



HOT PEPPER

OVERVIEW

Hot pepper (*Capsicum chinense*), grows best in tropical countries like Jamaica. There are several varieties of hot pepper in Jamaica, however, only two are cultivated on a commercial basis; the Scotch Bonnet and the West Indian Red. Despite the high demand for fresh hot peppers throughout the year, local supply is inconsistent, resulting in periods of shortage and periods of excess (gluts). In 2022, it has been noted that only 45% of agro-processors demands are being met for hot peppers. The main markets for hot peppers are agro-processing for value addition; municipal and retail markets for mostly fresh; and the hospitality sector (restaurants and hotels) for a combination of fresh and value added. The Jamaican branded hot pepper products have always attracted strong demand and an attractive price. International entities realize the lucrative outlook of Jamaican hot pepper products and have established partnerships to fully capitalize on this market. In 2021 the value of hot pepper products was approximately US\$5.42 million.

PRODUCTION

Approximately 70% of the island's total annual production comes from St. Elizabeth, Clarendon, Portland, St. Ann and Manchester. It has been noted that over the period 2018-2021 there has been a yearly increase in production of local hot peppers. Over a five-year period, production increased by 25.76%, moving from 15,998 MT in 2018 to 20,120 MT in 2022. Table 1 depicts the positive progression of hot pepper each year.

Year	Production	Area Reaped (Ha)	Productivity (MT/HA)
2018	15,998	1,111	14.4
2019	18,106	1,213	14.9
2020	18,847	1,284	14.7
2021	19,850	1,403	14.1
2022	20,120	1,429	14.1
Average	18,584	1,288	14.4

Source: MOAF/AMID 2023

The 25.76% rise in output (2018-2021) is indicative of the effort to meet demand both locally and internationally. Productivity has remained stable during the period mostly over 14 Mt/ha.

VARITEIS

There are several varieties of hot pepper in Jamaica, however, only two are cultivated on a commercial basis and are economically significant; the **Scotch Bonnet** and the **West Indian Red**.



The Scotch Bonnet pepper is preferred in the fresh and export markets



The West Indian Red varieties are mainly required in the agro processing industry for the manufacturing of sauces and jerk seasoning.

PROFITABILITY

In 2021, the average cost of production for hot pepper was JM \$92.85 per kg and the farm-gate price was JM \$379.73, representing an approximate mark up of 308.97% on farm-gate price over variable cost of production for 2021.

Table 2. 2021 Per cent mark-up of Farm-gate Price (FGP) on Cost of Production (COP)

	C.O.P (\$/kg)	FGP (\$/kg)	% Mark up
Hot Pepper	92.85	379.73	308.97

Source: MOAF/AMID 2022



In Table 3, hot pepper sauce experienced continuous increase in the volumes and value exported with the exception of 2022. Hot pepper sauce export increased by 14.6% from 733.30 Mt in 2018 to 840.81 Mt in 2022. On average 862,118 Mt of hot pepper sauce is exported at an average value of J\$CIF 588,018,534 annually. The major export destinations for the local hot pepper sauce include USA, Canada and the UK.

Similarly to the local hot pepper sauce, fresh local hot pepper is highly sought internationally, by the diaspora and other nationals, therefore large quantities are exported. On average 160,721 kg of fresh peppers are exported annually at a value of 104 million. The largest export destinations for the fresh condiment include the USA, Canada, and the UK. The current outlook is encouraging as markets continue to increase.

Table 3. Annual Hot Pepper Sauce Export Value 2018- 2022		
Year	Metric Tonne (MT)	J\$CIF
2018	733.30	414,808,049.15
2019	790.90	583,873,218.82
2020	952.00	609,427,882.60
2021	993.58	712,862,306.24
2022	840.81	619,121,214.31
Avg.	862.11	588,018,534.22
(STATIN, 2022)		

WHY INVEST IN HOT PEPPER PRODUCTION

- Shortage of hot peppers, especially Scotch Bonnet, for processing. Processors willingness to engage contract farmers to guarantee steady supplies.
- Producers of Scotch Bonnet peppers are supplying only 45% of the total demanded by agro-processors (The Jamaica Agro Processors Association, 2022).
- Jamaican hot peppers have been listed among 52 horticultural crops for pre-clearance; a process to speed-up the export process to the US (USDA, 2017). This listing augurs well for export expansion of Jamaican hot peppers into the North American market

Value Added Products

