

Ministry Paper /2015

Export Initiatives

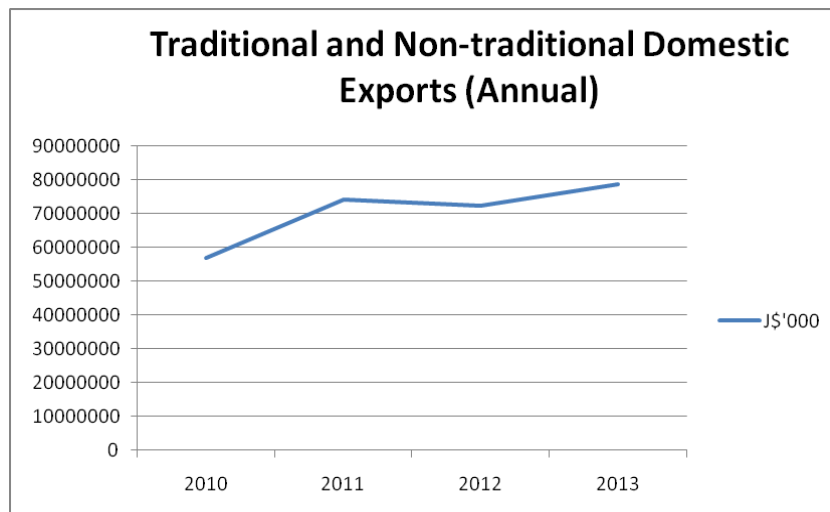
1.0 Purpose

The matter for tabling is the implementation of the Export Initiatives Programme in the Ministry of Agriculture and Fisheries (MOAF).

2.0 Background

The US, Canada and UK are Jamaica's largest goods export market. Agricultural goods exports to these markets were valued at USD \$193,727,721 during the period 2010 to 2013. The leading export commodities were Yam (USD\$55,705,308), Bean Coffee (USD\$35,331,530) and Sweet Potato (USD\$3,936,909).

The country has seen a steady increase in the value of traditional and non-traditional domestic exports during the period 2010-2013 with the exception of 2012 which experienced a slight dip due to the effects of adverse weather conditions (hurricanes) in 2011 (see figure below).



Source: STATIN

The Ministry intends to continue this growth trajectory by capitalizing on existing programmes such as the USDA-APHIS Preclearance Programme through which Jamaica is able to export some 52 commodities. The Programme ensures that exports leaving Jamaica for the United

States market are inspected and declared appropriate for export before leaving our shores (which reduces the risk of the exporter).

This Export Initiative Programme is designed to act as a catalyst to promote Jamaica's exports on a sustained basis, based upon a 'focus product' and 'focus market' concept. With the aim to continuously increase our share of global trade and expand employment opportunities, the Ministry has taken on a slew of initiatives to boost exports and certain special focus commodities have been identified. In this regard the MOAF is making a concerted effort to promote exports in identified sub-sectors by employing specific strategies that shall be revised and enhanced periodically.

3.0 Market Access to Trinidad and Tobago

In 2012 the Government of Jamaica, through the Ministry of Agriculture and Fisheries, requested of Trinidad and Tobago, the facilitation of trade in the export of Irish Potato (*Solanum tuberosum*), Sweet Potato (*Ipomoea batatas*), Hot Pepper (*Capsicum spp.*), Dasheen (*Colocasia esculenta*) and Banana (*Musa spp*) from Jamaica to Trinidad and Tobago. This request was revisited at the COTED Meeting held in Suriname 2014.

In January 2015, the Republic of Trinidad and Tobago granted approval for the export of Dasheen and Hot Pepper from Jamaica with the commitment of completing the Pest Risk Analysis (PRA) for Irish Potato by April 2015. Market access was denied for Sweet Potato due to the presence of sweet potato weevil (*Cylas formicarius*) in Jamaica. A definitive position was not given on the entry of Banana.

Whilst the Ministry awaits the PRA report for Irish Potato and clarity regarding Banana, we are facilitating all the necessary arrangements to robustly export these commodities to Trinidad and Tobago.

During the period 2010-2013 a total of 3,281,760 tonnes of Dasheen valued at USD \$6,475,307 and 421,201 tonnes of Hot Pepper valued at USD\$1,731,836 were exported to the USA, Canada and the United Kingdom. The entry of Dasheen and Hot Pepper into Trinidad and Tobago

represents a significant market opportunity for the farmers of Jamaica. The Ministry and the Rural Agricultural Development Authority (RADA) has begun work to identify the major producing areas and to work with farmers and exporters to take advantage of this opportunity.

4.0 Capacity building in propagation and post-harvest handling of orange-flesh Sweet Potato varieties for export markets

In 2013, arising from discussion with the Fresh Fruit Produce Consortium, market opportunity valued at USD\$50M was identified for the export of the Sweet Potato. Jamaica, as an established Sweet Potato producing country, exported 5 million kgs over the period 2010-2013 valued at USD\$12.5 M to the US, UK and Canadian markets. This initiated a full exploration into the production of the Beauregard and Covington orange-fleshed varieties of Sweet Potato which are the main varieties demanded in the UK market.

The Ministry of Agriculture and Fisheries, in collaboration with the Inter-American Institute for Cooperation in Agriculture (IICA), sought the assistance of the North Carolina University (NCU) and the North Carolina Sweet Potato Commission (NCSPC), which has the patent for these varieties, to provide clean planting stock and technical support to the Research and Development Division of the Ministry to conduct trials across some of our agro parks. The crop evaluation was conducted during the period August to November 2014 and farmers from the New Forrest/Duff House, Spring Plain and Yallahs agro parks participated under the direction and supervision of the Research and Development Division supported by RADA.

The crop evaluation conducted indicated the following:

Successful indicators

- Beauregard's time to harvest was shorter under local growing conditions (80 vs 90 days)
- Brix content was good post curing (8-12) which is required by the UK market
- The variety can be grown by farmers in our agro parks

Other observations

- There are challenges however with storage facilities for curing
- Yields were lower than expected due to the poor quality of planting material received as it deteriorated during handling and transportation conditions

- There is need to produce locally certified clean planting material as the way forward to reduce cost of planting material and ease of supply

The export market for Sweet Potato to the UK and Canada as at 2014 was valued at USD\$73M and USD\$45M respectively with annual growth projections of 24% and 2% in each respective market. Arising from the successful trials, Jamaica is now targeting the planting of some 590 ha of both local and imported new varieties to meet an estimated market demand of 10.6M kilograms over a three year period. This translates over the next three years into a 10.4% stake in the Canadian and a 7.19% stake in the United Kingdom Sweet Potato markets respectively valued at approximately USD\$12.2M. Starting in July 2015 we will be establishing, through the engagement of a major investor and farmers, some 12 ha per month with expected marketable yields of 200,000 kilograms of number 1s and 250,000 kilograms of jumbos based on the Sweet Potato classification system which obtains in these markets.

The proposed establishment of an additional 473 ha over a 3yr period will produce an additional amount of 10.6M kilogrammes of Sweet Potato over and above current exports. It must be noted however that as we begin to target the mainstream markets in these countries there is a requirement for global gap certification and so the MOAF has committed a budget of \$110M to the training and certification of our Agro Parks as well as farmers within these parks.

Membership

In July 2014, the Ministry was granted Associate membership to the NCSPC in order to obtain the license to propagate and grow the Covington variety. The MOAF, Jamaica is the first entity outside the United States which has gained this membership and will be the first to receive the patented Covington variety which is the most sought after variety for entry into the European market.

This membership affords the opportunity to access planting material of new Sweet Potato varieties once they become available, technology transfer, technical advice, assistance with research and development, training as well as participation in research seminars and conferences that are hosted by the Commission.

Clean Seed Programme

NCSU is a pioneer in clean seed certification for Sweet Potato and through this partnership will provide technical expertise to the Research and Development Division's post entry quarantine facilities. The Green House Growers' Association has been engaged in making green house space available for the production of clean disease free planting material for dissemination to farmers. This is to ensure that the productive vigour of the variety is not diminished by disease-causing agents and strict controls are exercised over the separation of handlers along the chain ensuring a sustainable supply of clean seeds.

5.0 Mango Expansion Programme

Jamaica has been granted approval to export the St. Julian and East Indian varieties of mango to the USA with effect from October 20, 2014. The approval to export mangoes to the US provides a USD\$500M market opportunity for our farmers and exporters. Plans are afoot to increase production as some 5,000 hectares of suitable irrigated lands have already been identified. The Ministry of Agriculture and Fisheries is working with United States Department of Agriculture-Animal and Plant Health Inspection Services (USDA-APHIS) to ensure compliance with the import requirements as mangoes exported to the USA requires treatment by irradiation or hot water immersion. Accordingly investors, existing and new, are being sensitized to the management regime and agronomic practices and protocols that will mitigate the significant threat of the dangerous fruit fly infestation and other diseases which virtually stifled the expansion of this industry in the past which had a local estimated value of approximately J\$3 billion in 2013.

The agreed system for the production for export of Mangoes to the USA dictates that:

- The mangoes have to be produced in orchards in accordance with a systems approach employing a combination of mitigation measures for certain fruit flies, soft scale insects, and diseases.
- Mango shipments have to be inspected prior to exportation from Jamaica and found free of these pests and diseases
- The mangoes have to be exported in commercial consignments only and would have to be treated to mitigate the risk of fruit flies

- The mangoes also have to be accompanied by a phytosanitary certificate.

FAO TCP – Hot water Treatment facility

The Ministry has entered into a Technical Cooperation Programme (TCP) with the Food and Agriculture Organization (FAO) which will undertake an analysis of local and international markets and determine the potential for Jamaican mango export, specifically to:

- Conduct a market assessment and situational analysis of the mango sector in the country and assess current and production potential;
- Review the potential for expanding into the international market - including an assessment of the price and volume requirements – comparing that with the scenario of expanding the local market; and
- Make recommendations for the a market expansion approach over the next 5 years

Fruit Fly Monitoring

A team comprising the Research and Development Division and RADA have been working with farmers in St. Thomas, the major producing area, to reduce the fruit fly population by setting fruit fly traps. Beyond that, the team has engaged in a mass trapping programme, which extends beyond the borders of St. Thomas, in a bid to significantly reduce the fly population in St. Thomas and other parishes.

The MOAF has initiated an Internship Programme with the College of Agriculture, Science and Education (CASE) and the HEART Institute, Ebony Park. Interns from both institutions will be engaged to assist with developing the fruit fly traps and data collection.

The fruit fly monitoring programme will be expanded to production areas for other fruits which have been selected for exports as a part of our agro park fruit tree crop development programme.

Exporters' Forum

Two Exporters' Forums are being planned for the first quarter in FY 2015/16 to sensitize exporters to new and existing opportunities. The forums will also be used as the medium to link

the demands of exporters to producers in the agro parks. Establishing these market linkages will ensure consistent supply to the export market through structured production cycle management with a secured market for the farmers barring unforeseen circumstances.

These export initiatives will bolster our strategy to increase local production as we move towards achieving the 5% projected growth target for the sector.

Derrick Kellier, CD
Minister of Agriculture, Labour and Social Security
April 15, 2015