Review of the Agricultural Sector in Jamaica

(part I)

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Enhancing Jamaican Competitiveness in the Global Knowledge Economy

15 April 2011
Jamaica, W.I.
Introduction
Introduction

• Most developing countries depend on domestic agricultural production to meet a variety of National needs. These include:

  – Food security
  – Earning foreign exchange from exports
  – Preventing rural urban drift
  – Protecting the environment
  – Developing, where possible, local value-added production
Introduction

• Jamaica is no different in this regard.
• The dynamics of production, trade, demand for food and energy and, consequently, their impact on food security, the safety of our domestic food supply, our ability to be able to afford to the imported component of our national food supply needs and to compete in the markets from which we seek to earn foreign exchange is rapidly changing.
Introduction

Unlike many developing countries, Jamaica has a relatively well developed and diverse agricultural and agro-industrial sector.
Integrated Agribusiness Operations
Introduction

• The current economic situation in Jamaica, combined with the clear and present danger presented by the inevitable and unceasing rise in the global demand for food and fuel (bio-fuels) make a strong, vibrant and competitive agricultural sector a critical component of Jamaica’s economic future.
Introduction

• In this context, this review will examine our past agricultural policies and the outcomes of those policies, where we are today, and where we need to go in the future in the context of the Knowledge Economy of which we are a part.
Review of Jamaica’s Agricultural Policies

1990 - 2005
Agricultural Policies 1995-2005

• Jamaica’s agricultural policies in the mid-1990s focused on the retention of preferences for traditional crops while seeking to encourage diversification.

• However, because agriculture was not seen as a major engine of economic growth, it was de-emphasized.
Agricultural Policies 1995-2005

- This changed somewhat in the post-2004 (Hurricane Ivan) period when new strategies were put in place.

- These policies and strategies are quite similar to the ones being pursued today, the major difference being the specific focus and detail of the sector strategies.
Strategies for Selected Crops: Citrus

The following strategies were highlighted in the Medium-Term Plan:

1. Implementation of a National Citrus Certification Programme through the Jamaica Citrus Producers Association (JCPA) in conjunction with the National Citrus Council and with technical assistance from the FAO.

2. Enactment of legislation to make certification of planting materials mandatory for all citrus nurseries.

3. A citrus replanting project to reduce the negative impact of the Citrus Trestiza Virus (CTV) on citrus trees island-wide.
Strategies for Selected Crops: Bananas

1. Concentration of production on more efficient farms (large farms comprising approximately 4000 acres and small farms about 3600 acres)

2. Adoption of cost reduction measures at all stages of production and marketing

3. Concentration of production on more productive lands

4. Provision of technical and financial support in the areas of extension, irrigation, drainage and critical inputs

5. Establishment of an efficient quality assurance programme

6. Restructuring of the Banana Insurance Scheme

7. Rationalization of agencies managing the industry.
Strategies for Selected Crops: Coffee

The Revitalization Plan for the Coffee Industry called for the following:

1. Sweeping changes in the areas of licensing and deregulation, marketing, pricing, financing and management of the industry

2. Streamlining of procurement, drying and finishing

3. Initiatives including appointment of a new board to address:
   - Improved quality control,
   - Separation and strengthening of the regulatory and commercial aspects,
   - Rationalization of the collection and processing functions, and
   - Divestment of coffee farms owned by the Board.
Conclusions

• “The current policy measures may be deemed non-specific for the RTP commodities. This lack of specificity carries the danger of preventing the targeted commodities from achieving their potential. We therefore recommend that further refinement and detailing of the policies as articulated for banana and sugar be formatted for the RTP commodities of interest.”
Review of Jamaica’s Current Agricultural Policy
Issues and Challenges Identified in our Current Agricultural Policy

- Declining competitiveness
  - Small size of landholdings
  - High input costs
  - Limited application of modern technology

- Limited staff and resources – extension services

- Threats to sustainable use of forestry resources
Issues and Challenges Identified in our Current Agricultural Policy

- Gaps in key infrastructure
  - Inadequate feeder roads/maintenance
  - Inadequate irrigation
  - Lack of grading sorting and packing facilities
  - Weak food safety infrastructure, including traceability

- Aging work force

- Loss of agricultural land to housing development
Issues and Challenges Identified in our Current Agricultural Policy

- **Weakness in marketing**
  - Limited market information services
  - Weak linkages to other economic sectors
  - Informal marketing & distribution channels

- **Environmental issues**
  - Soil erosion
  - Overuse of chemical fertilizers
  - Natural hazards
  - Monoculture
  - deforestation
Issues and Challenges Identified in our Current Agricultural Policy

• Threats to Jamaica’s marine fisheries
  – Over-harvesting
  – Habitat destruction
  – Poaching
Jamaica’s Current Agricultural Policy: The Agricultural Development Strategy

• Contribution to Sustainable Growth & Development through
  – Employment creation
  – Increased export earnings*
  – Food security

• Stabilization
  – halt current sustained decline in agriculture*

• Rehabilitation – restoring lost productivity*
Jamaica’s Current Agricultural Policy: The Agricultural Development Strategy

- Development of Agro-industry
  - Promote the development of sustainable linkages between agriculture and manufacturing*

- Expansion of Products
  - Increase production of select crops and livestock through productivity/efficiency increases,

- Youth in Agriculture – increase participation
Jamaica’s Current Agricultural Policy: The Agricultural Development Strategy

• Promote integrated rural development
  – Meaningful livelihood for farmers
  – Reduce rural/urban drift
  – Reduce poverty in rural areas
  – Sustainable agriculture
Selected Sector Strategies

• Competitive Diversified Value-added Production
  – Strengthen Agricultural Research Institutions
  – Develop a diversified range of agricultural products
  – Develop modern efficient farming
  – Implement development plans for key sub-sectors

• Marketing for Domestic and Export Markets
  – Strengthen agricultural marketing structures
  – Strengthen linkages with manufacturing, tourism, others
Selected Sector Strategies

• Human Resources
  – Establish model demonstration farms at strategic locations
  – Strengthen existing educational institutions
  – Encourage the participation of youth in agriculture

• Environmental Sustainability
  – Increase use of best practices
  – Promote zero waste agriculture and processing

• National Food Security
  – Promote national food security
Selected Sector Strategies

- **Enabling Framework, Infrastructure & Support Service**
  - Develop new sector policy
  - Promote micro-financing
  - Strengthen the capacity of MOAF to play supporting role
  - Increase number and capacity of extension officers
  - Address road network; praedial larceny
  - Address water supply and irrigation challenges
  - Strengthen farmer organizations
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditionals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bananas</td>
<td>18 844</td>
<td>12 814</td>
<td>4 692</td>
<td>13 412</td>
<td>12 402</td>
<td>9 222</td>
<td>-25.6</td>
</tr>
<tr>
<td>Citrus (Fresh Fruit)</td>
<td>3 160</td>
<td>2 057</td>
<td>1 480</td>
<td>986</td>
<td>813</td>
<td>1 606</td>
<td>97.5</td>
</tr>
<tr>
<td>Coffee</td>
<td>28 919</td>
<td>38 683</td>
<td>16 334</td>
<td>29 649</td>
<td>28 744</td>
<td>24 891</td>
<td>-13.4</td>
</tr>
<tr>
<td>Cocoa</td>
<td>2 245</td>
<td>910</td>
<td>318</td>
<td>1 002</td>
<td>673</td>
<td>1 976</td>
<td>193.6</td>
</tr>
<tr>
<td>Pimento</td>
<td>2 764</td>
<td>2 164</td>
<td>2 856</td>
<td>1 410</td>
<td>1 410</td>
<td>2 077</td>
<td>47.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>55 932</td>
<td>56 628</td>
<td>25 680</td>
<td>46 459</td>
<td>44 042</td>
<td>39 772</td>
<td>-9.7</td>
</tr>
</tbody>
</table>

* - Preliminary

Source: Statistical Institute of Jamaica
JAMAICA - CROP PRODUCTION INDEX (1999-2001 = 100)

Source: TradingEconomics.com
JAMAICA - AGRICULTURE; VALUE ADDED (% OF GDP)

Source: TradingEconomics.com
JAMAICA - FERTILIZER CONSUMPTION (KILOGRAMS PER HECTARE OF ARABLE LAND)

Source: TradingEconomics.com
### Age Distribution of Jamaican Farmers

<table>
<thead>
<tr>
<th>Groups</th>
<th>Reporting</th>
<th>Young (&lt; 35)</th>
<th>Middle Age (35-55)</th>
<th>Mature (&gt;55)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>49,215</td>
<td>10,419</td>
<td>19,341</td>
<td>19,455</td>
</tr>
<tr>
<td>Landless</td>
<td>6,966</td>
<td>2,416</td>
<td>3,017</td>
<td>1,533</td>
</tr>
<tr>
<td>Small</td>
<td>41,578</td>
<td>7,955</td>
<td>16,092</td>
<td>17,531</td>
</tr>
<tr>
<td>Medium</td>
<td>631</td>
<td>45</td>
<td>220</td>
<td>366</td>
</tr>
<tr>
<td>Large</td>
<td>40</td>
<td>3</td>
<td>12</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Jamaica</th>
<th>Landless</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>100</td>
<td>14.15</td>
<td>84.18</td>
<td>1.28</td>
<td>0.08</td>
</tr>
<tr>
<td>Landless</td>
<td>21.17</td>
<td>4.91</td>
<td>16.16</td>
<td>0.09</td>
<td>0.01</td>
</tr>
<tr>
<td>Small</td>
<td>39.30</td>
<td>6.13</td>
<td>32.70</td>
<td>0.45</td>
<td>0.02</td>
</tr>
<tr>
<td>Medium</td>
<td>39.53</td>
<td>3.11</td>
<td>35.62</td>
<td>0.74</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Source: Douglas, 2005 (calculated from Agricultural Census, 1996)
Characteristics of the Jamaican Farmer, 2002

- 36.03% below the age of 30
- 37.38% between the ages of 31 and 49
- 73.41% are now below the age of 50
- Only 26.59% are older than 50
- TODAY??

Data from Gordon, 2010 – An analysis of the SLC and Labour Force Survey data
Export Value (US$) of Traditional Crops
2003 – 2007 (US$)
## Export of Selected Traditional Products (2006-2010)

<table>
<thead>
<tr>
<th>Month</th>
<th>Coffee (Agriculture / Fresh Beans)</th>
<th>Rum</th>
<th>Coffee Products (Manufacture)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. - Dec. 2007</td>
<td>24,891</td>
<td>42,225</td>
<td>4,487</td>
</tr>
<tr>
<td>Jan. - Dec. 2008</td>
<td>22,647</td>
<td>39,931</td>
<td>1,143</td>
</tr>
<tr>
<td>Jan. - Dec. 2009</td>
<td>33,652</td>
<td>44,456</td>
<td>1,368</td>
</tr>
</tbody>
</table>

### Diagram

The diagram shows the trend in the export of traditional commodities from 2006 to 2010. The export values are represented in US$'000. The lines indicate the change in export values over the years for each commodity.
## Jamaica’s Non-Traditional Food Exports 2009-2010 (US$)

<table>
<thead>
<tr>
<th>COMMODITIES</th>
<th>Jan – Dec 2010</th>
<th>Jan – Dec 2009</th>
<th>% CHANGE</th>
<th>% CHANGE</th>
<th>% DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD</td>
<td>124,203</td>
<td>119,138</td>
<td>4.25</td>
<td>100.0%</td>
<td>5,065</td>
</tr>
<tr>
<td>Dasheen</td>
<td>1,557</td>
<td>1,392</td>
<td>11.85</td>
<td>1.3%</td>
<td>165</td>
</tr>
<tr>
<td>Sweet Potato</td>
<td>3,518</td>
<td>2,515</td>
<td>39.89</td>
<td>2.8%</td>
<td>1,003</td>
</tr>
<tr>
<td>Yams</td>
<td>19,083</td>
<td>18,718</td>
<td>1.95</td>
<td>15.4%</td>
<td>366</td>
</tr>
<tr>
<td>Papayas</td>
<td>2,780</td>
<td>2,867</td>
<td>-3.02</td>
<td>2.2%</td>
<td>-87</td>
</tr>
<tr>
<td>Ackee</td>
<td>12,753</td>
<td>13,558</td>
<td>-5.94</td>
<td>10.3%</td>
<td>-805</td>
</tr>
<tr>
<td>Other fruits and fruit preparations</td>
<td>6,694</td>
<td>6,242</td>
<td>7.25</td>
<td>5.4%</td>
<td>452</td>
</tr>
<tr>
<td>Meat and Meat Preparations</td>
<td>2,661</td>
<td>2,830</td>
<td>-5.95</td>
<td>2.1%</td>
<td>-168</td>
</tr>
<tr>
<td>Dairy Products and Bird's Eggs</td>
<td>6,150</td>
<td>6,509</td>
<td>-5.51</td>
<td>5.0%</td>
<td>-359</td>
</tr>
<tr>
<td>Fish, Crustaceans &amp; Molluscs</td>
<td>7,973</td>
<td>4,738</td>
<td>68.28</td>
<td>6.4%</td>
<td>3,235</td>
</tr>
<tr>
<td>Baked Products</td>
<td>11,893</td>
<td>10,788</td>
<td>10.24</td>
<td>9.6%</td>
<td>1,105</td>
</tr>
<tr>
<td>Juices excluding Citrus</td>
<td>7,308</td>
<td>6,802</td>
<td>7.43</td>
<td>5.9%</td>
<td>506</td>
</tr>
<tr>
<td>Sauces</td>
<td>11,063</td>
<td>10,556</td>
<td>4.80</td>
<td>8.9%</td>
<td>507</td>
</tr>
<tr>
<td>Other Food Exports</td>
<td>18,821</td>
<td>19,893</td>
<td>-5.39</td>
<td>15.2%</td>
<td>-1,072</td>
</tr>
</tbody>
</table>
Focus on Building Sustainable Global Competitiveness
Global Competitiveness

• Developing the capacity and systems to deliver goods and services as, when and where needed in the desired quantity and at the expected level of quality to discerning consumers willing to pay a price for them that is profitable for the business (premium price, preferably).
How?

- Developing and applying world-class technology in a practical, hands-on manner that is respectful of the culture of the people, organizations and countries involved
Six Components of Successful Export Activity

• Market Expansion and Diversification
• Production & Technology
• Product Innovation
• Supply of Inputs (Supply Chain Mgmt)
• Financing
• Information Generation, access and use
Targeted Marketing of Export Products
Exporting Food from the Jamaica to the World

• Jamaican firms have been exporting world-class products to global markets for years

• Many of these products are very well known and very successful
## Potential Markets for Jamaican/Caribbean Exports in New York

<table>
<thead>
<tr>
<th>CITY</th>
<th>Total Population</th>
<th>Total Population of Jamaicans/West Indians (inc. African Americans)</th>
<th>% of Total Population – Jamaica/West Indian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronx</td>
<td>1,332,650</td>
<td>475,007</td>
<td>35.64</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>2,465,326</td>
<td>898,350</td>
<td>36.44</td>
</tr>
<tr>
<td>Manhattan</td>
<td>1,537,195</td>
<td>267,302</td>
<td>17.39</td>
</tr>
<tr>
<td>New York City</td>
<td>8,008,278</td>
<td>2,129,762</td>
<td>26.59</td>
</tr>
<tr>
<td>Queens Borough</td>
<td>2,229,379</td>
<td>446,189</td>
<td>20.01</td>
</tr>
<tr>
<td>Buffalo</td>
<td>292,648</td>
<td>108,951</td>
<td>37.23</td>
</tr>
<tr>
<td>Mount Vernon</td>
<td>68,381</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fastest Growing Sectors, in OECD Trade

- Medicinal and Pharmaceutical Products
- Cosmetics & Perfumery
- Foods
- Non-Alcoholic Beverages
Jamaica-EU profile

Dynamic Sales
- Processed vegetables (49%)
- Coffee (32%)
- Non-alcoholic bev (33%)
- Bread/pastries (24%)
- Soups/broths (24%)
- Processed fruits (36%)

Declining Sales
- Bananas (-16%)
- Peppers (-17%)
- Citrus fruit (-17%)
- Cocoa beans (-8%)
- Fresh fruit (-23%)
- Unfermented Fruit/vegetable juice (-7)

Source: Lincoln Pryce, CRNM, 2006