and Local Importer
Walker R.E. & Co. Ltd. (Supermarket)	Local	1	Victoria St. Grenville, St. Andrew	Direct and Local Importer
Ade's Dream (Supermarket)	Local	1	Main St. Hillsborough, Carriacou	Direct and Local Importer

The two largest supermarkets in Grenada are Food Fair and Food Land, each with two retail stores. They also wholesale and distribute food products to other smaller retail outlets. Both Food Fair and Food Land offer a wide variety of products and recently included deli and bakery sections in their outlets. Real Value, the highest-end and most modern supermarket in Grenada, carries mostly U.S. brands. It also carries kosher, ethnic, and organic food products. Most of

Grenada's supermarkets are located in St. George's mainly because of the large population concentration and higher spending capital of those living in the main city. Although every social class shops at supermarkets, the typical customer is medium or upper class.

Bhola R. & Joseph O. and Walker R.E. & Co. Ltd. are located in Grenada's second largest region, St. Andrew. Both supermarkets serve the middle and lower income class customers. Residents of the island of Carriacou buy their food products in Ade's Dream Supermarket, the main retail store in the island.

B. CLUB STORES, CONVENIENCE STORES AND GAS MARTS

Entry Strategy

The best way for a U.S. supplier to introduce a product into C.K.'s Super Value club store is by sending product samples or by exhibiting at the Americas Food and Beverage Show in Miami. C.K.'s regularly sends buyers to the show and has expressed their plans to participate in it in the future.

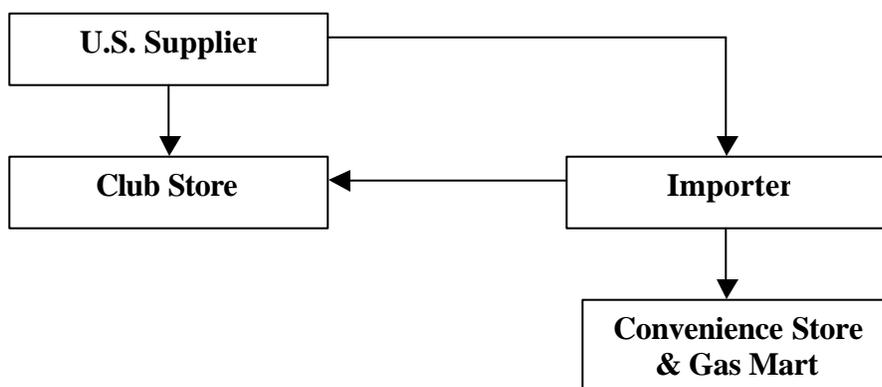
Convenience stores and gas marts do not import directly, therefore, the best way for a U.S. supplier to enter the market is through a local importer or distributor. U.S. suppliers could also send product samples to the managers of these stores. If the managers are interested, they will request the product from the local importer or distributor.

Market Structure

C.K.'s club store, located near St. George's, offers Grenadian customers the option of buying food products in bulk. Convenience stores are an option for locals who live relatively far from large supermarkets. The two gas marts, although located in St. George's, serve as an option for obtaining basic staples in a fast and convenient way.

An approximate 60 to 80 percent of C.K.'s food purchases are direct imports mostly from the United States. They also purchase some products from local distributors and very few from local manufacturers. Because of their small purchasing volumes, convenience stores and gas marts obtain their food products from local importers or distributors.

Product Flow for Imported Products:



Company Profiles

Retail Name & Outlet Type	Ownership	No. of Outlets	Locations	Type of Purchasing Agent
C.K.'s Super Value (Club Store)	Foreign (Barbados)	2	Grand Anse, St. George's	Direct and Local Importer
Essentials (Convenience Store)	Local	1	L'Ance Aux Epines, St. George's	Local Importer
D' Campus Corner (Convenience Store)	Local	1	True Blue Campus, St. George's	Local Importer
Convenience Corner (Convenience Store)	Local	1	Point Salines, St. George's	Local Importer
Shell (Gas Mart)	Local (Franchise)	1	Grand Mal Bay, St. George's	Local Importer
Texaco Star Mart (Gas Mart)	Local (Franchise)	1	Grand Anse, St. George's	Local Importer

C.K.'s Super Value is a bulk store that operates both a club store and a wholesale outlet. Poultry products and sodas are the two most commonly purchased items from C.K. Jams and liquors are the main locally manufactured products sold here.

Convenience stores sell mainly pasta, fish, meat, beer, canned goods, and soft drinks. They sell both to locals and tourists. Essential Mini Market for example, located near a yacht port, sells mainly to tourists. Others like D' Campus Corner or Convenience Corner target more the local market. Both Shell and Texaco gas marts are relatively new to the island. They sell a small variety of foodstuffs including: snacks, canned goods, soft drinks, bread, and milk.

C. TRADITIONAL MARKETS AND MOM & POP SHOPS

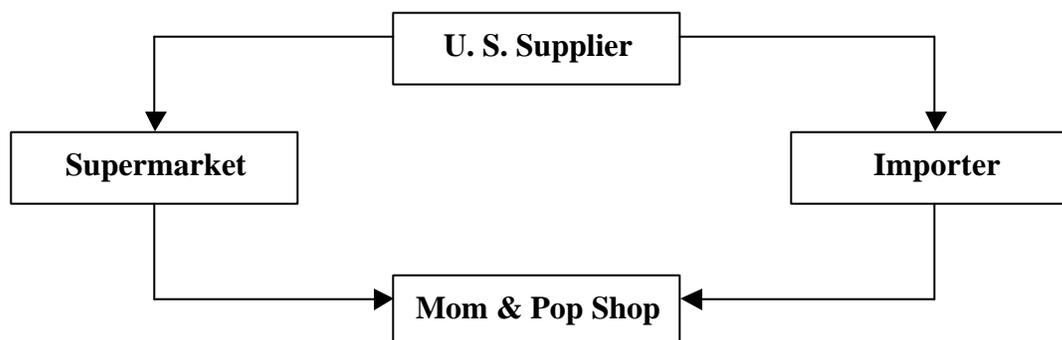
Entry Strategy

Since mom & pop shops do not import agricultural products directly from the U.S. supplier, the best way to introduce a product into this market is through a local importer or distributor.

Market Structure

Importers supply mom and pop shops with their food products. Food Fair's wholesale department, for example, sells to approximately 300 mom & pop shops. If certain food products are not available through an importer, mom & pop shops will buy them directly from a supermarket.

Product Flow for Imported Products:



Sub-Sector Profile

Approximately 3,000 mom and pop shops are currently in business. They are probably the most popular and convenient way for Grenadians to get their food supplies, especially outside of St. George's. Just about every other rural house sells dry goods, non-alcoholic beverages, and fresh produce. Some others even invest in freezers in order to have a small selection of meats and seafood.

Several traditional markets, which are subsidized by the government, sell seasonal local fruits, vegetables and spices. They rarely, if ever, import or sell imported food products. The main traditional market, located in St. George's, is called Market Square.

Section III. Competition

Grenada's principal trading partners are the United States, the United Kingdom, Canada, Brazil and other Caribbean countries such as Trinidad & Tobago and Barbados. Although the United States is still the leading supplier of beef, poultry, and pork, Grenada is increasingly importing pork and poultry products from Brazil due to low prices and perceived quality to the U.S. counterparts.

The following products and countries compete with U.S. products:

- **Beef:** Brazil and Argentina.
- **Poultry:** other Caribbean countries and Brazil.
- **Pork:** other Caribbean countries, Canada, and Brazil.
- **Fresh Produce:** other Caribbean countries.
- **Seafood:** other Caribbean countries.
- **Dry Goods:** other Caribbean countries, U.K., Canada, Denmark, and Holland.
- **Dairy Products:** U.K., Canada, Holland, Denmark, and New Zealand.
- **Alcoholic Beverages:** other Caribbean countries, U.K., Chile, and Argentina.
- **Non-Alcoholic Beverages:** other Caribbean countries and U.K.
- **Specialty Foods:** U.K. and Canada.

Despite this competition, U.S. products dominate the market in many categories. In 2001 the United States had more than 50 percent market share for fresh fruits, poultry products, red meats (fresh/chilled/frozen), processed fruits and vegetables, and fruit and vegetable juices.

Top 10 U.S. Market Share of Food Products Exported to Grenada (Calendar Year 2001)			
<i>Products</i>	<i>Market Share</i>	<i>Products</i>	<i>Market Share</i>
Fresh Fruits	96%	Snack Foods (Excl. Nuts)	41%
Poultry Products	79%	Mixed Container Loads	37%
Red Meats, Fresh/Chilled/Frozen	75%	Breakfast Cereals & Pancake Mix	32%
Processed Fruits & Vegetables	62%	Cheese	31%
Fruit & Vegetable Juices	53%	Red Meats, Prepared/Preserved	29%

Data Source: U N Trade Data

Section IV. Best Prospects

A. Products Present in the Market Which Have Good Sales Potential

Market opportunities exist for a wide array of retail products:

- Poultry products
- Beef
- Pork
- Fruits and vegetables- canned and frozen
- Dairy products
- Wine

B. Products Not Present in Significant Quantities but Which Have Good Sales Potential

Grenadians are more concerned with price than with brand names. They are also increasingly demanding healthy foods. The following food products have good sales potential:

- Private label products
- Organic products
- “Healthy products”

C. Products Not Present Because They Face Significant Barriers

Grenada’s government protects local agricultural production by imposing import licenses to certain food products. The following products are restricted:

- Whole chickens
- Eggs
- High proof spirits
- Locally grown types of fresh fruits and vegetables

Section V. Contact Information

A. For more information on Grenada and a list of importers for your U.S. product, please contact:

Caribbean Basin Agricultural Trade Office
Foreign Agricultural Service
United States Department of Agriculture
909 SE 1st Ave., Suite 720
Miami, FL 33131
Phone: (305) 536-5300
Fax: (305) 536-7577
E-mail: cbato@cbato.net

Margie Bauer, Director
E-mail: cbato@cbato.net
Omar González, Deputy Director
E-mail: omar@cbato.net

Graciella Juelle, Administrative Assistant

E-mail: grace@cbato.net

Angel F. González Trápaga, Agricultural Marketing Specialist

E-mail: angel@cbato.net

Please visit our website for more reports and information on Grenada and other Caribbean Islands: <http://www.cbato.fas.usda.gov>, click on “U.S. Exporters”

B. Other Sources of Information on Grenada:

Ministry for Agriculture, Lands, Forestry & Fisheries

Ministerial Complex

Botanical Gardens, Tanteen

St. George's, Grenada, W.I.

Tel.: 473-440-2722

Fax: 473-440-7950

E-mail: grenfish@caribsurf.com

Grenada Board of Tourism

Burns Point

P.O. Box 293

St. George's, Grenada, W.I.

Tel.: 473-440-2279/2001

Fax: 473-440-6637

E-mail: gbt@caribsurf.com

Web site: <http://www.grenada.org>

Grenada's USA Tourism Office

800 Second Avenue, Suite 400 K

New York, N.Y. 10017

Tel.: 1-800-927-9554 or 212-687-9554

Fax: 212-573-9731

E-mail: gbt@caribsurf.com

Grenada Hotel & Tourism Association

Le Marquis Complex, Morne Rouge

St. George's, Grenada, W.I.

Tel.: 473-444-1353/2644

Fax: 473-444-4847

E-mail: grenhota@caribsurf.com

Web site: <http://www.grenadahotelsinfo.com>

Embassy of the United States in Grenada

Ms. Nadia Tongour
P. O. Box 54
St. George's, Grenada, W.I.
Tel.: 473-444-1173/1176
E-mail: usemb_gd@caribsurf.com

Grenada Bureau of Standards

Ms. Lena Downes
P.O. Box 2036
Lagoon Road
St. George's, Grenada, W.I.
Tel: 473-440-5886/6783
Fax: 473-440-5554
E-mail: gdb@caribsurf.com

Grenada Chamber of Industry & Commerce

P. O. Box 129
St. George's, Grenada, W.I.
Tel.: 473-440-2937
Fax: 473-440-6627
E-mail: gcic@caribsurf.com

Grenada Customs Department

The Carenage
St. George's, Grenada, W.I.
Tel.: 473-440-3588/2239/2240
Fax: 473-440-5038
E-mail: gdcustoms@caribsurf.com
Web site: <http://www.see-caribbean.com/customs/gd.html>

Embassy of Grenada in U.S.A.

1701 New Hampshire Avenue, NW
Washington, D.C. 20009
Tel.: 202-265-2561
Fax: 202-265-2468
E-mail grenada@oas.org