

Required Report: Required - Public Distribution

Date: December 28,2020

Report Number: JM2020-0008

Report Name: Exporter Guide

Country: Jamaica

Post: Kingston

Report Category: Exporter Guide

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Report Highlights:

In 2019, Jamaica imported agricultural food and products from the United States valued at US\$496 million. Consumer-oriented products accounted for the greatest portion of these imports reaching US\$209 million in 2019, a 11 percent increase compared to the previous year. With the implementation of free trade agreements between Jamaica and other countries, there is expected increased market competition from other countries. However, there are still U.S products with good sales potential such as: eggs and egg 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

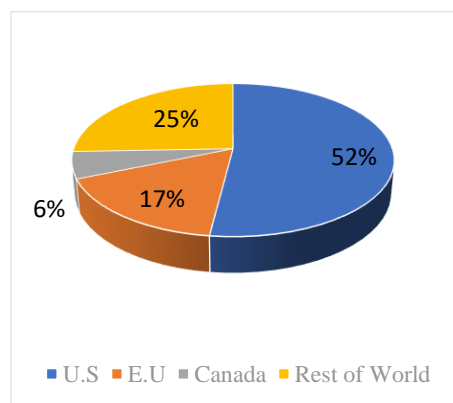
Executive Summary

Jamaica is located in the Caribbean and is the third largest English speaking country in the region. The country has a population of approximately 2.9 million and is a main tourist destination, welcoming over 4.3 million visitors in 2019. Tourism is a major driver of the economy contributing 14 percent to the Gross Domestic Product (GDP). In 2019, the sector earned US\$3.6 billion.

Jamaica is categorized by the World Bank as an upper middle-income country. According to the International Monetary Fund, Jamaica's gross debt in 2019 was 93.5 percent of GDP and expects it to fall to 88.3 percent and 82.2 percent in 2020 and 2021, respectively. The World Bank projects public debt to fall below 60 percent of GDP by 2025. The inflation rate increased slightly to 3.9 percent in 2019 but is forecasted to reach 5.1 percent in 2020 and 2021.

Agriculture is an important sector in the Jamaican economy contributing 7 percent to the GDP and employing about 22 percent of the labor force. The main crops produced are; sugarcane, coffee, citrus, vegetables and poultry. The United States is Jamaica's leading trading partner and supplies the country with: wheat, corn, soybeans and consumer-oriented products.

Imports of Consumer-Oriented Products



Source: GATS/USDA; Trade Data Monitor, LLC

Quick Facts CY 2019

List of Top 10 Growth Products

- | | |
|--------------------------------|-------------------|
| 1. Eggs and Products | 6. Snack foods |
| 2. Dairy Products | 7. Processed veg |
| 3. Beef and Beef Products | 8. Fresh fruit |
| 4. Condiments and Sauces | 9. Tree nuts |
| 5. Fruits and vegetable juices | 10. Wine and Beer |

Consumer-Oriented Trade (U.S million) 2019

Jamaica imports (all sources)	\$1,025
Jamaica imports (from U.S)	\$496
Jamaica exports (all dest.)	\$184
Jamaica exports (to U.S)	\$139

Top 10 Jamaican Retailers

1. Progressive Grocers of Jamaica
2. Hi-Lo Food Stores
3. MegaMart Supermarket
4. Spanish Grain Stores
5. Sampars Cash and Carry
6. Super Plus Supermarkets
7. PriceSmart
8. McMasters Limited
9. Master Mac Enterprises
10. General Food Supermarkets

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Proximity to the United States	Higher prices for some U.S products compared to competitors
Strong demand for U.S products	
Opportunities	Threats
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

The Jamaican economy continues to fluctuate in its growth patterns due to challenges in the macroeconomic environment, such as, high levels of public debt and exposure to external shocks linked specifically to a high reliance on imports.

The country registered a slight growth in its Gross Domestic Product (GDP) in 2019 which was 0.7 percent, a 1.24 percent decline from the previous year (See Figure 1). Jamaica's economy is service oriented, accounting for approximately 70 percent contribution to GDP, while agriculture accounts for only 7 percent. The main foreign exchange earners are: remittances (20 percent) and tourism (14 percent).

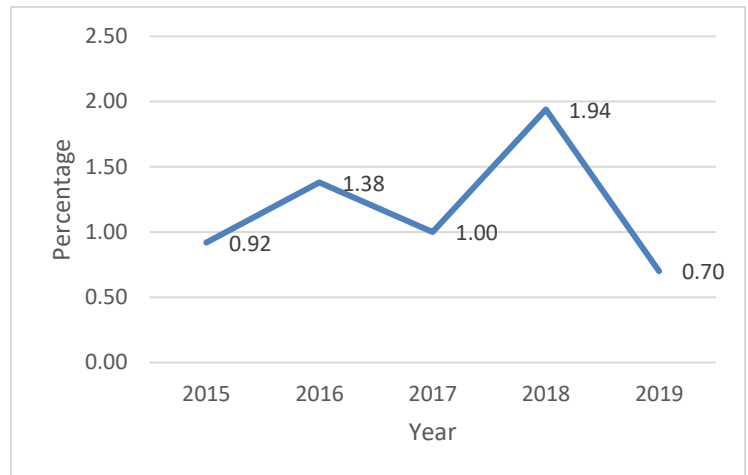


Figure 1: Graphs shows GDP of Jamaica over five years

Data Source:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=JM>.

The IMF projects that growth in Jamaica's economy will decline to -5.6 percent in 2020 due to the effect of the COVID-19 pandemic. However, they forecast an increase in GDP of 3.5 percent in 2021, based on an expected post-pandemic global economic recovery.

Despite the issues that the Jamaican economy faces, the United States, Jamaica's main trading partner, is still positioned to maximize opportunities for exports to Jamaica. Jamaica imports a significant amount of U.S. food and agricultural products to augment domestic food production, which caters to both locals and supports a historically robust tourism sector. In addition, Jamaica's proximity to the United States and the exposure of Jamaican's to U.S. culture, encourages the more than 2.9 million citizens to purchase and consume U.S products. In 2019, Jamaica earned US\$3.6 billion in revenue from tourism. With the onset of the coronavirus pandemic, the forecast for earnings from the sector in 2020 is expected to be approximately US\$1.5 billion, which is a 58.3 percent decrease compared to the previous year.

Jamaican importers have over the years conducted business with the United States because of the geographical proximity of the two countries, long standing reputation for 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 only few suppliers can match the product quality and reliability offered by U.S suppliers. The table below provides advantages and challenges facing U.S exporters in Jamaica.

Table 1: Advantages and challenges that U.S. exporters face in the Jamaican Market

Advantages	Challenges
Geographical proximity increases ease of transporting products to Jamaica	Population is relatively small, therefore quantities for some products may be small and may not fill a shipping container
Proximity of Jamaica to the United States and exposure to U.S culture	Restriction on the imports of some products such as pork, poultry and produce
Seasonality of domestic food production coupled with inconsistent quality and quantity of local food products, 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, makes up 50 percent of Jamaica's fast food subsector which continues to expand.	Trade agreement between the Caribbean and the EU, which has facilitated increased competition from Europe
Majority of tourists that visit Jamaica are from the United States which creates a demand for U.S food 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 EU, Canada and Latin America

SECTION II: EXPORTER BUSINESS TIPS

It is recommended that a U.S. exporter who wishes to enter the Jamaican market, perform in-depth market research to identify potential niches and develop an effective marketing plan. As a part of the plan, the U.S. exporter should contact local importers/distributors who serve as the principal intermediaries between exporters (suppliers) and local consumers (buyers). The local importers/distributors have wide access to the food and beverage markets, possess warehouse facilities, and frequently manage a relatively large inventory.

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 payment habits have 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 viewed favorably 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/phytosanitary certificate addressing Government of Jamaica requirements and issued by the relevant U.S. regulatory agency are required prior to the products arriving at Jamaican ports.

SECTION III: IMPORT FOOD STANDARDS AND REGULATIONS AND IMPORT PROCEDURES

Jamaica's agriculture and food standards are governed by a variety of government agencies and bodies. These standards and regulations are in tandem with the World Trade Organization and is intended to promote free and fair trade. Although this is the case, challenges that affects the imports of food products include:

- Jamaica's regulatory agencies require health/sanitary certificates from U.S. federal/state authorities for all foods, including highly processed foods.
- Many imports require 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. For instance:

- Veterinary Services Division (VSD) in the Ministry of Agriculture and Fisheries is responsible for the application of regulations and for the issuance of permits regarding the imports of live animals, fish and fish products, meat, poultry, animal products and by-products into Jamaica (<https://www.micaf.gov.jm/content/veterinary-services-division>).
- Plant Quarantine and Produce Inspection Division in the Ministry of Agriculture and Fisheries is responsible for issuing permits for the imports of plants, plant products and by-products, produce and grains (<https://www.micaf.gov.jm/content/how-apply-importexport-permits-0>).
- The Bureau of Standards Jamaica/National Compliance and Regulatory Authority in the Ministry of Agriculture and Fisheries enforces weight and labeling standards for imported products (<https://www.bsj.org.jm/>).
- The Ministry of Health and Wellness (MOHW) is responsible for issuing permits for processed foods and beverages (<https://www.moh.gov.jm/divisions-agencies/divisions/standards-and->

[regulation-division/](#)). The MOHW also regulates pesticides and toxic chemicals through the Pesticides Control Authority (PCA) (<http://www.caribpesticides.net/index1.asp>)

- The Jamaica Customs Agency (JCA) in the Ministry of Finance and the Public Service (MOF) is responsible for revenue collection, the protection of Jamaica’s borders against illicit imports and the facilitation of trade (<https://www.jacustoms.gov.jm/>).

All persons, airlines, and ocean carriers transporting goods into Jamaica are required to submit a cargo manifest prior to arrival at the ports of entry (Advance Cargo Reporting). The “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, MOA
- Plant Quarantine Division, MOA
- Bureau of Standards Jamaica, MOA
- Food Storage and Prevention of Infestation Division, MOA
- Pesticides Control Authority, MOHW
- Pharmaceutical Regulatory Affairs Division, MOHW
- Public Health Division, MOHW

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

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 2019, Jamaican total food imports were valued at US\$1.025 billion, with approximately 52 percent of these imports supplied from the United States. Of the total food imports, 60 percent are supplied to the hotel, restaurant, and institutional (HRI) sector. The remaining imports are channeled to consumers through retail outlets such as supermarkets, convenience stores, and small “mom-and-pop” shops.

Jamaica imported a total of US\$209 million in consumer-oriented products from all sources. Of that total, approximately 40 percent is channeled to household consumers via these same retail outlets. Most of the products stocked on the shelves of Jamaican retail stores are imported.

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 their products from local wholesalers and distributors. These retailers have a slower turnaround on product sales and have limited space for storage. In contrast, supermarkets and supermarket chains account for an estimated 80 percent of retail food sales and often have both local and U.S. and/or other offshore-based purchasing offices. They work closely with U.S. suppliers to find the best prices for products of interest. PriceSmart (a U.S. company) is the only international chain in the Jamaican market; however, there are four major local chains which dominate the market, as indicated in the table below.

Table 2: Supermarket Chains in Jamaica

Name of supermarket chain	Location	Number of students
Progressive Grocers of Jamaica	Country wide	34
Hi-Lo (Grace Kennedy)	Country wide	13
MegaMart (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 the third largest tourist destination in the Caribbean, behind the Dominican Republic and Cuba. In 2019, Jamaica received approximately 4.3 million visitors which included 2.7 million stopover arrivals and 1.6 million cruise passengers, which resulted in US\$3.64 billion in earnings.

(<https://jis.gov.jm/jamaica-earned-us3-64-billion-from-tourism-in-2019-welcomed-4-3-million-visitors/>).

Of the 4.3 million tourists that visited in 2019, it is estimated that 50 percent are from the United States.

Jamaica has an estimated 2,494 tourist accommodation establishments, including 198 hotels.

The Ministry of Tourism (MOT) reported that in 2019, there were approximately 33,000 rooms available for tourists. As a large percentage are from the United States, they demand the same high-quality food products that they have at home and therefore provide an opportunity for U.S. products. At least 60 percent of the imported food is channeled to the hotel, restaurant and institutional (HRI) sector.

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 food processors, who have close relationships with suppliers from the United States. Some processors have vertically integrated operations, producing the inputs to be processed. While others source their inputs from local producers, directly from international suppliers, or from importer/distributors. In the case of sourcing from local producers, the agreements between producers and processors 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 \$338.3 million in 2019 and imports of those products from the United States were valued at \$199 million. The main U.S. bulk and intermediate products imported by Jamaica includes wheat, corn, soybean meal, soybean oil, and vegetable oils (ex. soybean).

Food processors distribute their products primarily through retailers and wholesalers, who in turn supply small supermarkets and mom and pop stores known as “corner shops.” However, the larger food processors directly supply the HRI sector and supermarket chains. There are also processors that supply supermarkets, corner shops, restaurants and small hotels directly.

SECTION V: AGRICULTURAL AND FOOD IMPORTS

As indicated in the Table 3, in 2019 agriculture and related products imported by Jamaica totaled \$1.025 billion from all sources. The U.S supplied 48 percent (US\$496 million) of that total, followed by the EU with 9 percent (US\$97 million).

Table 3: Data for imports of agriculture related products to Jamaica

Jamaica Agricultural and related Product Imports 2015-2019					
Reporting Country	US\$ Million (x 1000)				
	2015	2016	2017	2018	2019
United States	450,363	447,859	469,778	482,031	496,040
EU28 (External Trade)	68,953	81,366	82,746	90,053	97,860
Canada	25,472	25,094	26,847	26,991	30,030
Brazil	26,883	21,074	22,484	25,285	26,730
New Zealand	26,883	21,074	22,484	25,685	23,160
Rest of the World	187	187	200	187	351,180
TOTAL	788,727	799,194	814,436	853,627	1,025,000

Source: GATS/USDA: Trade Data Monitor, LLC

Top U.S agricultural exports to the Jamaican market in 2019 included; wheat (US\$50 million), corn (US\$48 million) soybean meal (US\$41 million) and prepared foods (US\$ 48 million). As a product category, U.S. consumer-oriented agricultural products continue to enjoy good sales potential in the Jamaican market, contributing the highest value of US\$209 million in revenue in 2019.

The top ten consumer oriented agricultural product category prospects for U.S. exporters to Jamaica are listed in the table below:

Table 4: U.S Consumer-oriented agricultural prospects in Jamaica

U.S Consumer Oriented Agricultural Prospects Categories in Jamaica							
2015-2019							
Product Category	US\$ Million (x1000)					Annual Growth (percent)	Absolute Change 2015 to 2019 (US\$ Million)
	2015	2016	2017	2018	2019		
Eggs and Products	20,810	25,895	23,382	25,772	27,770	8%	6,960
Dairy Products	17,366	16,681	22,150	25,976	26,000	8%	8,634
Beef and Beef Products	16,155	16,324	16,706	20,783	21,420	7%	5,265
Condiments and Sauces	6,201	9,093	8,240	10,177	9,180	18%	2,979
Fruits and Vegetable Juice	2,397	5,733	6,497	6,749	8,630	30%	6,233
Snack NESOI	3,514	3,999	4,292	4,915	4,860	10%	1,346
Processed Vegetables	6,363	7,011	7,279	6,856	7,670	6%	1,307
Fresh Fruit	844	1,002	1,807	2,621	2,060	25%	561
Tree Nuts	2,353	2,793	2,575	3,039	3,110	14%	71
Wine and Beer	3,334	2,989	3,712	3,638	4,090	8%	756

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

SECTOR VI: KEY CONTACT AND FUTHER INFORMATION

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Additional reports and information on Jamaica:

www.fas.usda.gov

Statistical Institute of Jamaica (STATIN)

Website: www.statinja.gov

Jamaica Customs Agency

Website: www.jacustoms.gov

Planning Institute of Jamaica

Website: www.pioj.gov.jm

Ministry of Agriculture and Fisheries

Website: www.micaf.gov.jm

Ministry of Health and Wellness

Website: www.moh.gov.jm

Attachments:

No Attachments