



## IICA-COLEACP Caribbean Agrifood Business Series

### Session N°1 Post-COVID-19: Resilience building and new opportunities for Caribbean businesses

9th June 2021 – 10:00-12:00 (EST)

Online

#### 1. Background

As part of the post-COVID-19 recovery process, IICA and COLEACP join forces, in collaboration with other international and Caribbean partners, to support a more resilient and greener agricultural and agrifood business sector in the Caribbean. A two-hour bimonthly session focusing on entrepreneurship development will be organized. This Caribbean Agrifood Business Series aims at: (i) Exchanging ideas and best practices on selected priority issues; (ii) Showcasing successes of smallholders, businesses and micro, small and medium-sized enterprises (MSMEs); (iii) Promoting and documenting forthcoming innovations and technologies benefiting smallholders and MSMEs; (iv) Promoting networking amongst various stakeholders in the food chain; (v) Disseminating research findings.

Topics will range from improved production, trade and competitiveness, food safety and quality, rebuilding tourism with increased linkages to agriculture, bioeconomy and green businesses to regional logistics and efficiency in trade. Each session will feature businesses and MSMEs across the region, especially targeting local and regional markets, and will bring views from experts in finance, technology, policy, research.

The first session to be held on 9 June 2021 will focus on the efforts by the industry to adapt to the COVID-19 and reposition itself in new markets or new product lines.

#### 2. Context: impact of COVID-19 on the Caribbean agrifood and agribusiness sector

The COVID-19 effects aggravated existing challenges in the agriculture and agrifood business sector in the Caribbean. The region, as many parts of the world, saw an increase in unemployment and income reductions, closure of businesses, especially for MSMEs and supply chain disruptions<sup>1</sup>.

<sup>1</sup> The International Monetary Fund (IMF) forecasts are not encouraging in general, and particularly bad for Latin America and the Caribbean: while the world's economy is expected to shrink by 4.9 percent, twice as much is expected in the region – a 9.4 percent fall. (IMF, 2020).

COVID-19 has had a devastating impact due to a dependence on tourism and remittances, a significant food import bill, problems of malnutrition due to unhealthy food consumption, droughts and the hurricane season.

The Caribbean food supply is heavily reliant on imports<sup>2</sup> from the USA. The 15 nations of the Caribbean Community (CARICOM) source up to 94% of their food imports from the US market: 94% of all CARICOM imports of cereals, 90% of edible fruit and nut imports, and 90% of edible vegetables, as well as certain roots and tubers imports<sup>3</sup>. Imports have been impacted by the temporary closure of various food operations and the shortage of labour in all areas of the supply chain.

In the Caribbean, the primary source of foreign exchange, tourism, has temporarily dried up. Travel & Tourism is a key economic driver and foreign exchange earner in the Caribbean (31 million visitors a year)<sup>4</sup>. For certain islands, the sector accounts for 58 per cent of all foreign exchange earnings<sup>5</sup>.

Thus, the impacts of the COVID-19 pandemic have been keenly felt in most countries, all along the value chain, from production, input supplies and processing to logistical services required to trade in export and domestic/regional markets. The measures introduced to reduce the health impacts of the pandemic and save lives, such as border closures, movement restrictions, social distancing requirements and social and economic lockdowns, have also slowed down - or even stopped - the economic activity, trade and cross-border exchanges. The lockdowns disrupted air and sea freight operations, with impacts on both exports from and imports to the region.

The countries and region provided support, encouraging self-production, distributing seedlings, seeds and other inputs to smallholder farmers and vulnerable families for growing basic products – such as beans, vegetables, and tubers – in their own homes. In addition, some countries made available public land for the cultivation. Similarly, the Governments provided food to quarantined communities and public-private partnership agreements were established to control domestic prices of the basic food basket<sup>6</sup>.

The private sector had some business opportunities for online food delivery systems and online digital payments<sup>7</sup>. The private sector scaled up online ordering systems, while supermarkets have enabled groceries to be ordered via email and WhatsApp.

Restaurants and industry also participated in school-feeding programmes so important in terms of food security.

---

2 The dependence on food imports has been a long-standing problem in the region in terms of significant food bill for the governments, insufficient investment in the agricultural sector and health problems linked to the consumption of highly processed food. Most of the CARICOM countries are net food importers, and at least seven countries import more than 80% of the food they consume. One third of the imported foods are energy dense, high in fat, sugar and sodium, which explains the exponential increase in ultra-processed food consumption.

3 International Trade Centre (ITC) 2018.

4 The economy of the Caribbean region is mainly based on tourism, with tourism accounting for between 34 and 48 % of the total GDP for The Bahamas, Barbados, and Jamaica (IBD, 2020).

5 Caribbean Tourism Organisation (CTO) and Caribbean Development Bank. Daphne Ewing-Chow. Five Ways That COVID-19 Has Changed What Food Insecurity Looks Like in The Caribbean. March 2020.

6 FAO and ECLAC. 2020. Food systems and COVID-19 in Latin America and the Caribbean: How to increase resilience. Bulletin 2. Santiago, FAO.

7 Trinidadian firm WiPay and Barbadian company mMoney provide digital payment solutions to companies and customers for example.

### 3. A paradigm shift towards more resilient and sustainable food systems

Despite these major disruptions, the COVID-19 pandemic also represents an opportunity for a paradigm shift in the way people produce and consume food and creates new opportunities for businesses. Health and safety concerns, transparency in the supply chain, and closer relations with producers have become a strong feature in many markets.

Closer linkages between the agriculture and the tourism sector are essential to promote local sourcing and support to the local value chain actors and this can be achieved in rebuilding a more sustainable tourism industry.

The conditions must be created so that this crisis leads to new opportunities for a regional approach to food security, increased intra- and inter-regional trade, and the acceleration of investments in logistics and infrastructure. During the pandemic, the lack of intra-regional trade logistics was a real constraint to the circulation of food items across countries.

Domestic markets for food could become more diversified through improved technologies and innovations. Food production and distribution channels that are well coordinated are best positioned to adapt to changing patterns in demand and take advantage of new business opportunities, in particular on processing. In the near future, the new food-demand patterns will be based on online shopping and the supply patterns based on flexibility, local proximity and response capacity.

The private sector will need to strengthen key value chain operations, provide new services and develop new products without compromising with food safety standards. Regional markets together with exports will offer new opportunities for diversification in production and marketing.

The acceleration of uptake in information and communication tools will also be required in support of business opportunities, especially information sharing platforms which can link farmers, processors, consumers and marketplaces. During the COVID-19 pandemic, agricultural, B2B and B2C e-commerce platforms have increased and partly addressed access to perishable products. From the consumer side, increased support towards healthy food and local markets has also to be strengthened which includes increased uptake of domestically sourced fruit and vegetables and some animal products and the ability of local and regional supply chains to meet these needs<sup>8</sup>. The food industry which was providing hotels (now closed) is redistributing fresh food in support of the most needed.

Smallholder farmers and businesses must have access to adapted finance, so that they can continue to produce<sup>9</sup>.

It is essential to collect, analyse and share reliable data on the availability of products and inputs, prices, information on storage and cold storage availability, logistical bottlenecks, causes of waste... to be able to provide better advice to the farmers and take informed decisions.

---

8 The Caribbean and Pacific region have voiced an urgent short-term and long-term imperative to strengthen consumption of healthy diets consisting of domestically sourced fruits and vegetables and some animal products and the ability of local and regional supply chains to meet these needs.<sup>27</sup> The food industry which was providing hotels (now closed) is redistributing fresh food in support of the most needed.

9 The representative of the CARICOM Private Sector Organisation (CPSO), Patrick Antoine, takes the view that more instruments are needed in addition to commercial bank loans to finance agriculture, for example regional stock exchange, CARICOM stock exchange, a junior stock exchange.

## PROGRAMME - 9 June 2021 (10h00-12h00 EST)

**Moderator:** *Ena Harvey, IICA Representative, Barbados*

### 10:00-10:15 Opening remarks and launch of the Series

- Manuel Otero, Director General, IICA
- Jeremy Knops, General Delegate, COLEACP

### 10:15-11:00 Panel: Experiences from businesses

- Dunstan Demille, Perishables Manager, MASSY Stores, St. Lucia
- Ravi Sankar, Managing Director, RHS Marketing Limited, Trinidad & Tobago
- Diana Persaud, CEO, Arya's Fresh Cut, Guyana
- Kerwin Craigwell Director, Bwana Business Incorporated, Trinidad & Tobago
- Danielle Thompson, CEO, Nature My Therapy LLC, Jamaica

**Moderator:** *Isolina Boto, Head of Networks and Alliances, COLEACP*

### 11:00-11:25 Insights from partners and experts

- José Torres, Senior Investment Manager, Latin America/Caribbean, Bamboo Capital Partners
- Sheldon Jackman, Expert, EU Delegation to Barbados, ECS, OECS, CARICOM/CARIFORUM
- Jeanelle Murray Noel, Advisor, Access to finance, Caribbean Export Development Agency

### 11:25-11:50 Q&A session

### 11:50-12:00 Way forward and closure