



European Union All ACP Commodities Programme
Caribbean Region

Jamaican Agriculture Sub-Sector Strategy

Fruits & Vegetables, Herbs & Spices

Roots & Tubers

Lead technical Agency



Under the Championship of
the Ministry of Agriculture and Fisheries
the Ministry of Finance

Kingston, Jamaica

2009

Note to the readers and purpose of this document

As part of the EU funded All ACP Agriculture Commodities Programme (AAACP), the Ministry of Agriculture and Fisheries (Jamaica) and more than 120 sector stakeholders undertook the development of a Comprehensive Sector Strategy for Agriculture with specific reference to the Fruits and Vegetables, Roots and Tubers and Herbs and Spices sub-sectors. This was done in collaboration with the International Trade Centre (ITC) in Geneva, Switzerland.

The emphasis on these sub-sectors came out of the EU/AAACP Caribbean Kick-Off Workshop held in Montego Bay in April, 2008, where the European Union sought to determine the type of external assistance necessary to help build the capacity of Caribbean agricultural stakeholders all along the value chain and to implement value chain based commodity strategies.

The Sector Strategy for Roots & Tuber, Fruits & Vegetables and Herbs & Spices became an Agricultural Sub-Sector strategy and was developed by a private sector led Coordinating Committee using ITC's market-led participatory approach.

The strategy focuses on food import Substitution and Export Development and is aligned to the Vision 2030 Jamaica and to other plans such as the National Export Strategy of Jamaica. It also contributes to the nation's achievement of the Millennium Development Goals.

The emphasis for the design and implementation is on the revitalisation of the Fruits and Vegetables, Roots and Tubers and Herbs and Spices industries through the value-chain approach. The parties concerned in the design and in the implementation are farmers, private sector enterprises, processors, buyers, policy makers and support institutions.

Under the ACP programme, World Bank, FAO and UNCTAD provided support to ITC and the sector stakeholders for the development of this strategy.

The purpose of this document is to guide and support the development of the R&T, F&V and H&S industries by providing a plan and a management framework that articulates value chain actors, private sector, existing resources, development activities and donor support.

Vision for the Agricultural Sub-Sectors

To quadruple the output and value of Jamaican food products from locally grown fruits, vegetables, herbs, spices, roots and tubers by 2020 and to contribute in a sustainable manner to the achievement of Jamaica's Vision 2030 National Development Plan.

Mission

To attain sustainable economic growth by becoming a leading producer and agro-processor and by providing services such as:

1. Agricultural and agro-processing competitiveness and farm to market linkages
2. Market driven production, post-harvest practices and value addition
3. Finance and small and medium agri-business promotion,
4. Research and product development
5. Import substitution linkages and export promotion,
6. Food safety and quality programs.

Acknowledgements

A full list of participants in the development of this strategy is included in Annex 1. In addition, special thanks go to the following individuals and institutions:

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Collaborating Institutions

The Coordinating Committee would also like to provide its reconnaissance for the inputs and resources provided by the following institutions:

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Executive Summary

More than 120 sector stakeholders representing private sector (Farmers, Processors, Banks), Government support Institutions and Ministries have developed this strategy in a participatory way using the value chain approach. The fundamental principle behind the strategy development and content is that it has been led by private sector and has enabled a sector specific platform for public-private partnership for decision making.

This was done in partnership as part of the EU funded All ACP Agriculture Commodities Programme (AAACP) with the leadership from the Ministry of Agriculture and Fisheries and the International Trade Centre (ITC).

The target clients of the strategy are expected to be private sector including farmer associations, Government Institutions; Business and Trade support organizations; development agencies and funding partners.

Jamaican horticulture and agro-processing suggest immense potential and opportunity waiting to be unlocked. However the biggest hurdle to be overtaken is related to industry mistrust, scepticism and lack of long-term partnership amongst all the value chain players (farmers, marketers, extension services, agro-processors, banks and the ministries).

There is also a strong perception of lack of supply competency and capability from the customer and buyers. The best example of this is the fact that the tourism industry on the island imports 52% of all its fresh produce requirements and sources very little locally or that Agro-processors can hardly get year round supply (in the case of hot-peppers for sauces only 40% of the total needs is produced locally).

On the other hand, farmers perceive there is no transparent market for their produce and their main buyers– an uncoordinated and independent network of thousands of *higglers* and middle men- do not provide volume, crop type/quality, timing planning or price information.

The Jamaican agriculture related business success stories appear to be either corporate, well established family businesses and/or progressive individuals who have pursued horticultural production, packing, processing and marketing with a commercial bias motivated by profit.

This strategy is looking into capitalizing on the undoubted opportunity and potential for the sector by including the beneficiaries and stakeholders' right from the design phase to drive the industry and create market linkages between domestic and international buyers and the sector.

It is anticipated that the implementation of the Agricultural sub-sector strategy will benefit Jamaican people as a whole together with the agro-processing sector and more than 200 000 smallholder farmers involved in horticulture.

Importance of the sub-sectors

In 2009 Jamaica's unemployment rate was on average approximately 11.4% and 19% of Jamaican people were living below the Jamaica Bureau of Statistics poverty line. There is a direct link between agriculture and the improvement of the economy and the sustainability of rural livelihoods.

Jamaica's agricultural sector is an important contributor to the national economy and accounted for marginally over 5.4% of GDP contribution in 2009 representing around 28 billion Jamaican dollars. The sector employs approximately 20% of the labour force and is a source of income for a large segment of the population, particularly the rural poor.

Jamaica is no exception among the Caribbean countries in relation to the main challenges facing the agricultural sector development.

These challenges include land tenure, irrigation, availability of quality planting material, fragmented production and supply base, Inefficient marketing and market linkages, lack of consistency in production and post harvest handling, insufficient research and development policies and overall lack of competitiveness in the domestic and international markets (often against subsidized products and cheap imports).

In Jamaica, agriculture and agro-processing also represent a major contributor to rural development affecting more than 80% of the population in a direct or indirect manner.

The implementation of the current strategy represents a paramount opportunity to contribute to decreasing the expenditure in fresh and processed food imports, increasing overall revenue inflows and reducing dependency on the remittances and on the traditional sectors such as tourism, sugar and the Alumina/Bauxite (which in itself has constituted on average 63% of total exports 2002 to 2008).

Anticipated Impact

Agriculture remains vital with regard to national food and nutritional security and is the foundation of traditional rural life.

The last agricultural census showed approximately 200,000 small-scale farmers occupying some 77% of agricultural land holdings. As such, farmers are the direct beneficiaries of this strategy and will be the key actors for implementation.

The implementation of this strategy aims to impact significantly on economic and social development by providing sustainable employment and incomes in the rural areas, by reducing population and unemployment pressure in Kingston and by increasing the competitiveness of the small and medium agro-processing industry.

Strategic Options and target markets:

The Strategy identifies two main market priorities

- **Import substitution and development of domestic market for Fresh and processed foods (The Food import bill accounted for approximately 886 USD million dollars during 2008)**
- **Export development for current and niche products**

Stakeholders and buyers examined linkages with the tourism and hospitality industry, the opportunity for increasing the variety and quality of locally processed food products and the competitiveness of current and potential exports.

After prioritising target products and segments according to market demand, supply side capacity and potential for value addition a list of priority products has been defined. In particular stakeholders have agreed to concentrate the strategy efforts towards:

- **Fresh fruit and Vegetables for domestic consumption (hotels import 52% of fresh fruits and vegetables needed)**
- **Pepper Mash and sauces**
- **Concentrates, pastes and Pulps including beverages and industrial ingredients**
- **Convenience Foods (food preparations, snacks, roots and tubers)**
- **Ackee based products (food and medicinal)**

The Sector Strategy Response and objectives:

As a by-product of globalization, food supply systems are increasingly being driven by consumer preferences. Much of the modernization that remains to be achieved in Jamaican agro-business sector involves the re-orientation from the long legacy of "supply push" to systems that are fulfilling consumer expressed and implied needs and preferences, so called "demand pull" systems.

This strategy is a comprehensive response to addressing the critical factors that impact on the development of the Jamaican Roots & Tubers, Fruits & vegetables and Herbs & Spices sectors. It seeks to reduce the gap in performance of Support Institutions, Private Sector and Government based on the above stated market opportunities.

In Jamaica, it is important to adopt a “system” perspective when considering the identified opportunities and constraints for agro-enterprise development.

System approach is required because the diverse productive activities are broadly distributed over an extended geography and to maximise the timely interaction of separate value-adding steps throughout the value chain (Develop and deliver material input to the farming sector; Produce primary commodities; Collect, handle, preserve FFV; Process, semi-finished or finished agro-based products; Transport, market, and distribute agro-based products to consumers).

The strategy is proposing a holistic approach that will lead to a successful system: articulate the entire chain from a critical link viewpoint. These changes will not come overnight but first fundamental steps can be undertaken rapidly.

The Implementation Plan is constituted of 6 strategy objectives and is targeting social, economic and productive development.

It identifies four key areas for the private sector actors (farmers, processors and buyers)

(i) Access to market Information; (ii) Access to Finance; (iii) Supply (Production – Pre & Post Harvest) and (iv) Processing and Value Addition.

It also identifies two cross-cutting support areas for institutions and Government:

(i) Sector Governance and Policy making (ii) technical Support and Research and Development.

The 6 main strategy objectives are listed below:

1. Establish a private public coordination mechanism for the management of the strategy implementation
2. Increase availability of supply and demand related information to allow informed decision making by private sector and policy makers
3. Increase raw material supply from small-scale farmers by 400% by 2020 by organising and training farmers through agronomic services
4. Provide access to low-cost funding and risk management mechanisms to 70% of the targeted farming population and processors by 2015
5. Increase the production of processed food products by 150% by 2020 and improve overall value adding operations to achieve industry competitive advantage
6. Provide access to low-cost, high-value planting material (seeds, seedlings) for fruits, vegetables, herbs & spices and roots & tubers to 95% of the 220,000 farmers by 2015 and enhance agronomic support

Priorities and Implementation progress

An overall prioritisation of the sub-objectives was undertaken by the Coordinating Committee.

The main priority areas are.

Objective 1 “Establish a private public coordination mechanism for the management of the strategy implementation”

Objective 3 “Increase raw material supply from small-scale farmers by 400% by 2020 by organising and training farmers through agronomic services

Objective 5 “Increase the production of processed food products by 150% by 2020 and improve overall value adding operations to achieve industry competitive advantage”

The coordinating committee has started to implement key activities under objective 5 with an identified core group of beneficiaries including buyers, processors and farmers. Successful

experiences and results will be replicated with other groups of beneficiaries as implementation rolls out.

Additionally partner Organisations such as the FAO and the World Bank have committed to assist with the implementation of Objective 4 related to management of risk and finance. USAID has also developed a program that responds to Objective 2 and Christiana Potato Growers Association is developing a response to Objective 3. EU, CIDA and IDB are also currently developing programmes that are in line with the Agricultural Sub-sector strategy,

Anticipated outcomes and resources needed

As per the detailed costing of activities in the implementation plan it is anticipated that the total amount of funding needed for the implementation of this strategy is US\$ 17 Million over a 5 year period. Detailed costing per strategy objective and activity can be consulted in the resources needed chapter.

As highlighted in the vision statement it is anticipated that the overall throughput from the farms will increase by 400% and that the total agriculture and agro-processing sector contribution to GDP will increase to approximately 20% over the next 10 years.

However because the impact will be at the rural and subsistence level it is expected to be substantially greater on MDGs. (please refer to MDG matrix with strategy impact by objective the complete in strategy document)

Strategy Implementation Managing and Monitoring Framework

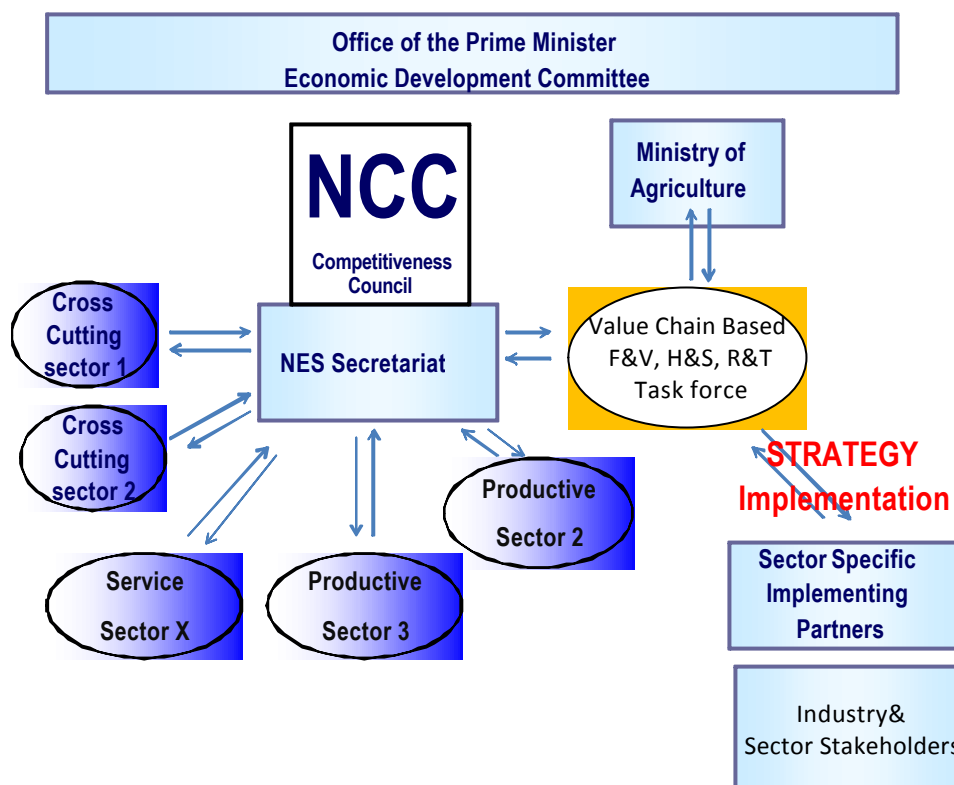
In the strategy development workshops the Sector stakeholders (including support institutions, Government, farmers and processors) have decided that for successful implementation and impact the strategy implementation framework needed to follow the same value chain participatory based principles used in the design phase.

The fact that the implementation of many of the strategy objectives and activities require close collaboration among different Ministries, agencies, implementing partners and sector stakeholders also represents a major challenge.

The need to align all the various ongoing initiatives and to have a legitimized body with authority was determined as the utmost priority in subsequent consultations with the Strategy Development Coordinating Committee, the Ministry of Agriculture and Fisheries, the Ministry of Industry and Commerce and the Ministry of Finance.

The most relevant cross-cutting initiatives are the Economic Development Committee (EDC) chaired by the office of the Prime Minister and the National Competitiveness Council which includes the National Export Strategy.

The diagram below shows the recommended implementation framework structure. The underlying principle is: a centralised secretariat providing coordination and logistical support to a series of sub-sector cross-industry units or task force with the mandate of managing the implementation and development of the different productive, service and cross-cutting sectors in the country.



In the case of the Agricultural sub-sectors covered in this strategy (Fruits and Vegetables, Herbs and Spices, Roots and Tubers all of them both fresh and processed) the sector stakeholders and coordinating committee have recommended that implementation is directly managed by a task force composed of the following institutions:

Ministry of Agriculture and Fisheries	Dr. Derrick Deslandes Dr. Marc Panton Don McGlashan
Christiana Potato Growers Cooperative Association	Alvin Murray
Private Sector Representative (Farmer)	To be nominated
Jampro / JTI	Dr. Dana Morris
Ministry of Finance	Dr. Wayne Henry
Scientific Research Council	Dr. Audia Barnett
Jamaica Exporters Association	Vitus Evans
Jamaica Agro-Processors Association	Michael Ming

This task force represented by the above institutions and by the orange bubble in the diagram will be mandated to interact with implementing partners, Government, sector stakeholders, financial institutions, buyers and with the cross-cutting sector task forces to achieve the implementation of the present strategy. It is envisaged that periodical reporting is done to the office of the prime minister through the NES Secretariat and the Ministry of Agriculture and Fisheries.

End of Executive Summary.