

Brief on Agricultural Price Movement Post-Hurricane Sandy

Background

Hurricane Sandy impacted Jamaica on October 24, 2012, causing widespread flooding and damage to the eastern parts of the island. The system caused dislocation and J\$1.43 billion in damage to the agricultural sector - affecting some 37,000 farmers with 3,600 farmers reporting damage to livestock totalling \$95 million¹. Following its passage, the CAC was advised of claims of excessive price hikes on the part of farmers which have forced vendors to increase their prices at the retail end, to consumers. To date, the Agency has received no formal complaints from consumers regarding excessive pricing in agricultural products, but has compiled and analysed data from its monthly and weekly grocery and agricultural products surveys conducted before and after the hurricane. Analysis was also done on data collected by the Ministry of Agriculture and Fisheries (MoAF).

Price information² was only available for eight (8) agricultural items, namely:

- cabbage (green) - imported and local
- carrots
- bananas (green),
- Irish potato - local and imported
- onion – local and imported
- ripe plantains
- tomatoes (Plummy) – local and imported
- yellow yam

Findings (CAC Monthly & Weekly Grocery & Agricultural Products Survey)

In comparing the prices of the eight (8) agricultural products islandwide, as at **October 11-12, 2012** with that of **October 29-30, 2012**:

- The average prices of five (5) local products - cabbage, green banana, onion and ripe plantain - fell between 1 and 6 percent.
- The average prices of local Irish potato, yellow yam, carrots, plummy tomatoes, increased between 1 and 8 percent.
- The average prices parish-by-parish revealed larger increases, but nothing excessive that would prompt concerns. In fact, in the parishes most negatively impacted by Hurricane Sandy (Kingston & St. Andrew, St. Thomas, Portland and St. Mary) the most significant increases were observed in two main products:
 - **plummy tomatoes** - the highest increase by 36% observed in St. Mary; and
 - **carrots** – an increase by 23%, observed in Portland.

The most significant observances were³:

¹ PM Portia Simpson-Miller - Report to Parliament on November 5, 2012

<http://www.jamaicaobserver.com/latestnews/-1-43-billion-damage-to-agricultural-sector>.

² The CAC's agricultural price data was collected from eighty-one (81) supermarket outlets islandwide. The agricultural price data from the Ministry of Agriculture & Fisheries was collected from sixteen (16) supermarkets in the KMA, and markets across all parishes. Of the list of agricultural products consistently surveyed by both entities, comparative data was available for 8 products.

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Kingston and St. Andrew	Highest price increases were observed in plummy tomatoes and carrots, both by 5%.
St. Catherine	Highest price increases were observed in plummy tomatoes and yellow yam, both by 6%. All other products under review recorded price reductions as much as 8% (bananas – green)
Clarendon	Highest price increase was observed in carrots (7%). All other products under review recorded price reductions as much as 14% (cabbage – green)
Manchester	Highest price increase was observed in yellow yam (3%). All other products under review recorded price reductions as much as 19% (onion)
Westmoreland	Highest price increases were observed in Irish potato (6%) and carrots (4%).
Hanover	Highest price increases were observed in Irish potato (19%) and onion (9%)
St. James	Highest price increases were observed in carrots (19%), Irish potato (17%) and yellow yam (17%)
St. Ann	Highest price increases were observed in carrots (20%) and plummy tomatoes (13%)
St. Mary	Highest price increases were observed in plummy tomatoes (36%) and yellow yam (4%).
Portland	Highest price increases were observed in carrots (23%) and plummy tomatoes (10%)

Interestingly, in the parishes least impacted by the hurricane (i.e., Hanover, St. James and St. Ann), significant increases were recorded in Irish potato (19%), yellow yam (17%) and carrots (20%)⁴.

Results – Ministry of Agriculture & Fisheries' Agricultural Products Survey

An analysis of data from the Ministry of Agriculture and Fisheries for the period **October 20 and 27, 2012** revealed the following:

Supermarkets

- **Irish Potatoes** experienced the most significant price change. *For local Irish Potatoes, the change was a 21% increase and for imported Irish potatoes, the figure was 7%.*
- **Escallion** followed with a 4% increase over the period.
- **Pepper (Scotch Bonnet)** the most noteworthy decline was 6%.
- **Ripe Plantain** and **Local Cabbage** experienced a 2% decline over the period.
- Overall 6 items experienced an increase in its average price, 5 experienced a decline and 1 (Local Plummy Tomatoes remained stable).

³ There was no comparative data for the parishes of St. Thomas, Trelawny, and St. Elizabeth.

⁴ More research would be necessary to ascertain what may have accounted for this observation.

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Rural Markets

- **Pepper (Scotch Bonnet)** experienced the greatest average price increase of 32%.
- **Local Cabbage** followed with a 21% increase.
- **Green Bananas** experienced the greatest decline at 21%.
- Sweet Potato declined by 9%.
- Overall 6 items experienced increase in their average price while 5 experienced a decline.

Urban Markets

- All items surveyed experienced a price decrease with the exception of **Green Banana** which experienced a startling 76% increase in its average price over the period.
- The most significant price reduction was for **Escallion** which declined by 53%
- **Local Cabbage** followed at 43%.

Recent data received from the MoAF for the week ending November 3, 2012 revealed a reduction in price of some agricultural products (in rural markets) between 1% in Irish potatoes, to 40% in green bananas (compared to prices as at October 20, 2012). The most notable increases were observed in cabbage (8%) and onion and scotch bonnet peppers (26%). See table below.

Rural Markets - Price Movement Oct 20th – Nov 3rd

Commodity	Variety/ Source	Average Price - Markets (Rural) October 20th	Average Price - Markets (Rural) October 27th	Average Price - Markets (Rural) Nov 3rd	Price Change		Price Change	
					Oct 20 – Oct 27		Oct 20 –Nov 3	
					\$	%	\$	%
Cabbage (Green)	Local	154.00	187.00	167.27	33.00	21%	13.27	8%
Carrot	Local	250.56	263.63	237.72	13.07	5%	-12.84	-5%
Escallion	Local	281.36	267.43	283.12	-13.93	-5%	1.76	1%
Green Banana	Local	108.33	85.05	77.35	-23.28	-21%	-30.98	-40%
Irish Potato	Local	227.79	217.25	224.89	-10.54	-5%	-2.90	-1%
Onion	Local	170.50	183.33	231.00	12.83	8%	60.50	26%
Pepper (Scotch Bonnet)	Local	373.28	493.78	505.00	120.50	32%	131.72	26%
Plantain (Ripe)	Local	144.83	148.50	149.00	3.67	3%	4.17	3%
Sweet Potato	Local	137.50	125.30	142.00	-12.20	-9%	4.50	3%
Tomato (Plummy)	Local	189.50	196.35	191.00	6.85	4%	1.50	1%
Yam	Local	174.17	159.50	167.00	-14.67	-8%	-7.17	-4%

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Conclusion

Based on the available data, the CAC is unable to verify any case of excessive pricing of agricultural products post-Hurricane Sandy, as reported in the media. However, as part of its monitoring mechanism, the Agency will conduct further surveys during the week of November 19, 2012.