

Tourism Drives Agricultural Import Demand in St. Lucia

By Isabel Davila

The beautiful island of St. Lucia, one of the windward islands of the Caribbean, supports 156,000 people on its 616 square kilometers.

An even larger number of tourists visit each year to enjoy the natural beauty of the island's high mountains, rain forests and pristine ocean waters.

St. Lucia imports most of its food needs, as it lacks the resources for much agricultural production. The tourism industry drives the need for the annual \$80 million worth of food and agricultural imports that make up the domestic shortfall.

When banana farming fell off in the late 1990s, the government of St. Lucia began creating incentives to push its tourism and banking sectors. Today agriculture represents only 7.9 percent of the gross domestic product, while services

account for 72.5 percent and industry 19.6 percent.

The United States enjoys a 40-percent share of food products sold to the island. Primary competitors include other Caribbean islands (25 percent) and the United Kingdom (10 percent). Staples such as fresh fruits and vegetables, processed fruits and vegetables, poultry and red meats make up most of the sales.

Most imports are channeled through south Florida, especially Miami, where manufacturer representatives and consolidators ship weekly to St. Lucia.

Tourism Sector Recovering

The tourism season runs from November to April. The main tourist attractions are located in Gros Islet to the north and Soufriere to the west. U.S. tourists make up about one-third of visitors, followed by more than 20 percent each from the United Kingdom and the Caribbean.

Close to 380 cruise ships make port calls each year and account for 60 percent of tourist arrivals. Although cruise passen-

Price, Protection Still Considerations

New exporters should keep in mind two market characteristics of St. Lucia regarding value and protective practices. Price plays an important role in purchases by HRI and retail sectors, especially during economic downturns.

Though residents have positive attitudes about imports, they also want to protect local agricultural production. St. Lucia protects its pork and poultry industries by limiting import amounts. Food companies must first purchase 20 percent of their pork and poultry needs locally before sourcing through imports.

gers tend to spend small amounts of time and money during visits, statistics reveal that they are likely to return for a longer vacation. Since these passengers are usually from the United States, they have a penchant for U.S. food products.

Like many of its neighbors in the eastern Caribbean, St. Lucia has experienced a fall-off in tourism since Sept. 11, 2001. Besides being more distant from the



United States than some other Caribbean destinations, St. Lucia is not served by U.S. airlines, which also limits U.S. visitors.

In the 2001/02 season, the number of cruise ship visitors fell 21 percent, down to 388,000, but stayover visitors actually went up 1.3 percent to 253,000. Overall, early statistics for the 2002/03 season reveal a marked improvement from the year before.

Retail Outlets Span Island

Food retail outlets buy two-thirds of St. Lucia's food imports, while the food service sector purchases the remainder.

The island has a well-established and competitive retail industry, with outlets providing wide choices. Outlet types include two major supermarket chains with a total 16 stores, 30 smaller supermarkets, 80 mom-'n'-pop stores and 20 gas marts.

The higher-end supermarkets are located in the main cities and cater to an upscale clientele with added services such as delis and bakeries. Other supermarkets tend to offer less variety, more generic brands and lower prices. Some of the major importers have small specialty retail stores.

There was a surge of gas marts in the mid-1990s, but the recent economic downturn has forced some to close. They face strong competition from smaller stores and supermarkets.

Mom-'n'-pop stores are ubiquitous and provide basic staples, canned foods and bottled beverages. They purchase imported items almost exclusively from wholesalers.

Entry Strategies for HRI and Retail

The island's importers usually serve as wholesalers and distributors and serve



48019

both the HRI (hotel, restaurant and institutional) and retail sectors. However, the large supermarkets also import directly and occasionally serve as wholesalers to smaller stores and customers who buy in large quantities.

First-time exporters should visit the island to explore available opportunities. When planning for the trip, contact local importers or store representatives to scope out individual business practices. Some importers want to see a company representative; others prefer receiving a product catalog with pricing and samples.

For companies that exhibit at trade shows, St. Lucian importers and retailers occasionally visit the National Restaurant Association trade show in Chicago, Ill., and the America's Food and Beverage Show in Miami, Fla.

HRI Specifics

To get product information out to the end-user, exporters can also contact food and beverage managers of hotels and restaurants directly and provide samples and cost information for smaller shipments.

St. Lucia has close to 4,500 hotel rooms with a wide range of options that target U.S. and European tourists. Most hotels and resorts, with two or three restaurants and a convenience store on

U.S. Best Sellers

Besides the best sellers listed below, market opportunities are available for wines and beer, edible dry beans, fruit and vegetable juices, breakfast cereals, dairy products and seafood. Newcomers expected to become popular: low-fat and health food items.

U.S. Product Import Market Share (%)

Fresh fruits	98
Poultry meats	74
Processed fruits and vegetables	67
Fresh vegetables	67
Red meats	61

site, source their food products from local importers.

Island restaurants are plentiful and range from fast-food chain outlets to establishments offering the best in international and local cuisines.

School cafeterias are independently owned and make their own purchases, though they do receive government subsidies. The government of St. Lucia awards food contracts to importers for hospitals and prisons. Price is more a factor than quality in these purchases. ■

The author, an intern through the Hispanic Association of Colleges and Universities, was with the Caribbean Basin Agricultural Trade Office in Miami, Fla. Tel.: (1-305) 536-5300; Fax: (1-305) 536-7577; E-mail: cbato@cbato.net

For details, see FAS Reports C13003 and C13004. To find them on the Web, start at www.fas.usda.gov, select **Attaché Reports** and follow the prompts.

