



Brussels Policy Briefing n. 46

Agribusiness development in SIDS: the potential of tourism-related markets

Organised by CTA, the ACP Secretariat, the European Commission (DG DEVCO) and Concord

21 September 2016, Brussels

ACP Secretariat, 451 Avenue Georges Henri, 1200 Brussels, room C

<http://brusselsbriefings.net>

BACKGROUND NOTE

1. Context: Developing agribusiness and agriculture-tourism linkages

The 52 countries and territories classified by the United Nations as Small Island Developing States (SIDS), most of which are located in the Caribbean and Pacific regions, with a handful in Africa, face common and significant challenges in developing their agrifood systems. Many of these islands are characterised by their small size, narrow range of resources, excessive dependence on international trade, high transport and communication costs, and vulnerability to environmental shocks and climate change. The consumption of cheap, highly processed, low nutrition foodstuffs has a negative impact on national budgets, on the health and welfare of the population – leading to some of the worst rates of obesity being found in SIDS¹ – and on local businesses, who do not enjoy the economies of scale that allow for price competition against cheap foreign food imports. To ensure that agricultural potential and rural growth and transformation also improve diets and nutritional status, specific, targeted actions are needed to ensure that nutritious foods are available, accessible and consumed. Actions can occur all along the supply chain to make sure more nutritious foods are available and accessible; others, such as more accessible nutrition information and behavior change communications, can lead to improved food choices and diets.²

A considerable opportunity for ACP small island economies to address these problems is through supporting agribusiness to access tourism markets. Tourism is the biggest wealth generator for many SIDS economies, and linking agribusiness to tourist markets provides a proven avenue for diversification and trade growth. For their size, the island-states of the Caribbean are more dependent on income from tourism than that of any other part of the world.³ In 2012, tourism contributed to 10.7% of the Pacific region's Gross Domestic Product (GDP), with this figure expected to continue growing.⁴

2. Promoting Agritourism through quality and added-value food products

Agribusiness linkages to tourism markets can be supported by promoting local cuisine and ingredients, improving value chain connectivity and services, and lowering the barriers for access to local produce in the domestic market. However, a strong and concerted effort to enhance food and production standards and quality is a prerequisite to ensuring that these linkages result in greater mutual gains across both sectors.

Agribusinesses can play an important role in supporting smallholder farmers to improve quality and to also encourage the tourism and food service industries to buy local. Demand is there, but many constraints have to be overcome with important roles to be played by both the private and public sector. Creating awareness, and educating farmers and chefs about the importance of local ingredients as a means to enhance the

¹ According to the World Health Organization (WHO), nine out of the 10 countries with the highest female obesity rates are Small Island Developing States, <http://www.fao.org/news/story/en/item/242479/icode/>

² Mainstreaming Nutrition-Sensitive Agriculture. IFAD Action Plan 2016-2018. December 2015.

³ Edghill, Michael W. Tourism and the Caribbean Economy. Caribbean Journal, September 30, 2013

⁴ Pacific Islands Forum Secretariat. 2013. Tourism as a Pillar of Economic Growth PIFS(13)FEMT.06 http://www.forumsec.org/resources/uploads/attachments/documents/2013femm_femt.06.pdf

profitability in their operations, improving competitiveness and realising sustainable economic development requires increased investment into training, learning facilities, knowledge sharing and also accessibility to the necessary data and information resources.

The tourism market, whether it is mass or niche, depends on the availability of high quality food that meets minimum standards and reliability in supply in terms both of time and volume. If agribusinesses are to service the tourism sector and certainly if the benefits of enhancing the synergies between the two are to be reaped, quality issues in domestic food production will certainly have to be addressed.

Essential to the supply of agricultural goods to the tourism industry and export markets is the ability to satisfy and often exceed, very specific standards related to safety, packaging and labelling of consumer products. Systems and controls have to be instituted throughout the value chain, and require investments to be made by all parties. Certification in the agricultural industry involves the establishment of voluntary or mandatory standards, often backed by a public or private sector instrument or institution, in order to provide consumer guarantee that certain pre-specified standards have been met for a specific product. Certifications vary from the most stringent to the most flexible, and including initiatives such as organic labelling, fair trade or equitable labelling and other such schemes.⁵ For some producers, eco-labelling can present an opportunity to add value to existing products, expand reach in existing markets, or maintain market share in a competitive environment through product differentiation and therefore provide these exporters with potential to enhance their export earnings.⁶

Although fruit, vegetables and other primary agricultural goods are the obvious starting point, other lucrative opportunities lie in the value added market for processed goods. These are consumer goods that form part and package of the holiday experience, such as juices and other beverages, sauces and condiments, snacks, confectionary (chocolate, cakes etc.) beauty and health products, and other forms of souvenirs where branding, labelling and marketing can be applied to develop a cachet and recognition among tourists and also to charge a premium.

3. Food tourism: new opportunities for promoting and branding local food and cuisine

While many countries in the world face trends towards globalisation and uniformisation, we also witness increasing appreciation of local cultures and food by tourists seeking more unique experiences.

Food, culinary or gastronomic tourism has emerged as one of the strongest channels for linking agribusiness and tourism, representing a \$150 billion global industry. In this section of the tourism market, chefs and cooks play an unprecedented role in acting as champions of local cuisine, and whether they are operating in small local food establishments or large resorts, their ability to influence menus, ingredient and produce sourcing, and to bring visibility to traditional and unique local food products should be strongly factored into the development of closer ties between agribusiness and tourism.

Core components of tourism value chain include travel organization and booking, transportation, accommodation, food and beverage provision, handicrafts, excursions, as well as cultural and natural assets. Besides its direct contributions to the economy, tourism also yields indirect benefits through government spending on infrastructure, domestic purchases of goods and services inputs and investment flows. In addition, there are backward linkages with agriculture, fisheries, construction, utilities and telecommunications. Tourism has already played a vital role in helping members like Cabo Verde, the Maldives and Samoa graduate from least developed country (LDC) status. (UNWTO)

Tourism, particularly food tourism, allows rural communities to generate income and employment opportunities locally, providing jobs for tour guides or local chefs, while fuelling other sectors of the local economy such as agriculture.

The Chefs: the link between sustainable tourism, agriculture and cuisine

⁵ Dankers, C. (2004) FAO Environmental and Social Standards, Certification and Labelling for Cash Crops

⁶ Ibid

The recognition and promotion of traditional cuisine goes with traditional and local recipes, a better understanding of ingredients and their preparation, and can benefit from a distinctive brand by creative use from chefs. Gastronomy embodies all the traditional values associated with the new trends in tourism: respect for culture and tradition, a healthy lifestyle, authenticity, sustainability, experience...

The role of chefs in agritourism has a great potential, particularly in getting hotels and tourist hot spots to not only utilise local produce and products but integrate local cuisine and fanfare so that there is a culinary fusion of traditional and contemporary foods and meals.⁷ Furthermore, it is key to promote local agriculture and have farmers as key partners in the agritourism programme – by having them participate in events and showcase their products and build on opportunities. This can define culinary tourism based on the ‘from farm to table’ concept and further develop key relationships between the farming and culinary communities so that more locally-sourced foods are in restaurants, hotels etc.

Local food fairs and food festivals, tours to local farming/culinary communities prove to be an effective way to showcase the food, people and landscapes of the islands. Strengthening linkages between farmers and value chain actors and chefs is of critical importance.

Food tourism has a positive impact on the economy, employment and local heritage, as tourists seek to get to know not only the local food but also to know its origin and production processes, making it an expression of cultural tourism. It has great potential for expansion as a main motivation for tourism trips and although this type of tourism is still practiced by a minority of tourists, the fact is that it is attracting a very select type of tourist with a high volume of expenditure on very high-quality products, and lastly, the development of gastronomic tourism contributes to improving the general perception of the destination.⁸

4. Going forward: Improving the Policy Environment for Agribusiness and Tourism linkages

Through linkages with tourism markets, agribusinesses can support the development of a more resilience and competitive agricultural sector, and spur positive spillover effects for other areas, notably in terms of rural development, health and nutrition, for infrastructure, product innovation and ICTs. In order to achieve this, the local policy environment should be more favourable to the private sector and investment, while supporting local entrepreneurs and SMEs through appropriate measures that address import substitution, notably in the form of tariff and non-tariff barriers.

In order for agribusiness to strengthen linkages and capture opportunities within tourism and the export markets, the agribusiness operators needs the skills and technologies necessary to compete with imported produce, and to be active in the more profitable levels of the supply chain.

The growing leading role of gastronomy in the choice of destination and tourism consumption has resulted in the growth of gastronomic offerings based on high-quality local products and the consolidation of a separate market for food tourism. There is growing interest and recognition by some hotel properties of the high value of the regions’ cuisine in its tourism package as a cultural point of difference. So the further development and strengthening of local cuisine formats represents a new opportunity to enhance the tourism brand, reduce food imports and further engage the various actors - farmers, fishermen, agroprocessors, and artisanal producers - in the tourism industry.

In order to seize the opportunities in tourist-related markets, we need to address some challenges such as upgrading farmers’ supply chains to larger hotels and resorts, stimulating demand through familiarization of chefs, bartenders and mixologists with recipes and promoting ways to more creatively utilize local produce, and strengthen market information sharing and coordination between the hospitality sector and producers. Training courses and opportunities for exchanges among Chefs and culinary professionals,

⁷ 1st Pacific Agribusiness Forum organised by PIPRO, CTA and SPC on [Linking the agrifood sector to the tourism-related markets](#), 1-3 July 2015 Fiji.

⁸ Iñaki Gaztelumendi. UNWTO Global report on food tourism.2012.

across the Pacific and the Caribbean and Latin America are also fundamental to develop capacity for strengthening linkages with the agriculture sector.⁹

Recognising the need for cross-sectoral policy linkages between agriculture, tourism, health and trade policies and the need to design and develop Agritourism policies which would facilitate those linkages, the Government of Vanuatu has embarked on an Agritourism strategy¹⁰.

After the issue of standards and quality, an often cited challenge is the limited finance available for agribusinesses and agropreneurs to develop or scale up businesses due to the perception of risk involved in agricultural or rural lending. This is exacerbated by a dearth of established commercial institutions who service the agribusiness sector, patchy data collection, accessibility and processing to fill information gaps, and often basic financial literacy rural communities. Beyond finance, lack of infrastructure is also a major barrier to development of agritourism, as poor roads, expensive transportation, a shortage of reliable and fast communication links (either physically or digitally) increases costs and hampers the capacity of agribusinesses. For the export and tourism markets, it is often those agribusinesses already established in the value chain who undertake considerable risk by investing in their own capacities to link the farmers to the market.

Objectives of the Briefing

To improve information sharing and promote networking, CTA, the DG DEVCO from the European Commission, the ACP Secretariat, Concord and various media organise since 2007 bimonthly briefings on key issues and challenges for agriculture and rural development in the context of EU/ACP cooperation. The Briefing will promote exchange of views and experiences around: (i) the lessons learnt from successes in linking agribusinesses to the tourism markets in small island economies; (ii) the key role of Chefs as drivers of change for the development of food tourism; (iii) the needed policies and drivers for agritourism development and new opportunities in tourism-related markets.

This Briefing builds upon work done by the organisers in collaboration with other partners across the ACP small island economies in support of agritourism and agribusiness development.

Target group

More than 120 ACP-EU policy-makers and representatives of EU Member States, embassies of ACP countries, civil society groups, research networks and development practitioners, and international organisations based in Brussels.

Available material

Input and comments before, during and after the meetings will be included in the Briefings blog: <http://brusselsbriefings.net/>. A short report and a Reader in printed and electronic format will be produced shortly after the meeting.

⁹ 2nd Pacific Agribusiness Forum organized by PIPSO, SPTO, IFAD, CTA on [Linking the agrifood sector to the local markets for economic growth and improved food and nutrition security](#), Samoa, 29 August-1st September 2016.

¹⁰ Workshop on [Policy setting for improved linkages between agriculture, trade and tourism: Strengthening the local agri-food sector and promoting healthy food in agritourism](#), 25-27 May 2016 in Port-Vila (Vanuatu) as a partnership between the Government of Vanuatu and CTA in collaboration with PIPSO and IICA.



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<http://chefs4dev.org/>

PROGRAMME

8h15-9h00 Registration

9h00-9h15 Introduction and Opening of the Briefing: *Isolina Boto, Manager, CTA Brussels Office*

Introductory remarks: *Viwanou Gnassounou, Assistant-Secretary-General, ACP Secretariat; Matthew Brooke, Expert Private Sector Development, Europeaid, European Commission; H.E Dr Pa'olelei Luteru, Ambassador of Samoa, Coordinator of the ACP SIDS Platform; Michael Hailu Director of CTA*

9h15-10h45 Panel 1: Development of Agribusiness and tourism linkages in SIDS

This panel will provide an overview of the current status of agribusiness in ACP SIDS, and rationale for linking to tourism markets.

Chair: *H.E Dr Pa'olelei Luteru, Ambassador of Samoa, Coordinator of the ACP SIDS Platform*

Panellists:

- Linking agriculture, tourism and health through Agritourism policy-setting
Howard Aru, Director General of Agriculture, Ministry of Agriculture, Vanuatu
- Towards an agritourism strategy for Samoa: strengths and opportunities
Papali'i Sonja Hunter, CEO, Samoa Tourism Authority and Chair of the SPTO
- Best practices in agritourism across the Caribbean
Ena Harvey, Expert in Agritourism, IICA, Caribbean
- Linking agribusiness to tourism-related markets through quality iconic products
Winston Stona, Managing Director, Busha Browne/Walkers Wood Caribbean Foods, Jamaica

10h45-11h00 Coffee Break

11h00-13h00 Panel 2: Linking agriculture and tourism through collaboration with Chefs

This panel will look at specific examples of successful Chefs who promote local food to tourism markets and are ambassadors of the local and regional cuisine.

Chair: *H.E. Ambassador Vilma McNish, Ambassador of Jamaica*

Panellists:

- Linking farmers to the tourism markets and promoting Pacific cuisine
Robert Oliver, Chef, Author and Television Presenter, The Pacific
- Opportunities in supporting the local industry and promoting agritourism
Charlotte Chan Mow, Chef, The Orator Hotel, Samoa
- Celebrating Caribbean cuisine and culinary skills for youth
Peter Edey, Executive Chef, Barbados
- Promoting local food and rich Haiti's gastronomy
Stephan Berrouet-Durand, Executive Chef, Culinary by Design, Haiti
- Foodscape and food tourism in the Caribbean
Rosemary Parkinson, Culinary Author & Contributor, the Caribbean

Concluding remarks

13h00 Networking Lunch