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Report Highlights:

In 2018, U.S. agricultural exports to Jamaica reached \$482 million. The largest growth category in those exports continue to be consumer-oriented products, which reached a record level of \$188 million in 2018. This represents an 8 percent increase compared to 2017. Although increased competition is expected in the near future due to Jamaica's implementation of free trade agreements with other countries, especially the EU, there are several U.S. products with growth potential ,such as: eggs and products, dairy, beef and beef products, condiments and sauces, fruits and vegetable juices, snack foods, processed vegetables, fresh fruit, tree nuts, wine and beer.

Market Fact Sheet:

Jamaica

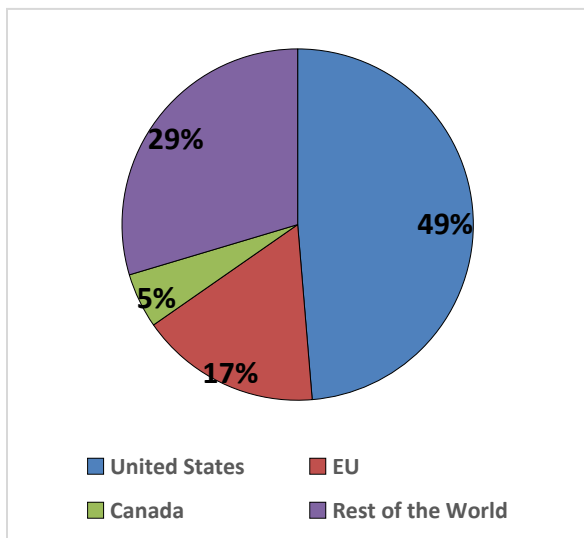
Executive Summary:

Jamaica is the largest English speaking Caribbean island, with a population of approximately 2.7 million people. It is one of the main tourist destinations in the Caribbean region, with 4.2 million visitor arrivals in 2017. The Ministry of Tourism is pushing for a doubling of the number of hotel rooms over the next several years.

In 2018, Jamaica’s GDP was estimated at \$15 billion with a GDP per capita income of \$9,200. The Jamaican economy is heavily dependent on services, which accounts for 70 percent of the GDP. The country derives most of its foreign exchange from tourism, remittances, and bauxite/aluminum. Earnings from tourism and remittances account for 20 percent and 14 percent respectively.

Agriculture accounts for only 7 percent of the GDP, and the main farming activities are sugar cane, coffee, citrus, vegetables and poultry. Jamaica’s primary trading partner is the United States, which supplies the country with wheat, corn, soybeans, and consumer-oriented products.

Imports of Consumer-Oriented Products



Source: GTA/USDA; Trade Data Monitor, LLC.

Quick Facts CY 2018:

List of Top 10 Growth Products

- | | |
|------------------------------|-------------------------|
| 1) Egg & products | 6) Snack foods |
| 2) Dairy products | 7) Processed vegetables |
| 3) Beef & beef products | 8) Fresh fruit |
| 4) Condiments & sauces | 9) Tree Nuts |
| 5) Fruits & vegetable juices | 10) Wine & beer |

Consumer-Oriented Trade (U.S. million) 2018

Jamaica Imports (all sources)	390.0
Jamaica Imports (from U.S.)	188.4
Jamaica Exports (all dest.)	179.9
Jamaica Exports (to U.S.)	120.2

Top 10 Jamaica Retailers

- 1) Progressive Grocers of Jamaica
- 2) Hi-Lo Food Stores
- 3) Mega Mart Supermarkets
- 4) Spanish Grain Stores Group
- 5) Sampars Cash & Carry
- 6) Super Plus Supermarkets
- 7) PriceSmart
- 8) McMasters Limited
- 9) Master Mac Enterprises
- 10) General Food Supermarkets

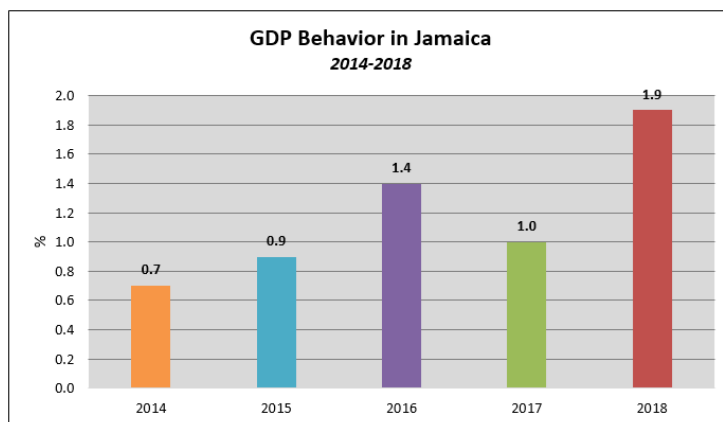
Strengths/Weaknesses/Opportunities/Threats

<u>Strengths</u>	<u>Weaknesses</u>
Proximity to the United States	Higher prices for some U.S. products compared to competitors
Strong demand for U.S. products	
<u>Opportunities</u>	<u>Threats</u>
Seasonality of domestic production	Competition from EU and Caricom trade agreements
Growth in Jamaica’s tourism sector	Overly strict import requirements that protect local industry

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SECTION 1: MARKET OVERVIEW

According to the Statistical Institute of Jamaica (STATINJA), Jamaica's Gross Domestic Product (GDP) grew by 1.9 percent in 2018, with an annual average growth of 1.2 percent during the last five years. The main drivers for this growth in 2018 were: hotel & restaurants (4 percent); manufacture (2 percent); and other services (1.3 percent). The International Monetary Fund (IMF) estimates that the Jamaican economy will grow by 1.7 percent in 2019.



Source: Statistical Institute of Jamaica (STATINJA).

The annual inflation rate decreased significantly during 2018 to 2.4 percent after totaling 5.2 percent during 2017. However, according to the IMF, the inflation rate for 2019 is expected to be between 4.0 and 4.5 percent.

This upper middle-income economy continues to struggle due to low growth, high levels of public debt and exposure to external shocks, especially due to a high dependency on imports. However, despite continued low economic growth prospects, the Jamaican market offers interesting opportunities for U.S. suppliers. Jamaica imports much of its food needs due to insufficient amounts of arable land, climate challenges, and an underdeveloped food-processing sector, coupled with a growing and flourishing tourist sector. Out of a \$4.9 billion total import bill in 2018, \$0.8 billion were agricultural and related products.

Food imports are not only needed to supply the approximately 2.7 million inhabitants of Jamaica, but also to supply the needs of more than 4.2 million tourists that arrive to the country each year. According to the Jamaica Tourist Board, tourists expend more than \$2.6 billion in the country each year.

Furthermore, U.S. products hold strong appeal to local residents. This is due to exposure to U.S. products through visits that many Jamaican citizens make to the United States and through U.S. media, which is readily available in Jamaica. Given these favorable conditions for U.S. exports, it is no surprise that the United States is the largest supplier of food products.

Jamaican importers have a long history of doing business with the United States. Their strong interest in U.S. suppliers and products are mainly due to close proximity, long-standing reputation of high quality products, and superior quality of service. Many local importers have indicated that they are able to source a wide variety of products from non-U.S. suppliers, but few of these suppliers can match

the product quality and reliability offered by U.S. suppliers. The table below provides the advantages and challenges facing U.S. exporters in Jamaica.

The Advantages and Challenges that U.S. Exporters face in the Jamaican Market

Advantages	Challenges
The proximity of Jamaica to the United States and exposure to U.S. culture	Restrictions on the importation of certain products, particularly pork, poultry, and produce
That 65 percent of Jamaica’s annual tourist arrivals originate from the United States, which creates a demand for U.S. food and beverages	Overly strict and inconsistently applied sanitary/phytosanitary requirements, burdensome labeling, and other standards by regulatory agencies
The growth of the tourism industry, which has increased the demand for imported products	Higher prices for U.S. products (e.g. wines, beers and frozen French fries), which have resulted in U.S. products losing market share to cheaper products from the EU, Canada, and Latin America
Proximity and ease of shipment, which work to the advantage of U.S. suppliers. U.S. exporters, particularly South Florida consolidators, are well positioned to serve the market	Relatively small import quantities, which favor mixed rather than full container loads to serve a population of approximately 3 million people
The seasonality of domestic food production and the inconsistent quantity and quality of local food products, which creates opportunities for imports to fill these gaps	The lack of a vibrant economy, which limits the disposable income of the Jamaican consumer and hence the demands for U.S. products
U.S. fast food franchises, which make up approximately 50 percent of Jamaica’s fast food subsector and continue to expand	The trade agreement between the Caribbean and the EU, which has facilitated increased competition from Europe

SECTION II: EXPORTER BUSINESS TIPS

It is recommended that a U.S. exporter who would like to enter the Jamaican market perform in-depth market research to identify potential niches and develop an effective marketing plan. The U.S. exporter should make contact with local importers/distributors who serve as the principal intermediary between suppliers and local buyers. The local importers/distributors have wide access to the food and beverage markets, possess modern warehouse facilities, and frequently manage a relatively large inventory. The Office of Agricultural Affairs in Kingston can provide contact information on the major importers, retailers, and distributors in Jamaica. The office also provides information on tariff rates, import duties and other customs charges.

The following tips should be noted:

- Exclusive distributorship agreements are preferred by Jamaican importers. However, U.S. exporters can work with one or more importers provided the market segment for each importer is properly identified.
- U.S. exporters are advised to require payment of goods via letter of credit, especially for initial transactions. Credit terms may be extended to the importers after conducting a thorough background and credit investigation, and after a payment history has been established.
- Some Jamaican importers maintain purchasing offices in the United States and consolidate their shipments in Florida and/or Georgia.
- Jamaican business people value trust and personal relationships. U.S. exporters are encouraged to maintain close contact with their Jamaican importers. Regular market visits are favored by Jamaican importers and regarded as a show of support.
- Jamaican consumers generally prefer smaller package sizes.
- Jamaica follows international standards (e.g. Codex Alimentarius) and generally accepts U.S. standards for food and agricultural products.
- Some products are not allowed into Jamaica. Therefore, U.S. exporters should verify that their product is eligible for entry into Jamaica prior to shipping.
- An import permit from the relevant Jamaican regulatory agency must be granted and a sanitary/phyto-sanitary certificate addressing Government of Jamaica requirements and issued by the relevant U.S. regulatory agency are required prior to the products arriving at the Jamaican ports.

SECTION III: IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Jamaica's food standards and regulations are largely World Trade Organization (WTO) consistent and allow a level of free and fair trade; however, there are challenges to the importation of food products. The following are some of the main challenges imported products face:

- Jamaica's regulatory agencies require health/sanitary certificates from U.S. Federal/State authorities for all foods, including highly processed foods.
- Many imports require import permits/licenses, which is often influenced by Government of Jamaica (GOJ) policies.
- There is an absence of clear, transparent and accessible information on import requirements for most products.

Competent authorities within the respective government ministries have the authority to enforce specific standards and regulations and to make recommendations to parliament to amend such legislations.

- Veterinary Services Division (VSD) in the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF) is responsible for the application of regulations and for the issuance of permits regarding the importation of live animals, fish and fish products, meat, poultry, animal products, and by-products into Jamaica (<http://www.moa.gov.jm/VetServices/index.php>).
- The Plant Quarantine and Plant Protection Division in MICAF is responsible for issuing permits for the importation of plants, plant products and by-products, produce, and grains (<http://www.moa.gov.jm/PlantHealth/index.php>).
- The Bureau of Standards Jamaica/National Compliance and Regulatory Authority in MICAF is responsible for enforcing weights and labeling standards for imported products (<http://www.bsj.org.jm/>).
- The Ministry of Health (MOH) is responsible for issuing permits for processed foods and beverages (<http://moh.gov.jm/divisions-agencies/divisions/standards-and-regulation-division/>). It also enforces the acts related to pesticides and toxic chemicals through the Pesticides Control Authority (PCA, <http://www.caribpesticides.net>).
- The Jamaica Customs Agency (JCA) in the Ministry of Finance (MOF) is responsible for collection of revenue, the protection of Jamaica’s borders against illicit imports and the facilitation of trade (<https://www.jacustoms.gov.jm>).

Ocean carriers, airlines, and any persons transporting goods into Jamaica are expected to submit a cargo manifest in advance or prior to arrival (this is called Advance Cargo Reporting). A “declarant,” an agent authorized by the Jamaica Customs Agency (JCA) who acts as an intermediary between the importer and the JCA to certify that the submitted information is true and accurate, must process all imports. The declarant prepares and submits all relevant documents (including invoices, declaration of value certificates, import permits, import licenses, bills of lading/air-way bills, certificate of origin, export certificates from exporting countries, health/sanitary certificates from exporting countries, etc.) to JCA, including the computer-based single administrative document (e-SAD). The JCA verifies the declarations, utilizing special or preferential tax treatments. Physical examination of the goods may be required based on JCA determination of the risk.

Jamaica’s regulatory agencies have a presence at the ports of entry and operate as a “one stop” facility with officials from each of the following competent authorities:

- Veterinary Services Division, MICAF.
- Plant Quarantine Division, MICAF.
- Bureau of Standards Jamaica, MICAF.
- Food Storage and Prevention of Infestation Division, MICAF.
- Pesticides Control Authority, MOH.
- Pharmaceutical Regulatory Affairs Division, MOH.
- Public Health Division, MOH.

More information on Jamaica’s import requirements and procedures, including customs clearance, labeling requirements, import permits, import licenses, import certificates, tariffs, and trademark laws can be found in Post’s [Food and Agricultural Import Regulations and Standards \(FAIRS\) reports](#).

SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS

Despite the low GDP growth rate and challenges with sanitary/phytosanitary requirements and enforcement, there are many opportunities for U.S. exports of food and beverages.

A. Retail Food Sector:

The Jamaican retail sector continues to modernize and expand, fostering increasing sales of a wide range of U.S. food and beverage products. In 2018, Jamaica imported a total of \$398 million in consumer-oriented products from all sources. Of that total, approximately 40 percent is channeled to household consumers via retail outlets such as supermarkets, convenience stores, and small ‘mom and pop’ stores. Most of the products stocked on the shelves are imported.

The smaller retailers, such as neighborhood ‘mom and pop’ stores and convenience stores, account for 20 percent of retail sales and will buy most if not all of their products from local wholesalers/distributors. These retailers have a slower turnaround on product sales and have limited space for storage. In contrast, supermarkets and the supermarket chains account for an estimated 80 percent of retail food sales and often have both local and U.S. purchasing offices. They work closely with U.S. suppliers to find the best prices for the products of interest. PriceSmart (U.S. company) is the only international chain in the Jamaican market; there are four major local chains which dominate the retail sector, as shown in the table below:

Major Local Supermarket Chains

Name of supermarket chain	Location	Number of outlets
Progressive Grocers of Jamaica	Country wide	34
Hi-Lo (Grace Kennedy)	Country wide	13
Mega Mart (superstore) – some stores open 24 hours.	Kingston, Portmore, Mandeville and Montego Bay	4
Super Plus	Rural Jamaica	3

B. Hotel and Restaurant Sector

Jamaica is one of the main tourist destinations in the Caribbean region, with 4.2 million visitor arrivals in 2018. Only the Dominican Republic and Cuba received more tourist than Jamaica. Jamaica has an estimated 2,494 tourist accommodation establishments, including 198 hotels. Of the 4.2 million visitors in 2017, approximately half were from the United States. Tourists from the United States demand the same high quality food products that they have at home and therefore provide an opportunity for U.S. products. As previously mentioned, in 2018, Jamaica imported \$398 million in consumer-oriented food and beverages. Of that total, approximately 60

percent is destined for the hotel, restaurant, and institutional (HRI) sector. For more information on this sector, see the GAIN [HRI food service sector report](#).

C. Food Processing Sector

Jamaica’s food processing sector is relatively under-developed, and most of the ingredients used in the food industry are imported directly by the food processors, which have close relationships with suppliers from the United States. Some processors have vertically integrated their operations, producing the inputs to be processed while others source their inputs from local producers, directly from international suppliers, or from importer/distributors. In some cases, food processors have agreements with local producers that supply their inputs. In such cases, these agreements usually entail the provision of financial and technical assistance to the producers by the processors.

Approximately 30 percent of the raw materials and food ingredients used by local food processors are obtained from local suppliers and 70 percent from imports. Imports of bulk and intermediate products from all sources totaled \$455 million in 2018, and imports of those products from the United States were valued at \$294 million. The main products imported by Jamaica include wheat, corn, soybean meal, soybean oil, and other vegetable oils.

Food processors distribute their products primarily through the retailer and wholesaler who in turn supply small supermarkets and mom and pop stores. However, the larger food processors directly supply the HRI sector and supermarket chains. There are processors that supply supermarkets, corner shops, restaurants and small hotels directly.

SECTION V: AGRICULTURAL AND FOOD IMPORTS

As shown in the chart below, in 2018 agricultural and related products imports by Jamaica totaled \$853.6 million from all sources. The U.S. supplied 56 percent (\$482 million) of that total, followed by the EU with 11 percent (\$90 million).

Jamaica Agricultural & Related Products Imports					
2014-2018					
Reporting Country	US\$ Million				
	2014	2015	2016	2017	2018
United States	510,241	450,363	447,859	469,778	482,031
EU28 (External Trade)	70,075	68,953	81,366	82,746	90,053
Canada	42,559	25,472	25,094	26,847	26,991
Brazil	25,647	29,823	23,953	25,285	39,010
New Zealand	24,121	26,883	21,074	22,484	25,685
Rest of the World	187	187	200	187	190
TOTAL	859,853	788,727	799,194	814,436	853,627

Source: GATS/USDA; Trade Data Monitor, LLC.

Top U.S. agricultural exports to the Jamaican market in 2018 included: forest products (\$50 million), corn (\$50 million), wheat (\$49 million), soybean meal (\$47 million) and prepared foods (\$28 million). The EU is also an important supplier of prepared foods, which is by far its largest agricultural export to the Jamaican market (\$23 million).

Based on data trends, the U.S. continues to have good sales potential in consumer-oriented agricultural products in the Jamaican market. In fact, this category of products has been the more important category for U.S. agricultural exports to this market, reaching a record \$188 million in 2018. According to Post analysis, the top 10 consumer-oriented agricultural product category prospects for U.S. exporters to Jamaica are listed below:

U.S. Consumer Oriented Agricultural Prospects Categories in Jamaica							
2014-2018							
Product Category	US\$ Million					Annual Growth	Absolute Change (US\$ Million)
	2014	2015	2016	2017	2018		
Eggs & Products	18,828	20,810	25,895	23,382	25,772	8%	6,944
Dairy Products	19,595	17,366	16,681	22,150	25,976	8%	6,381
Beef & Beef Products	15,043	16,155	16,324	16,706	20,783	7%	5,740
Condiments & Sauces	5,026	6,201	9,093	8,240	10,177	18%	5,151
Fruit & Vegetable Juices	2,974	2,397	5,733	6,497	6,749	30%	3,775
Snack Foods NESOI	3,400	3,514	3,999	4,292	4,915	10%	1,515
Processed Vegetables	5,436	6,363	7,011	7,279	6,856	6%	1,420
Fresh Fruit	1,243	844	1,002	1,807	2,621	25%	1,378
Tree Nuts	1,674	2,353	2,793	2,575	3,039	14%	1,365
Wine & Beer	2,616	3,334	2,989	3,712	3,638	8%	1,022

Source: GATS/USDA; Trade Data Monitor, LLC.

SECTION VI: KEY CONTACT AND FURTHER INFORMATION

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Additional reports and information on Jamaica: www.fas.usda.gov

Statistical Institute of Jamaica (Statin)

Website: www.statinja.gov.jm

Jamaica Customs Agency

Website: www.jacustoms.gov.jm

Planning Institute of Jamaica

Website: www.pioj.gov.jm

Ministry of Industry, Commerce, Agriculture and Fisheries

Website: www.micaf.gov.jm

Ministry of Health

Website: www.moh.gov.jm

Attachments:

No Attachments