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Market and Trade Data

U.S. Foods Favored by Tourists and Locals in the Bahamas

By Kay Logan

Just across the Straits of Florida from the U.S. mainland, more than 300,000 people call the Bahamas' 700-island Caribbean archipelago home; most reside near the capital city of Nassau on New Providence. In addition, about 1.6 million stopover tourists visit the Bahamas each year.

The islands' residents and tourists depend on imports for 80 percent of their food and agricultural needs (\$388 million in 2005), and most of these imports originate in or come through the United States. In calendar 2006, U.S. suppliers exported \$184.5 million worth of food, agricultural, and seafood products destined for the Bahamas' tourist industry and home cooks as well.

Retail outlets account for about two-thirds of food sales on the islands, while the HRI (hotel, restaurant, and institutional) trade

accounts for the remaining third. According to Bahamian estimates, U.S. products account for 98 percent of import sales to the HRI sector.

HRI Big Player

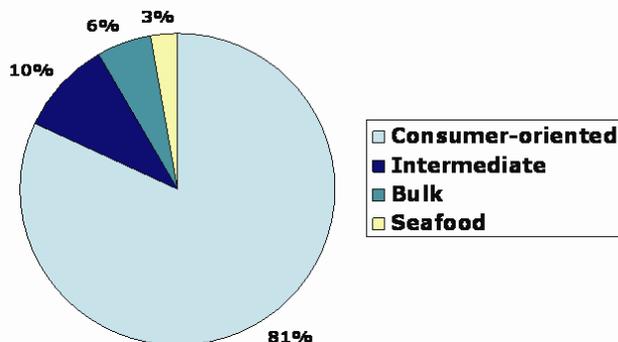
The Bahamas' total consumer food service sector was valued at \$188.4 million in 2005, 6 percent more than 2004. Hotels make up almost two-thirds of sales, while restaurants account for just under a third, with institutional sales filling out the remaining 3 percent or so.

Tourist dollars make up half of the Bahamas' gross domestic product. Consequently, the impact of the tourism industry on HRI volume is significant. Over 280 hotels with 15,000 rooms range from small to mega and accommodate any style vacation. Several large hotel resort projects are underway on New Providence, Grand Bahamas, and Paradise islands. Smaller developments are ongoing on the outer islands.

Most of the islands' restaurants, around 430, are concentrated on New Providence and Grand Bahama islands. These businesses mostly turn to local importers to source their imported food and beverage supplies. But seafood, bottled beverages, and seasonal fruits and vegetables tend to be bought from local suppliers.

These restaurants range from fast-food to upscale and reflect a diversity of cuisines. Full-service outlets account for 57 percent of the market (pizzerias are the most popular); followed by fast-food chains with 33 percent; cafés and bars, 4 percent; and home delivery and kiosks, another 6

Consumer-Oriented Products Lead U.S. Food and Agricultural Exports to the Bahamas



\$184.5 million in calendar 2006

percent. Local chains usually specialize in Chinese and Bahamian cuisines.

Importers Familiar With U.S. Products and Businesses

Most importers are also located on the islands of New Providence and Grand Bahama, with a handful dominating the distribution chain. Bahamian importers have experience with U.S. companies and extensive knowledge of the U.S. food export system. Many order from suppliers in South Florida that consolidate shipments. Their preferred initial contact method is via e-mail or telephone. If interested in a product, the company will schedule an in-office appointment. Importers and chefs also attend trade shows, including the Americas Food and Beverage Show and the National Restaurant Association Show.

Local importers typically serve as wholesalers and distributors and have wide market access. Methods and equipment are up-to-date and most carry a full line of fresh, frozen, and dry products. A few specialize in fresh produce, seafood, or alcoholic beverages.

Large hotels, which place high priority on quality and reliability, import on average 40 percent of their food and beverage needs through local importers and 60 percent directly from U.S. suppliers. They tend to patronize local importers most often for perishables, due to limited dry storage and refrigerated space. Some have offices in South Florida to expedite shipment to the seaports of the Bahamas.

Food chains typically import directly from U.S. buying offices, though smaller establishments may rely on local importers. The "Out Islands" restaurants and hotels, off the beaten path, have developed unusual procurement methods that may skirt traditional distribution channels, often using boats or even private planes to secure products at a reasonable cost.

Institutional Sector Small

The institutional sector distributes to prisons, hospitals, nursing homes, schools, and entertainment venues, and is mostly supplied by local importers and a wholesale club. The 20 or so island caterers buy food products from local wholesalers and seafood from local fisheries.

There is a small niche market for supplying local banks, hospitals, and other institutions with coffee programs. Airline caterers tend to import foods and beverages directly from the United States.

Competition, Local and Abroad

About 20 food and beverage processors are located on the islands, with half of them manufacturing soft drinks and mineral

e-Sources: Help Available Online

The Caribbean Basin ATO (Agricultural Trade Office) invites prospective exporters to visit its website for promotional activity information, trade statistics, and other reports on the retail and food service sectors and import regulations for several Caribbean islands: <http://www.cbato.fas.usda.gov>

For information on trade shows and other marketing events, go to: <http://www.fas.usda.gov/scripts/agexport/EventQuery.asp>

water. The other half specializes in seafood, poultry, fruits, vegetables, dairy, and sugar products. Two companies meet most of the local demand for fresh seafood products.

Many food products originating from around the world are transshipped through South Florida because of cheaper transportation costs. The Bahamas imports substantial amounts directly from Panama, Puerto Rico, and the Netherlands Antilles (St. Maarten).

To protect local producers, the Bahamian government uses import licenses to limit the import of fresh foods like whole poultry, and fresh produce when it is in season. But there is still demand for some imports of these products in the marketplace.

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