



**Developing the Dominica fresh
produce sector through
added-value regional exports**

PROPEL program
Windward Commodities
Dominica, 18th March 2016

Introduction; the case for regional exports

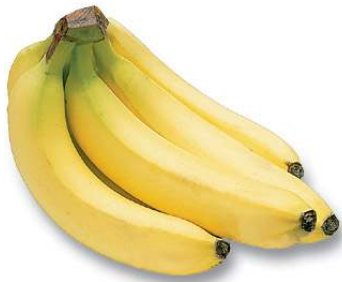
Traditional export markets such as the UK are increasingly unable to pay reasonable prices for Dominica produce. Regional markets including Barbados represent an increasingly attractive price and volume opportunity:



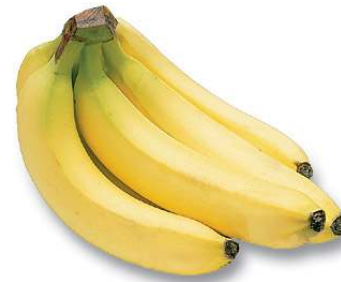
TESCO



MASSY



US\$ 0.98 per kg retail



US\$ 2.32 per kg retail

Strong regional potential with clear synergies between Dominica and Barbados:

- Dominica characterised by relatively high yields, better quality and small domestic market
- Barbados characterised by limited production, low yields and a larger domestic market

Opportunity; creating a basket of export goods

Not all Dominica produce is relevant for export to the region. Matching **supply** based on historical imports and **demand** based on regional value, volume and constraints is critical to long term sustainability.

	Dominica export value		Barbados opportunity
	US\$	US\$/kg	Rationale
Watermelon	\$ 48,279.92	\$ 2.51	Limited BB demand
Christophine	\$ 51,885.24	\$ 1.54	Low unit value, limited BB demand
Mango	\$ 58,810.57	\$ 1.61	Low unit value, limited BB demand
Cucumber	\$ 76,969.93	\$ 2.25	BB demand 99% met by local production
Lime	\$ 81,259.56	\$ 2.38	BB import requirement of 819MT p.a.
Passion fruit	\$ 155,362.71	\$ 2.19	BB demand from predominantly retail
Pumpkin	\$ 163,959.91	\$ 1.29	BB produces 78% of requirement, low unit value
Ginger	\$ 197,675.07	\$ 2.53	BB import requirement of 175MT p.a.
Pineapple	\$ 200,397.73	\$ 2.89	BB demand from predominantly retail
Sweet potato	\$ 212,377.50	\$ 2.96	BB demand 99% covered by domestic production
Grapefruit	\$ 263,731.33	\$ 1.21	BB demand from predominantly retail
Tannias	\$ 270,547.99	\$ 3.18	Limited BB demand
Orange	\$ 344,381.43	\$ 1.29	BB switch from FL to CA suppliers
Yam	\$ 620,563.59	\$ 2.49	BB demand 96% covered by domestic production
Avocado	\$ 730,111.81	\$ 1.88	Limited BB demand, US higher value market
Dasheen	\$ 858,783.28	\$ 1.39	Limited BB demand but some potential
Plantain	\$ 1,075,716.94	\$ 1.33	BB import requirement of 2,216MT p.a.
Banana	\$ 2,009,208.11	\$ 1.13	BB import requirement of 3,843 MT p.a.



Opportunity; Kings Ocean Freight driving logistics efficiency

Kings Ocean Freight now has weekly direct reefer services from Dominica to Barbados. This minimises the potential for spoilage and provides a relatively cost effective FCL mechanism for added-value exports.



KING OCEAN SERVICES

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Dates and Vessels Subject to change without notice

Updated 03/07/16

EASTERN CARIBBEAN SERVICE

NEW CONNECTION (DOMINICAN REPUBLIC / PORT EVERGLADES. U.S.) 3 DAYS TT

Frequency: Weekly Sailings Departs Port Everglades every Thursday

		ETD (Thu)	ETA (Mon)	ETA (Mon)	ETA (Mon)	ETA (Tue)	ETA (Tue)	ETA (Tue)	ETA (Tue)	ETA (Tue)	ETA (Wed)	ETA (Thu)	ETA (Fri)	ETA (Fri)	ETD (Sun)	ETA (Wed)
	PEV	St. Maarten	St. Kitts	Anguilla	St. Barths	Nevis	Montserrat	Dominica	St. Lucia	Barbados	Trinidad	Grenada	St. Vincent	Dom. Rep	PEV	
		Philipsburg	Basseterre	Roadbay	Gustavia	Charlestown	Plymouth	Roseau	Castries	Bridgetown	Port Of Spain	St. Georges	Campden Park	Rio Haina		
Vega Sagittarius	V 67	3/10	3/14	3/14	3/14	3/15	3/15	3/15	3/15	3/16	3/17	3/18	3/18	3/20	3/23	
Vega Azurit	V 02	3/17	3/21	3/21	3/21	3/22	3/22	3/22	3/22	3/23	3/24	3/25	3/25	3/27	3/30	
Hoheriff	V 76	3/24	3/28	3/28	3/28	3/29	3/29	3/29	3/29	3/30	3/31	4/1	4/1	4/3	4/6	
Boston Trader	V 29	3/31	4/4	4/4	4/4	4/5	4/5	4/5	4/5	4/6	4/7	4/8	4/8	4/10	4/13	
Vega Sagittarius	V 69	4/7	4/11	4/11	4/11	4/12	4/12	4/12	4/12	4/13	4/14	4/15	4/15	4/17	4/20	
Vega Azurit	V 04	4/14	4/18	4/18	4/18	4/19	4/19	4/19	4/19	4/20	4/21	4/22	4/22	4/24	4/27	
Hoheriff	V 78	4/21	4/25	4/25	4/25	4/26	4/26	4/26	4/26	4/27	4/28	4/29	4/29	5/1	5/4	
Boston Trader	V 31	4/28	5/2	5/2	5/2	5/3	5/3	5/3	5/3	5/4	5/5	5/6	5/6	5/8	5/11	

Pricing; creating a Barbados price build-up

Barbados pricing is higher than equivalent EU markets – indicative pricing from DEXIA and Kings Ocean freight costs suggest that weekly 20ft container shipments to Barbados would be competitive for Barbados and profitable for Dominica.

US\$	Unit	Farmgate	FOB	per case	per kg	Freight	CIF per kg
Plantains	kg	\$ 1.02	\$1.30	\$52.15	\$1.30	\$ 0.35	\$ 1.66
Bananas	kg	\$ 0.65	\$0.94	\$37.48	\$0.94	\$ 0.35	\$ 1.29
Ginger	kg	\$ 1.63	\$2.04	\$81.48	\$2.04	\$ 0.35	\$ 2.39
yams	kg	\$ 1.63	\$2.04	\$81.48	\$2.04	\$ 0.35	\$ 2.39
Dasheen	kg	\$ 1.02	\$1.22	\$48.89	\$1.22	\$ 0.35	\$ 1.57
Lime	kg	\$ 1.63	\$2.16	\$86.37	\$2.16	\$ 0.35	\$ 2.51
cucumbers	kg	\$ 1.02	\$1.43	\$57.04	\$1.43	\$ 0.35	\$ 1.78
coconuts	nut	\$ 0.53	\$0.90	\$35.85	\$0.90	\$ 0.35	\$ 1.25
grapefruit	Per 100	\$ 0.24	\$0.41	\$16.30	\$0.41	\$ 0.35	\$ 0.76
orange	Per 100	\$ 0.33	\$0.53	\$21.19	\$0.53	\$ 0.35	\$ 0.88

*all pricing and costs purely indicative and to be confirmed



Impact; potential value of weekly FCL shipments

A direct relationship with Massy Stores in Barbados for weekly FCL shipments has the potential to deliver **US\$1m in annual fresh produce sales** based on indicative mixed produce shipments through a single customer. Actual pricing and produce mix is purely indicative for purposes of illustration and will vary depending on seasonality and buyer requirements:

FCL shipments ex Dominica US\$	High volume-Low margin				Low volume-High margin		Total
	Bananas	Plantains	Oranges	Dasheen	Limes	Ginger	
per container							
Volume boxes (18kg)	100.00	100.00	60.00	60.00	40.00	45.00	
Volume kg	1,820.00	1,820.00	1,092.00	1,092.00	728.00	819.00	
Volume MT	1.82	1.82	1.09	1.09	0.73	0.82	
Revenue US\$	\$ 2,457.00	\$ 3,185.00	\$ 6,479.20	\$ 1,725.36	\$ 2,184.00	\$ 3,276.00	
per annum							
Volume kg	94,640.00	94,640.00	56,784.00	56,784.00	37,856.00	42,588.00	
Volume MT	94.64	94.64	56.78	56.78	37.86	42.59	US\$,000
Revenue US\$	\$ 127,764.00	\$165,620.00	\$ 336,918.40	\$ 89,718.72	\$ 113,568.00	\$ 170,352.00	\$ 1,003,941.12

*all pricing and costs purely indicative and to be confirmed

Branding; the case for branding Dominica produce

Dominica has a historical reputation in the Caribbean for fresh produce. However, recent quality issues and significant activity by competitors such as Costa Rica make branding, to promote both fresh produce and agro-tourism, critical.



Next steps; converting opportunity into reality

A pilot with Massy Stores Barbados is a real opportunity for added value sales. However, logistics, quality and consistency remain key barriers to restoring the reputation of Dominica produce and creating long term value for farmers:

- **Quality;** historical quality issues are a barrier to Barbados exports. Consistently high quality is absolutely critical to re-establish relationships.
- **Supply;** supply-demand forecasting with a minimum of two week window if unable to source is critical due to lead times for alternatives (e.g. FL, CA)
- **Logistics;** paper work in terms of invoicing matching bill of lading is critical and in the past delayed Dominica shipments. Mixed shipments to be managed
- **Packing;** Dominica will be more competitive if produce can be packed to size, shape, weight and packing specifications provided by Massy.
- **Pricing;** Needs to be competitive at a CIF level on a weekly basis in order to drive consistent demand.
- **Accountability;** single entity and point of supply for mixed produce critical to developing a long term relationship with high value buyers.