

Ministry Paper 52 /2014

Ginger Industry Expansion Programme

1.0 Purpose

The matter for tabling is the Implementation of the Ginger Industry Expansion Programme in the Ministry of Agriculture and Fisheries

2.0 Background

Jamaican has a long tradition of producing high-quality ginger with unique chemical compositions that are valued in specialty markets in major importing countries, including the United States, Canada and the United Kingdom. However, since the early-1990s, the country has been largely excluded from global ginger trade due to the impact of diseases. Influenced by rhizome rot and bacterial wilt diseases, Jamaica's production of ginger declined precipitously from 900 metric tons during the 1990s to 200t during 2000 and has fluctuated between 200t and 300t for much of the last five years, making the country a sustained net importer of the product. Conversely, since 2001, global ginger imports have increased from 276,000t valued at USD172 million to 423,000t valued at USD614 million. Jamaican ginger, which is positioned in niche markets and does not compete with ginger from major origins, is estimated to have global demand of about 21,000t of fresh (4,200t of dried) ginger. However, at present, due to the unavailability of disease-free planting material to expand acreage and improve yield, the country fulfils only 10% of its unsolicited orders of 170mt (850t of fresh) ginger.

A wide range of Jamaican soils and ecological conditions are conducive to ginger cultivation in most parishes, particularly; Hanover, St. James, Trelawny, Manchester, Clarendon, St. Ann, St. Mary, Portland, St. Thomas and St. Andrew. The ecological adaptation of ginger, its compatibility to both large and small scale operations, and the existing market opportunities elevate the crop in the Ministry's production and productivity programme. Specifically, ginger cultivation is promoted as an export-oriented alternative to traditional crops and is particularly targeted at small and medium-sized farmers (0.5 to 5acres) to boosts household income and rural economic diversification.

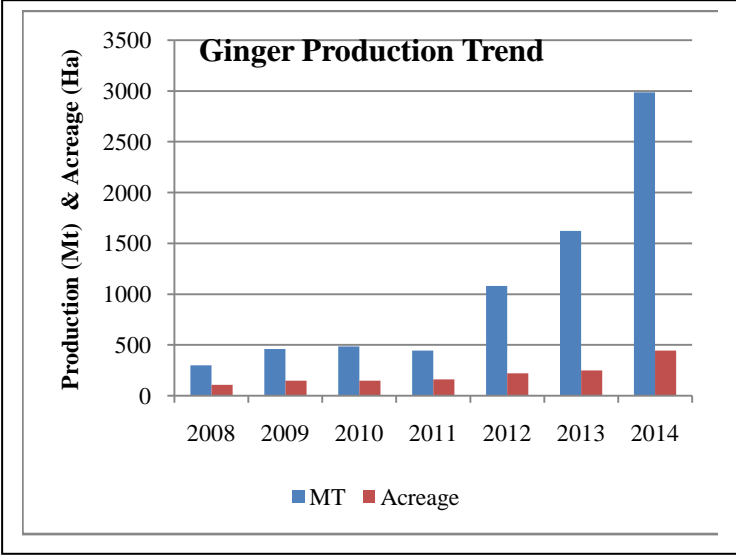
In order to capitalize on the existing market opportunities and realize the socio-economic development potential of the ginger industry, the Ministry of Agriculture spearheaded a structured industry revitalization program centred on the sustained production and distribution of certified disease-free planting material to farmers. The virulent and destructive nature of rhizome rot and bacterial wilt pathogens necessitate a precautionary approach that excludes the pathogens from all planting materials, and since treatment efficacy is marginal, production of clean seed material is the most technically viable option.

Over the last two years, the Ministry of Agriculture and Fisheries has, under a pilot project, experimented with the cultivation of rhizome rot and bacterial wilt free ginger planting material from tissue culture plantlets grown under protected environment. This approach has performed credibly and confirmed the economic and technical feasibility of combating the current disease challenges with these technologies. Buoyed by these findings, the Ministry envisages a transition of the pilot project to a commercial public-private partnership with the same underlying objectives.

3.0 Ginger Expansion Programme

Over the last five years ginger production has increased by 254% or at an average annual rate of 55%, moving steadily from 459t during 2009 to 1,623t in 2013 and the 2014 crop is on target to register a 25-year record output of approximately 3000t as outlined in table below.

Table1: Ginger Production Trend



The increase in cultivated acreage over the same period was 111% from 149 hectares to 250 hectares. When compared to the 254% increase in production of highlighted above, it is indicative of a significant increase in productivity with average ginger yield increasing from 3.08t/hectare (dried ginger) to 6.4t/hectare. Correspondingly, the gross value of the Industry at farm-gate has expanded from J\$245 million to J\$896million over the period. At the current output levels, the ginger industry presents substantial opportunities for investments in value-added activities.

The performance of the ginger industry is directly related to the Ministry's strategic interventions to boost ginger production. Specifically, over the five years, the Ministry has allocated substantial resources to implement a comprehensive ginger industry expansion program including, inter alia: guaranteed market; quality assurance; dedicated technical extension service; and financial support.

During 2013 alone, the Ministry increased its financial contribution to the industry from J\$30.6million the previous year to J\$114.0million, and, of this amount, J\$40million was provided to 502 farmers as interest-free loan to cultivate 445 hectares with ginger.

In addition to the remunerative entrepreneurial opportunities created by the ginger industry expansion program, the Ministry also leverages the social and economic multipliers of the ginger industry to improve livelihoods in marginal rural and urban communities. During 2013, the ginger industry created employment for approximately 2,576 rural unskilled labourers engaged in farming operations; 85 unskilled and semi-skilled workers, mainly from marginal urban communities in processing operations; and another 506 entrepreneurs were engaged in farming and logistics activities. The spinoff to input suppliers, laboratories and other supporting entities are significant.

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