MINISTRY PAPER NO. 29

THE FOOD INDUSTRY

One of the primary objectives of the Government's policy for further expansion of the food processing industry is to assist agricultural development by utilization of farm surpluses arising from time to time, as well as by providing opportunities to the farming sector to undertake production geared specifically to the needs of the processing industry.

2. Food imports still constitute a substantial proportion of Jamaica's overall imports. The increase last year was 8.8% above 1967, as compared with the 7.1% increase which had taken place in 1967. The principal factors contributing to the rise last year were:

(i) The prolonged period of drought which adversely affected local food crop and livestock production and necessitated substantially higher imports of meat and meat preparations, fruit and vegetables, cereals and other items to offset the shortages arising.

(ii) Devaluation of the Jamaican Pound in November, 1967, meant that we have had to pay appreciably more for imports from countries which did not devalue their currencies. This accounts for a significant part of the increase in the value of imports recorded last year.

(iii) The tourist industry enjoyed its best year in 1968 when the total number of visitors (396,347) increased by 63,509 (19%) over the previous year. While the hotels increased their purchases of locally produced food items, it was clearly necessary for them to increase their purchases of imported food at the same time to cater to the substantially larger number of tourists.

It must also be borne in mind that our population grows steadily each year and that the standard of living of our people is continually improving. The inevitable consequence is that our total food requirements are rising each year.

3. This situation continues to present an opportunity and a challenge to local agriculture, as well as to our food processing industry. It is clearly not possible in the short term to replace a significant part of our food imports with local production but the evidence is that a gradual process of substitution is taking place, resulting from greater local production and involving substantial savings in foreign exchange which would otherwise have had to be spent in feeding our population. In recognition of the opportunities which exist for further intensification of local food production, the Government continues to pursue a positive policy of import controls.

Food Processing:

4. The early stages of any development programme are usually beset with problems peculiar to each economy. Jamaica is no exception. In food processing the Government has continued to pursue policies which are designed to secure further expansion, while at the same time endeavouring to achieve improved viability of the industry as a whole. This industry has great potential for aiding in the development of agriculture, meeting an increasing proportion of our food needs and assisting usefully in development of our export trade.

5. In June last year the House passed a Resolution amending the Second Schedule to the Customs Tariff to allow all imports of machinery and equipment for commercial food processing to enter on a duty-free basis, subject to certain defined conditions. In recommending this measure to the House, the Government was convinced that it will provide useful relief to the industry which, taken together with other policies being implemented, will be instrumental in aiding further expansion.

6. It must be admitted that various problems currently face food processors, including certain difficulties involving availability of raw materials, as well as adequate working capital. My Ministry has established a Standing Committee on the food processing industry which is widely representative of official and private agencies having an interest in this field. The Committee is giving close attention to a number of problems, solutions to which, it is hoped, can shortly be found.

Food Technology:

7. The Food Technology Division of my Ministry was established in the latter half of 1965, with the objective of carrying out pioneering work in the development of new processed foods utilising local raw materials. A constructive programme of research and experimentation has been pursued. One of these projects involved experimental work on frozen foods which continued over a considerable period, until the stage was reached when firm conclusions could be drawn on technical and commercial grounds. This programme culminated in the establishment of Jamaica Frozen Foods Limited, jointly owned by the Jamaica Industrial Development Corporation, Agricultural Marketing Corporation and Zero Processing and Storage Limited, about which Parliament has already been informed. The Company has vigorously approached the task of developing and expanding market for these new products within Jamaica as well as overseas. Already, regular exports are being shipped to seven CARIFTA territories, as well as to the Bahamas and the Cayman Islands. Arrangements are now well in hand with a view to starting shipments to the United Kingdom.

8. The principal frozen food items being produced by the Company are:

Rice and Peas
Stew Peas
Curried Chicken
Beef Balls
Ackee and Saltfish
Mackrel and Banana
Curried Mutton
Stew Beef
Fried Plantain

A wide variety of Jamaican raw materials is used in the production of these foods - among them being poultry, carrots, string beans, Irish potatoes, sweet potatoes, sweet peppers, coconuts and bananas.

9. Substantial work has been done by the Food Technology Division on several local food crops including yams, breadfruit, bananas and pumpkin from which acceptable flours and a number of products have been developed. Instant powders have also been produced from passion fruit, sorrel, limes, ginger and coconut. Market tests now being conducted with banana flour are encouraging.

Coconut cream made from the kernel of the dry coconut is meeting good response in market tests in Jamaica and a start has been made in market testing the product overseas. The Division is also currently working on the development of a number of pork products.

10. It is important to appreciate the relationship between this research work and the pilot scale production being undertaken by the Food Technology Division and full-scale commercial production which is the business of the industry itself. The objective of the Division's research is first of all to establish through its experimental kitchen and laboratory analyses the technical possibilities of new forms of processing. Subsequently, where the research results justify them, commercial feasibility investigations are carried out, involving pilot scale production and initial market testing of the products under the Division's "Techno" brand.

These investigations provide a basis on which the processing industry, including Jamaica Frozen Foods Ltd., is assisted in coming to realistic decisions about the viability of commercial production of these new food items. The Division's work is thus a valuable link in the chain of production looked at as a whole.

Food Standards:

11. The Standards Division of my Ministry is shortly to give way to the Bureau of Standards, provision for the establishment of which is made in the Standards Act passed by Parliament in December last year. Much of the work of the Division has been concerned with regulating and assisting the food processing industry. Such work will continue to be one of the primary preoccupations of the Bureau of Standards.

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12. The Processed Food Law which provides the legal framework for these regulatory activities operates on the basis of particular processed foods being prescribed from time to time. Such prescription brings the foods in question, as well as the processing establishments, under official supervision. The expanded production of the industry has reached the stage necessitating the prescribing of a further list of several new foods now being produced. These range from fruit and vegetable items to various forms of meat processing - the latter is an area in which outstanding development has taken place within recent years.

13. The developments which have been indicated show evidence of a steadily expanding industry in which technological advances are being made but an industry which is still beset with various problems. It is the Government's policy to continue searching for acceptable solutions to these problems. But the industry must exert its own efforts to take full advantage of the widening opportunities presented by our improved living standards, the rapidly growing tourist industry and the better opportunities which are now available for profitable export trade, particularly within CARIFTA.

If these opportunities are effectively seized, the horizons for further expansion of the industry, with the consequential advantages to the nation as a whole, will be extensive.

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