

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

**Date:** 3/11/2014

**GAIN Report Number:**

## **Jamaica**

## **Exporter Guide**

## **Jamaica Exporter Guide**

**Approved By:**

Morgan Perkins

**Prepared By:**

Courtland S. Grant

**Report Highlights:**

In 2012, agricultural, forestry and fisheries imports by Jamaica reached a record \$1.5 billion from all sources. While, total consumer-oriented food and beverage import from all sources was \$542 million. As a comparison, overall US agricultural, forestry and fisheries exports to Jamaica reached a record \$507 million, including \$169.6 million worth of consumer-oriented products to Jamaica, before falling to \$501 and \$166 million, respectively, in 2013.

**Post:**  
Kingston

**Executive Summary:**

Despite the low economic growth prospect for the Jamaican economy, there are good opportunities for U.S. suppliers. Given an insufficient amount of arable land, an underdeveloped food-processing sector and a growing tourism sector, Jamaica has to import much of its food needs. The U.S. products with good sales potential include: fruits and vegetables, fruit and vegetable juices, special cut of beef and veal, cheeses and other dairy products, snack products, and wines.

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. As a part of the plan, the U.S. exporter should make contact with local importers/distributors who serve as the principal intermediary between exporters (suppliers) and local consumers (buyers).

Jamaica has a long history of doing business with the United States. This 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. However, increased competition from Europe and Canada are expected in the near future. It should be noted that in 2008, the Caribbean and the European Union (EU) signed a trade agreement which has set the stage for increased trade between the two blocs. The Caribbean Community (CARICOM) is also negotiating a free trade agreement with Canada.

**Author Defined:**

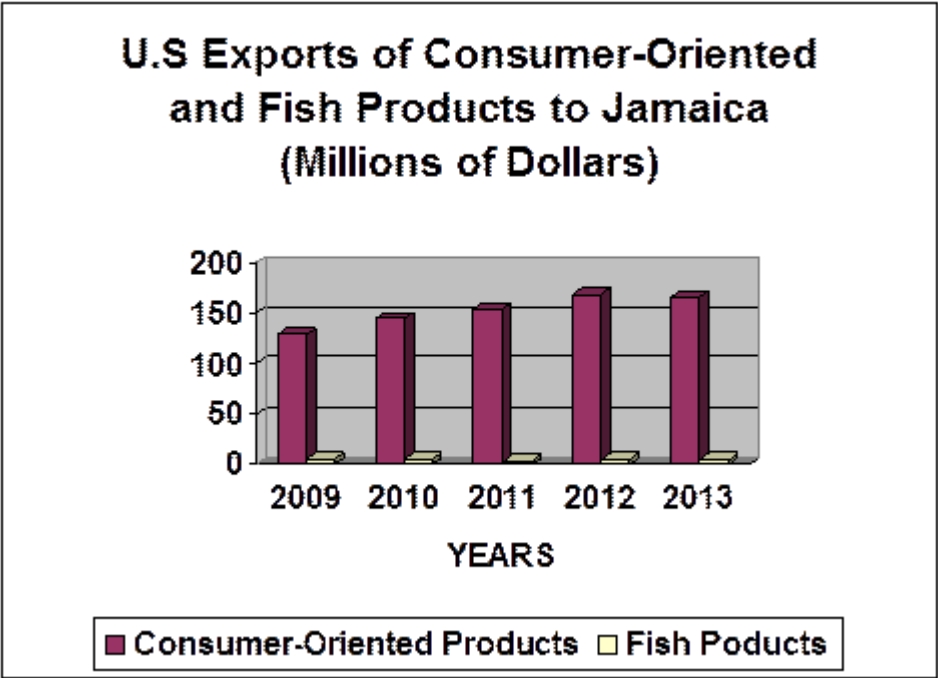
**SECTION 1: Market Overview**

The Jamaican economy is currently struggling in a challenging global and macroeconomic environment. Jamaica recorded a contraction of its real Gross Domestic Product (GDP) of 0.3 percent in 2012. The International Monetary Fund (IMF) estimates that the Jamaican economy grew by 0.4 percent in 2013 and that it will expand 1.2 percent in 2014. Despite the low economic growth prospect for the Jamaican economy, there are good opportunities for U.S. suppliers. Given an insufficient amount of arable land, an underdeveloped food-processing sector and a growing tourism sector, Jamaica has to import much of its food needs.

Furthermore, U.S. products hold strong appeal among the approximately 3.0 million 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.

In 2012, agricultural, forestry and fisheries imports by Jamaica reached a record \$1.5 billion from all sources. While, total consumer-oriented food and beverage import from all sources was \$542 million. As a comparison, overall US agricultural, forestry and fisheries exports to Jamaica reached a record \$507 million, including \$169.6 million worth of consumer-oriented products to Jamaica, before falling to \$501 and \$166 million, respectively, in 2013.

It should also be noted that in 2013, the United States exported \$5.8 million worth of fish products to Jamaica, up from \$5.2 million in 2012.



Source: U.S. Customs as reported in U.S. Department of Agriculture Global Agricultural Trade System.

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 variety of products from non-U.S. suppliers, but few of these suppliers can match the product quality and reliability offered by US suppliers.

The table below provides the advantages and challenges facing U.S. exporters entering the Jamaican market.

Advantages	Challenges
The proximity of Jamaica to the United States and exposure to the U.S. culture create a distinct preference for U.S. foods and other goods by the Jamaican consumer.	Certain products, particularly pork, poultry, and fresh vegetables are restricted by strong government support in protecting/favoring domestic agriculture.
The United States accounts for approximately 65 percent of Jamaica’s annual tourist arrivals, hence creating a demand for U.S. food and beverage.	There are overly strict and inconsistently applied sanitary/phytosanitary requirements, burdensome labeling and other standards by regulatory agencies.
The growth of the tourism industry has increased	Higher prices for U.S. products (e.g. wines,

the demand for imported products.	beers and frozen French fries) have resulted in U.S. products losing market share to cheaper products from EU, Canada and Latin America.
Proximity and ease of shipment work to the advantage of U.S. suppliers. US exporters, particularly South Florida consolidators, service the market very well and are in many ways are better positioned to supply Jamaica than competitors.	With a population of approximately 3 million people imports orders tend to be relatively small and favor mixed rather than full container load for many products.
The seasonality of domestic food production and also the inconsistent quantity and quality of local food products creates opportunity for imports to fill these gaps.	The lack of a vibrant economy limits the disposable income of the Jamaican consumer and hence the demands for U.S. products
U.S. fast food franchises make up approximately 50 percent of Jamaica's fast food subsector and continue to expand.	The 2008 trade agreement between the Caribbean and the EU has set the stage for increased competition from Europe. CARICOM is also negotiating a free trade agreement with Canada.

## 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. As a part of the plan, the U.S. exporter should make contact with local importers/distributors who serve as the principal intermediary 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 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 size.
- 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 certificates 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.

More information on Jamaica's import requirements can be found in the Food and Agricultural Import Regulations and Standards (FAIRS) report.

### SECTION III: Market Sector Structure and Trends

Despite the economic contraction and challenges with sanitary/phytosanitary requirements and enforcement, there are many opportunities for U.S. exports of food and beverages.

#### 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 2012, Jamaica imported a total of US\$542 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 moms & pops. Most of the products stocked on the shelves of Jamaican stores 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, supermarket chains account for an estimated 80 percent of retail food sales and often have both local and U.S. or foreign-based purchasing offices. They work closely with U.S. suppliers to find the best prices for the products of interest. PriceSmart (U.S.) is the only international chain in the Jamaican market; however, there are four major local chains which dominate the retail sector as shown in the table below:

#### Major Local Supermarket Chains:

<b>Name of Supermarket Chain</b>	<b>Location</b>	<b>Number of Outlets</b>
Progressive Grocers of Jamaica	Country wide	25
Hi-Lo (Grace Kennedy)	Country wide	14
Super Plus	Rural Jamaica	8
Mega Mart (superstore)	Kingston, Portmore, Mandeville and Montego Bay	4

#### HRI Food Service Sector

Jamaica is one of the main tourist destinations in the Caribbean region, with just under two million visitor arrivals in 2012. Only the Dominican Republic and Cuba receive more tourist than Jamaica (Caribbean Tourism Organization, 2012). Jamaica has an estimated 2,097 tourist accommodation establishments, including 175 hotels. Of the 2 million visitors in 2012, approximately 1.3 million were from the United States. U.S. tourists demand the same high quality food products that they have at home. As previously mentioned, in 2012, Jamaica imported \$542 million in consumer-ready 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 for Jamaica at: <http://fasintranetapps-gain.fas.usda.gov/Applications/FileDownload.aspx?FileID=14424>

### 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, who 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, and from importer/distributors. 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 \$439 million in 2012 and imports of those products from the US \$262 million. The main products imported by Jamaica included wheat, corn, rice, soybean meal, soybean oil, vegetable oils (excluding soybean), refined sugar.

In some cases, food processors have agreements with local producers that supply their inputs. It should be noted that these agreements between producers and processors usually entails the provision of financial and technical assistance to the producers by the processors.

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

### Major Food Processors in Jamaica:

Name of Food Processor	Location	Products	Turnover (millions of dollars)
Grace Kennedy Group – subsidiaries, namely, Dairy Industries, Grace Agro-Processors, Grace Food Processors (Canning), National Processors	Kingston, Westmoreland, St. Elizabeth and St. Andrew	Cheeses, yogurt, milk powder, fruit juice, fruit drink, Vienna sausages, hams, frankfurters, packaged soups, porridges, mashed hot peppers, canned vegetables, packaged raw vegetables	573.3 (for the group which includes non-agribusinesses)

Jamaica Broilers Group	St. Catherine	A range of fresh/chilled chicken products, sausages, beef and chicken patties	247.9
Caribbean Broilers Group	Kingston and St. Ann	A range of fresh/chilled chicken products, a range of pork products including hams, bacon, sausages	Private company

#### SECTION IV: Best Consumer Oriented Product Prospects

According to key local importers/distributors the U.S. products with good sales potential include: fruits and vegetables, fruit and vegetable juices, special cut of beef and veal, cheeses and other dairy products, snack products, and wines.

<b>Product Category</b>	<b>2012 Imports (\$ value)</b>	<b>5-Yr. Avg. Annual Growth</b>	<b>Import Tariff Rate (Average)</b>	<b>Key Constraints Over Market Development</b>	<b>Market Attractions for USA</b>
Fresh fruits and vegetables	10,802,862	4.0	70%	Government of Jamaica promotion of local production (import substitution program)	High quality, consistent supplies and good value
Processed fruit & Vegetables	47,982,694	6.0	20%	Increased competition from Canada, EU and Caricom	A wide range of high quality products
Snack Foods	21,999,586	7.6	20%	Competition from Trinidad & Tobago due to Caricom's CET and relatively cheap products	A wider variety of products
Dairy Products	49,641,370	5.2	50%	High duties on selected products and SPS trade restrictions	High quality of products
Fruit and Vegetable Juices	16,560,213	3.0	40%	Dependent on the continued expansion of the tourism sector	A wide variety of products at competitive prices
Meats (excluding poultry)	32,200,859	7.7	86%	High duties and SPS trade restrictions	Consistent supplies of high quality products
Wine and	7,228,233	13.0	30%	Small market size and	High quality of

Beer				relatively cheap wines from South America	products
------	--	--	--	--	----------

**Sources: Statistical Institute of Jamaica (Statin) Annual Report 2012 and Customs Department of Jamaica**

**Website:** [www.statinja.gov.jm](http://www.statinja.gov.jm)  
[www.jacustoms.gov.jm](http://www.jacustoms.gov.jm)

## **SECTION V: Key Contact and Further Information**

Courtland Grant  
Agricultural Specialist  
Foreign Agricultural Service  
U.S. Embassy Kingston  
142 Old Hope Road  
Kingston 6  
Jamaica, W.I.

Telephone: (876) 702 - 6142  
Fax: (876) 702 - 6397  
Email: [agkingston@fas.usda.gov](mailto:agkingston@fas.usda.gov)  
Please visit our website for more reports and information on Jamaica:  
<http://www.fas.usda.gov>

## **APPENDIX: STATISTICS**

### **Table A: Key Trade & Demographic Information**



Agricultural Imports From All Countries (\$ Mil)/ U.S. Market Share (%)1/	1,478.7/34%
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share % )1/	542/31%
Edible Fishery Imports From All Countries (\$Mil)/U.S. Market Share (%)1/	109.9/5%
Total Population (Millions) / Annual Growth Rate (%)	2.7/0.91%
Urban Population (Millions) / Annual Growth Rate (%)	1.46/N/A
Number of Major Metropolitan Areas 2/	0
Size of the Middle Class (Millions) / Growth Rate (%)	N/A
Per Capita Gross Domestic Product (U.S. Dollars)	\$9,300
Unemployment Rate (%)	13.7%
Per Capita Food Expenditures (U.S. Dollars)	N/A
Percent of Female Population Employed 3/	55.5%
Exchange Rate (US\$1=Jamaican dollars)	1=105

Footnotes:

1/ 2012 Estimate based on available Global Trade Atlas data

2/ Populations in excess of 1,000,000

3/ Refers to female population employed as a percentage of total female population

Source: Statistical Institute (Statin) of Jamaica, CIA World Factbook, Global Trade Atlas

**TABLE B: CONSUMER FOOD AND EDIBLE FISHERY PRODUCT IMPORTS**  
(Thousands of U.S. Dollars)

	2010	2011	2012	2012 (Jan - Oct)	2013 (Jan- Oct)
Consumer Oriented					137,6
Total	144,614	154,624	169,643	138,763	12
Poultry Meat & Prods.	21,136	25,463	31,142	26,001	26,44
					5
					23,57
Prepared Food	24,464	26,173	29,129	23,457	4
					16,44
Dairy Products	17,909	17,837	20,598	15,917	0
					14,22
Eggs & Products	18,030	17,934	17,996	15,140	5
Beef & Beef					13,11
Products	14,871	16,916	17,971	15,322	8
					10,11
Snack Foods	11,621	11,933	11,450	9,465	0
Fruit & Vegetable	7,259	6,108	5,847	4,792	3,936

Juices					
Chocolate & Cocoa					
Products	3,781	4,181	5,303	4,213	4,069
Processed					
Vegetables	5,594	6,102	5,119	4,277	4,330
Non-Alcoholic Bev.	3,800	3,879	4,142	3,622	3,217
Condiments &					
Sauces	2,980	3,542	4,066	3,396	3,970
Breakfast Cereals	2,793	3,590	4,040	3,497	3,335
Wine & Beer	2,078	1,904	3,297	1,830	2,328
Dog & Cat Food	1,475	1,961	2,269	1,880	2,077
Other Consumer					
Oriented	1,423	1,661	1,747	1,300	1,475
Processed Fruit	1,331	1,509	1,608	1,288	1,188
Tree Nuts	1,147	1,649	1,510	1,289	1,532
Fresh Fruit	1,379	1,060	1,374	1,137	1,032
Meat Products	451	391	456	440	165
Pork & Pork					
Products	208	266	329	252	591
Fresh Vegetables	885	564	250	250	452
Fish					
Produ	5.5	3.6	5.2	4.1	4.3
cts					
Other					
Edible					
Fish	4.6	2.62	3.8	3.13	3.55
&					
Seafo					
od					
Scallo	364	299	498	396	360
ps					
Squid	183	213	396	278	125
Crab	178	159	310	239	221
meat					
Musse	86	91	18	18	4
ls					
Pink		219	15		
Salmo	119		7	44	43
n					
TOTA	144,620	154,628	169,6		

L

48

138,76  
7137,61  
6

Source: U.S. Bureau of the Census Trade Data

# TABLE C: TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

Consumer-Oriented Agricultural Imports (US\$)

<b>Partner</b>	<b>2012</b>	
World	560,512,309	
United States	169,624,332	
Trinidad & Tobago	76,853,755	
Suriname	45,851,723	
Canada	40,591,120	
Guyana	38,694,937	
Brazil	29,113,801	
Columbia	27,471,674	
New Zealand	26,432,144	
Costa Rica	23,173,617	
Norway	22,593,111	
Belize	18,605,860	
Netherlands	13,773,327	
France	11,145,516	
Dominican Republic	10,685,634	
Australia		10,007,038
Mexico		9,573,424

Source: Statistical Institute (Statin) of Jamaica

