

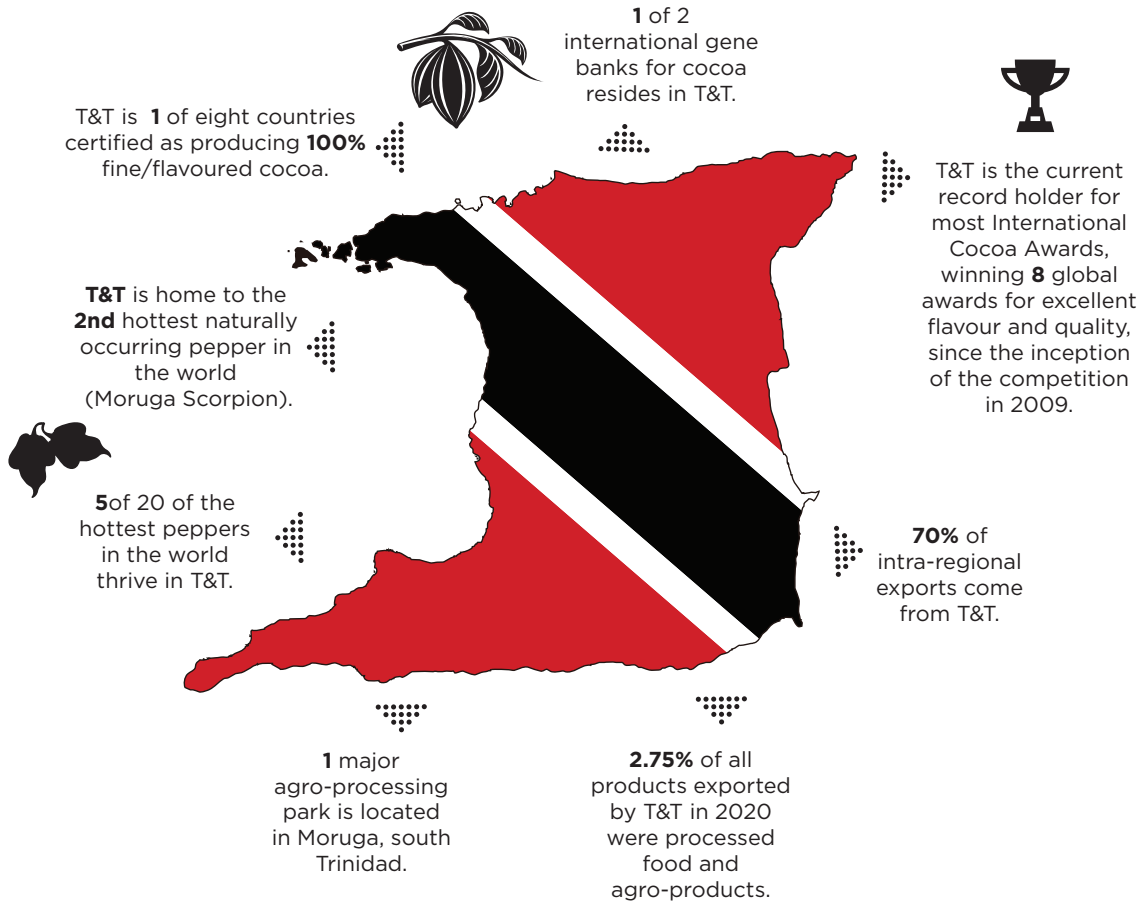


investTT
TRINIDAD AND TOBAGO

Agro-Processing

www.investt.co.tt

AGRO-PROCESSING



WHY INVEST IN AGRO-PROCESSING IN T&T?

Trinidad and Tobago has an abundance of exotic, naturally growing resources which offer niche investment opportunities for savvy

agro-processors. A growing local, regional and international demand for specialty food products, access to agro-processing facilities and export

markets make this country an ideal destination for value-added food manufacturing.

Key Factors to Consider When Investing in Agriculture

- Land availability
- Labour availability especially technically competent staff
- Access to machinery
- Production/harvest time of commodity for planning purposes
- Typography of soil for particular commodity
- Available market opportunities
- Financing required and access to financing
- Market entry requirements into international markets: Food Safety Modernisation Act (U.S. Market), Global Gap (UK), Safe Food for Canadians Regulation (Canada)

INVESTMENT OPPORTUNITIES

Key commercial commodities in T&T with export market potential include hot pepper, cocoa and pineapple.

NATURAL AND PROCESSED HOT PEPPER

Trinidad and Tobago is the producer of the 2nd hottest pepper in the world, the Moruga Scorpion hot pepper (*Capsicum Chinense*) measuring over two million Scoville Heat Units (SHU) on the Scoville scale. Hot pepper is utilised in its fresh raw form as well as a value-added product, such as pepper sauce, pepper mash and pepper pickle. Pepper extracts (Capsaicin) are also used in pharmaceuticals (to alleviate pain), cosmetics and as an ingredient in mace.

Value Proposition for the Industry

The import market for pepper mash into Trinidad and Tobago has been increasing. In 2019, imports were 92,223kgs, 86,133kgs in 2020 and 138,860kgs in 2021(CSO), a total value of TT\$8,496,129. These imports identify a void in the processing of hot pepper into the mash form to satisfy local processors' demand. The agro-processing sector utilizes an estimated 474 MT (474,000kgs) of hot pepper per annum in Trinidad (NAMDEVCO Survey July 2009). As such, significant investment in value-added activities is required.

The estimated quantity of hot pepper harvested from traditional cultivation has increased over the last few years from 703,500kgs in 2019 to 1,987,500kgs in 2021.

There has been a surge in the demand for hot peppers, especially Scorpion peppers, which have been rated as one of the hottest peppers in the world. The Trinidad Scorpion and Moruga Red peppers are both cultivated widely by local farmers who export both these varieties. According to the Central Statistical Office, for the period 2019-2021, 450,391kgs of hot pepper at a value



of TT\$10,424,119 was exported. Major export markets for hot pepper are the United States of America (USA), Canada and the European Union (EU).

Investment Opportunities

There are various opportunities along the value chain available within the sector:

- **Cultivation of Fresh Pepper**
While the country has a considerable acreage under production year-round with stable market prices, significant investment is needed in the expansion of holding sizes to constantly supply export markets and processing ventures as seen by the import volumes and the international demand for fresh hot peppers produced locally.
- **Processing of Hot Pepper**
Opportunities lie in the establishment of commercial agro-processing facilities specifically for the processing of hot pepper. The processing of hot pepper will directly supply local value-added companies and have the ability to compete in the international market. Key products that can be derived are pepper mash, flakes and oil.

FINE/FLAVOUR COCOA OPPORTUNITIES

Trinidad and Tobago is the birthplace of the namesake Trinitario hybrid variety of fine/flavour cocoa. Fine/flavour cocoa accounts for 5% of global cocoa production and is the category projected to grow the fastest in the coming years, due to sophisticated consumer palettes, emergence of sizeable, non-traditional markets such as Asia and the Middle East, and the under supply of world cocoa to meet demand, often resulting in higher prices. Additionally, there is increasing interest in dark and 'origin specific' chocolates, and the medicinal and nutraceutical value of cocoa. Trinidad and Tobago cocoa beans are sold at a premium of 60% to our CARICOM neighbours, due to our international pedigree and exceptional flavour diversity.

Manufacturing

Premium Quality Chocolate Factory

Stakeholder: The Cocoa Research Centre (CRC), The UWI St. Augustine campus

The CRC with support from EU-ACP has established 'The International Fine Cocoa Innovation Centre (IFCIC)' - a University/ Private Sector partnership mechanism to drive innovation and investment along the cocoa value chain, focusing on speciality cocoa and chocolates. IFCIC is situated on a 5-hectare site nested within the 40-hectare University Field Station. It features a model cocoa orchard and postharvest facility, a medium scale cocoa liquor and couverture facility, business and technology incubators and a product development facility.

Opportunity

A private sector collaborator with a global distribution network to build and operate a 200 tonne chocolate factory producing branded speciality chocolates targeting the global niche market.

The equipment for the factory has already been purchased. IFCIC is situated along the Uriah Butler highway and is 10 km away from the Piarco International Airport and the Port of Port-of-Spain.

Commercialization and Distribution

Stakeholder: The International Cocoa Genebank, Trinidad (ICGT)

The International Cocoa Genebank, Trinidad is curated by the CRC and a Government cocoa breeding programme that has produced numerous high yielding disease tolerant cocoa varieties with good flavour potential. Regionally, most of the cocoa industries are old, most require replanting and do not have elite planting material with proven quality.

Opportunity

An investor(s) to link with the local research and development facilities to develop and commercialise the varieties locally, regionally and globally to support the expansion of the cocoa industry and development of a commercial propagation and distribution infrastructure.

This will include establishment of

- Clonal and seed gardens
- Micro propagation and macro propagation facilities
- Deployment of varieties and marketing of these locally and regionally under a royalty arrangement.

Cocoa Innovation Training Lab

Stakeholder: The Cocoa Research Centre (CRC), The UWI St. Augustine campus.

Opportunity

A commercial partner to develop and operate a state-of the art laboratory and commercialise the services in the Latin America and the Caribbean region to support the growth of the fine or flavour cocoa industry.



Chocolate Island™ Development-Cocoa Agro-tourism Projects

Stakeholder: Multi

Trinidad and Tobago has widely varying terrains spotted with innovative and traditional cocoa farms each offering a host of agro tourism experiences, inclusive of an annual World Cocoa and Chocolate Day expo, an international annual

Cocoa Research Symposium and a biennial Caribbean Cocoa Symposium. These along with the colourful and mesmerising Carnival and the innovative people make Trinidad and Tobago an ideal Cocoa Agro-Tourism experience.

Opportunity

There is a great opportunity to invest in a Cocoa Agro-Tourism experience around a cocoa theme park with

a cocoa museum, bean to bar experience and a Chocolate Island™ tour to the various agro-tourism experiences.

Chocolate Island™ is a consortium of The UWI Cocoa Research Centre, The George Washington University and the C-Spot.

PROCESSED PINEAPPLE

The pineapple is one of the most cultivated fruits in Trinidad, surpassed only by citrus. By the year of 2000, pineapple was cultivated on an estimated 250 hectares of land, in Tableland South Trinidad. According to the Central Statistical Office (CSO), an estimated 1,668,400kgs of pineapple on an estimated 1,089 hectares of land was harvested in 2021.

One of the most prevalent varieties found in Trinidad and Tobago is the Sugarloaf pineapple; the leaves have serrated spiny margins and pull out easily from the plant and crowns. The fruit has an oblong shape and is dark green when mature but turns bright yellow with a strong aroma when fully ripe. The flesh is white to yellow, very sweet and juicy. The fruit averages about 2 kg in weight.

Trinidad and Tobago produced two cultivars, the Mausica and Tableland hybrids. These cultivars are commercially grown. The two are very similar in plant structure, fruit shape and rind colour (with the Mausica being slightly larger and sweeter).

The Mausica pineapple is borne on a plant that is 87 - 90 cm in height with a relatively open rosette. The leaves are spineless for the most part except for a small group of spines



near the tip. The fruit is conical in shape, weighs around 1.65 kg and the rind is dark green before ripening to yellow. The internal flesh is whitish-yellow (yellow in Tableland hybrid), sweet 17.60 Brix), soft and juicy in texture with a core diameter of 1.4 cm. ([Caribbean Pineapple Production and Post-Harvest Manual 2011](#))

Value Proposition for the Industry

Approximately 85 percent of the pineapples produced are sold on the open market and consumed in the fresh state. For the period 2019 - 2021, 185kgs of fresh and dried pineapple were imported (valued TT\$7,112) compared to 27,626 kgs exported (valued TT\$424,524) (CSO).

A significant quantity of pineapple products is imported into Trinidad and Tobago.

Investment Opportunities

Trinidad and Tobago's food industry imported over 1,000 tons of processed pineapple, while the fresh form is consumed significantly and exported throughout CARICOM. There is an opportunity to capitalise on the demand for processed pineapple. Processed pineapple imported in the canned form included chunks, rings, bits, syrup and concentrate. Processed pineapple is consumed widely by the local hotel and restaurant industry, fast-food industry and households.

INVESTMENT OPPORTUNITIES IN TOBAGO

The governing legislature is focusing heavily on the development of Tobago's agricultural sector given global shocks in the availability of food, transportation logistics and climate change. Focus is being placed on the development of the required infrastructure to facilitate investment from the primary production level to downstream processing.

Infrastructure plants such as agro-processing lots at the Cove Eco Industrial Estate (Cove Tobago) and zoning of significant state lands for primary production with the requisite support services, lend themselves to investment opportunities for the cultivation of large primary production holdings and downstream activities.

Specific areas of focus for investment can be linked to the production

of alternative flours for both local consumption and export. Exports of fresh and processed fish from our stock of highly sought-after species to regional and international markets. Investment opportunities are also available in linkages with Tobago's tourism sector to create agro-tourism offerings. Great potential exists for the marrying of the island's rich, diverse, cultural heritage with its cultivation and downstream delicacies on interactive sites.

COMPETITIVE ADVANTAGES

- Agricultural productivity is one of the major factors contributing to growth and competitiveness of the sector.
- Access to affordable labour - T&T's agriculture industry benefits from skilled labor in Agro-Processing, Food Preparation, Crop Production, General Agriculture, Food and Beverage manufacturing, and other key disciplines.
- Trinidad and Tobago is a member of CARICOM, which received **18.6%** of its exports.
- Trinidad and Tobago is the producer of the **2nd hottest** pepper in the world, the Moruga Scorpion hot pepper (*Capsicum Chinense*) measuring over two million Scoville Heat Units (SHU) on the Scoville scale.
- Land lots for the establishment of agro-processing industries are available at e TecK's Moruga Agro-Processing and Light Industrial Park. Moruga is home to some of the country's rich and abundant natural resources including the Moruga Scorpion hot pepper.
- Tableland, the main location for pineapple farming, is only 35 km driving distance away from agro-processing facilities in Moruga.
- Access to cutting edge cocoa technology through the Cocoa Research Centre, The U.W.I, St. Augustine, and demonstrated efficacy of research implementations through CDCTTL.
- The flavour profile and scoville units are two key attributes that place local pepper at an advantage amongst competitors. Major producers of hot pepper within the Western Hemisphere include Mexico, Dominican Republic (DR) and Costa Rica. USA's leading importer is Mexico which supplies 60% of their demand. Mexico usually experiences a reduced supply between October and March, therefore, opportunities exist for T&T to fill the gap by supplying a greater quantity of fresh hot peppers to the international market for these months.

INCENTIVES

The Government of Trinidad and Tobago supports agriculture through its support for research, infrastructure and a combination of incentives in the manufacturing and agricultural sectors that motivate investors to enter the pepper products business by way of acts which offer tax and duties waivers, as well as agricultural incentives for purchasing of equipment, land, etc.

Agro-processing Incentives offered by the Government include rebates of:

- **50%** of the cost of establishing approved facilities for Agro-Processing of approved commodities to a maximum of \$50,000.
- **50%** of the cost refurbishing of approved facilities for Agro-Processing of approved commodities to a maximum of \$20,000.
- **50%** towards the cost of packaging material to a maximum of \$15,000 annually.
- **40%** of the cost of Hazard Analysis and Critical Control Points (HACCP) upgrade to a maximum of \$40,000.
- **100%** of the cost of establishing a New Cocoa Estate, to a maximum of \$6,000 per hectare
- **100%** of the cost of rehabilitating an Existing Cocoa Estate, to a maximum of \$4,000 per Hectare.

KEY SOURCES OF INFORMATION

- Ministry of Agriculture, Land and Fisheries
- The National Agricultural Marketing and Development Corporation (NAMDEVCO)
- The Cocoa Development Company of Trinidad and Tobago Limited (CDCTTL)
- The Tobago House of Assembly

Post-harvest and Marketing Incentives are also offered and include rebates of:

- **40%** of the cost of establishing approved post-harvest facilities to a maximum of \$10,000.
- **50%** towards the cost of packaging material up to a maximum of \$4,000.
- **50%** towards the cost of post-harvest equipment up to a maximum of \$30,000.
- **30%** towards the cost of a New Chill facility up to a maximum of \$30,000.
- **40%** of the cost of HACCP upgrade to a maximum of \$40,000.

Fiscal Incentives

The Fiscal Incentives Act offers a waiver of income tax on dividends or other distributions, other than interest, out of profits derived from the manufacture of approved products.

Duty-Free Incentives



The Customs & Excise Act offers investors duty-free importation of plant, machinery, equipment, components and raw materials, as specified in the Third Schedule of the Customs Tariff.

Foreign Investment Incentives

The Foreign Investment Act allows foreign investors to purchase land up to one acre for residential purposes and five acres for commercial use. In addition, foreign investors are allowed to purchase up to 30% of the cumulative shareholding in a public company.

Special Economic Zones Benefits

For more information on T&T's Agro-Processing industry, please visit our website

-  **www.investt.co.tt** or contact us today:
-  **info@investt.co.tt**

 Follow us on LinkedIn:
<https://www.linkedin.com/in/investt/>

