

Consumer Affairs Commission

Report on Agricultural Price Movement Post Hurricane Sandy

Tuesday, November 06, 2012

Background

On Wednesday, October 24, 2012, the now infamous tropical system – Hurricane Sandy, pelted the island with heavy rains and strong 85mph winds, 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 totaling \$95 million.¹

As the sector begins to assess the damage and recovers from the losses, the Commission has been advised that the JAS and some vendors from some urban markets have complained of price gouging. These unverified reports included claims of excessive price hikes on the part of farmers which has forced them (the vendors) to increase their prices at the retail end to consumers. The CAC has not to date received any formal complaints of excessive pricing in agricultural products from consumers, but has committed to reviewing available data, in light of media reports.

Methodology

The CAC compiled information from its monthly and weekly grocery and agricultural products surveys conducted before and after the hurricane. Price information was only available for eight (8) agricultural items: cabbage (green) – imported and local, carrots, bananas (green), Irish potato - local and imported, onion – local and imported, ripe plantains, tomatoes (Plummy) – local and imported and yellow yam. The information was collected from eighty-one (81) supermarket outlets islandwide. The CAC also collected agricultural price data from the Ministry of Agriculture & Fisheries which was collected from sixteen (16) supermarkets in the KMA and markets across all parishes.

¹ PM Portia Simpson-Miller - Report to Parliament on November 5, 2012
<http://www.jamaicaobserver.com/latestnews/-1-43-billion-damage-to-agricultural-sector>

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Results – Consumer Affairs Commission Monthly and Weekly Grocery & Agricultural Products Survey

The CAC data revealed that in comparing the prices of eight (8) agricultural products islandwide as at October 11-12, 2012 with that 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.

A review of 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 details of the most significant observances are outlined below:

- **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)

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- **Manchester**
 - Highest price increase was observed in yellow yam (3%). All other products under review recorded price reductions as much as 19% (onion)
- **St. Elizabeth**
 - No comparative data
- **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%)
- **Trelawny**
 - No comparative data
- **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%)
- **St. Thomas**
 - No comparative data

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

Results – Ministry of Agriculture & Fisheries’ Agricultural Products Survey

Data on average prices on specific agricultural items were received from the Ministry of Agriculture and Fisheries for the period October 20 and 27, 2012. The data were obtained from Supermarkets and Markets in Urban and Rural Jamaica. An analysis of this data revealed the following:

Supermarkets

With respect to the **Supermarkets**, the data showed that within the comparative period of October 20 and 27, 2012, Irish Potatoes experienced the most significant price change. **For local Irish Potatoes, the change was a 21% increase and for imported Irish the figure was 7%.** Escallion followed with a 4% increase over the period. The most noteworthy decline was for Pepper (Scotch Bonnet) which experienced a decrease of 6%. This was followed by Ripe Plantain and Local Cabbage which experienced a 2% decline over the period (Table 1). Overall 6 items experienced an increase in its average price, 5 experienced a decline and 1 (Local Plummy Tomatoes remained stable).

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Table 1. Supermarkets

Commodity	Variety /Source	Average Price - Supermarkets October 20th	Average Price - Supermarkets October 27th	Price Change	% Price Change
Cabbage (Green)	Imported				
Cabbage (Green)	Local	264.88	259.79	-5.09	-2%
Carrot	Local	318.97	325.22	6.24	2%
Escallion	Local	286.66	299.22	12.56	4%
Green Banana	Local	103.43	102.15	-1.28	-1%
Irish Potato	Imported	202.35	216.97	14.61	7%
Irish Potato	Local	244.54	295.26	50.72	21%
Onion	Imported	196.53	195.20	-1.32	-1%
Onion	Local	264.00			
Pepper (Scotch Bonnet)	Local	379.29	356.30	-22.99	-6%
Plantain (Ripe)	Local	207.81	203.85	-3.97	-2%
Sweet Potato	Local	202.61	206.02	3.42	2%
Tomato (Plummy)	Imported	0.00	0.00		
Tomato (Plummy)	Local	262.36	263.18	0.82	0%
Yam	Local	246.62	249.98	3.36	1%

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Rural Markets

For the Rural Markets, the data showed that **Pepper (Scotch Bonnet)** experienced the greatest average price increase of **32%**. This was followed by Local Cabbage at 21%. **On the other hand, Green Bananas experienced the greatest decline at 21%**. This was followed by Sweet Potato at 9%. (Table 2). Overall 6 items experienced increase in their average price while 5 experienced a decline.

Table 2- Rural Markets

Commodity	Variety /Source	Average Price - Markets (Rural) October 20th	Average Price - Markets (Rural) October 27th	Price Change	% Price Change
Cabbage (Green)	Local	154.00	187.00	33.00	21%
Carrot	Local	250.56	263.63	13.08	5%
Escallion	Local	281.36	267.43	-13.93	-5%
Green Banana	Local	108.33	85.05	-23.28	-21%
Irish Potato	Local	227.79	217.25	-10.54	-5%
Onion	Local	170.50	183.33	12.83	8%
Pepper (Scotch Bonnet)	Local	373.28	493.78	120.49	32%
Plantain (Ripe)	Local	144.83	148.50	3.67	3%
Sweet Potato	Local	137.50	125.30	-12.20	-9%
Tomato (Plummy)	Local	189.50	196.35	6.85	4%
Yam	Local	174.17	159.50	-14.67	-8%

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A review of the parish changes within parishes revealed much larger price changes, which are not country-wide but confined to particular locations. The most significant price increase was observed in St. Elizabeth where the modal average price of scotch bonnet peppers increased in excess of 300%. In Hanover, the modal average price of cauliflower, a product not surveyed by the CAC, the increased was 120%. See Table 3 below for details on other significant price changes.

Table 3. Significant Price Changes within Parishes, Oct 20 and 27th (MoAF)

Parishes	20-Oct-12			27-Oct-12			Oct 20 vs. Oct 27			Oct 20 vs. Oct 27		
	Low \$/Kg	High \$/Kg	Modal \$/Kg	Low \$/Kg	High \$/Kg	Modal \$/Kg	Change in Lowest Price	Change in Highest Price	Change in Modal Price	%age Change in Lowest Price	%age Change in Highest Price	%age Change in Modal Price
St. Catherine												
Tomatoes (salad)	264	330	297	120	120	135	-144	-210	-162	-55%	-64%	-55%
St. Elizabeth												
Scotch Bonnet Peppers	100	150	125	528	660	594	428	510	469	428%	340%	375%
West Indian Red Peppers	154	220	187	528	660	594	374	440	407	243%	200%	218%
Westmoreland												
Carrot	176	264	220	220	330	271.33	44	66	51.33	25%	25%	23%
Cauliflower	264	264	264	330	440	385	66	176	121	25%	67%	46%
Escallion	220	330	271.33	264	440	344.67	44	110	73.34	20%	33%	27%
String Beans	132	220	170.5	220	330	271.33	88	110	100.83	67%	50%	59%
Hanover												
Cabbage (green)	154	176	176	264	330	330	110	154	154	71%	88%	88%
Callaloo (whole)	220	220	220	100	100	100	-120	-120	-120	-55%	-55%	-55%
Carrot	220	308	286	308	330	308	88	22	22	40%	7%	8%
Cauliflower	180	200	200	396	440	440	216	240	240	120%	120%	120%
Escallion	308	330	330	330	440	440	22	110	110	7%	33%	33%
Trelawny												
Escallion	264	330	264	200	200	200	-64	-130	-64	-24%	-39%	-24%
Portland												
Carrot	132	330	264	264	352	308	132	22	44	100%	7%	17%

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Urban Markets

With respect to the 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%. This was followed by Local Cabbage at 43%.

Table 4: Urban markets

Commodity	Variety /Source	Average Price - Markets (Urban) October 20th	Average Price - Markets (Urban) October 27th	Price Change	% Price Change
Cabbage (Green)	Local	192.50	110.00	-82.50	-43%
Carrot	Local	242.00			
Escallion	Local	236.50	110.00	-126.50	-53%
Green Banana	Local	87.50	154.00	66.50	76%
Irish Potato	Local	247.50	198.00	-49.50	-20%
Onion	Local				
Pepper (Scotch Bonnet)	Local		440.00	440.00	
Plantain (Ripe)	Local	151.25	110.00	-41.25	-27%
Sweet Potato	Local	170.50	132.00	-38.50	-23%
Tomato (Plummy)	Local	280.50	198.00	-82.50	-29%
Yam	Local	192.50	176.00	-16.50	-9%

Recent data received from the MoAF for the week ending November 3, 2012 revealed a reductions in some agricultural products (in rural markets) between 1% in Irish Potatoes to 40% in green bananas (compared to prices as at Oct 20th). Of

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most notable increases were observed in cabbage (8%), scotch bonnet peppers (26%) and onion (26%). See Table 5 below:

Table 5: Rural Markets - Price Movement Oct 20th – Nov 3rd.

Commodity	Variety /Source	Average Price - Markets (Rural)	Average Price - Markets (Rural)	Average Price - Markets (Rural)	Price Change	% Price Change	Price Change	% Price Change
		Oct 20th	Oct 27th	Nov 3rd	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%

Conclusion

Data from CAC

Based on the available data, the CAC is unable to verify any cases of excessive pricing of agricultural products post hurricane Sandy. The data however reveals increases between 17% - 36% in the price of four main agricultural products which have been adversely affected by the weather system: plummy tomatoes, yellow yam, carrots and Irish potatoes.

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Data from MoAF

The data showed a trend in which the prices for the Supermarkets and Rural Markets trended upwards over the period October 20 and 27, 2012. Significant price changes were not observed on a country-wide level, but were confined to certain parishes. This was in direct contrast to the Urban Markets in which the prices overwhelmingly trended downwards. Further investigation is needed to ascertain causation of the phenomenon observed.

It must be noted that Hurricane Sandy's deleterious effects were largely experienced by eastern parishes. Thus the other parts of the island, though not directly impacted by the weather system have experienced other circumstances, whether normal for this time of year, or peculiar to that crop or location. Consumers must therefore be aware that in locations such as Coronation market which receives agricultural products from all parts of the Island, products will be available at various prices and quality, depending on the conditions under which they were cultivated and reaped. The crops impacted by extraordinary circumstances such as wind damage or flooding would have contrasting prices and quality when compared to those crops which were not subject to adverse weather. The CAC therefore encourages consumers to shop around for the best prices and quality of products, and to report to the offices of the Commission, any observations of excessive price increases they may encounter in the marketplace.