



## IICA-COLEAD Caribbean Agrifood Business Series

### Session n°13:

#### Opportunities in local and regional markets for Caribbean entrepreneurs

Thursday 23 May 2024 – 14:00-16:00 UTC

10:00-12:00 AST (time in Barbados) | 16:00-18:00 CET (time in Brussels)

[Online \(Zoom\)](#)

Live interpretation in English, French, Spanish and Portuguese

### 1. Context

Following disruptions to food supply caused by the COVID-19 pandemic, the Caribbean Community (CARICOM) has focused on boosting regional food production and intra-regional food trade. Limited intra-regional agricultural trade has contributed to significant food import costs for CARICOM Member States. As of 2017, intra-regional trade accounted for only 16.6% of food imports within the region. The annual food import bill for the region totaled USD 4 billion in 2018 and had grown to USD 6 billion by 2022 due to increases in food and fuel prices linked to the COVID-19 pandemic and the war in Ukraine. The CARICOM regional agenda for agriculture calls for increasing intra-regional trade, improving production and processing capacity, as well as the resilience of agricultural production to disaster and climate shocks. Specifically, Heads of Government of CARICOM have committed to reducing the region's food import bill by 25% by 2025.<sup>1</sup> To help this target, CARICOM will prioritize crops and products such as poultry, corn, soya, meat (goat, sheep, beef), rice, and niche vegetables which are highly imported products in the region.

Globalization of trade and investment is creating new opportunities for the development of international agricultural chains. However, Caribbean countries face several specific challenges including redefining the role of agriculture in the light of rising global prices, increased price volatility, and aspirations to value addition. Deciding how raw materials can be used to add value to food products, and repositioning agricultural exports in changing global and regional markets are critical choices for Caribbean entrepreneurs and small and medium size enterprises (SMEs). Depending on the country and product-specific circumstances, responses to these challenges may include moving up the value chain, diversification within or outside the agricultural sector, as well as developing new markets. For all of these, well-targeted government policies, agribusiness innovations and donor support will be crucial.

<sup>1</sup> CARICOM [25% by 2025 Reduction in the Regional Food Bill – CARICOM](#) 2022.

This session on **opportunities in local and regional markets for Caribbean entrepreneurs** seeks to improve the understanding of opportunities and challenges for trade by addressing the following questions:

- What has been the recent performance of Caribbean agribusinesses exporting to regional and emerging dynamic markets?
- What are the key factors determining the performance of Caribbean exporters?
- What are the products with the potential for expansion in regional food markets?

## 2. Global and regional trends in agrifood trade

The Inter-American Development Bank (IDB) observed that between 1995 and 2020, there were three major global trends in agrifood trade:<sup>2</sup>

- International agrifood trade networks became less clustered, the number of hubs increased, and new international agribusinesses entered the market.
- Intraregional trade increased while emerging agritrade clusters became regional in scope determined by geographic proximity and trade agreements.
- Global agrifood trade has become more balanced than in the past: more countries are now connected to a wider variety of markets.

As it pertains to the Caribbean, a 2024 FAO/IDB report<sup>3</sup> revealed that in CARICOM, 8.1% of exports correspond to agrifood products. The main exporters are Jamaica, Trinidad and Tobago and Guyana. More than 60% of the food consumed in the region is imported, and half of the CARICOM Member States import more than 80% of their food. In terms of global trade, the main supplier of agrifood products for the Caribbean is the United States of America (USA), with the subregion itself as the second main origin of these products while the European Union (EU) ranks third. The Dominican Republic is the main buyer of CARICOM agrifood products.

## 3. Opportunities and challenges for Caribbean agribusinesses

According to a 2023 study by Improving Economies for Stronger Communities<sup>4</sup> (IESC), challenges for intra-regional agricultural trade in the Caribbean include low production, high logistics and transportation costs, and regulatory barriers that impede market access. Additionally, the low volumes of production inhibit economies of scale for agricultural commodities. Burdensome trade facilitation measures and the transport distance relative to the small market size of many Caribbean countries make them undesirable destinations for many shipping companies, which prefer to focus on major regional and global routes. These issues are intensified by policy and institutional barriers to trade in the form of sanitary and phytosanitary standards and technical requirements that limit market access.

Despite the numerous challenges, there are opportunities for Caribbean farmers to supply to high-value markets due to the growth in high-value food demanded by the growing tourism sector. An important element of food value chains in the region is their potential link with tourism and investments in agrifood processing. The growth of tourism in the Caribbean is significant because on average, it contributes 8% to GDP as a direct contribution and about 25% of GDP including indirect contributions.<sup>5</sup> In Small Island States the total impact can be as high as 40% and in larger countries such as Jamaica the total share is as high as 30%. The opportunities for local agrifood

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<sup>2</sup> IDB. [Trade to feed the world: A strategic agenda for Latin America and the Caribbean](#). October 2023.

<sup>3</sup> FAO & IDB, 2024. [Opportunities and challenges for agrifood trade between Central American Integration System and Caribbean Community countries](#).

<sup>4</sup> IESC, 2023. [Intra-Regional Agricultural Trade in the Eastern and Southern Caribbean: An Operational Model for Agri-Food Corridors](#).

<sup>5</sup> FAO, 2019. [Current status of agriculture in the Caribbean and implications for agriculture policy and strategy](#).

chains for increased linkages between local agricultural production and tourism are abundant for supply to hotel and restaurant chains, cruise ships, and the yachting sector. The 2024 FAO/IDB study identified fruit and vegetable preparations or preserves made with vegetables such as onion, tomato, potato, beans, homogenized preparations, nut or shell fruit pastes (walnuts, coconut, etc.), pineapple juice and juice mixes, as products with potential for expansion of bi-regional agrifood trade. Beverages with, and without, alcoholic content are carbonated water with added sugar or another sweetener, malt beer, other fermented beverages, ethyl alcohol, rum and other spirits also present opportunities to expand trade.

In fresh or unprocessed products, vegetables, roots, and tubers show opportunities to expand trade specifically tomatoes, cauliflower, broccoli, chilies and peppers, beans, and cassava. Domestic cassava value chains have been singled out for their importance for bakeries, breweries, and poultry feed.

#### **4. Future prospects**

The prospects for increased global and intra-regional trade are positive considering major demographic changes, income, dietary preferences, and urbanization developments. In this respect, increased levels of agritrade in the Caribbean can help improve the availability and access to food and agricultural products.<sup>6</sup> Moreover, as Caribbean farmers continue to tackle the adverse effects of climate change on agriculture, intra-regional trade can also contribute to food supply and the stability of food security. Caribbean agribusinesses are poised to take advantage of the trade opportunities that global food demand is creating but there is a need for a supporting policy to address existing challenges. The following approaches are noteworthy:

- Reducing trade costs, particularly in a sector that deals with many perishable goods and faces numerous nontariff barriers. These barriers often relate to compliance with sanitary and phytosanitary standards. The costs imposed by these regulations can be extremely high, equivalent to adding a tariff of at least 150% to the value of the goods being traded.<sup>7</sup>
- Expand trade policies to promote deeper integration among countries in the region to meet new market access requirements, while promoting regulatory convergence in the areas of health, safety, and food security.
- Improve agricultural productivity to boost the region's comparative advantages and the benefits of trade.

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<sup>6</sup> OECD-FAO, 2023. [Agricultural outlook 2023-2032](#).

<sup>7</sup> IDB. [Trade to feed the world: A strategic agenda for Latin America and the Caribbean](#). October 2023.

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## Agenda

### 10:00-10:05 Introduction

- Jeremy Knops, Délégué Général, COLEAD

**Moderation:** Isolina Boto, Head of Networks and Alliances, COLEAD

### 10:05-11:00 Panel: experiences from Caribbean entrepreneurs in local and regional markets

- Alexis Williams, Founder, Funky Fungi Mushrooms, St. Lucia
- Kimberly Salloum, Managing Director, Half Moon Vegan Ice Cream, Trinidad and Tobago
- Ingrid Brathwaite, Managing Director, Jays Enterprises Inc., Barbados
- Wouter Tjeertes, Co-Founder, Pure Chocolate Jamaica, Jamaica

**Moderation:** Allister Reynold Glean, Representative in Barbados, IICA

### 11:00-11:30 Insights from support programmes

- Sandiford Edwards, Program Director, Improving Economies for Stronger Communities (IESC)
- William Castro Rodriguez, Associate Programme Officer, International Trade Centre (ITC)
- Judith Punch-Wafe, Centre for Business Innovation Manager, Republic Bank Limited, Trinidad and Tobago

### 11:30-11:50 Q&A session

### 11:50-12:00 Conclusion and way forward



This event was organised by the Fit For Market Plus programme, implemented by COLEAD within the framework of Development cooperation between the Organisation of African, Caribbean and Pacific States (OACPS), and the European Union (EU).

This publication has been produced with the financial support of the EU and the OACPS. Its contents are the sole responsibility of COLEAD and can under no circumstances be regarded as reflecting the position of the EU or the OACPS.