AGRO-INVEST

JAMAICA'S AGRIBUSINESS AGENCY

INVESTMENT OPPORTUNITIES FOR THE SOUTHERN PLAINS AGRICULTURAL DEVELOPMENT PROJECT

Dear Investors,

The Southern Plain Agro Park is a unique investment opportunity designed to empower and support you on your journey to success in raw production.

Imagine having all the essential ingredients for a thriving agribusiness venture conveniently under one roof. Our Agro Parks are meticulously planned and equipped with infrastructure development, including drainage, irrigation, and roadways, ensuring your farm operates smoothly and efficiently.

But that's just the beginning! When you lease one of our Agro Parks, you'll also gain access to Park Manager, strategically assigned to the project site. The Park Manager is an experienced agricultural professional ready to provide expert guidance and develop personalized production plans tailored to your goals.

The advantages don't stop there. Our Agro Parks come complete with a Technology Transfer Officer, who will equip you with cutting-edge knowledge and recommend the latest technologies to boost your business operations and stay ahead of the curve.

But wait, there's more! As part of our commitment to your success, we offer access to a network of Cluster Coordinators, connecting you directly to markets and opening doors to lucrative opportunities.

We understand that running an agribusiness can be complex, so we've got you covered with a team of specialists, including Business Development Experts, to provide additional expertise whenever needed.

The Southern Plain Agro Parks are your all-in-one solution to make a difference in the world of agriculture while reaping remarkable returns.

Don't miss this chance to sow the seeds of success. Secure your spot in the Southern Plain Agro Parks today by submitting an application.

Note applications are opening soon.

OVERVIEW OF THE SOUTHERN PLAIN AGRICULTURAL DEVELOPMENT OPPORTUNITY

The Southern Plain Agricultural Development Project, a government initiative, focuses on the development of agricultural land in two key areas: Amity Hall / Bridge Pen in St. Catherine and Parnassus in Clarendon. Covering 795 hectares, the project encompasses six major components, including infrastructure works, engineering, construction-related services, and project management. Funding for the project comes from the Caribbean Infrastructure Development Fund (CDB)/ United Kingdom Caribbean Infrastructure Development Fund (UKCIF), with additional support from the Government of Jamaica.

The Southern Plains Agricultural Development (SPAD) project holds great promise for Clarendon and St. Catherine parishes. The 795 hectares, formerly sugarcane lands, will be repurposed and made available for cultivating diverse crops such as Mango, Avocado, Tomatoes, Sweet Potato, Irish, and more, upon project completion.

Recognizing the crucial role of proper land and soil preparation in successful crop and livestock production, the SPAD project addresses the challenges faced by agri-business investors involved in the raw production phase of the value chain. Many investors lack the necessary infrastructure, machinery, and equipment. To tackle this, the initiative facilitates affordable access to these resources in and around the SPAD area. The primary objective is to bolster agricultural productivity, stimulate economic activity, and uplift the local farming community.

By embracing the Southern Plain Agricultural Development Project, investors have the opportunity to capitalize on the untapped potential of repurposed land and contribute to the growth of sustainable agriculture in the region. The project's strategic planning and government backing ensure a conducive environment for agricultural ventures to thrive, making it an attractive prospect for prospective investors seeking long-term returns and positive community impact.

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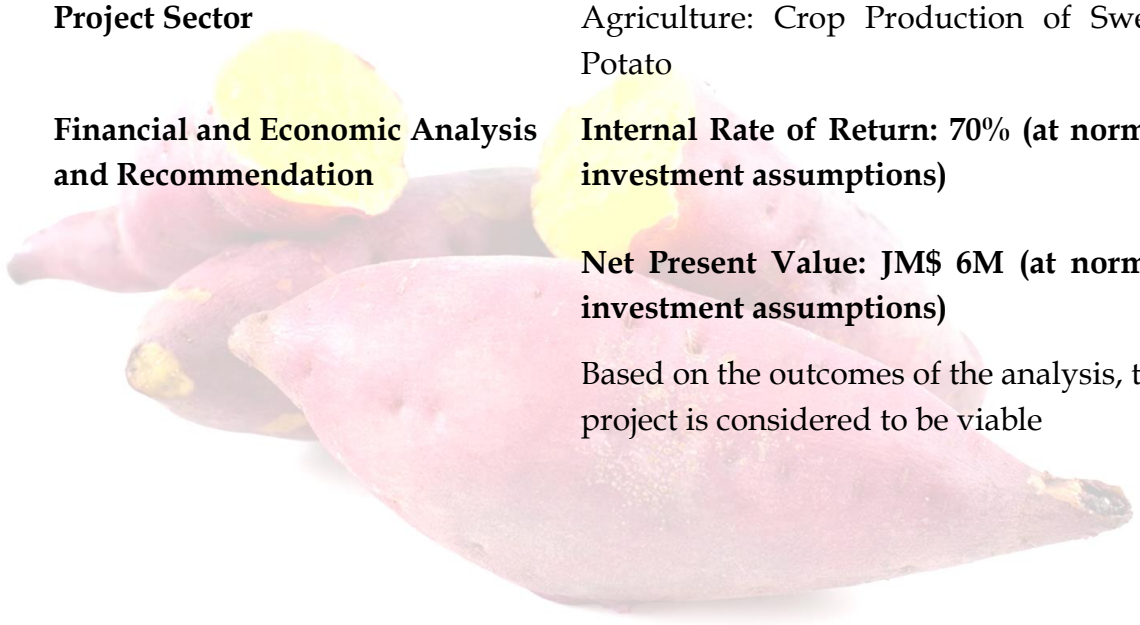
EXECUTIVE SUMMARY

Farm Size:	5 acres
Project Description:	The project intends on establishing an Sweet Potato farm. The average annual net profits over a 7-year period are projected to be approximately **JM$ 2M.** The accumulated 7-year net profit is projected to be approximately **JM$ 57.9M.**
Project Sector	Agriculture: Crop Production of Sweet Potato
Financial and Economic Analysis and Recommendation	**Internal Rate of Return: 70% (at normal investment assumptions)** **Net Present Value: JM$ 6M (at normal investment assumptions)** Based on the outcomes of the analysis, the project is considered to be viable



PRODUCT PROFILE

Botanical Name and Origin: Sweet Potato (Ipomoea batatas) has its origins in or near Central America and northwestern South America.

Varieties: It has more than 4,000 varieties, each with its own specific texture and taste. Sweet potato skin colors come in various shades of creamy white, yellow-orange, tan, reddish-purple and red. Sweet Potato flesh colors come in shades of orange, yellow- orange, white, purple and red.

Some popular Jamaican varieties are:

- Fire on Land
- Clarendon
- Yellow Belly

Health Benefits: Sweet potatoes are not only delicious but also offer several health benefits. Here are some of the key health benefits associated with sweet potatoes:

- **Nutrient-rich**: sweet potatoes are packed with essential nutrients such as vitamins A, C, and E, which act as antioxidants, supporting a healthy immune system and protecting against cellular damage.

- **High in antioxidants**: Antioxidants help neutralize harmful free radicals in the body, reducing the risk of chronic diseases such as heart disease, certain cancers, and age-related macular degeneration.

- **Blood sugar regulation:** sweet potatoes have a lower glycemic index (GI) than regular potatoes, which means they release sugar into the bloodstream more slowly.

- **Digestive health:** Sweet potatoes are a good source of dietary fiber, which plays a crucial role in maintaining a healthy digestive system.
- **Heart health:** Sweet potatoes' fiber, potassium, and antioxidants collectively promote heart health. Fiber helps lower LDL cholesterol levels, while potassium helps regulate blood pressure.
- **Eye health:** sweet potatoes are rich in vitamin A, particularly in the form of beta-carotene, which is essential for good vision.
- **Anti-inflammatory properties**. The antioxidants and anti-inflammatory compounds found in sweet potatoes, such as beta-carotene and anthocyanins, can help reduce inflammation in the body.

Value-Added Products: Sweet potatoes can be processed into various value-added products that provide convenience, unique flavours, and extended shelf life. Here are some examples of value-added products made from sweet potatoes:

- Sweet Potato Chips
- Sweet Potato Fries
- Sweet Potato Puree
- Sweet Potato Flour
- Sweet Potato Noodles
- Sweet Potato Pies and Desserts
- Sweet Potato Juice
- Sweet Potato Snack Bars

AGRONOMICS

Suitable Locations: Suitable locations for commercial sweet potato production are in the parishes of Manchester, St. Elizabeth, and St. Ann.

Drainage: Drains should be constructed to prevent waterlogging of fields.

Soil type: Sweet Potato cultivation thrives in well-drained sandy or sandy loam soils, while heavy clay soils and organic-rich soils are unsuitable. Heavy clay soils hinder root growth and result in inferior root shapes. Excessive organic matter promotes vigorous vine growth but hampers the development of storage roots. It is advisable to avoid fields with high nematode populations. Ideally, fields that have not been utilized for sweet potato cultivation in the past 2 to 3 years are preferred.

Sweet potato is a crop that does well in warm weather. Optimal growth occurs when the mean temperatures are above 24 °C (75 °F) and there is ample sunshine. Consequently, it is not advisable to cultivate sweet potatoes in shaded environments. To achieve high yields, the soil within the planting area should have a pH between 5.8 and 6.4. If the pH of the soil is low, lime should be incorporated to increase the PH.

Maturity: The sweet potato crop is considered ready for harvesting when the leaves start turning yellow and falling off. Another way to determine maturity is by cutting sample roots in the field and observing the colour of the latex that oozes out. Mature storage roots have a creamy white latex, whereas immature roots turn the latex black when cut.
If there are no apparent external indications of maturity, growers will need to monitor the growth of the storage roots by regularly checking their size after 18 weeks.

Harvesting Methods: Timely harvesting is crucial to maintain optimal yields, as harvesting sweet potatoes too early can result in reduced yields. Conversely, leaving the crop in the ground for too long can make the storage roots vulnerable to rotting and weevil infestation. In traditional small farms, sweet potatoes are typically harvested as needed, but this practice exposes the plants to weevil attacks.

The ideal time for harvesting sweet potatoes generally ranges from 3 to 8 months after planting, depending on the specific cultivar and prevailing climatic conditions.

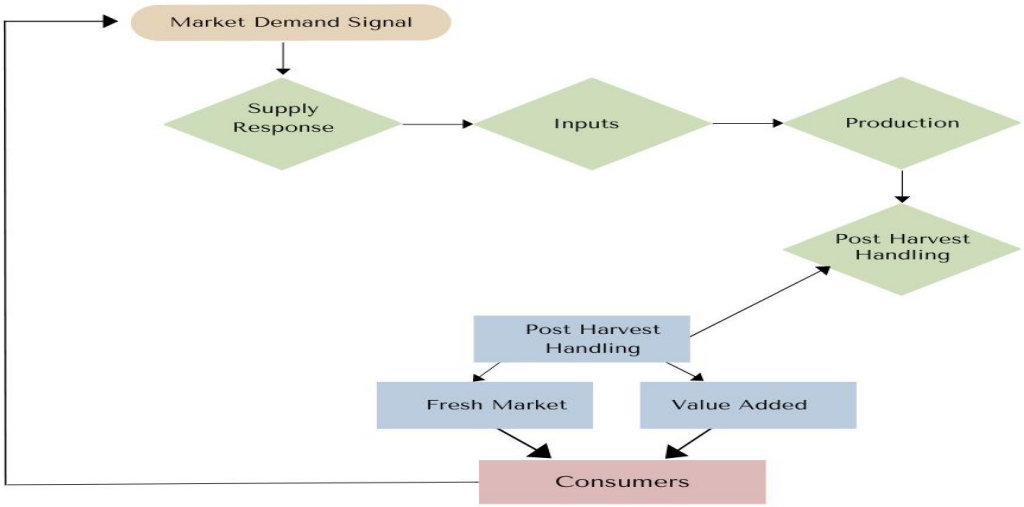
SWOT ANALYSIS FOR THE ESTABLISHMENT OF SWEET POTATO

Strengths • Health benefits • Agro processing potential • Access to experts and good networks (RADA, AGRO-INVEST and JAMPRO). • Ready market • The demand in both the export and local markets is excellent. • Marketing and production information are readily available. • Highly nutritious crop • Climate Resilience • High crop yields	**Opportunities** • Good local and export potential • Accessing the services of the Praedial Larceny Unit at MoAF. • Growing Demand • Great potential for growth in international markets • Value-added opportunities. • Health and Wellness Trends • Product Diversification
Weakness • Poor post-harvest practices. • Limited financial resources to fund growth and development. • Lack of on-farm storage facilities • Susceptibility to diseases and pests • Storage challenges	**Threats** • Increase in land prices. • Natural disasters • Severe market changes and fluctuations in prices. • Shortage of reliable labour • Praedial larceny. • Exploitation of farmers by traders and brokers • Competition • Price volatility • Climate change and weather risks

MARKET ANALYSIS

The demand for sweet potatoes is strong both locally and internationally, with a consistent interest in the crop. Sweet potatoes have a wide range of markets, including fresh, frozen, and processed options, catering to domestic, regional, and extra-regional markets. Each market has specific requirements that can vary significantly.

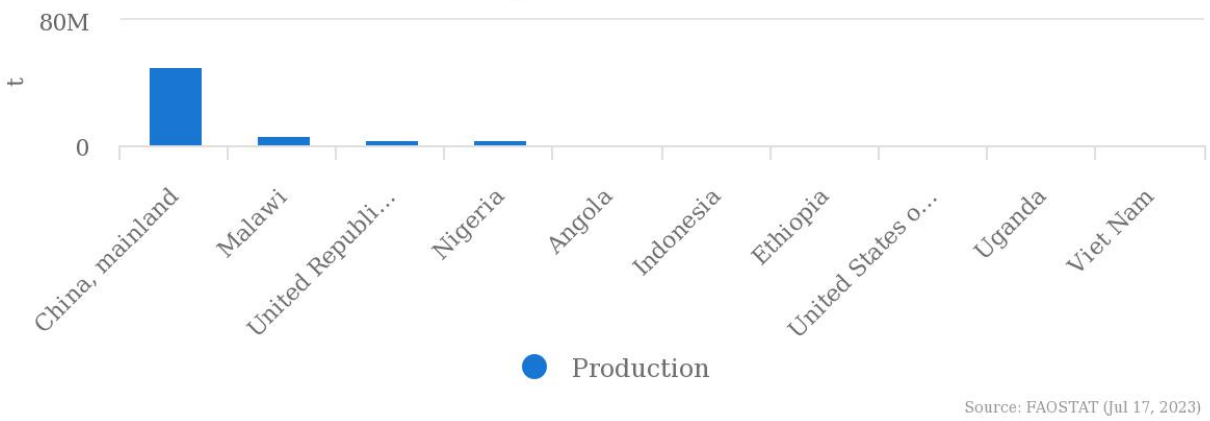
Figure 1: Value Chain for Sweet Potato



China, mainland, takes the lead as the highest producer with an impressive production value of 50.5M tons. Malawi follows in second place with 6M tons, while the United Republic of Tanzania secures the third spot with 4.5M tons. Nigeria and Angola complete the top five with production values of 3.9M tons and 1.7M tons, respectively (see figure).

These figures highlight the importance of sweet potatoes as a major crop in these countries, with varying levels of production reflecting their agricultural landscapes and economic factors. Overall, the table underscores the global scale of sweet potato production, with these top ten producers leading the way in meeting both domestic and potential export demands.

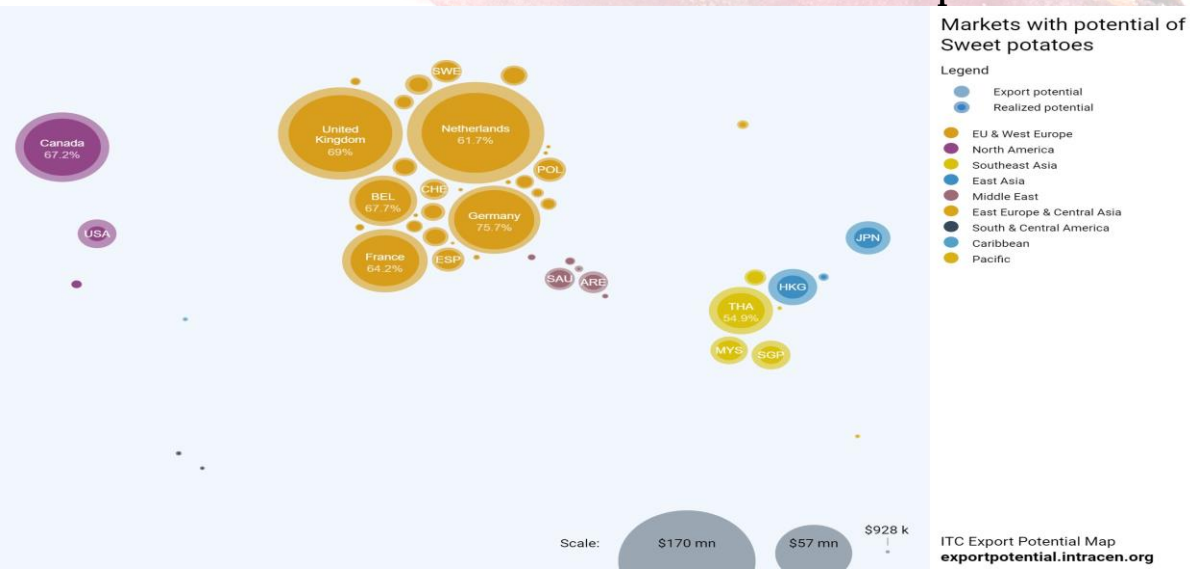
Figure 2: Top Ten Producers of Sweet Potato Globally (Tons)



FAOSTAT, 2023

Export Potential: Sweet Potato falls under the International Harmonised System code 071420. The markets with the greatest potential for Jamaica's exports of Sweet Potato are the Netherlands, United Kingdom, and Canada are the top markets with the most significant potential for global exports of sweet potatoes. Among them, the Netherlands exhibits the largest difference in terms of value between potential and actual exports, indicating the opportunity to capture an additional $65 million through increased export activities (see Figure 3).

Markets with The Potential for Sweet Potato Exports



Source: ITC (2023)

Based on data from the ITC (2023), the Netherlands is the market with the highest demand potential for sweet potatoes. The total untapped export potential of sweet

potatoes stands at $359 mn. For investors to successfully take advantage of this market it requires several key components: pricing to remain competitive and profitable, good sales and marketing strategy, using attractive packaging similar to other exporting countries and having a nearly all-year-round presence in the market. Sweet Potatoes with orange flesh indicate a high concentration of carotenoids, a precursor of vitamin A, and as such, this variety of sweet potato is a regular feature on contemporary supermarket shelves.

Standards:
Caribbean sweet potato suppliers to British retail chains must comply with GLOBALG.A.P. standards. Issues such as maximum residue levels and traceability are critical (CARDI 2010). Sweet potato quality is primarily based on firmness, colour, shape, uniformity, and maturity. Bulbs should be free from decay, diseases, defects, pests, and pest damage. Sweet potatoes should be of similar varietal characteristics, clean, mature, fresh and firm (MICAF, n.d). A summary is given in the figure below.

Table 1: Grading Characteristics of Sweet Potato

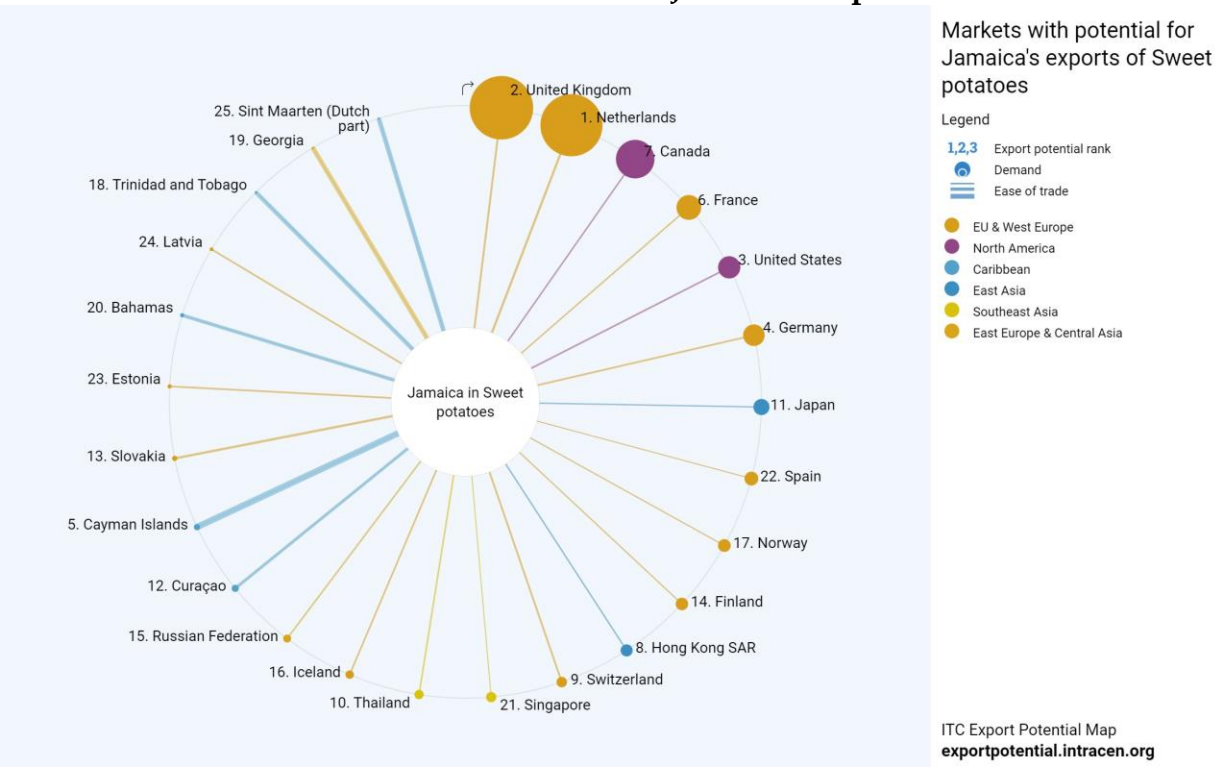
Characteristics	Grade 1	Grade 2	Grade 3
Size	Weight range of between 0.5kgto 1kg (1.1 to 2.2lb). Not less than 3 inches (76mm) in diameter at the widest section.	Weight range of between 0.5kg to 1kg (1.1 to 2.2lbs.). Not less than 3inches (76mm) in diameter at the widest section.	A range of sizes.
Colour	Uniformed colour, typical of the variety.	Uniformed colour, typical of the variety.	Uniformed colour, typical of the variety.
Shape	Well shaped to type. Not lopsided or otherwise deformed. Tuber tapered towards the ends	Fairly well shaped to type Tuber tapered towards the ends.	A range of shapes within the variety.
Firmness	Does not yield to pressure.	Does not yield to pressure.	Yield to moderate pressure.
Appearance	Well trimmed, completely free from decay, pest damage, diseases, green discolouration, sprouts, bruises, growth cracks and any other defects.	Fairly well trimmed, completely free from decay, pest damage, diseases, green discolouration, sprouts, bruises, growth cracks and any other defects.	Completely free from decay sprouts, discolouration, pest and pest damage.

Source: MICAF (n.d.)

Import Potential: Between 2017 and 2021, Jamaica exported sweet potatoes to four main importing markets, with each country showing varying levels of demand. Canada, as a significant market, displayed a consistent growth in imports from 532 tons

in 2017 to 691 tons in 2021. The United Kingdom, on the other hand, experienced fluctuations, with imports peaking at 615 tons in 2019 and then decreasing to 566 tons in 2021. The Cayman Islands also demonstrated some fluctuations, reaching a peak of 194 tons in 2020 but settling at 183 tons in 2021. In contrast, the United States of America, while initially importing 37 tons in 2017, experienced a sharp drop in 2018 and 2019 with only 9 and 3 tons, respectively, before rebounding to 23 tons in 2021. These trends highlight the diverse market dynamics and demand patterns for Jamaican sweet potatoes across the specified period.

Markets with The Greatest Demand for Jamaica's Exports of Sweet Potato



Source: ITC (2023)

Table 2: Top Four Importing Markets for Sweet Potatoes Exported by Jamaica 2017-2021

COUNTRIES	2017	2018	2019	2020	2021
Canada	532	631	587	660	691
United Kingdom	577	599	615	544	566

Cayman Islands	141	118	155	194	183
United States of America	37	9	3	2	23

Source: International Trade Centre, 2023

BUSINESS MODEL AND FINANCIAL ANALYSIS FOR INVESTMENT IN ONION

FINANCIAL OVERVIEW

Investment Cost
The investment cost to establish 5 acres of Sweet Potato is **JM$ 3.3M**

Revenue
The average revenue for 5 years of operation is approximately **JM$ 5M**.

Return on Investment
The estimated **Internal Rate of Return (IRR) of 70% and Net Present Value (NPV) of JM$ 6,388,459.42** when future cash flows were discounted utilizing a rate of 10% per cent based on the going bank lending rate.

Projected Cash Flow
The net cash flow after debt service is expected to average **JM$ 3.9M**

BUSINESS MODEL

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONS	CUSTOMER SEGMENT
• Agro-Invest – (Business Plan) • Financial Institutions • MoAF (R&D) • RADA • Input suppliers • Farmers/investors • Supermarkets • New and small Agro-processing investors	• R& D • Capacity Development /Training • Marketing & Sales **KEY RESOURCES** • Capital • Land • Infrastructure • Human resources • Partnerships • Government	• High Quality and convenient products • Freshness of produce • Employment • Contribution to Gross Domestic Product • Import Substitution • Value chain development • Reduction in post-harvest losses	• Personal relations with customers • Building a reputation for reliability and quality **CHANNELS** • Direct sales • Export • Wholesaling	• Business to Business (B2B) • Hotels • Supermarkets • Exporters • Agro-Processors • Wholesalers

COST STRUCTURE	REVENUE STREAMS
• Wages • Operating costs • Infrastructure development and maintenance • Machinery & Equipment • Cost reduction via economy of scale • Land • Transportation	• Sweet Potato Sales (individuals and Businesses)

AGRICULTURAL SUPPORT SERVICES AND INCENTIVES SPECIFIC TO THE AGRICULTURAL SECTOR

SUPPORT SERVICES

Agro-Investment Corporation (Agro-Invest)

The Agro-Investment Corporation (Agro-Invest) is an agricultural investment facilitation, advisory and management agency, which functions as the Ministry of Agriculture and Fisheries business facilitation department. The agency is responsible for agricultural investment promotion and facilitation, as well as project and market development. Agro-Invest provides investment support to entrepreneurs, covering the investment chain from the identification of opportunities through to feasibility studies, business planning, fundraising, operations management, long-term business performance monitoring and technical support.

Jamaica Promotions Corporation (JAMPRO)

JAMPRO's continuous mission is to promote Brand Jamaica, attract and land jobs and wealth-creating investments to Jamaica and secure lucrative markets for quality Brand Jamaican products. As the Agency seeks to facilitate local investments, several support services are available, namely:

- Provision of business information and advisory services
- Trade and investment incentives
- Export-related training
- Creation of business linkages

Rural Agricultural Development Authority (RADA)

The Rural Agricultural Development Authority (RADA) promotes agricultural development in Jamaica through an extension service. Farmers can solicit information and technical assistance in areas such as agronomy, plant health, irrigation post-harvest techniques, production, and marketing.

Value-Added Support Services

Jamaica Manufacturers and Exporters Association (JMEA)

The Jamaica Manufacturers & Exporters Association (JMEA) serves as the voice of exporters, manufacturers, and service providers micro, small and medium enterprises (MSMEs). The JMEA provides vital support to the industry through advocacy, strategic partnerships, export services, research, capacity building and access to finance.

Bureau of Standards Jamaica (BSJ)
The Bureau of Standards Jamaica is a statutory body established by The Standards Act of 1969 to promote and encourage standardization in relation to commodities, processes, and practices. However, over the years, its role has expanded to include the provision of services in relation to conformity assessment (certification, testing, and calibration) and metrology.

Scientific Research Council (SRC)
The SRC supports the growth and development of the agro-industrial sector in Jamaica through research, adaptation of available technologies, creation of new and appropriate technologies and the provision of training and technical assistance. It is the only institution that is mandated to "collect, collate, and review information concerning scientific research schemes or programmes relevant to the development of the resources of Jamaica. In addition, it also establishes and maintains a scientific information center for collection and dissemination of scientific and technical information".

AGRICULTURE INCENTIVES
Under the Omnibus Incentives Regime, the Customs Tariff (Revision) Resolution is geared towards the productive sector, and provides for the duty-free importation of capital equipment, raw materials, and other industry-related consumer goods. The key benefit is the introduction of the Productive Inputs Relief (PIR) scheme. Special categories have been created for companies in the manufacturing, agriculture, tourism, and health sectors, along with companies within the creative industries.
While there is no application necessary for you to access the benefits under the Omnibus Incentives framework, an individual or entity seeking to benefit from the Productive Inputs Relief (PIR) system must first register with the respective regulating Ministry for status as a bona fide 'Producer'. The Ministry of Agriculture and Fisheries (MOAF) is the regulating Ministry for the Agriculture sector. For more information
about accessing this incentive continue to the next step of this business process guideline.

How To Access Agriculture Incentives
Step 1:
As a Farmer (individual or entity), in order to benefit from the Productive Inputs Relief (PIR) scheme, you must first register with the regulating Ministry, MOAF, for status as a

bona fide 'Farmer/Producer'. Only a business, that has been approved by MOAF and recommended to the Jamaica Customs Agency (JCA) may benefit under the PIR scheme. The designation of a company as a "Producer" is based on the provisions of the Customs Tariff (Revision) (Amendment) Resolution 2013, which outlines the material considerations that are involved in the process of determining whether your company will be granted the "producer" designation in a specific sector/industry.
For the Agriculture Sector, this would be the "Production of Primary Products" for Agriculture Sector through operations in the following areas:

- Farming
- Apiculture
- Forestry
- Horticulture
- Aquaculture

The process of determining the farmer/producer status of your company is based on the assessment by the following government entities:

- The Ministry of Agriculture & Fisheries (MOAF) through
- The Rural Agricultural Development Authority (RADA)
- The Ministry's Agriculture Division
- The Jamaica Customs Agency (JCA)

Once your "status" is determined, this is then communicated to the JCA for processing and input into the Jamaica Single Electronic Window for Trade (JSWIFT) platform.

Step 2- Application Requirements:
Complete the relevant form(s) and provide any supporting information/documents…
You may visit the Rural Agricultural Development Authority (RADA) parish office to complete the relevant form to register as a farmer/producer. The form is also available by email request. The submission process is easy once you follow the steps. See below for additional guidance on the requirements.
To ensure your application is processed expeditiously and within the relevant timeframe, please verify that all the information is completed fully, and the required supporting documents/ information are submitted along with your request.
For Farmer/Producer Status (New Company):

- Application Form to be completed.
- Other Supporting Information to be included in the submission.
  - Name and address of the farmer
  - Taxpayer Registration Number (TRN). Acquire your TRN.

- The location of the farm
- The land tenure/proof of ownership
- Number of acres (size)
- Description of your production activity, that is, the agricultural activities being carried out.

Step 3- Submission Requirements:
Once your form and all supporting information/documents have been completed, signed, stamped, and certified where required, you may visit and submit your request through the RADA Office in your parish. All requests should be addressed to the Permanent Secretary of the Ministry.

The address and contact information for the Ministry is indicated below:

The Ministry of Agriculture, Fisheries & Mining
Agriculture Service Unit, Hope Gardens, Kingston 6, Jamaica, W.I.
Tel: 876-927-1731-50 | 876-619-1731 | Fax: 876-927-1904
Email: psecoffice@micaf.gov.jm
Monday – Thursday: 8:30 am – 5:00 pm | Friday: 8:30 am – 4:00 pm

Step 4- Pay the Relevant Processing Fees
Pay the relevant processing fees…There is no fee associated with submitting your request to access "Farmer/Producer Status".

Processing Time: Status Approval - maximum of twenty (20) working days.

Step 5
Once your request has been submitted, there are a few additional steps that the regulating Ministry (MOAF), RADA, the TAJ, MOFPS and the Incentives Unit of Jamaica Customs Agency (JCA) will need to undertake as a part of their own due diligence process. This includes the following:

- Review of submission by RADA:
  carried out on the farmer/producer's written request and any supporting documents.
- RADA verification assessment:
  to ensure that it is an authentic operation, and that the farmer/producer is involved in a prescribed agricultural activity.
- Verification site visit conducted:
  appointment made with the farmer/producer to visit their farm operations.

- Formal report sent to Regulating Ministry - MOAF:
  reviewed by the Ministry for further processing.
- Referral from the MOAF:
  submitted to JCA's Incentives Unit indicating the applicant's approval along with the applicant's dossier and supporting documents.
- JCA verification assessment:
  Upon receipt of MOAF's recommendation, the JCA undertakes its own verification assessment including a site visit.
- Verification site visit conducted:
  appointment made with the farmer to visit their facility.
- Final determination made by JCA:
  The final determination regarding the designation of farmer/producer status to a company is made by the Commissioner of Customs.
- Farmer notified:
  JCA will advise the farmer of the final determination regarding their status.
- Farmer's information processed on JSWIFT:
  Once the final determination is made, if approved, JCA enters your information into the JSWIFT platform.

Step 6 -Collect Your Approved Document(S)

Once the review of your documentation and the site visit assessment process is completed and all is in order then the JCA will notify you on whether your Farmer/Producer Status has been approved. At the end of the process, you would have received the following:

- Written Notification of your Farmer/Producer Status
- Access to incentive benefits related to the agriculture sector.

Step 7 - Benefits to Be Accessed Under the Pir

The JCA, in processing your imports on the JSWIFT platform, will verify that your "Status" approval has been granted by the regulating Ministry. However, the verification of approval is necessary only if the applicant is requesting access to the PIR benefits. Once you have been approved as a "bona fide" farmer/producer, varying levels of relief are available to you in respect of i) customs duties and additional stamp duties for production inputs and equipment (including parts); and ii) corporate income tax. Farmers/Producers, as companies or individuals, can benefit from the following incentives:

- Productive Input Relief (PIR):
  Duty-free importation of certain agriculture industry-related items, used in the following operations:
  - farming, apiculture, forestry, horticulture, and aquaculture operations.
- Additional Stamp Duty (ASD) exemption, under the Revised Stamp Duty Act, where companies can benefit from the following:
  - Relief from the additional stamp duty on raw materials and non-consumer goods when these are being purchased for productive use.

Low Land Lease Rate

To facilitate production and economic development, the lease of government-owned agricultural lands is priced below market. This pricing strategy is geared at subsiding agricultural activities and promoting agricultural productivity. Since the objective is geared toward cost recovery and not profit, low rates are established for land leases. Currently, the Agro-Invest land rate is $ 15, 000 per acre per annum.

Subsidized Land Preparation

The government has purchased agricultural machinery and equipment to lower the cost of capital for agricultural investors/agribusinesses. These machinery and equipment services are offered to agricultural investors/agribusiness at subsidized prices.

Remission of Duties on Agricultural Vehicles

The Jamaican government is proposing a 20% tariff reduction for agricultural investors/agribusinesses who can prove to the Ministry of Agriculture that they are importing vehicles that complement their agricultural activities. Concession beneficiaries pay only twenty percent (20%) to import vehicles. Vehicles regarded as agricultural vehicles and eligible for the concessionary duty rate are:

1. Panel vans and pick-ups (not exceeding two (2) tons)
2. Trucks (exceeding two (2) tons)
3. Tractor heads and trailers

Remission Of Duties on Agricultural Equipment, Machinery and Products

Agricultural businesses are exempt from paying General Consumption Tax (GCT) on certain items that are listed as exempt or zero valued under the General Consumption Act. There are also exemptions or significant reductions in import duties for certain items listed under the Interim Tax Act.

Raw Material Duty Concession

Agro-related industries are exempt from paying Common External Tariff (CET) and additional stamp duty on raw material imports. The Commodity Schedule is set out in the General Excise Tax 1991 (Act 110). The terms governing this Incentive are set forth in Section 39, subsections (A) and (b). Manufacturers are beneficiaries of stamp duty exemption under the list of goods. A decision was also made when manufacturers would use traders to import sugar on their behalf. These manufacturers should also be eligible for exemption from additional stamp duty.

Procedure To Obtain Waiver of Duties on Machinery, Equipment and Other Farm Inputs

i. The applicant should visit the Rural Agricultural Development Authority (RADA) office or contact the Area Extension Officer and make a request.
ii. The Parish Manager should submit a letter of recommendation to the Ministry of Agriculture after he has completed investigations and he is satisfied that the items will be used for farming.
iii. If the item is exempted under the General Consumption Tax Act (GCT) and the Provisional Collection of Tax Act, A letter will be prepared at the Ministry in the Marketing and Credit Division based on the recommendation of the Parish Manager. The letter is addressed to the Commissioner of Customs verifying that the item/items being imported will be used for agricultural purposes.
iv. If the item is not exempted under the Act, a letter is prepared and sent to the Ministry of Finance and Planning for approval.

Income Tax Relief for Approved Farmers

Section 36(d) of the Income Tax Act 21 of 1982 was enacted for the purpose of encouraging agricultural production by granting income tax relief to any person engaging or proposing to engage in a prescribed agricultural activity. A "prescribed" agricultural activity is an activity which the Minister of Finance prescribes by Order in the Jamaica Gazette. To date, the following agricultural activities have been prescribed:

- The growing of food crops
- Seed growing
- The growing of trees for the purpose of producing timber
- The growing of tobacco
- Horticulture

- Fishing and fish farming
- The breeding of beef cattle, dairy cattle, sheep, goats, and pigs
- The production of fertile eggs for hatching
- The production of table eggs
- Apiculture
- The breeding of horses

The cattle farmer and horse breeder must assure the Revenue Board of their intent to increase their herd by at least ten percent (10%) over a five (5) year period before the relief can be granted.

Procedure For Obtaining Income Tax Relief/Approved Farmer Status

i. An application form shall be obtained from the Rural Agricultural Development Authority (RADA) parish office which has jurisdiction over the parish in which the farming activity is located.
ii. The application shall be completed in duplicate and submitted to the RADA office where it is processed. The accuracy of the information is verified by the Parish Manager and the Chairman.
iii. The form is subsequently sent to the Director, Marketing and Credit Division of the Ministry of Agriculture, Hope Gardens, Kingston 6 where further processing, verification and concurrence takes place.
iv. The Ministry of Agriculture recommends to the Ministry of Finance and Planning through the Revenue Board those applications which qualify for income tax relief from profits derived from the prescribed agricultural activity in which these enterprises are engaged.
v. The Minister of Finance designates a person to be an "Approved Farmer" subject to such terms and conditions as the Minister sees fit.
vi. The name of the farming enterprise or farmer is then gazetted in the Jamaica Gazette and as such the farmer officially becomes an "approved farmer" to be relieved from income tax for a period of ten (10) years, effective from the year of assessment stipulated in the said Jamaica Gazette.

HOW TO APPLY FOR AVAILABLE LAND

Step 1

APPLICATION PROCESS

- Land Lease & Facilities Application forms and Business Proposal Form & Document Checklist are available at www.agroinvest.gov.jm.
- Completed forms must be dropped off at 188 Spanish Town Road Kgn 11 to the receptionist for logging or online at applications@agroinvest.gov.jm within the specified timelines.

Step 2

REVIEW OF APPLICATIONS

- A preliminary review on applications is conducted by the Property & Fixed Assets Department upon which a receipt & acknowledgement is sent to the applicant. This process takes up to three (3) days.
- Completed Application Forms & Business Proposal forms are sent to the Project Development Department for review.
  The length of the review of the application and Business Proposal Forms are dependent on the volume of applications; this process can take up to two (2) weeks.

Step 3

LEASE APPLICATION EVEALUATION

- All qualified applications are sent to the Lease Evaluation Committee (LEC) by the Property & Fixed Assets Department for evaluation.
- LEC may seek additional information to guide in their deliberation of the applicant.
- Only applicants receiving a pass mark of 70% and over will be considered for recommendation.

Step 4

LEASE APPLICATION APPROVAL

- Applicants recommended for approval are reviewed by the LRC.
- An applicant upon approval is notified within five (5) working days.
- If the applicant fails to take up the offer within two (2) weeks of notice, the offer will be revoked.

LEASE APPLICATION REJECTION

- If the application is rejected, the applicant is notified within five (5) working days.
- An applicant, if rejected may appeal within two (2) weeks after the decision of the LRC.

Step 5

Lease Agreement

Lease agreement is prepared and a notice of allotment is sent the successful candidate for signatures.

Step 6

MONITORING OF LESSEE

- Notification is sent of approved lessee to the Finance & Accounts Dept who will prepare and handle all lease payments.
- Agro-Parks Dept monitors lessee's performance to assess compliance with terms of lease, production, and land use.
- The Properties Dept will monitor the lessee's lease term and other pertinent clauses.

Step 7

RENEWAL OF LEASE

- Renewal is based on compliance with terms of lease agreement.

LEASE TERMINATION

- Agro Parks issues at least two (2) relevant warning letters.
- Properties Dept issues notice to quit/ Revocation letter.
- Legal action (if necessary)

Please note available land will be advertised once the application period commences.

LIST OF INPUT SUPPLIERS

COMPANY	DESCRIPTION	CONTACT
Isratech Waterworks	Manufactures and supplies water infrastructure products and systems. Waterworks solutions, water, and wastewater treatment.	2 Kendal, P.O. Box 37, Shooters Hill, Mandeville, (876) 603-3564 info@isratech.com
Nutramix	Livestock feed for local and regional farmers in dairy, poultry, pig, and horse.	Newport Mills Ltd. Myers Wharf, Newport East, Kingston 15, (876) 922-2606 sales@the-big-feed.com
Hi-Pro Jamaica	Hi-Pro family of brands serves and offers farming supplies, broilers, layer birds, feed, home gardeners, and hardware supplies.	White Marl, St. Catherine (876) 984-7919-20
Agro Grace Jamaica Limited	Offers retail sale of farm supplies and equipment, feedings, and fertilizers.	697 Spanish Town Road Kingston 11 876-308-0165, 888-429-5465
Newport Fersan Jamaica Limited	Local supplier of blended inorganic fertilizers.	2A/2B Wherry Wharf Complex, 15 Newport E, Kingston (876) 967-5815
Central Agricultural Supplies Company Limited (CASCO)	Distributes feeds, fertilizers, agricultural chemicals, and equipment.	6 Ward Avenue Mandeville, Manchester (876) 962-3084/9719
Ag-Chem Plants Limited Agricultural Chemicals Plant (AGCHEM)	Formulates and distributes a wide range of pesticides for the agri-industry and home use.	AG-Chem Plant Ltd 2 East Ashenheim Rd. Kingston 11 (876) 757-0022
St. Jago Farm Supplies	Farm supplies and equipment, feedings, and fertilizers	Wellington Street Spanish Town, St. Catherine (876) 612-7825
T. Geddes Grant	Agricultural and veterinary products, including fertilizers and pesticides, and vegetable seeds.	109 Marcus Garvey Drive Kingston (876) 923-7311
Evergrow Garden Centre	Horticultural and farm supplies, garden tools, etc.	12 South Ave Kingston 10 (876) 906-9916

APPENDIX 1: COST OF PRODUCTION FOR 5 ACRES SWEET POTATO

Crop		**Sweet Potato**			
Crop Maturity		**4 Months**			
Reaping Period		**1 Month**			
Plant Population		**21,780**			
Land Preparation		**Mechanical**			
Man-day Charge (excluding lunch)		**$3,000**			
Projected Marketable Yield (Kg)		**6,883**			
Labour Operations	**Unit**	**Qty.**	**Rate/Unit**		**Total**
Material Inputs: -					
planting material	slips	16,000	5	5	400,000.00
Fertilizer (NPK-14-28-14)	50kg	3	12320	5	184,800.00
Herbicide-Gait-Quat	litre	1	996.76	5	4,983.80
Fungicide- Ridomil	pack	2	3479.37	5	34,793.70
Insecticide-				5	
Caprid	250 ML	4	2807.23	5	56,144.60
Diazinon	litre	1	3890	5	19,450.00
Sub - total					**700,172.10**
Land Preparation					
Land Cleaning	Tractor	1	40000	5	200,000.00
Ploughing	Tractor	1	10,000	5	50,000.00
Sub- total					**250,000.00**
Labour: -					
Irrigation Installation	MD	2	3000	5	30,000.00
Preparing Planting Material	MD	2	3000	5	30,000.00
Harrowing	Tractor	1	6000	5	30,000.00
Furrowing	Tractor	1	6000	5	30,000.00
Planting	man day	4	3000	5	60,000.00
Fertilizer Application	man day	2	3000	5	30,000.00
Pesticide Application	man day	5	3000	5	75,000.00
Weed Control	man day	4	3000	5	60,000.00
Harvesting	man day	12	3000	5	180,000.00
Sub - total					**525,000.00**
Equipment: -					
Irrigation Equipment	acre	1	300000	5	1,500,000.00
Other Cost					
Transportation (10% of material)					70,017.21
Supervision (15% labour and material)					183,775.82
Sub-total					**328,793.03**
Land Charges		1	15000		75,000.00
TOTAL					**3,303,965.13**

Contact our Investment Team today for more information on available investment opportunities!

CONTACT DETAILS

Agro-Investment Corporation
AMC Complex, 188 Spanish Town Road
Kingston 11, Jamaica
PO Box 144, Jamaica, West Indies
Telephone: 876-923-9268 or
876-923-7428 or 876-764-8365
Website: www.agroinvest.gov.jm
Email: info@agroinvest.gov.jm
@agroinvestja