**The issue**

The Caribbean region was built on the wealth of the agricultural sector. The traditional industries of the past – sugar cane, bananas, cocoa, and rice – not only represented strong export products, but strong examples of coordinated, financed and efficient value chains. The export of these commodities from the region were based on highly profitable business models, strong trans-Atlantic trade relationships, efficient flow of products from farm to consumer, robust policy support, and a regional research and development effort to drive essential productivity improvements at the farm level.

Global economic and climatic conditions have fundamentally changed, and although new and emerging market opportunities exist for Caribbean agricultural products, the lack of quality data in the region inhibits real time assessments of what products have the potential to sustain and grow viable agricultural businesses, generate good revenues for farmers, and develop the agro-processing base. As a result, the region continues to struggle with an increasingly high dependence on imports, low application of productive technologies, weak connectivity between sector actors, and insufficient financing and investment in agriculture. The COVID-19 pandemic has only re-emphasized this by laying bare the underlying vulnerability of national food systems. The technical capacity and cooperation between national agencies, development partners and the private sector required to effectively lead and manage disruptions to national food systems remains weak.

To realise the full potential of agriculture the region needs to move away from traditional and fragmented approaches that focus too narrowly on production. *Without solid understanding and dissemination of profitable business models based on concrete market opportunities, the agricultural sector is a car without an engine – not moving anywhere.* Market-orientated food systems approach that emphasise ‘connecting the dots’ along the value chain, data based planning, feasible and viable business solutions to existing problems and coordinated joint action is a more effective pathway to raise rural incomes, reduce poverty and transform the agriculture sector for the future. Moreover, in the context of climate change, COVID-19 and other type of disasters, a new approach that seeks to use the potential of digital technologies and digitization can help us improve performance across the whole value chain and bring us a long way towards zero hunger and malnutrition, more inclusive and prosperous rural societies and more resilient food systems.

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**Budget**

USD 30 million

**Time frame**

2021–2024

**SDGs**

- [ ] 1: END HUNGER,ACHIEVE SUSTAINABLE FOOD SYSTEMS AND NUTRITIONAL SECURITY
- [ ] 2: ENSURE ACCESS TO WATER AND SANITATION
- [ ] 3: PROMOTE SUSTAINABLE GROWTH AND SUSTAINABLE TRADE
- [ ] 17: STRENGTHEN PARTNERSHIPS FOR THE ACHIEVEMENT OF THE SDGS

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- [ ] COVID-19 and smallholder producers access to markets
- [ ] Farmers and agribusinesses at risk under COVID-19. What role for blended finance funds?
The action

1 Improving Food and Agriculture Organization of the United Nations’s value chain development approach in the region for greater scale and impact

Putting competitive and resilient value chains at the centre of the region’s development work is a way to get the engine firing again. FAO’s value chain development approach aims to identify and drive forward national value chains that have the greatest market and development potential.

In line with FAO’s Hand-In-Hand initiative, this value chain development methodology uses an evidence-based approach that brings robust market and supply data and information for informed strategic planning. This approach helps in two clear ways. Firstly, good information and analysis enables clear identification of the specific market opportunities and critical bottlenecks in a value chain, and, in turn, leads to more effective strategic planning to upgrade specific value chains to the next level. This strategic action plan includes feasible and integrated actions and innovations for both quick wins as well as long-term efforts to incrementally lift food standards, implement new technologies, add value, and shift to chain-wide climate smart practices. Secondly, good data and information can assist us in identifying where the profitable business opportunities for farmers and agribusinesses are that can guarantee significant returns to investment which assist farmers move out of poverty, grow businesses, create jobs, and add value. Quantifiable, tailored and product specific business models will be built to attract critical private investment into targeted value chains.

This dual approach – developing strategic industry plans as well as concrete investment models for a specific crop or sector – makes it easier to mobilise a broad range of public and private partners around a common vision and define a clear path forward for the sector. A public-private partnership (PPP) approach is essential. No one player can develop an industry alone. We have to work together. PPPs platforms will include farmers, nurseries, agribusinesses, national agencies, academic institutions, UN agencies, development agencies and donors and be the mechanism to drive concrete action. Together partners will work together to introduce critical production technologies, run technical trainings, strengthen R&D efforts, and focus policy dialogue in a coordinated way. As a result, joint action by a broad coalition pools limited financial resources, targets technical support to where it is most needed, reduces risk and catalyses private investment. In the end, this value chain development approach can deliver higher impact at a lower cost.

2 Programme approach and methodology

A public-private partnership (PPP) approach for strategy implementation is critical as the development of any industry cannot be done by the public sector or any private sector actor alone. PPPs brings together technical know-how, financial investment, and joint cooperation. This approach to strategic planning for a sector results in the sharing of resources, joint visioning and distribution of risk across actors in the chain. In the end, it can deliver higher impact at a lower cost. PPPs aim to provide private sector investors with critical public sector support, a competent technical team and guarantees to underpin their investment and reduce risk.

To achieve credible and committed PPPs, we have adapted a value chain development methodology that can be applied in all countries and agricultural sectors. The methodology involves four progressive phases that build on each other: i) Selection of sub-sectors for development, ii) Value Chain Analysis, iii) Tailored Value Chain Upgrading Strategy, and iv) Implementation through Public-Private Partnerships. All phases involve accompanied capacity building training of cross-agency and cross-technical national teams established in countries across the region. Rather than have the analytics and strategizing done externally, each team will learn the full VCD process themselves, taking greater ownership from the beginning. Team participants will gain experience in the process as well as applying the accompanying tools with the objective that they take and use it in other agricultural sectors for replication and scale.

FAO Trade and Markets team provides training, facilitation and distance support for each phase of the process and mentoring national partners to take over coordination and guidance of the process when FAO exits. The methodology can be applied flexibly and, where to start and the level of effort needed in each phase, very much depends on availability and access to quality information and committed teams on the ground. The Team has developed effective and practical data collection tools to support all the analytical processes, and they will be digitised for maximum efficiency. We are seeking support and partners to scale up the work and roll out the methodology and experience in priority value chains with high market potential – roots and tubers, fisheries and aquaculture, fruits and vegetables, herbs and spices, livestock and non-timber products – across all Caribbean countries.
The New FAO Value Chain Development Methodology In Action! Delivering Results in Jamaica

Jamaican ginger, revered for its potency and pungency, has for years suffered at the ruthlessness of the Ginger Rhizome Rot Disease. The disease which can affect acres of ginger crops, has spread across the island and led to significantly decreased yields, resulting in many farmers pulling out of ginger production because of the increased risks. While the demand for Jamaican ginger on the global market remains strong, decreasing ginger production increases the price, resulting in a decrease of value added processing and exports. FAO completed a value chain analysis and strategy for the sector and determined that the only viable long-term strategy for industry resuscitation relies on addressing this critical constraint in the value chain through operationalising a commercial certification system with public and private sector actors to generate clean planting material and maintain strict field protocols.

Accordingly, key activities outlined in the strategy were implemented including training of public sector agencies in certified production of clean ginger planting material, and the rehabilitation of a major green house for growing and housing ginger tissue culture. A cross-agency committee was established in 2018 and with FAO support and guidance, committee members have has been working closely with technical partners to quantify the costs, build the business model to attract private investors, and organise the supply chain in a concerted and targeted effort to operationalise a certification system that would transform the sector, in Jamaica.

All of this is being accomplished under an innovative public-private partnership (PPP) that is bringing together the knowledge, resources and expertise of partners from Research and Development Division of the ministry of industry, commerce, agriculture and fisheries, Scientific Research Council, Northern Caribbean University, Jamaica Agricultural Commodities Regulatory Authority and JAMPRO Trade and Invest, major producers, oleoresin processors and exporters. Implementation of this certification pilot began in November 2019, and the first certified ginger in the Caribbean will be harvested in December 2020. Under this PPP pilot up to USD 1 m is expected to be jointly invested by public and private actors into the ginger value chain in the next three years. FAO will work with all partners to design a upscaling and roll out strategy for the certification programme to sustainably include more small farmers.

The establishment of a plant certification system will be an avenue of change to again capitalize on the long renowned name of Jamaican ginger in international markets and generate essential foreign exchange earnings. It will also be the second clean seed certification programme in the country, and the first of its kind to use a full value chain approach. The system will link all public and private players across the entire chain, from tissue culture labs through to beverage and nutraceutical companies, which use ginger as a central ingredient. Michelle Sherwood, Deputy Research Director of the Bodies Research Station and location of the refurbished greenhouse, expressed that the “FAO VCD approach has filled a number of knowledge gaps on the value chain development process and shed light on how the ginger value chain can be strengthened”. She added that the training received, ‘offered a more holistic understanding of the concerns of various stakeholders and how the Ministry can better support the production of ginger beyond the provision of clean ginger planting material. It is a model we feel we need to adopt in a number of sectors to drive real change in Jamaican agriculture.”

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