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## **Report Name:** Food Processing Ingredients Annual

**Country:** Dominican Republic

**Post:** Santo Domingo

**Report Category:** Food Processing Ingredients

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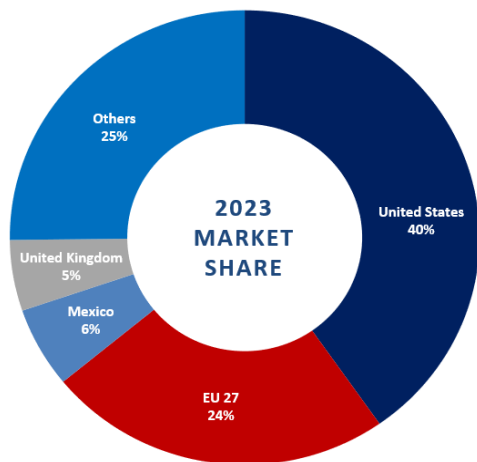
### **Report Highlights:**

The Dominican Republic's food processing industry totaled \$2.91 billion for calendar year (CY) 2023 in activities categorized as "food industry," while processed beverages and other products amounted to \$2.68 billion over the same period. Meat and dairy processing, wheat milling, and bakery products continue to lead the food processing industry. Meanwhile, the United States remains a top supplier of meats, edible oils, fats, dairy products, wheat, and other key ingredients. As the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) moves steadily towards full implementation by January 1, 2025, there is potential for increased exports of these and other U.S. ingredients.

## Executive Summary:

The Dominican Republic (DR) stands as an upper-middle income country with historically low and stable inflation. Positioned as the second-largest economy in the Caribbean, following Cuba, and ranking third in population (behind Cuba and Haiti), the DR serves as a major regional trade partner with the United States. In 2023, U.S. agricultural exports to DR totaled over \$2 billion, down 1 percent year-on-year.

## Consumer-Oriented Agricultural Imports:



**Chart 1:** Top Exporting Countries to Dominican Republic  
*Source:* TDM LLC

## Food Retail Industry:

The modern retail sector in the Dominican Republic boasts an extensive array of U.S. products. While the sector continues to experience rapid expansion, it remains largely dominated by locally owned companies. Despite the growing presence of supermarkets, they only account for 20 - 25 percent of retail sales. Most retail sales are still transacted in traditional channels, such as neighborhood stores (*colmados*) and warehouses.

## Food Processing Industry:

The Central Bank of DR (BCDR) valued the food processing industry at \$2.91 billion as of September 2023 in activities categorized as “food industry”, with an additional \$2.68 billion for processed beverages and other products during the same period. Meat processing, wheat milling, bakery products, and dairy processing continue to drive the food processing industry. The United States remains a strong supplier of meats, edible oils, fats, dairy products, wheat, and other key ingredients. With the full implementation of CAFTA-DR anticipated by January 1, 2025, there is potential for increased exports of these U.S. ingredients and others.

## Food Service Industry:

BCDR valued the food service industry at \$2.83 billion in 2023, in activities categorized as “hotels, bars, and

restaurants.” In 2023, this sector grew 11 percent, distinguishing it as the most impactful contributor to the DR’s economy. Such growth was predominately driven by strong demand from international tourism, which reached a record-breaking 10 million visitors in CY 2023; this trend is expected to continue throughout 2024.

### Quick Facts Calendar Year 2023

#### List of Top 10 Growth Products

- |                         |                                |
|-------------------------|--------------------------------|
| 1) Dog & Cat Food       | 6) Tree Nuts                   |
| 2) Distilled Spirits    | 7) Beer                        |
| 3) Pork & Pork Products | 8) Beef & Beef Products        |
| 4) Dairy Products       | 9) Fresh Vegetables            |
| 5) Meat Products NESOI  | 10) Chocolate & Cocoa Products |

#### Consumer-Oriented Trade (U.S. billion)

DR Imports (all sources)	\$2.7
DR Imports (from U.S.)	\$1.12
DR Exports (all destinations)	\$2.12
DR Exports (to U.S.)	\$1.17

#### Top 10 DR Retailers\*

- |                          |                   |
|--------------------------|-------------------|
| 1) Aprezio               | 6) Bravo          |
| 2) Sirena                | 7) Jumbo          |
| 3) Plaza Lama            | 8) La Cadena      |
| 4) Nacional Supermarkets | 9) PriceSmart     |
| 5) Hypermercados Olé     | 10) Sirena Market |

#### GDP/Population

Population:	11.12 million
GDP:	US\$114 billion
GDP per capita:	US\$10,700

*Source:* Global Agricultural Trade System (GATS), Trade Data Monitor (TDM); World Bank. \* Ordered by quantity of establishments. \*\**Estimate.*

## 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.

*Figure 2. CAFTA-DR SWOT Analysis for U.S. Exports*

## SECTION I. MARKET OVERVIEW

### Market Size

In calendar year (CY) 2023, the Dominican Republic experienced annual inflation of 3.57 percent, according to the Central Bank of DR (BCDR). In the same year, DR's gross domestic product (GDP) rose approximately 2.5 percent and is forecasted to rise by approximately 5 percent in 2024. DR's major export growth has shifted away from its traditional products (e.g. raw sugar, green coffee, and cacao) to gold, ferronickel, sugar derivatives, and free-trade zone products.

Sales in the food processing industry in DR totaled \$2.91 billion, down 3 percent on an annual basis compared to 2022, while processed beverages and other products amounted to \$2.68 billion, according to 2023 BCDR data. The drop in sales was attributed to lower sugar production (-19 percent), animal and vegetable oil preparations (-6.4 percent), and dairy processing (-2 percent) [Note: the production of pasteurized milk and dry milk increased by 3.5 percent and 0.4 percent, respectively]. Additionally, the manufacturing of other food products fell 1 percent; however, meat processing experienced an uptick of 0.6 percent. Since the implementation of CAFTA-DR, U.S. ingredients have played a growing role in the DR's food processing sector. For more information, please refer to FAS/Santo Domingo's 2023 [Exporter Guide](#).

### Advantages and Challenges in the Market

Advantages	Challenges
<ul style="list-style-type: none"><li>• The implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 100 percent of products.</li><li>• A growing food manufacturing industry, which demands new, innovative, and high-quality ingredients.</li><li>• Proximity among the countries and strong commercial and cultural ties.</li><li>• Efficient food distribution channels.</li><li>• Improved quality standards and enforcement.</li><li>• Consumers greatly influenced by U.S. culture, with a positive perception of U.S. products.</li></ul>	<ul style="list-style-type: none"><li>• Competition from other CAFTA-DR signees and the DR's other free trade agreement partners.</li><li>• Delays for import permits and sanitary registration, which can affect the availability of imported ingredients.</li><li>• Insufficient number of qualified technicians, which can limit production.</li><li>• High costs and inefficient electricity service, which increase production costs.</li><li>• Remaining cold chain challenges and limitations, which have been reduced through USDA technical and financial support</li></ul>

## SECTION II. ROAD MAP FOR MARKET ENTRY

### 2.1. Entry Strategy and Distribution Channel

While some raw materials are sourced locally, many processed products incorporate imported ingredients with a significant portion originating from the United States. Imported products enter the DR by one of two channels: direct purchase by food processing companies or via large importers and distributors. Final processed products are then distributed to retail, food service, and institutional channels. Open markets, which serve as vital components of the local economy, remain popular among

individuals with moderate to low incomes. Approximately 80 percent of locally produced fruits and vegetables are distributed through these types of markets.

## **2.2. Import Procedures**

Import procedures for the DR are described in FAS/Santo Domingo's 2023 [Food and Agriculture Import Regulations and Standards \(FAIRS\) Narrative Report](#).

## **2.3. Market Structure, Share of Major Segments in the Food Processing Industry**

An important component of the DR's food processing sector is meat processing. According to Euromonitor International, the total retail market value remained steady at \$250 million compared to 2022. Notably, processed meats emerged as the best-performing category in 2023 with a total retail market value of \$206 million. Over 64 percent of processed meats are sold through retail distribution outlets, which include distributors and supermarkets; the remainder are sold in mom-and-pop stores (i.e. *colmados*) and butcher shops. Dominican consumers maintain deep connections with these neighborhood stores, where they can opt for partial payments and access credit based on trust.

Dominican brands dominate the local market owing to their diverse product range and competitive pricing strategies. Eighty-five percent of Dominican households consume salami, which continues to lead total sales of processed meats. Food processing company Induveca S.A./MERCASID continues to hold a sizable share of the local market for processed meats in 2023 with a retail value share of 42 percent. Other important companies include Sigma Alimentos and Productos Chef. While some international brands participate in the processed meat sector, their products are priced higher, beyond the budgets of many Dominican households.

In 2023, the United States led the imported meat products category in the DR, which totaled \$463 million, making DR the ninth largest market for U.S. meat and meat products. This category grew by 17 percent compared to 2022, bolstered by pork imports. In 2023, following the spread of African swine fever (ASF), the DR has seen notable improvements in controlling and eradicating the disease. Competitors to the United States in the market for meat include Brazil, the United Kingdom, and Australia. Key exported products include pork and beef trimmings, ham, turkey, and soy protein.

Wheat milling stands as another vital sector within the local food processing industry. DR relies almost 100 percent on imports of wheat from the United States and Canada. In 2023, the DR imported \$170 million in wheat, down 25 percent from the previous year. The United States supplied 51 percent (\$87 million) of the total import market, while Canada supplied 49 percent (\$83 million).

Two major players, Molinos Modernos S.A., and Grupo Bocel, dominate the local milling industry, collectively processing nearly 80 percent of all wheat imports. The primary output of these mills is wheat flour, which serves as the cornerstone of a thriving and expanding baked goods industry. Retail sales of baked goods rose by 11 percent to \$385 million in 2023; the best-performing category was bread, specifically leavened bread with sales rising by 12 percent (\$276 million).

The influence of health and wellness trends remains apparent in local consumption patterns, particularly within modern retail channels. These trends include a variety of options, such as low-fat sauces, lactose-free or low-sodium alternatives, and foods with reduced sodium and sugar content. In general, Dominican consumers prefer fresh produce over frozen, canned, or processed alternatives, with pricing and tradition playing an important role in shaping consumer habits. Since the onset of the COVID-19 pandemic, Dominican households have become more familiar with new product formats in the modern retail channel, choosing to buy larger family-sized products.

In recent years, the Dominican dairy processing industry has expanded its capacity, with the total retail market value of dairy products rising by 7 percent (\$736 million) in 2023 compared to the previous year. Over 50 percent of domestic fluid milk is processed into cheese, while less than 5 percent is processed into yogurt. Most of these cheeses are produced by more than 400 small and medium-sized rural processing facilities. Although these locally manufactured products may differ from U.S. substitutes in variety, quality, and sanitary standards, larger local companies, such as Sigma Alimentos and Mejia Arcalá, offer products comparable to U.S. cheeses.

Total sales of cheese in DR amounted to approximately \$129 million in 2023, marking a 6-percent increase over 2022. Overall sales of drinking milk products grew nearly 5 percent compared to 2022, driven by demand for shelf-stable milk and milk alternatives. Depending on local conditions, milk processors import powdered milk from the European Union and the United States for reconstitution; the leading local company in this category is Pasteurizadora Rica. For imported powdered milk, Mejia Arcalá is the largest player. The aggregate value of drinking milk products sold in DR in 2023 totaled approximately \$298 million.

The Dominican Republic also boasts a sizable sugar confectionary sector. While most sugar, cacao, and dairy products are sourced locally or from non-U.S. sources, other confectionary products, such as nuts, originate from the United States. The total retail value of sugar confectionary sold in the DR in 2023 totaled approximately \$48 million, up 8 percent in 2023 relative to the previous year. As consumer interest in healthier choices rises, low-sugar alternatives remain appealing. In 2023, the low sugar confectionery sector experienced a notable 13 percent growth, reflecting the increasing health awareness among consumers.

## **2.4. Company Profiles & Company Products**

There are more than 1,000 companies classified as agro-industrial and processors in the Dominican Republic. Based on the market structure described in Section 2.3, below is a list of key processing companies:

COMPANY	KEY PRODUCTS
<b>Meat Processing</b>	
Induveca S.A./ MERCASID <a href="http://www.induveca.com.do">www.induveca.com.do</a>	Processed meat, cheese, Shelf-stable milk, and yogurt
Sigma Alimentos <a href="https://www.sigma-alimentos.com/en/">https://www.sigma-alimentos.com/en/</a>	Processed meat, cheese, butter, and yogurt
Productos Chef <a href="http://www.productoschef.com">www.productoschef.com</a>	Processed meat
AGROCARNE (Central Romana Corporation) <a href="http://www.centralromana.com.do/estructura-corporativa/manufactura">www.centralromana.com.do/estructura-corporativa/manufactura</a>	Processed meat and cheese
<b>Wheat Milling</b>	
Molinos Modernos S.A. <a href="http://www.molinosmodernosenlinea.com/rd">www.molinosmodernosenlinea.com/rd</a>	Wheat flour, pasta, and crackers
Grupo Bocel <a href="http://www.grupobocel.com">www.grupobocel.com</a>	Wheat flour, pasta, cookies, and crackers
<b>Baked Goods</b>	
Horneados Pepin S.A. <a href="http://www.panpepin.com/">www.panpepin.com/</a>	Bread and pastry
Lumijor SRL <a href="http://www.lumijor.com.do/">www.lumijor.com.do/</a>	Bread
<b>Dairy Products</b>	
Mejía Arcalá <a href="https://mejiaarcala.com/">https://mejiaarcala.com/</a>	Cheese and powdered milk
Grupo Rica <a href="http://www.gruporica.com/en">www.gruporica.com/en</a>	Shelf-stable milk, fruit juices and yogurt
Nestlé Dominicana S.A. <a href="http://www.nestle.do">www.nestle.do</a>	Milk products, cereals, dehydrated soups, seasoning and pet food
Dos Pinos <a href="https://www.cooperativadospinos.com/">https://www.cooperativadospinos.com/</a>	Shelf-stable milk, fruit juices and yogurt
<b>Others</b>	
Frito-Lay Dominicana S.A. <a href="http://www.fritolay.com">www.fritolay.com</a>	Snacks from plantains, cassava, potatoes, and spices
Quala Dominicana S.A. <a href="https://www.quala.com.do/">https://www.quala.com.do/</a>	Seasonings, powdered juice, oat products
Unilever Caribe S.A. <a href="http://www.unilever.com.mx">www.unilever.com.mx</a>	Seasoning products and corn flour

## SECTION III. COMPETITION AND MARKET SHARE

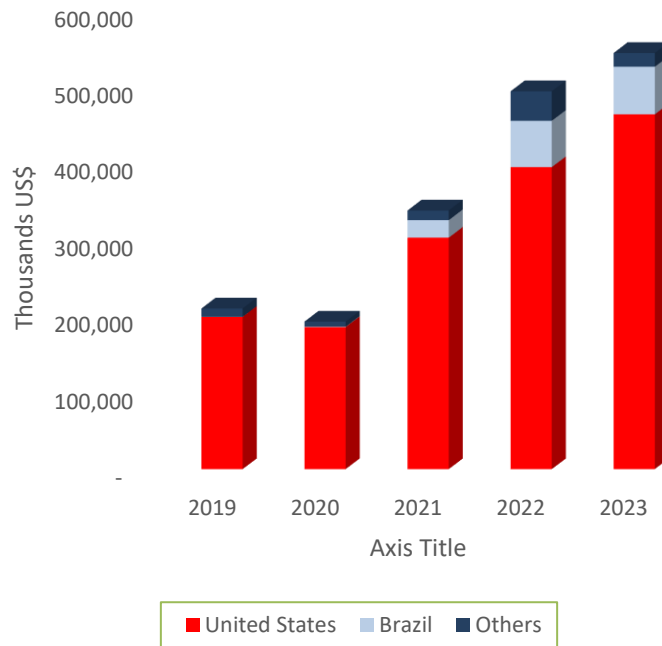
### Meat Products:

In 2023, the DR increased its total meat and meat product imports (HS 02) by 10 percent, with U.S. meat and edible meat offal imports rising 17 percent in a year over year comparison due to strong sales in pork. Over the past five years, U.S. meat has consistently held a leading position in the local market, accounting for 87 percent of total Dominican meat imports, with an annual average value of \$310 million.

Despite the occurrence of Highly Pathogenic Avian Influenza (HPAI) outbreak in the United States, DR imports of U.S. poultry improved significantly in the last year by 23 percent.

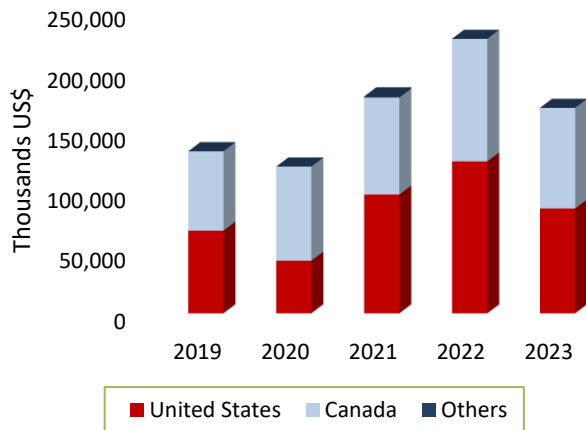
Other sources of meat products for the Dominican Republic include Brazil, the EU, the UK, and Australia.

### HS 02 Meat Exports to DR



Source: Built by Post with data from TDM

### Wheat Exports to the DR



Source: Built by Post with data from TDM

### Wheat Milling Products:

Over the past five years, U.S. wheat (HS 1001) has accounted for an average of 51 percent of total wheat imports in the Dominican Republic, resulting in an annual average value of \$85 million.

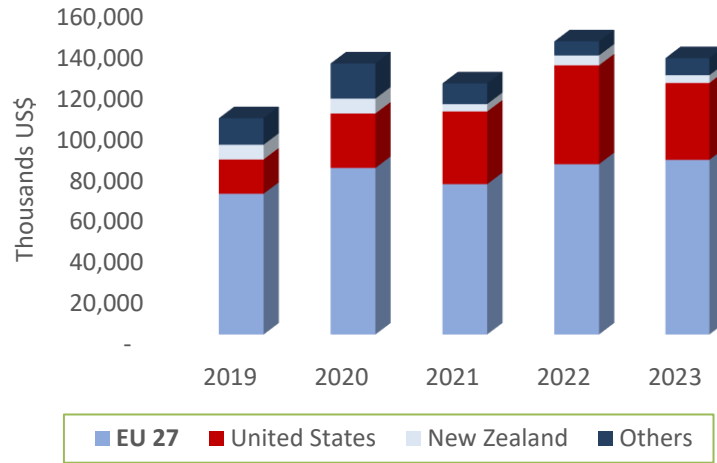
Canada remains the United States' primary competitor, holding a 49 percent market share in the Dominican market in 2023.

**Dairy Products:**

Over the past five years, DR imports of U.S. milk and cream (HS 0402) constituted 26 percent of the import market, with an annual average value of \$31 million. The European Union makes up the largest market share for this category, accounting for an annual average of 61 percent of total Dominican imports.

During CY 2023, U.S. milk and cream exports to the Dominican Republic, in a period-to-period comparison, constituted 28 percent of the local import market, with a trade value of \$38 million.

**Milk and Cream Exports to the DR**



Source: Built by Post with data from TDM

**SECTION IV. BEST PRODUCTS PROSPECTS CATEGORIES**

The United States has consistently been a major supplier of meat, edible meat offal, and animal and vegetable fats for the Dominican meat processing industry; this trend is expected to continue. However, inflation continues to impact food prices, especially imported products, such as processed fruit and vegetables, and breakfast cereals, which have seen double-digit price increases. As a result, Dominican consumers remain price sensitive, leading to a growing preference for private label and more affordable products over well-known brands.

Specific local segments are showing a growing interest in health and wellness food products, with the most popular options including low carb, gluten free, organic, plant based and keto alternative products. There is still considerable potential for increased exports of U.S. ingredients to the milling, dairy, and confectionary industries, especially with the full implementation of CAFTA-DR on the horizon by 2025. Post anticipates that this growth will materialize within products already present in the market.



## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

### Dominican Institute for Quality Standards (INDOCAL)

(Ministry of Industry and Commerce)

Av. México esq. Leopoldo Navarro, Edificio de Oficinas Gubernamentales  
Juan Pablo Duarte, Piso 11 (Edif. El Huacal), Santo Domingo, Dominican Republic

Contact: Ing. Lorenzo Ramírez, Director General

Telephone: 809-686-2205

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E-mail: [servicioalcliente@claro.net.do](mailto:servicioalcliente@claro.net.do)

Web page: <https://indocal.gob.do/>

*Comment: This bureau is part of the Ministry of Industry and Commerce and issues and enforces the application of NORDOM 53, which requires Spanish labeling and the sanitary registration number on all pre-packed retail food products. In addition, INDOCAL is where the Standard Committees (composed of both the private and the public sector) update the industry on a regular basis.*

### General Directorate of Customs (Dirección General de Aduanas - DGA)

Av. Abraham Lincoln No. 1101, Ens. Serrallés

Santo Domingo, Dominican Republic

Contact: Mr. Eduardo Sanz Lovatón, Director

Telephone: 809-547-7070

Fax: 809-540-5853

E-mail: [info@dga.gov.do](mailto:info@dga.gov.do)

Web page: <https://www.aduanas.gob.do/>

*Comment: DGA is the official entity in charge of customs and the local regulations related to it.*

### **Foreign Agricultural Service Santo Domingo**

**Phone:** 809-368-7654

**Address:** República de Colombia Av. #57, Arroyo  
Hondo, Santo Domingo, Dominican Republic.  
U.S. Embassy in Santo Domingo, DR.

**Email:** [agsantodomingo@usda.gov](mailto:agsantodomingo@usda.gov)

<http://www.fas.usda.gov>

*Comment: Please contact this office for more detailed information about the Dominican food market, lists of importers, major players in the sector, questions, etc.*

### **Attachments:**

No Attachments