

Making Tourism Count

for the Local Economy in the Caribbean

Guidelines for Good Practice

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Brief 3

Building links with local farmers

The Issue:

Tourism and farming are major sectors across the Caribbean. Tourism can boost incomes of farmers in many ways. If food is sourced locally and rural products are integrated into the tourism product, the rural economy benefits.

The extent to which hotels' food and beverage supplies are sourced locally varies considerably among the Caribbean islands, depending on quality, quantity and accessibility of local supplies, the availability of affordable quality imports, and preferences of hoteliers and chefs.

In Dominican Republic, the vast majority of hotels' food and beverage supplies are produced within the island, although there is little help for farmers to develop their production further specifically to exploit the tourism market. In St Lucia, one food and beverage manager of a major all-inclusive resort estimates that local farmers provide only 10–15 per cent of his hotel's fruit and vegetable needs. Yet he believes that St Lucia is capable of providing a full 50 per cent of requirements¹.

Reducing imports, improving the Caribbean economy

"After 'Accommodation', 'Food and Beverage' represents the second highest area of expenditure in the tourism sector. With a reported leakage of 60 to 80 cents of every tourism dollar spent in some Caribbean countries, some analysts estimate that an effective linkage between agriculture and tourism would dramatically reduce the Caribbean's import bill by hundreds of millions of dollars, while giving agriculture a greater economic stake at a time when the banana and sugar industries seem to be on their last legs."

Agro-Tourism Linkages Centre,
Barbados²

Consider the opportunities

For hotels, building links with local farmers creates opportunities because:

Locally distinctive food and recipes add to the customer experience:

- **Local purchases** can provide fresher food and lower transport costs.
- **Local foods** can be used to develop theme nights, culinary tourism, agro-heritage tourism, and a range of consumables for tourists based on herbs, medicines or processed foods.
- **Health and wellness tourism** are niche areas with strong linkages to agro-tourism.

For local farmers, the tourism market is critical:

- **Sales to hotels** represent opportunities for market expansion, product development and increased income.
- **Local food items** introduced to tourists may then become 'suitcase exports' to be taken home by tourists. This stimulates demand even further.
- **Globalisation** increasingly requires farmers in small island developing states to adapt their production standards to the international market if they are to sell beyond their local community. Those who adapt their production processes for the local tourism sector will also be upgrading to sell into the global market.

Understand the challenges

Opportunities to build links with local farmers are often not exploited because of the following:

- Supply problems, including inadequate quality, quantity, reliability, product range, seasonality, packaging, transport, health and safety requirements, etc. For example, local fish, meat and dairy products may not be transported under refrigeration. Hotels have to check the temperature on delivery (as required by the UK Federation of Tour Operators preferred code on Health and Safety), and return products that are not sufficiently cold.
- Weak market links: if local products are not marketed through a wholesaler or farmers' association, procurement from a number of smaller suppliers is a hassle for the hotel or restaurant.
- Product range: some goods required by tourists are simply not produced locally. Some market segments are resistant to eating local food, preferring food which they are familiar with.
- Perceptions and preferences of chefs and food and beverage managers: they may perceive local products as inferior, find imported/wholesale goods more convenient, or be hesitant to change existing supplier relationships.
- Local currency revaluation reduces the cost advantage of local supplies.
- Lack of focus on how to diversify the tourism experience away from 'beach and adventure excursions' to instead featuring culinary, agro-herbal, or farm-based tourism.

What can you do?

Good practice approaches

Hotels need to:

- ✓ *Encourage* chefs and farmers to talk to each other: visiting the kitchens and fields helps them understand each other's business.
- ✓ *Help* farmers improve their production and delivery standards by providing advice on quality, packaging, health and safety, etc.
- ✓ *Encourage* chefs and food and beverage managers to try local food and adapt their procurement practices and recipes.
- ✓ *Reap* the benefits through added value: profile local food, provide interpretation and information to guests, incorporate food and farm-based activities into excursions and develop the brand.
- ✓ *Plan* for the seasonality of produce, and offer seasonal recipes in hotels and restaurants.
- ✓ *Encourage* the local bureau of standards to develop systems that are both workable for farmers and acceptable to the industry.
- ✓ *Encourage* local producers to create new recipes and processed food products.
- ✓ *Collaborate* with tour operators and farming communities to develop new farm-based excursions and services appropriate for the guests.

Support agencies can:

- ✓ *Support* market development: encourage producers' associations, commercial intermediary services and physical markets. Work out market mechanisms for packaging, transport, insurance, and negotiation of contracts, prices and volumes. Find ways of pooling and sharing risk.
- ✓ *Ensure* a coherent approach: initiatives that address food supply but not demand, or boost supply and demand but not the market linkage between farms and hotels, do not work.
- ✓ *Advise* and provide training workshops on the issues, particularly regarding required standards (for cuts of meats, preferred sizing of fruit, etc).
- ✓ *Collaborate* across sectors: combine tourism, agriculture, business support, and marketing expertise. Bring in other hotels/restaurants and marketing channels to achieve economies of scale. Build strategic alliances.
- ✓ *Discuss* with farmers how to develop further agricultural-based products or attractions and new ways of adding value.
- ✓ *Support* livelihoods through tourist consumption of local produce, but do not create dependency. Encourage farmers to develop tourism as an additional market, rather than as the sole source of income.
- ✓ *Promote* the development of small scale local co-operatives to provide the necessary volume and consistency of supply. The formation of co-operatives can also assist in developing investment in infrastructure such as refrigeration, packaging and transportation.
- ✓ *Work* with tour operators, farmers and local representatives to develop new rural excursions and services that build on the local farming economy.

Agro-tourism linkages: *working examples*

Building market linkages between farmers and hotels

In **St Lucia**, an Oxfam initiative to help small farmers found that lack of access to the markets of the hotel sector was a key constraint for farmers. So while helping farmers boost production, the project is also supporting four farmers' co-operatives to improve their marketing and act as intermediaries between the farmers and hotels. Historically, farmers have handled marketing directly and distrust intermediaries. But through the co-ops they can pool the resources needed to supply volumes of crops to the hotel sector.

✔ Trading intermediaries are needed to make the market work. See if farmers' associations may be able to play this role.

In **Tobago**, an 'adopt a farmer' approach is being piloted with The Hilton Tobago and Mt St Georges Farmers' Association. Once the farmers had consistent demand from hotels, they were able to sharply increase production. In the first year, seven farmers have been supplying over TT\$80,000 worth of local produce.

✔ Don't dismiss local produce because the volume of supply is too low. Once hotel demand is assured, much greater volumes may be possible.

Pushing volumes up: mainstreaming local purchasing

In **Jamaica**, The Sandals Resort Farmers Programme, initiated and supported by the Sandals Group, began in 1996 with ten farmers supplying two hotels. By 2004, there were 80 farmers supplying hotels across the island. As a result of the programme, farmers' sales increased over 55 times in three years, from US\$60,000 to \$3.3 million. Benefits to hotels include a wider variety of good quality local produce and cost savings.

In St Lucia, Sandals* own three hotels amounting to 780 rooms in total. A local produce purchasing policy has been in place since November 2002, with more than 50 local farmers and suppliers involved in supplying a weekly order, of whom 75% are women. The approach has included training for purchasing clerks and receivers, regular visits to farms by chefs and kitchen staff, and discussions with farmers/suppliers on issues of traceability.

✔ Mainstreaming local purchasing means adjusting purchasing policy and training your own hotel staff in procedures.

Establishing communication between farmers and the tourism sector

In the **Windward and Leeward Islands**, ECTAD (Eastern Caribbean Trading Agriculture and Development Agency Company Ltd) brought together tourism and food sector business leaders with farmers to discuss product specifications, standards and the timing of production to meet market needs. The workshops agreed on a number of innovations and formed Village Interim Committees to carry them through.

The key recommendations were to:

- experiment with 'exotic' crops to meet market demand
- process and preserve local produce when supply exceeded demand
- develop integrated production and marketing networks
- expand organic production
- develop organisational capacities of small producers to meet market needs

✔ Encourage food, farming and tourism sectors to talk to each other and establish shared priorities

More examples ♦

Reaping the benefit of fresh and distinctive local food

In **St Vincent**, and the **Grenadines**, a group of women produce and bottle fruit juices. Their product is extremely popular with the hotels because it is far fresher and sweeter than the imported equivalent.

In the Adopt-a-Farmer scheme in **Tobago**, hotels are benefiting from higher quality vegetables because those shipped from elsewhere arrive in poorer condition due to the heat and humidity.

In **Jamaica**, Aunt Vita's Orange Peel Tea, Ma Cel's Cinnamon Tea, Mama's Mint Tea Delight and Mama's Garlic Tea amongst other products are being marketed as 'A Taste of Jamaica'.

✓ Local products can help you provide higher quality and more interesting produce to guests

Integrating food festivals into the tourism product

In **Trinidad and Tobago**, the Annual Culinary Program aims to strengthen rural communities, attract festival-goers, and blend community-based, export driven use of local produce with local creativity. Since the program began, links with local communities have improved and employment rates have increased, as have opportunities for entrepreneurship, revenue generation and capacity building.

In **Barbados**, the Oistins Fish Fry boosts the income of fishermen, fish sellers, farmers and local chefs every week through the selling of local vegetables, fish, beverages and prepared meals to thousands of tourists and locals. This year-round event is now self-sustaining

and has expanded to offer opportunities for many local craftspeople who also sell to the hundreds that descend on the town every weekend.

In **Jamaica**, Hedonism III, a SuperClub resort, used local food as part of the branding of a unique resort product – 'Hedo III Jerk Food Fest 2005'. The festival included local expert 'jerkers' demonstrating their cooking skills; chefs offering cooking classes and providing tips on how to add Caribbean flavour using local products; night-time beachfront fish fries; a marketplace featuring local artisans as well as the opportunity for local food companies that produce spices, sauces, drinks, etc. to sell to the hotels.

✓ Make food an event and tourist attraction through food festivals

Footnotes

1. Quoted from Clissold, G G (2001): *Can the Windward Islands survive globalisation?* Caribbean briefing paper no. 4. Georgetown University, Washington, D.C.
2. Quoted from Inter-American Institute for Co-operation on Agriculture, Agro-tourism Linkages Centre. The Centre's mission is to maximise the linkages between agriculture and the tourism industry by facilitating trade in indigenous fresh and processed foods and non-food agro-industrial products with hotel, gift, restaurant and food service sectors, and promoting the development of agro-tourism and eco-tourism initiatives.
www.onecaribbean.org/information/documentview.php?rowid=3252

About the Briefs ...

The eight Briefs in this series provide practical tips on how to develop different types of local linkages, drawing on experience in several different countries in the Caribbean ▶

For other Briefs in the series and further information see www.propoortourism.org.uk/caribbean

Brief 1: Overview: tourism and the local economy – building linkages

Brief 2: Bringing local producers into the supply chain

Brief 3: Building links with local farmers

Brief 4: Employing local staff

Brief 5: Involving local people and products in tours, packages and excursions

Brief 6: Encouraging tourists to spend in the local economy

Brief 7: Building neighbourhood partnerships

Brief 8: Managing internal change for developing local linkages.

The Appendix provides more details, further examples, sources, and a useful list of contacts.

The Briefs outline some of the benefits and challenges of local linkages, and then focus on what to do. They provide tips on good practice mainly for hoteliers, but also for other private, governmental and non-governmental operators in tourism.