December 15, 2008

Statement on the Importation of Chicken Leg Quarters
By Dr the Hon. Christopher Tufton, Minister of Agriculture

In October and November 2008 the Ministry of Agriculture issued permits for the importation of 625,000 kg or twenty-five (25) containers of chicken leg quarters to meet the Christmas demand. Each importer incurred a duty of 40%, down from 260% to facilitate affordable prices for the consumers, while allowing the local producers an opportunity to compete.

The 500,000 kg for October and 125,000 for November represent the only two sets of permits that were issued during 2008.

The permits were issued based on the following:

a. Consultation with chicken producers-a meeting was held on September 19, 2008 with senior management of the main poultry providers, Jamaica Broilers and Caribbean Broilers, representatives of the Ministry of Industry and Commerce and the Ministry of Agriculture, including myself. At that meeting the Ministry indicated a projected shortfall of two million Kg for the year and approximately one million kg for the upcoming quarter. The producers requested time to review the figure and subsequently reported back to the Ministry.

b. Projected Shortfall- Figures supplied by Jamaica Broilers and Caribbean Broilers relating to local chicken production, based on the placement with contract farmers and sale of day-old chickens indicated a shortfall of 815,179 kg for the month of November and December.
c. **Price Concerns** – The Government was concerned that any shortage of chicken for the period would lead to additional price increases over what had already taken place during the course of the year, placing additional hardships on an already pressured consuming public.

It is important to note that the granting of permits to import chicken LQ is a yearly occurrence. An examination of the data over the last ten years indicates the extent of the permits that have been granted yearly over this period. Interestingly, the critics of the permits granted this year, including the Opposition spokesman on Agriculture, failed to mention the fact that this has been a yearly occurrence, and more strikingly, this year represents the lowest volume of LQ import permits granted, when compared to each year over the last ten years!

**Yearly Import quantities of LQ - 1997 to 2008.**

- 1997 - 12,000,000 kg
- 1998 - 17,050,000 kg
- 1999 - 12,125,000 kg
- 2000 - 4,975,000 kg
- 2001 - 5,550,000 kg
- 2002 - 3,725,000 kg
- 2003 - 3,675,000 kg
- 2004 - 7,875,000 kg
- 2005 - 1,375,000 kg
- 2006 - 1,125,000 kg
- 2007 - 825,000 kg
- 2008 - 625,000 kg.

The Government’s decision to be conservative in granting permits this year is in keeping with its thrust towards balancing the need to build local capacity, while ensuring that consumers’ needs are met.

This approach was not confined to the poultry industry. An examination of the pork industry tells the same story. As part of our ongoing strategy to preserve the market for local pork production, the importation of pork products was reduced to 771,818 kg in 2008 or a 61% reduction over the 2007 period. This was based on an analysis of the production analysis of
local producers and the needs of consumers. The pork industry is evolving as a reliable and sustainable local provider of protein and the Government is providing the necessary support to ensure that producers are protected from unfair competition.

**List of Importers**
Questions have been raised about the importers granted the permits to import LQs. The explanation is simple.

When the current administration assumed office, there were a number of importers of chicken parts and other animal products. These entities received monthly import permits, on request. The main ones include, Spanish Grain Store, Chris Rayon Ltd, Master Mac Limited, National Meats & Food Distributors Limited, Triple M Limited, Bratton Limited, Transtrading Limited Lilian Limited and Branlue Limited. There were many others receiving permits, but not as routinely and in less quantities.

ALL these companies continue to receive the same number of requested permits, as was the case, prior to the new administration. In fact these companies remain the dominant importers in the market, receiving permits for the highest volumes of imports. The main companies (as listed above) received permits to import LQ for 2008.

At the same time, the new Government took the position to open the market to additional meat importers. This was to promote greater competition and better serve the consumers interests. The strategy started with permits for Chicken Back, and over the last year resulted in the price of chicken back falling by approximately 14%. Included in the new companies are, Roma Import and Distributor Company Limited, Papine Meats and More, The Butchers Table Limited, Pinecrest Meats Distributors Limited, East Coast Fish and Meats Limited, Target Imports Limited, Lanvintar Limited and St. Ann Logistics and Services Limited.

A number of these companies also received LQs for 2008. It should be noted that no company received more than the equivalent of one container (25,000 kg) of import volume, in keeping with the Governments intention to promote competition and better prices for the consumer. In addition, all importers were required to comply with health and safety regulations in order to be granted a permit to import any meat kind.
Food safety considerations
Questions have been raised about the safety of the LQs and other imported meats. The Ministry of Agriculture which has the responsibility for safeguard public health ensures that all products imported for human consumption meet the required health standards.

Prior to the issue of an import permit. The applicant must demonstrate that adequate cold storage facilities are available meeting the minimum required standards. These facilities are then inspected by the competent authority for compliance.

As in the case of all imported meats and meat products each consignment of the imported chicken LQ quarters was accompanied by the relevant veterinary health certification attesting to wholesomeness. Copies of these certificates may be viewed at the VET division. LQs are imported from the United States of America and are also USDA certified. Consumers therefore have nothing to worry about.

Conclusion
Finally, the Government intends to meet with the broiler companies this week to hear their concerns and to re-assure them that this administration is committed to building local capacity. I intend also to consult with the leadership of the Jamaica Manufactures Association and the Consumers League to address the concerns they have raised on this matter.

Our mandate at the Ministry of Agriculture is to partner with all stakeholders to build production and productivity capacity within agriculture, in keeping with our food security strategy. This is not an event, but a process which must be done in a manner that the Jamaican people are always at the centre of our concerns.

Chris Tufton
Minister of Agriculture