



Agricultural Sector

A Top Export Prospect for Jamaica

September 2014

Overview

Jamaica's agriculture/food and beverage market represents good business opportunities for United States suppliers, particularly as the island's tropical climate and difficult topography incentivize the production of crops that are largely different than those grown in the cooler climates of the United States.

During 2012, the total value of food imports to Jamaica was roughly USD 960 million, with approximately 40% of these imports supplied via sources in the United States. The majority of Jamaica's total food imports are directed to the hotel, restaurant and institutional (HRI) sector. The remaining imports are channeled to consumers via retail outlets such as supermarkets, convenience stores, and small "mom-and-pop" shops.

According to estimates based on GCT data¹, food, beverage and tobacco categories of goods accounted for 15.7% of total wholesale and retail sales in Jamaica during 2012, and 17.7% of such sales in 2011. The following charts provide estimates of the trade in food and agricultural products with Jamaica:

Food/Animals SITC Section "0"	2009 US\$ Millions	2010 US\$ Millions	2011 US\$ Millions	2012 US\$ Millions
Total Local Production	N/A	N/A	N/A	N/A
Total Exports ²	237	203	232	274 ^P
Total Imports ²	802	816	939	959 ^P
Imports from the U.S. ³	296	304	364	396

¹ Source: Planning Institute of Jamaica, Economic and Social Survey Jamaica, Table 19.4

² Source: Planning Institute of Jamaica, Economic and Social Survey Jamaica, Table 6.2

³ Source: <http://censtats.census.gov/cgi-bin/sitc/siteCty.pl>

^P Preliminary data

Beverage/Tobacco SITC Section "1"	2009 US\$ Millions	2010 US\$ Millions	2011 US\$ Millions	2012 US\$ Millions
Total Local Production	N/A	N/A	N/A	N/A
Total Exports ¹	102	104	113	104 ^p
Total Imports ¹	80	75	77	81 ^p
Imports from the U.S. ²	15	16	20	20

¹ Source: Planning Institute of Jamaica, Economic and Social Survey Jamaica, Table 6.2

² Source: <http://censtats.census.gov/cgi-bin/sitc/sitcCty.pl>

^p Preliminary data

General information on Jamaica's retail and hotel sectors and the demand for U.S. food and beverages is available at: <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Analysis of sub-sectors of Jamaica's agriculture/food and beverage market:

Grains & Soybeans

Wheat flour is a major staple in Jamaica, with the country listed among the highest per capita consumers of flour and flour based products, providing an important market for U.S. suppliers. The sole mill in Jamaica is owned by ADM

Milling, giving U.S. wheat a possible advantage. However, wheat flour from Canada competes with U.S. imports in the fine bakery segment of the market.

The exposure to U.S. culture has created a demand for U.S. products, including breakfast cereal. This combined with the trend to a more healthy diet has led to increased consumption of breakfast cereals and non-dairy milk substitutes (such as soy milk). Higher priced U.S. cereals are positioned in the less price sensitive market segments on the basis of quality. Breakfast cereals from Trinidad and Tobago, a major supplier, are positioned in the lower priced category.

Demand for soybean and meal and coarse grains is largely driven by the livestock sub-sector, particularly the poultry industry. Imports of these products are expected to be strong as Jamaican demand for poultry is high, with chicken remaining a core Jamaican food.

Fruits & Vegetables

Importation of fruits and vegetables continues to be popular, as demand within the hotel/restaurant and retail sectors remain high. Some fruits (apples, pears, strawberries, plums, kiwis) and vegetables (broccoli, asparagus, spinach) will continue to grow as very small (or no) areas in Jamaica are suitable for producing these crops. However, products such as tomatoes, carrots, cabbages, melons, lettuce, and other fruits and vegetables that compete directly with local products are less competitive, and Jamaica's Safeguard Act of 2001 further advantages local producers. Imports of these products, however, can increase

during periods of shortages. Imported garlic and capsicums will remain competitive since local production is on a limited scale.

Meats

Following the resolution of the BSE issue there has been a recovery in the demand for prime beef cuts. However, per capita consumption remains relatively low among Jamaicans, who are large consumers of chicken. As such, most of the prime beef cuts are utilized by the hotel industry. Goat meat is a principal component of local cuisine. Mutton and goat imports have been growing in importance among Jamaicans, but this market is generally price sensitive.

According to a statement from the Jamaica Pig Farmers Association in 2008, Jamaican pork consumption is roughly one-seventh of the global average per capita pork consumption. At present, the Government of Jamaica bans the importation of most pork from the United States, and cites concerns about pseudo-rabies as the reason for the ban. Commercial swine herds in the United States have been declared free of pseudorabies since 2004, but the Jamaican ban still remains in place. USTR and USDA view the ban as unjustified and have been encouraging its removal. Import of processed U.S. pork that has been “hermetically sealed” is permitted.

Alcohol

The demand for wines and spirits in Jamaica is driven by the hotel and restaurant sub-sector. The presence of all-inclusive hotels in Jamaica favors low cost producers, such as South American producers of wine. In recent years, however, a growing number of Jamaicans have been showing some preference for U.S. products, and their consumption can be expected to increase in the medium to long term. The United States competes with European producers in Jamaica’s sparkling wine market, and with producers from Australia, Europe and South America in the market for other wine products. Jamaica annually imports over one million liters of vodka, brandy, gin, and other spirits. The Jamaican consumer generally has shown a preference for local rum over imported spirits.

Prepared Snacks

Trinidad and Tobago and Barbados are major suppliers of snack foods to the Jamaican market. This is largely due to the imposition of a 20 percent CET on all snack products originating outside of CARICOM. However, there is still scope for U.S. products to compete in this segment due to product differentiation based on quality and strong brand identification. Grocery stores across Jamaica carry a wide range of U.S. brand foodstuffs, and hoteliers in Jamaica’s tourist centers routinely purchase U.S. food products to satisfy guests’ expectations.

For More Information

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