



MINARD ESTATE — AGRICULTURE IN JAMAICA

Pasture Improvement Project in Jamaica

Minard Estate Farms is planning a pasture improvement project in order to improve productivity, output and profitability of its 1,600 acre farm. The estate is located at Browns' Town in St. Ann and is operated by the Agro-Investment Corporation. The farm already has a wide range of developed facilities such as paddocks, troughs, water supply systems, internal roads, offices, store rooms, reservoirs and living quarters and requires little additional capital investment. However pasture development will result in the availability of better forage material will assist in meeting the key performance criteria of weaning calves between 400lbs and 420lbs.

At present, the estate utilizes a little over 750 acres for pastures with the remainder in ruinate and fallow lands. The project will be carried out in a number of phases, over a seven year period, resulting in a herd increase from 763 to 1,429 heads of cattle and to convert an average of 273 animals per annum to revenue, generating revenues averaging J\$20.8M over the seven year period. The initial phase will involve the improvement of 100 acres of pasture. The next phases will see the gradual development of 600 acres of existing pastures to fair grazing pastures with good forage material.

Jamaica Agri-Business Potential

❖ The government has been working to reduce the national food import bill and satisfy export demand for fine Jamaican produce. There is already strong demand internationally for Jamaican produce with food exports reaching US\$274 million in 2012, an increase of 22.3% on the previous year¹. The Jamaican agri-business sector has highly reputable produce, most notably Blue Mountain coffee and fine/flavoured cocoa, as well as bananas and sugar. However, the sector is becoming much more diversified. However, with large areas of fertile land, Jamaica has yet to reach its full potential in agricultural production.



❖ The Jamaican market for beef has been growing considerably, primarily being supplied through imports. In 2012 approximately J\$3.36 worth of beef products were imported into the country, a 23.7% increase on 2009². Domestic demand has outstripped local supply capability and with Jamaica's emphasis on self-sufficiency and sustainability in the food sector, there is considerable potential for this project.

Incentives

Investments in the agri-business sector are primarily supported by the Omnibus Tax Incentives Act, 2013. Provisions of the act include:

- ❖ The Fiscal Incentives Act: This is targeted at small and medium size businesses and provides for the reduction of the effective corporate income tax rate by applying: An Employment Tax Credit (ETC) at a maximum value of 30%, and a Capital Allowance applicable to a broadened definition of industrial buildings
- ❖ The Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act: This is targeted at large-scale projects and/or pioneering projects and provides for an improved and more attractive rate for

¹ Jampro

² Statistical Institute of Jamaica/Jamaica Customs Department

the Employers' Tax Credit (ETC). Projects to be designated either as large-scale or pioneer will be based on the decision of Parliament having been informed by an Economic Impact Assessment.

- ❖ Revised Customs Tariff: This is targeted at the productive sectors and provides for the 0% duty on capital equipment and raw material. Persons in Manufacturing, Tourism and Creative industries stand to benefit from duty free importation of industry-related consumer goods.
- ❖ Revised Stamp Duty Act: This is targeted at the manufacturing sector and provides exemption from additional stamp duty on raw materials and non-consumer goods.

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