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Report Highlights:

The Dominican Republic (DR) remains one of the fastest-growing and most dynamic economies in Latin America and the Caribbean. It consistently ranks among the top three destinations for U.S. consumer-oriented products in the Western Hemisphere and has held the number two spot in Latin America since 2020, second only to Mexico. In 2023, U.S. exports of consumer-oriented products to the DR exceeded $1 billion for the second consecutive year, marking a 3-percent increase compared to 2022. For 2024, shipments are expected to outpace those of last year. From January to October 2024, U.S. exports in this category are up 9 percent compared to the same period in 2023. The hotel, restaurant, and institutional (HRI) sector has become the country's primary economic driver, backed by 10.3 million visitors reported in 2023 with estimates to reach 11.5 million in 2024.

Market Fact Sheet: Dominican Republic

The Dominican Republic (DR) is an upper middle-income country characterized by low and stable inflation. In 2023, the country experienced year-on-year inflation of 3.57 percent, above the 2.4 percent average for Latin America. DR ranks as one of the largest economies in the Caribbean, and the third-largest country in terms of population (behind Cuba and Haiti). DR's major export growth has shifted away from its traditional products like raw sugar, green coffee, and cacao. Instead, there has been an increase in exports of gold, tobacco, medical instruments, circuit breakers for voltage, jewelry items, and ferronickel. Notably, the country's major agricultural imports are comprised of consumer-oriented products and livestock feed, with the United States as the primary supplier.

Consumer-Oriented Agricultural Imports

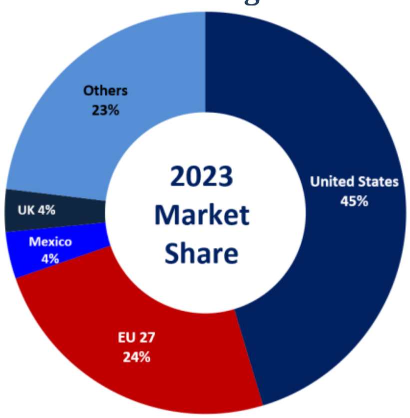

Chart 1: Top Exporting Countries to the Dominican Republic
Source: Trade Data Monitor (TDM).

Food Processing Industry

In 2023, the food processing industry in the Dominican Republic totaled $4.8 billion, accounting for 4 percent of gross domestic product (GDP). The United States is a key supplier of meats, oils, dairy, wheat, and other ingredients, poised to expand exports as the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) nears full implementation in 2025.

Food Retail Industry

The Dominican modern retail sector features a variety of U.S. products and is rapidly growing, primarily through locally owned companies. Despite the rise in supermarkets, they only account for 20-25 percent of retail sales, with most transactions occurring in traditional channels, such as *colmados* (a neighborhood convenience store) and warehouses, which focus on locally produced goods.

Quick Facts Calendar Year 2023

Imports of Consumer-Oriented Products (US$ million)
World Total: $2,656

List of Top 10 Growth Products
1) Fresh Fruit
2) Chewing Gum & Candy
3) Condiments & Sauces
4) Pork & Pork Products
5) Nursery Products & Cut Flowers
6) Meat Products NESOI
7) Fresh and Processed Vegetables
8) Beef & Beef Products
9) Bakery Goods, Cereals & Pasta
10) Soup & Other Food Preparations

Food Industry by Channels (U.S. billion)

Food Service-HRI	$8.0
Food Processing	$4.8
Food and Agriculture Exports	$2.8

Top 10 DR Retailers*
1) Aprezio
2) Sirena
3) Plaza Lama
4) Nacional Supermarkets
5) Hypermercados Olé
6) Bravo
7) Jumbo
8) Carrefour City
9) PriceSmart
10) Sirena Market

GDP/Population

Population:	11.12 million
GDP:	US$115.9 billion
GDP per capita:	US$10,111
Median yearly income per capita:	US$3,600

Sources: Table 1. Source: Global Agricultural Trade System (GATS), TDM; World Bank; IMF. *Ordered by quantity of establishments.

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 100 percent of products.	Higher cost of some U.S. products compared to competitors.
Proximity to the United States and strong demand for U.S. products.	Import sensitivity of several products.
Opportunities	**Threats**
Additional trade liberalization through the full implementation of CAFTA-DR by 2025.	Competition from other CAFTA-DR signatory and the DR's other free trade agreement partners.
Growth potential for U.S. consumer-oriented products, livestock feed, and ingredients for the food processing industry.	Limited cold chain capacity.

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SECTION I: MARKET SUMMARY

The Dominican Republic (DR) continues as a significant and stable economic player in Latin America and the Caribbean. In 2023, U.S. consumer-oriented exports to the DR surpassed $1 billion, strengthening its position as the third-largest market for these products and the fourth-largest for U.S. agricultural products in the Western Hemisphere.

In the DR, the hotel, restaurant, and institutional (HRI) sector has become the country's primary economic activity, contributing almost 20 percent of GDP, both directly and indirectly.

The DR closed 2023 with a total of 10.3 million visitors. Minister of Tourism David Collado has affirmed that Dominican tourism continues to achieve extraordinary growth, with over five million visitors arriving during the January-May 2024 period, representing a 12 percent increase compared to the same period in 2023. Estimates for 2024 are more than 11.5 million visitors. Of these visitors, 8.05 million are non-resident tourists with an average stay of 9 nights, while the remaining 2.24 million are cruise passengers.

U.S. passport holders led in the number of tourists to the DR, accounting for 53.2 percent, followed by Canada with 13.7 percent. As a region, Europe is a significant source of tourists for the Dominican Republic. In 2023, the number of European visitors increased by 15-percent, following the United States and Canada.

The rise in economic growth, in large part due to tourism, has spurred consumer spending, particularly in the food and beverage sector. Increased spending has sparked greater demand for premium products, such as beef, pork, poultry, seafood, cheeses, frozen potatoes, vegetables and craft beer.

ADVANTAGES AND CHALLENGES

Advantages	Challenges
• The implementation of CAFTA-DR, which has lowered or eliminated duties on 98 percent of products. • A historically large tourist population, which demands high value food products. • An increasingly modern HRI sector, which seeks new, high-quality products • A growing number of consumers demanding higher quality and healthier products • Proximity between the DR and United States, and strong commercial and cultural ties • Efficient food distribution channels	• Competition from other CAFTA-DR signees and the DR's other free trade agreement partners • Spanish language labeling requirements • Delays for import permits and sanitary registration, which can affect the availability of imported products • Cold chain limitations • 18 percent VAT and high logistical costs

SECTION II: ROAD MAP FOR MARKET ENTRY

Market Entry Strategy

To enter the Dominican market, the Foreign Agricultural Service (FAS) Office of Agricultural Affairs in Santo Domingo recommends starting with a review of the Food and Agriculture Import Regulations and Standards (FAIRS) report for the latest import regulations and market information. FAS Santo Domingo can facilitate connections with relevant authorities and assist stakeholders in navigating regulatory requirements. For understanding the market dynamics and import requirements, the 2024 Exporter Guide[1] and the FAIRS[2] narrative reports provide comprehensive insights.

Marketing Channels

In the DR, most food service importers prefer to purchase directly from U.S. manufacturers. However, for smaller volumes, and to capitalize on logistical and transportation advantages, many importers purchase consolidated shipments from distribution centers in Miami or other east coast locations. For meat, buyers also frequently purchase combined product shipments, including mixing meat and seafood products in the same container. Also, local providers, working as distributors, are found in the meat and seafood supply chains. They usually focus on a smaller number of end users (hotels and restaurants) and buy from larger importers.

Typical Distribution Channel:

Fruit, especially apples and pears, has a simpler distribution channel, with a few major importers directly supplying outlets.

Fruit Distribution Channel:

[1]https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide%20Annual_Santo%20Domingo_Dominican%20Republic_DR2024-0009
[2]https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=FAIRS%20Country%20Report%20Annual_Santo%20Domingo_Dominican%20Republic_DR2024-0006

The attendance at U.S. trade shows has been increasing in recent years. HRI establishments' representatives, i.e., chefs, restauranteurs, hotel managers, and purchase or commercial representatives attending trade shows purchase directly from a U.S. manufacturer or distributor. However, their attendance is not making a big impact in how hotels and restaurants are getting their products.

Some of the best opportunities for U.S. products are with the large hotels (including U.S. franchises such as Hyatt, Hard Rock Café, JW Marriott, Hilton, or Holiday Inn) and the all-inclusive resorts in eastern DR. However, these resorts are moderate to high-priced. Similarly, hundreds of restaurants include U.S. imported products on their menus, creating additional opportunities for U.S. agricultural products. Post has put together a list of these potential clients that can be provided upon request.

Local products predominantly supply the institutional portion of the HRI sector. Nevertheless, catering is a growing niche that is creating additional opportunities for U.S. products. In addition, U.S. products are increasingly being purchased to supply school feeding programs.

Market Composition

The DR is the regional leader in short-term rental properties, with a total of 121,292 rooms across 49,111 properties in 2023, and an average occupancy rate of 71.5 percent. In 2024, over 1,000 additional rooms have been added. By 2026, an increase of more than 12,000 rooms is expected, primarily driven by ongoing hotel projects in Pedernales, Miches, and Punta Bergantin.

There are more than 22 fast food restaurant chains registered, with an estimated 129 outlets in the DR. Most of them are U.S. franchises. There are also over 333 medium and large restaurants in the country, with 167 of them located in Santo Domingo (of which approximately 50 are considered high-end restaurants), 61 in Santiago, 60 in Bávaro, 23 in La Romana, and 22 in Puerto Plata. The most important U.S. products for these outlets include meat cuts, seafood, cheese, fruits, and frozen potatoes. In addition, some of the key retail establishments distribute wines, craft beer, and other products to these restaurants.

SECTION III: COMPETITION AND MARKET SHARE

Overall, the United States is the top supplier to the DR for consumer-oriented products, seizing 45 percent market share in 2023. The European Union (EU27) is the largest competitor, with an approximate 24 percent market share in this category. Major product categories are described further below:

Pork & Pork Products: U.S. exports of pork and pork products to the Dominican Republic totaled $276.4 million in 2023, reflecting an 18-percent increase over 2022. Pork is the top U.S. consumer-oriented export to the Dominican Republic and the second-largest overall consumer-oriented import to the country. U.S. pork accounts for 92 percent of the Dominican pork import market.

Beef & Beef Products: In 2023, U.S. exports in this category captured 94 percent market share, valued at $107.4 million, which marks a 10-percent increase compared to 2022. This success was driven by geographic proximity, high-quality cuts, and the popularity of U.S. meat cuts in both food service and retail. The DR introduced domestic Brangus cattle into the market, but it has offered limited competition over the last few years.

Cheese: For dairy products, domestically produced cheese is not competitive compared to imported varieties in terms of choice, quality, or sanitary standards. Consequently, U.S. cheese secured a 38-percent market share in 2023, although it still lags behind the European Union, which achieved a 59 percent share over the same time period.

Wine and Beer: The DR wine market holds great potential for the U.S. wine industry. In 2023, the United States exported $24.8 million of wine to the DR, representing 32-percent market share of total wine imports. The dominant competitor remains the European Union (specifically Spain), which has a 61-percent share of total wine imports. DR's strong demand for U.S. craft beer is important, with U.S. beer export sales to DR totaling US$10.8 million. In addition, the local craft beer industry sources U.S. grains and hops for production.

Potatoes and Fresh Vegetables: In 2023, the United States went from being the dominant foreign supplier with a 61 percent market share in fresh potatoes in 2022 to sharing the market more evenly with Canada and Europe (EU27), with each approximately holding a 33 percent market share. This shift was mainly due to adverse weather conditions in the United States during 2021 and 2022, as well as lower prices from Canada and Europe. Additionally, the market share of fresh vegetable imports from the United States fell from 36 percent in 2022 to 27 percent in 2023. China, which has experienced increases in fresh vegetable exports to the Dominican Republic in recent years, primarily in garlic, dominated the import market with a 39 percent share by value.

Fruits: In 2023, U.S. apples dominated the market with a 91 percent share, maintaining a strong presence in the local market. U.S. pears captured a 49 percent market share, while U.S. grapes secured 19 percent. Chilean pears and Peruvian grapes, both widely available in local grocery stores, held 51 percent and 61 percent of the market, respectively. Overall, the value of U.S. fresh fruit exports to the Dominican Republic in 2023 totaled $45.7 million, marking a 3 percent increase compared to the same period in 2022, and accounting for 59 percent of the Dominican import market.

SECTION IV: BEST PRODUCTS PROSPECTS CATEGORIES

Products Present in the Market Which Have Good Sales Potential

Leading U.S. products in the Dominican Republic's food service sector include premium red meat cuts, pork, poultry, seafood, cheeses, frozen potatoes and vegetables, fresh fruit, wine, and craft beer. U.S. beef, particularly specialty cuts, is popular in high-end restaurants, especially in Santo Domingo. While the DR has strong domestic poultry and moderate pork supplies, growing demand for specific cuts is met through imports. The food service sector is also heavily reliant on imported seafood, creating opportunities for U.S. lobster, salmon, shrimp, and crabmeat. Cheeses like cheddar, mozzarella, and provolone are widely used, and frozen potato products remain popular. U.S. fruits, including pears, grapes, and apples, are available year-round, with increasing interest in nectarines, peaches, and apricots. U.S. wines, mainly from California, remain a top choice, despite competition from the EU. Meanwhile, U.S. craft beer is gaining popularity, especially among younger consumers. U.S. turkey sees high demand during peak holiday periods and is increasingly popular year-round for brunch sandwiches.

Products Not Present in Significant Quantities but have Good Sales Potential

Some poultry and egg products might find a good opportunity in the Dominican market. For instance, duck can be found on occasion as a specialty dish in some upscale restaurants, hotels, and resorts throughout the year. Meanwhile, growing procurement efforts for liquid and powdered eggs are among the top ingredients sought by local bakeries.

Top Consumer-Oriented Agricultural Products Imported from the World

January - December DR imports from the world (in millions of dollars)			
Product	**2021**	**2022**	**2023**
Consumer Oriented Agricultural Total	2,027	2,600	2,656
Dairy Products	406	530	533
Pork & Pork Products	153	252	293
Soup & Other Food Preparations	168	208	216
Distilled Spirits	163	230	196
Bakery Goods, Cereals, & Pasta	130	163	171
Poultry Meat & Prods. (ex. eggs)	115	155	130
Processed Vegetables	82	106	116
Mfg. Tobacco	98	99	113
Beef & Beef Products	82	103	113
Non-Alcoholic Bev. (ex. juices, coffee, tea)	86	112	110
Fresh Fruit	61	65	81
Wine & Related Products	76	88	80
Processed Fruit	52	67	66
Chewing Gum & Candy	46	54	64
Condiments & Sauces	37	47	54
Fruit & Vegetable Juices	41	61	54
Fresh Vegetables	30	46	52
Beer	55	50	48
Chocolate & Cocoa Products	33	40	41
Tree Nuts	37	33	29
Meat Products NESOI	17	23	27
Spices	22	24	24
Dog & Cat Food	17	21	21
Nursery Products & Cut Flowers	8	9	10
Coffee, Roasted and Extracts	4	8	8

Data Source: Trade Data Monitor (TDM)

Top Consumer-Oriented Products Imported from the United States

January - December U.S. Exports to the DR (in millions of dollars)			
Product	**2021**	**2022**	**2023**
Consumer Oriented Agricultural Total	898	1,067	1,105
Pork & Pork Products	151	234	276
Dairy Products	116	158	133
Beef & Beef Products	79	98	107
Other Consumer Oriented	102	98	102
Poultry Meat & Prods. (ex. eggs)	96	81	100
Bakery Goods, Cereals, & Pasta	37	42	46
Fresh Fruit	39	44	46
Food Preparations	33	37	39
Distilled Spirits	31	48	38
Condiments & Sauces	27	31	35
Fruit & Vegetable Juices	49	51	29
Wine & Related Products	20	21	25
Processed Vegetables	27	21	20
Chocolate & Cocoa Products	14	17	19
Fresh Vegetables	14	17	15
Non-Alcoholic Bev. (ex. juices)	14	11	14
Tree Nuts	9	13	14
Beer	11	11	11
Processed Fruit	10	9	11
Dog & Cat Food	6	10	9
Meat Products NESOI	6	8	8
Confectionery	5	5	6
Nursery Products & Cut Flowers	2	2	2
Eggs & Products	3	-	-

Data Source: U.S. Census Bureau Trade Data

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

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Please do not hesitate to contact this office for more detailed information about the Dominican food market, lists of importers, major players in the sector, and any other related questions.

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Attachments:

No Attachments