

CEDA Export Strategy

Agro - processing

Interim Results

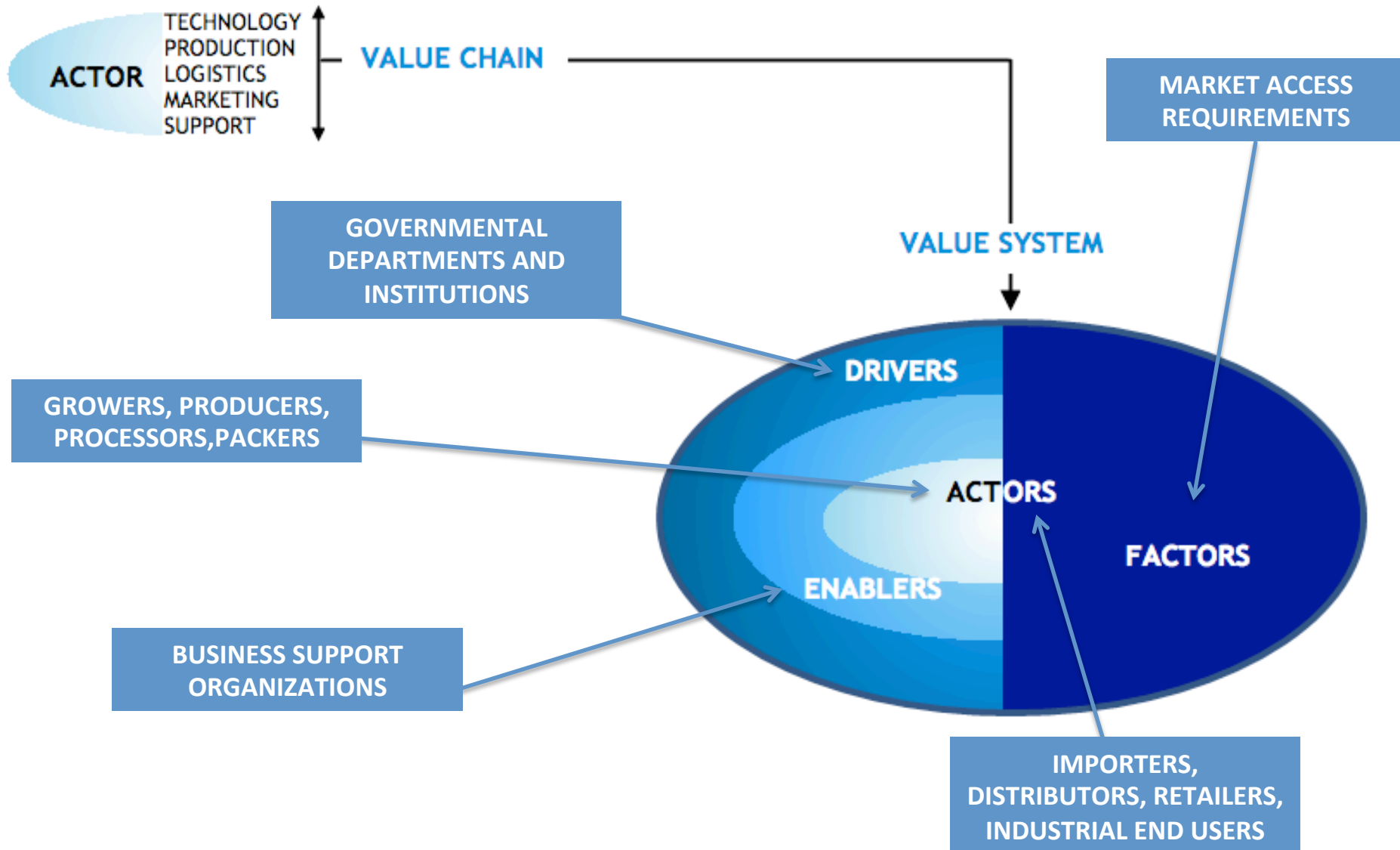
Key results- FF mission

Fact finding mission – Belize, Jamaica & DR; interviews & discussions with stakeholders in the value system; individual and groups

- Two types of processors & exporters
 - **Small (& micro)** – regional exports, in some cases USA (ethnic, nostalgic markets)
 - **Medium size, established** – USA, EU

Both require different strategies and should approach different segments
- Efforts are **tactical**, lack a strategic approach
- **Cost competitive** rather than “value” driven. This needs to change
 - On the supply side - **Consolidation**
 - On the demand side - **Precision marketing** to specific segments, based on a clear understanding of the customer values is the way forward
- Opportunities are evident, challenges are apparent – **actors** do not see a concerted effort by **enablers** and **drivers** towards sustainable exports.....

Value chain; value system



Value chain - actors

- **TECHNOLOGY** – The potential based on availability of unique and high quality produce grown in an enabling climate is **partly set off by modest scores for processing technology & low availability of modern packaging**.
- **PRODUCTION**- Instances of globally acceptable standards **at reasonable costs are sporadic**. **Scale is low** thus restricting exports through mid level traders/ importers based in EU or niche players.
- **LOGISTICS**- Expensive transportation, inadequate infrastructure, **poor connectivity** render logistics, especially for EU markets a liability that needs to be compensated by the **high quality & exoticity** of produce/ products
- **MARKETING** – Currently a **cost competitiveness mindset**. The unique value proposition needs to be positioned well for selected market segments. The “exotic quotient” needs to be leveraged
- **SUPPORT** – Support is at the “hygiene” level. **Professional business practices** & better training is required to gain market share.

MRI SCAN JAMAICA BELIZE

24.264

ACTORS

PRE-HARVEST	POST HARVEST	MARKETING	
UNIQUENESS OF PRODUCTS, VARIETIES AND SEASONALITY	7,1	PROCESS INNOVATION PROCESS CONTROL	4,8
INVESTMENTS IN R&D/INNOVATION/IP	4,4	FIXED/WORKING CAPITAL INVENTORY TURNS	4,3
AGRONOMISTS, RESEARCHERS	5,6	SKILLED PERSONNEL PRODUCTIVITY LEVEL	5,5
PREPARATION & TESTING PROCESS, GLOBAL GAP	5,1	OSHAS, EMAS, ISO 9001, HACCP, TRACEABILITY	5,7
INNOVATIVE SEEDS, SOIL NUTRIENTS, TEST EQPM	5,1	MACHINERY, FACILITIES TRANSPORT, IT STRUCTURE	5,4
		MARKET ENTRY MODE STRATEGIC POSITIONING	6,1
		MARKET RESEARCH & PROMOTIONAL BUDGETS	4,6
		EXPORT AND MARKETING MANAGERS	5,2
		MARKETING PLANS, CRM, TRADE FAIRS, ORDER PROCESS	5,2
		WEBSITES, PORTALS, COLLATERALS, E-BIZ	4,4
			6,0
			4,4
			5,5
			5,3
			5,0

5,2

ENABLERS

PRE-HARVEST	POST HARVEST	MARKETING	
TECHNOLOGY SCANS INNOVATION UPDATES	5,0	STATISTICS, ANALYSIS COMPETITIVENESS GAUGES	4,7
INDUSTRY/KNOWLEDGE INSTITUTES INTERFACE	5,5	ADVOCACY ENHANCING COMPETITIVENESS	5,4
INDUSTRY EXPERTISE SECTOR DEVELOPMENT	6,3	PRESENCE ACROSS ACTORS IN PRODUCTION CHAIN	6,1
INCUBATION/IP ASSISTANCE BUSINESS DEVELOPMENT	6,5	FULL SERVICE PORTFOLIO BEST PRACTISE EXCHANGE	6,1
DONOR MANAGEMENT REVENUE SOURCES	5,5	SERVICES PORTFOLIO DELIVERY TEAM	5,3
		MARKET INTELLIGENCE CUSTOMIZED INFORMATION	4,7
		INTL BSO NETWORK INTERNATIONAL PRESENCE	5,1
		SECTOR POSITIONING SECTOR BRANDING	6,4
		TRADE MISSIONS/FAIRS B2B ACTIVITIES	6,3
		BSO BRANDING MEMBERSHIP RECRUITMENT	5,4
			4,8
			5,3
			6,2
			6,3
			5,4

5,6

DRIVERS

PRE-HARVEST	POST HARVEST	MARKETING	
INNOVATION TAX BREAKS DRAW BACK SYSTEMS	4,7	INVESTMENT INCENTIVES, SUBSIDIES	5,0
FUNDAMENTAL RESEARCH SHARED TECH CENTRES	4,6	ROADS AND TRANSPORT, ACCESSIBILITY, CLUSTERING	4,3
INNOVATION POLICY ENTREPRENEURSHIP	5,5	MANUFACTURING, ECOSYSTEM EASE OF DOING BUSINESS	5,0
BUREAU OF STANDARDS INTELLECTUAL PROPERTY	6,7	LABOR & ENVIRONMENTAL LAW PROTOCOLS, INSPECTIONS	5,7
DESIGN ACADEMIES TECHNICAL EDUCATION	5,4	VOCATIONAL EDUCATION INFORMATION ON STANDARDS	5,4
		CO FINANCING OF TRADE MISSIONS/FAIRS	4,8
		(AIR)PORT FACILITIES, COLD CHAINS, ICT STRUCTURE	5,4
		TRADE AGREEMENTS COUNTRY BRANDING	7,0
		MARKET REGULATIONS TPO/FO/COMM. ATTACHES	5,6
		SCHOLARSHIPS EXCHANGE PROGRAMS	4,0
			4,8
			4,8
			5,8
			6,0
			4,9

5,4

Key results – MRI Scans

- **ACTORS**

- Technology, variety
- Marketing plans and CRM
- Process equipment, machines etc

- **ENABLERS**

- Industry expertise, presence across actors
- Trade promotion ,trade fairs, trade missions

- **DRIVERS**

- Post harvest infra-structure
- Innovation policy, entrepreneurship

- **ACTORS**

- Financing pre/post harvest
- Websites, promotional tools
- Investments in innovation

- **ENABLERS**

- Reports, particularly on pre-harvest issues
- Marketing intelligence
- Best practices exchange

- **DRIVERS**

- Pre-harvest and marketing incentives
- Technical education

Comments based on MRI Scans

- Overall competitiveness **score is low**
 - CI Dominican Republic 10,965
 - CI Jamaica and Belize 24,264
- Average scores for the 3 constituents of the value system are close to the median value 5
- Actors score **lower than the notion** as perceived during interviews with enterprises. This may be seen in the context of a difficult EU market wherein customer values are high/ complex
- Enablers record **lower confidence** in the sector competitiveness. We explore why – *see below*
- Drivers have a **higher view** of the actors' competitiveness than the actors themselves
- The need for a more **homogenous view** of the competitiveness of the sector is evident.
- We **explore** the reasons that may have resulted in flat scores:
 - Culture ?
 - Lack of awareness for global benchmarking
 - No clear PMC (Product Market Combination) defined

Key results – FSI Matrix

Constraint lifting

1. Nurturing of **strategic long term** mind set & an attitude towards quality and **consistency**
2. Understanding of the trade from a **customers' perspective**
3. Establishing of a vibrant, professional **market intelligence platform**
Training in **“value marketing”** – an understanding of *“make what sells” rather than “sell what is made”*
4. A collaborative trade platform that **brings together scale**, including consolidated cargo
5. Alliances with research institutions and inclusion of **“basics of agricultural economies”** at a secondary education level
6. “Brand Caribbean” to **leverage the exoticism** of the regional produce.
7. **Consistent positioning** and promotion at the appropriate platforms – food festivals, cultural fests and trade fairs
8. **Trade financing** at low costs requires government intervention.
9. Reach **beyond ethnic/nostalgic** markets

Customer Values - EU

- **PRODUCT** – Trends indicate a growing demand for **exotic, specific products and produce**. Market segments beyond the diaspora show healthy growth rates.
- **QUALITY** – Consumers continue to be more aware. Evidence & display of **health, environment and social** concerns is rewarded by higher share of their business. Process (certification) is seen as important as the product – *“What is behind the product?”*
- **SPEED** – Packaging in **smaller, ready to consume portions** available at their regular shelves in the super markets is a necessity.
- **IMAGE** – **Responsible, globally connected and aware citizen**, that is the typical EU consumer. Then again, there are segments that fall outside the circle. Select your target segment carefully.
- **SERVICE** – Packaging **that displays a concern** for growing consumer values is a winner. Local accessibility for **pre-and after sales** support, if and when required is a norm.

Products with export potential*

- **Fresh fruits and vegetables** – mainly citrus, coconut, banana, mangoes, guava, broad beans and sweet corn. Also cocoa and honey.
- **Semi-processed, intermediary agricultural produce** – pulps, nectars, squashes, molasses, coconut milk, chocolate powder, pepper mash etc.
- **Processed, ready-to-consume products** – juices, jams, jellies, chocolates, sauces, pickles etc. A few of these are sold under locally or regionally recognized brands

* *Based on CBI EU Market scans for FFV and Natural Ingredients –www.cbi.eu*

The way forward

TRADE DEVELOPMENT

- Follow the **priority list** of the FSI matrix.
- Focus, **don't waste efforts** trying to do everything
- **Capacity building program** with an objective to enable orientation of stakeholder representatives towards:
 - Strategic “Value competitiveness”
 - Precision market segmentation based on specific customer values
 - Medium to long term export plans rather than incidental trade
- Establish an efficient **“market intelligence”** platform per product category
- Establish a **“Collaborative trade platform”** that leverages consolidation of scale and logistics

TRADE PROMOTION

- Establish **Caribbean or national** brand in the selected market segments
- Create visibility for Caribbean products **at hotels and tourist** spots within the region
- Enable selected companies to develop & execute an **export promotion plan**