



Trade Measures to Support a Nutritious Sustainable Food Supply

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CARICOM Food and Agricultural Policy Framework

- ❑ Caribbean Community (CARICOM) has long sought to promote regional trade in agri-food products as a vehicle for transforming the sector and enhancing production and incomes
- ❑ The Revised Treaty of Chaguaramas (RTC) speaks to objectives in agriculture and fishing (Articles 56, 57, 59, 60) in terms of development policy, marketing and resource management.



CARICOM Trade Regime



- ❑ The Common External Tariff (CET) is the main vehicle for providing support to regional producers
- ❑ A range of agricultural products in which Member States have a producing interest, attract a tariff of 40%, which is higher than the tariff of ca 25% applied to other goods.
- ❑ Some agri products, however, do not attract the protective tariff, including some that are now being targeted for development at the regional level, e.g sheep and goat meat.
- ❑ Review of the CET is currently underway



Sanitary and Phytosanitary (SPS) Measures

- ❑ These border measures are aimed at protecting agricultural health of importing countries and should be based on scientific assessments of risk.
- ❑ Much work need to be done in improving and harmonizing the SPS regime so as to facilitate intra-regional trade.
- ❑ The Caribbean Agricultural Health & Food Safety Agency (CAHFSA) is currently working on protocols for the movement of several key crop products around the region. A policy on the movement of meat and animal products is to be approved soon.



External Trade Agreements



- ❑ CARICOM has agreements with a few neighbouring countries – Costa Rica, Cuba, Dominican Republic.
- ❑ One-way agreements with Colombia and Venezuela.
- ❑ CARICOM LDCs are not required to reciprocate.
- ❑ Largest and deepest agreement is with the EU and now with the UK. For the most part,
- ❑ CARICOM is very cautious in offering up agricultural products in trade agreements, except where there is a clear export interest for the region. There may, however, have been some errors along the way.



Food Imports



- ❑ Most CARICOM's food imports are sourced from outside of the region (USA). Only 12.7% of total food imports were sourced from within the Caribbean in 2010.
- ❑ The current food import bill is estimated at US\$5.0 billion.
- ❑ Most imports of primary products are of items not substantially produced in the region – e.g. wheat, meat products, refined sugar.
- ❑ There is some importation of fresh produce (eg. Potatoes, carrots, onions/garlic and some niche fruit and vegetables, e.g. broccoli, apples/grapes)



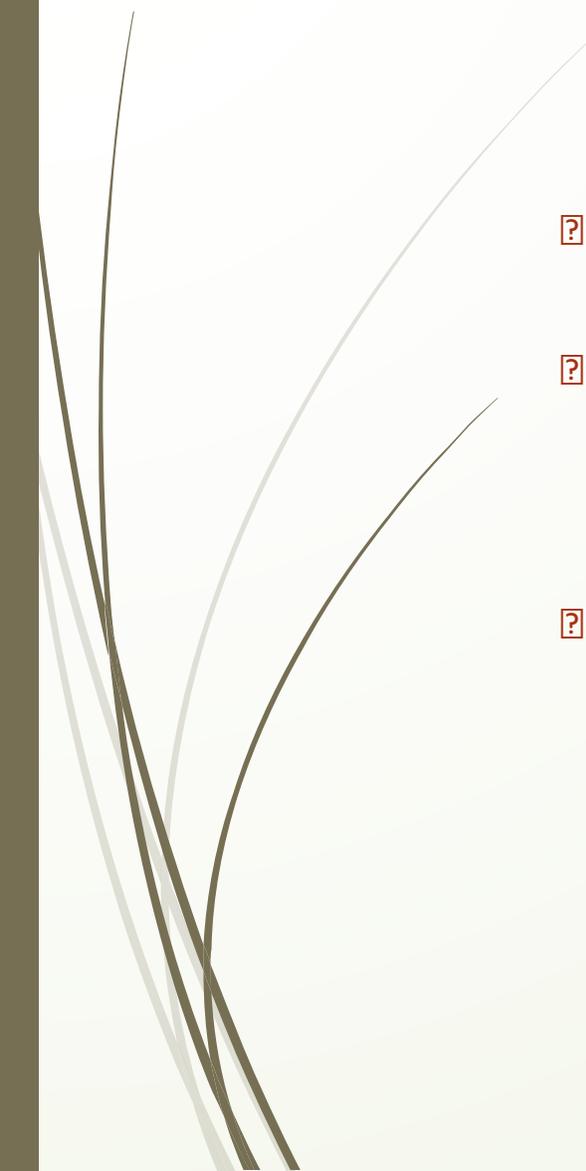
Production



- ❑ Most CARICOM countries have a vibrant domestic food producing sector, dependent on small farms, with some product going to the tourist sector. It is limited mostly by scale and low absorption of newer technologies
- ❑ Poultry production is significant in several countries; fresh fish, tropical roots/tubers, leafy greens and other vegetables, fruits, are all produced in large quantities
- ❑ COVID has spurred a redoubling of efforts at the regional level to improve the trading environment for agri-food products
- ❑ Demand shock (from lockdowns, travel restrictions etc) has been significant. Tourism has still not rebounded and many normal activities, which would fuel the demand for food, have not resumed



Transportation



- ❑ Transportation has been the subject of considerable attention for most of CARICOM's life.
- ❑ Facilities for transporting fresh producer across the region are underdeveloped – lack of cold/cool chains (vessels, port facilities etc) and small size of shipments limits the efficiency and increases the cost of doing business.
- ❑ Unlike the banana industry, which was able to efficiently organize small producers, the general fresh produce segment is fragmented and unable to command container shipping services.



COVID-19 Response



- ❓ Regional COVID response plan adopted in April 2020 to facilitate intra-regional trade, share information, support national recovery plans and help buyers and sellers to make contact.
- ❓ Caribbean Private Sector Organization (CPSO), in July 2020 presented proposal to Heads of Government - “TWENTY-FIVE BY 2025” – programme to reduce food imports by 25% by 2025. Items include poultry, niche vegetables in the first instance, but also corn and for animal feed, meat and coconut products.
- ❓ At Guyana’s initiative, Heads of Government, in February 2021, set up a Special Ministerial Task Force to oversee implementation of several policy initiatives, including the CARICOM COVID-19 Agri-Food Action Plan, reform of the CET, removal of intra-regional trade barriers, an e-agriculture strategy, transportation and R&D. Priority products include Root Crops (Irish/white Potato, Sweet Potato, Yams), Ginger and Turmeric, Fresh Fruits, and Nutraceuticals.



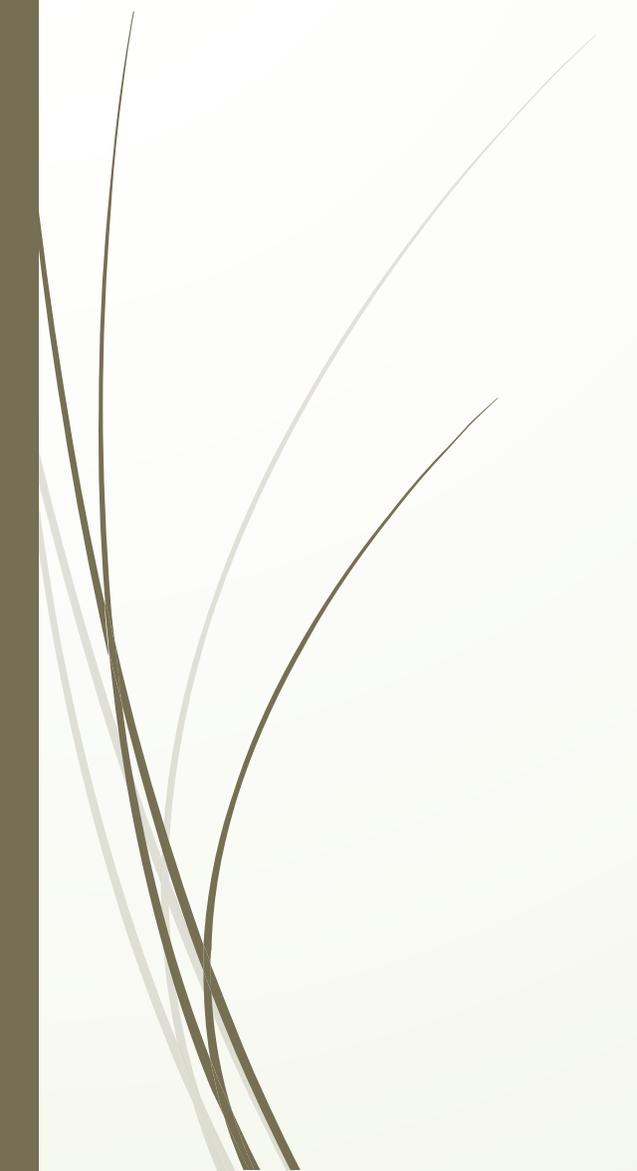
Trade Policy Tools for Influencing Consumer Behaviour

- ❑ The CET is designed primarily to provide protection to regional producers and to raise revenue.
- ❑ Governments also have a range of taxes that are applied at the border and internally, e.g. consumption taxes, excise taxes, value added taxes. These are (theoretically) applied equally to imports and domestically produced goods.
- ❑ There are very few, if any, instances in which tariffs have been set to encourage or discourage consumption of certain foods
- ❑ Identifying the foods that are deemed to be unhealthy is the first step in influencing policy in this regard. This would be subject to debate and would naturally involve producers and traders of the targeted foods.



Trade Policy Tools for Influencing Consumer Behaviour (cont'd)

- ❓ However, changes in consumer behaviour would be better achieved through some combination of health messaging and fiscal/trade policy measures



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