



MINISTRY OF INDUSTRY, COMMERCE, AGRICULTURE AND FISHERIES

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Minister of Industry, Commerce Agriculture & Fisheries

All Island Chamber of Commerce Quarterly Luncheon

'The Importance of Agri-business for Economic Growth'

Golf View Hotel

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12 noon

Salutations:

Good day. I am very pleased to be speaking with you today on the topic of ***Agri-business and its importance to Economic Growth.***

Points:

- ✚ Agribusiness provides the linkages to different sectors such as: food processing, manufacturing, tourism and the hospitality sector. It also contributes significantly to Jamaica's GDP.

- ✚ Many of our large companies in Jamaica are involved in some form of agribusiness. For example, GraceKennedy, Seprod, Wray and Nephew, Red Stripe and Serge.
- ✚ Our MSME sector, which by STATIN's records, constitutes the group with the highest portion of taxes to the GOJ, are also agri-business based.
- ✚ Agri-business therefore spans a myriad of sectors such as cosmetology, pharmacology, nutraceuticals and value-added products, creating significant employment throughout the economy.
- ✚ Agriculture, and by extension agribusiness, is one of the pillars that has been identified to contribute to the growth in the national economy.
- ✚ Agribusiness allows for the establishment and introduction of new industries. For example, cannabis, nutraceuticals, alternate fertilizer- in response to climate change.
- ✚ We have also seen, through our import substitution programmes targeting onions and Irish potato, that several MSMEs have been established in rural areas, adding not only value, but wealth to our farmers.
- ✚ It must also be noted that 40% of what the Planning Institute of Jamaica (PIOJ), reports as manufacturing, is actually agribusiness.

There are however Challenges Facing the Agribusiness Sector:

- In order for us to be competitive in the agribusiness sector, there needs to be greater effort toward:
 - Innovation within the context of climate change
 - Mechanisation to achieve productivity and competitiveness
 - Provision of affordable financing for training

- Agribusiness provides the window as well as a game changing opportunity towards the achievement of food security. By this, it addresses the issues of post-harvest losses, food loss and waste issues (**which is a major topic being addressed by the G20 Nations**).

Government's Response

- With the merger of the Industry and Agriculture portfolios, entities such as RADA, JBDC, the MSME office, JAMPRO, EXIM Bank and AIC have been brought together in one Ministry. This has brought greater synergy and focus towards the building out of the agribusiness platform.

- The Ministry is actively seeking to provide factory space to agri-enterprises that will enable them to be more competitive, adhere to international and national food standards as well as to formalise their businesses.
- We have also established a total of eight agro-processing incubation centres located at the RADA parish offices which also allows small agri-business entities to benefit from economies of scale, while producing in a HACCP certified facility.
- Throughout the Ministry itself, agri-business and value chain development is presently being mainstreamed. It is a way of life in the Ministry. We have started with the value chain approach to the small ruminants and g ginger industries.
- The Ministry is actively pursuing affordable financing as well as trying to introduce a suitable agricultural insurance programme.
- Mother farm concept is also being used to spur the growth of the agribusiness – Red Stripe, Caribbean Broilers, Seprod and Jamaica Broilers.

Policy Response and Outlook for the Sector:

- The only way to achieve a modern agricultural sector in Jamaica is through training on the benefits and opportunities of agribusiness with particular focus on technology and innovation.

- Agribusiness Development, through the advancement of the value chains, has to also be the engine of economic growth, creating added value for commodities. This will result in increased employment, sustained profits for entrepreneurs and an improved food supply for value chain users and consumers.
- Further promotion of the National Export Strategy through the efforts of JAMPRO to attract local and international investors.
- Replicating the Mother Farm Concept across the various sectors to involve everyone along the value chain.