



International Agricultural Trade Report

Dairy Livestock & Poultry Trade Update

August 5, 2002

Will Improved Cuban Market Access & Renewed HRI Growth in Caribbean Markets Be a Catalyst For U.S. Meat Exports?

Summary:

In 2001, Caribbean meat imports totaled slightly more than 200,000 tons, valued at \$219 million. Broiler meat alone accounted for over half of the value and three-quarters of the volume of total Caribbean meat imports. U.S. meat exports captured over half of the market and reached \$113 million. The opening of the Cuban market to the U.S. in late 2001, accounted for \$2 million of US exports to the Caribbean.

Broiler meat imports dominate trade given its consumption by the general population versus beef and pork imports which are primarily destined to the HRI sector to meet food demand from tourism.

Meat Type	Caribbean Meat Imports		US Meat Exports to Caribbean	
	Metric Tons (Thousand)	\$ (Millions)	Metric Tons (Thousand)	\$ (Millions)
Broilers	153	\$121	86	\$74
Pork	27	\$45	8	\$13
Beef	22	\$53	8	\$26
Total	202	\$219	102	\$113

Background:

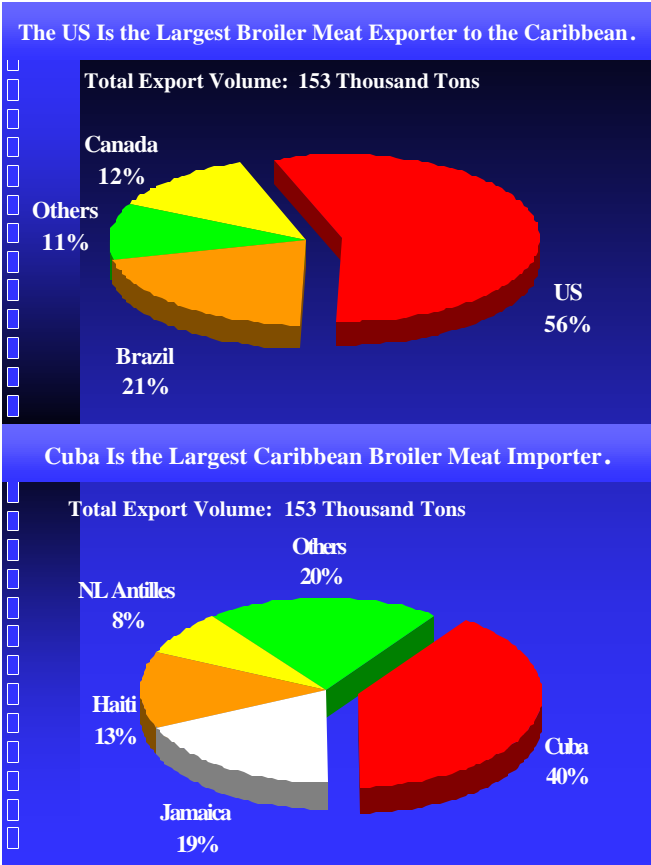
The dominance of broiler meat imports is chiefly attributable to three countries, Cuba, Haiti and Jamaica. The GDP per capita of both Cuba and Haiti is below \$2,000 purchasing power parity (PPP), while Jamaica's GDP per capita is near \$4,000 PPP.¹ Due to the inexpensive pricing of broiler meat imports, consumer preference and inadequate local production, broiler meat imports are critical in satisfying consumption needs of the local populations. These three countries combined imports of \$61 million worth of broiler meat, accounted for 75 percent (110,000 tons) of all Caribbean broiler meat imports. The United States is the largest broiler meat exporter to the region, supplying over half of Caribbean broiler meat imports. However, Cuba, the region's largest broiler import market, valued at \$35 million, remained inaccessible to U.S. broiler exporters until the final months of 2001. The U.S. Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000, which restored the possibility of direct commercial export of U.S. food and agricultural products to Cuba, requires that transactions be made on a cash basis. Nevertheless, U.S. broiler meat exporters are beginning to establish a presence in Cuba.

Although smaller in volume relative to broiler imports, beef and pork imports are vital components of consumption. Higher quality cuts of pork and beef are consumed primarily by the HRI sector and by affluent Caribbean residents. The Bahamas, Jamaica and the Dominican Republic are the most frequented travel destinations in the Caribbean, averaging 125,000 visitors per month.² Despite last year's downturn in travel in to the Caribbean, growth is expected to resume in the second half of 2002, implying renewed demand for higher quality pork and beef imports.

Broilers:

In 2001, Caribbean broiler meat imports totaled just over 150,000 tons, valued at \$121 million. The largest U.S. competitors in the Caribbean are Brazil and Canada. The Cuban broiler meat import market is the largest at 61,000 tons (\$35 million), of which Brazil and Canada supply 39 and 28 percent, respectively. The United States dominates the next two largest broiler meat import markets, Jamaica and Haiti.

U.S. broiler meat exports to the Caribbean represented over 3 percent (86,000 tons) of total 2001 U.S. broiler meat exports (2.5 million tons). In an effort to increase its market presence in the Caribbean, the United States is beginning to take advantage of improving market opportunities in Cuba. For the January - May 2002 period, U.S. broiler meat exports to Cuba were 14,667 tons, valued at \$7.7 million.



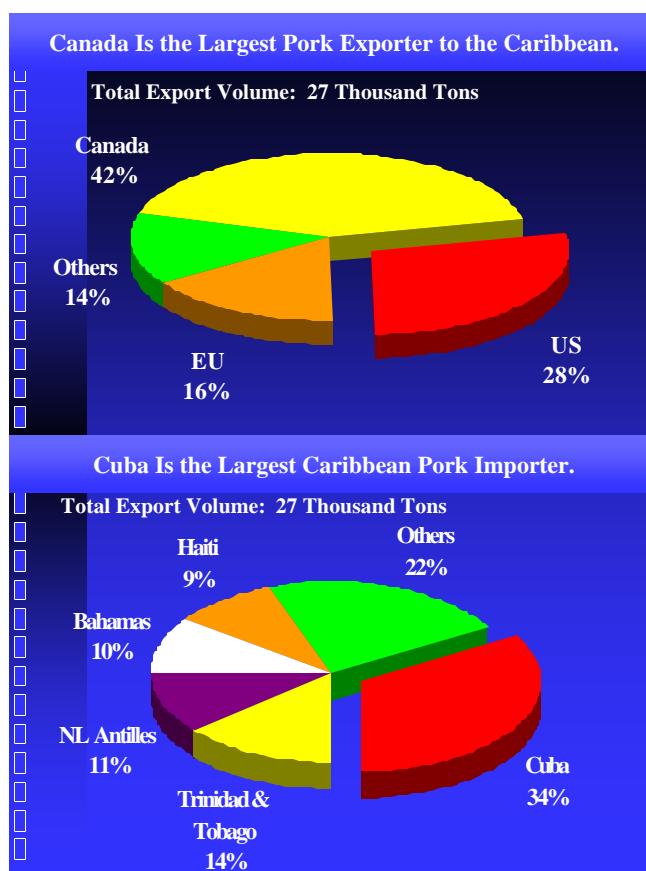
Country	Caribbean Broiler Imports		US Broiler Exports	
	Metric Tons (Thousand)	\$ (Millions)	Metric Tons (Thousand)	\$ (Millions)
Cuba	61	\$35	3	\$2
Jamaica	29	\$12	26	\$11
Haiti	20	\$14	18	\$15
NL Antilles	12	\$11	9	\$9
Others	31	\$49	30	\$37
Total	153	\$121	86	\$74

Pork:

Caribbean pork imports totaled 27,000 tons in 2001, valued at \$45 million. Canada is the largest pork exporter to the Caribbean region at 11,000 tons, followed by the U.S. and the EU, which exported 8,000 and 4,000 tons, respectively. The largest Caribbean pork import market is Cuba, which imported 9,000 tons valued at \$16 million. U.S. pork exporters still have not made inroads into this market.

Since 1997, Canadian pork exports to the Caribbean have more than doubled, largely attributed to rising exports to Cuba. For 2001, Canada exported 7,000 tons of pork to Cuba, a 27 percent increase over the previous year. EU pork exports to the region were also heavily concentrated in Cuba, at 2,000 tons.

U.S. pork exports to the Caribbean represented almost 2 percent (8,000 tons) of total 2001 U.S. pork exports (531,000 tons). The two largest Caribbean importers of U.S. pork were the Bahamas and the Dominican Republic, each importing nearly 2,000 tons. Since 1997, U.S. pork exports to the Caribbean have more than doubled, suggesting increased market penetration. However, the greatest potential for future export growth in the region is conditional upon gaining access to the Cuban market.



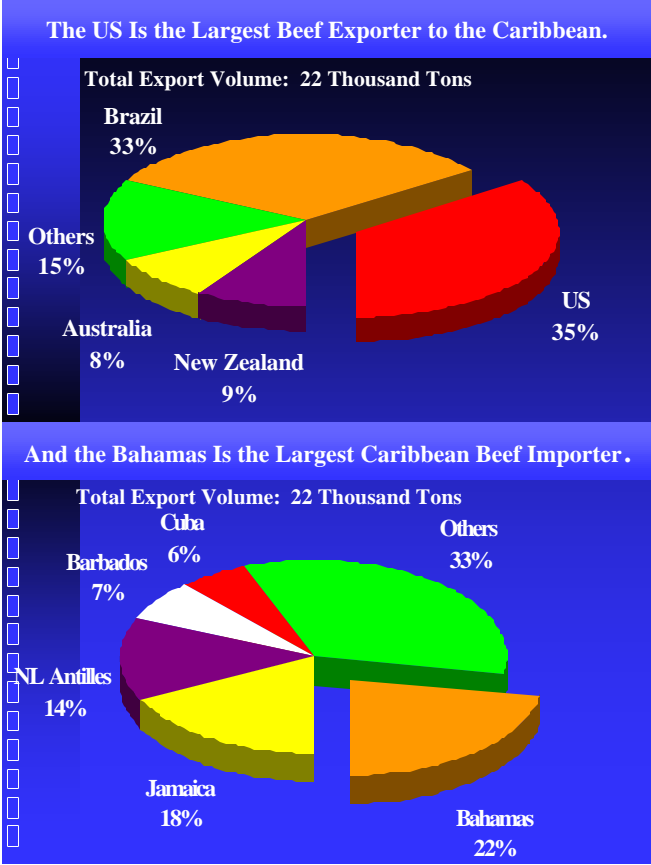
Country	Caribbean Pork Imports		US Pork Exports	
	Metric Tons (Thousand)	\$ (Millions)	Metric Tons (Thousand)	\$ (Millions)
Cuba	9	\$16	0	\$0
Trinidad & Tobago	4	\$4	1	\$2
NL Antilles	3	\$5	1	\$1
Bahamas	3	\$5	2	\$4
Haiti	2	\$2	1	\$1
Others	6	\$13	3	\$5
Total	27	\$45	8	\$13

Beef:

Caribbean 2001 beef imports totaled 22,000 tons, valued at \$53 million. The two largest beef exporters to the region are the United States and Brazil, which supply 8,000 tons and 7,000 tons respectively. Export market share for U.S. and Brazilian beef products varies from island to island.

U.S. exporters control nearly 80 percent of the Bahaman market, the largest Caribbean beef import market at 5,000 tons with a value of \$13 million. Nearly 40 percent of U.S. beef exports to the Caribbean are concentrated in the Bahamas.

Brazilian exporters dominate over half of the Jamaican and the Netherland Antilles markets, the second and third largest beef import markets, respectively.



Country	Caribbean Beef Imports		US Beef Exports	
	Metric Tons (Thousand)	\$ (Millions)	Metric Tons (Thousand)	\$ (Millions)
Bahamas	5	\$13	4	\$10
Jamaica	4	\$8	.6	\$2
NL Antilles	3	\$6	.3	\$1
Barbados	2	\$3	.2	\$1
Cuba	1	\$3	0	\$0
Others	7	\$20	3	\$12
Total	22	\$53	8	\$26

Note: Caribbean “import” data is derived from exporter export-by-destination data.

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1. GDP adjusted for Purchasing Power Parity (PPP) refers to needed modifications of income, due to the relatively low cost of the standard market basket consumables in less developed countries, such as rent, health care, and basic foodstuffs. Consequently, this measure of GDP gives a better representation of the actual purchasing power of an individual's income. GDP per capita obtained from the 2001 CIA Factbook. For further detail refer to: <http://www.cia.gov/cia/publications/factbook/index.html>
2. See Gain Report: "Caribbean tourism proves to be a resilient industry in the land of sand, sun and calm"
<http://www.fas.usda.gov/gainfiles/200205/145683503.pdf>