

THE SUGAR INDUSTRY IN JAMAICA

Sugar has had a long and diversified history in Jamaica. As a matter of convenience its history can be divided into two periods:

- a) the Pre-Emancipation period, i.e. up to 1834, and
- b) the Post-Emancipation period, from 1834 to the present time.

Pre-Emancipation

The industry had its origin in the early 16th century under Spanish colonial rule when sugar cane was shipped from Haiti to the island in 1509. During the next century very little emphasis was placed on large-scale cultivation of sugar cane and production was undertaken only for domestic use. The Spaniards were unwilling to work on the estates after the Arawaks were decimated.

Sugar production became an important activity after the British took control of the island in 1655. In the 17th and 18th centuries, under the British plantation system, the island became the major producer and leading exporter of sugar in the world.

Post-Emancipation

The early post-emancipation period saw the change from the use of cheap slave labour to that of indentured labour (Indians and Chinese) and the introduction of more capital-intensive methods of production.

A number of significant changes have occurred in the industry during the 494 years of sugar production in Jamaica. In addition to those mentioned above the number of factories, which was 140 at the beginning of the 20th century, was reduced to 27 in 1943 and even further afterwards (see table)

<u>Year</u>	<u>No. of factories</u>
1900	140
1943	27
1968	18
1994	9
1995	8
2003	7
2009	6

Production

The industry achieved its highest level of production in 1965 when 514,825 tonnes of sugar were produced. Since then sugar production has trended down, declining to 125,818 last year.

It is anticipated that with the refurbishing of factories and aggressive replanting and ratoon- maintenance programmes cane and sugar production should begin to trend upwards.

Economic and Social Contribution

Although the industry has declined in importance as being almost totally responsible for the generation of Jamaica's national income, employment and export earnings, it remains the largest single employer of labour and a major contributor to other economic variables. It is the largest industry within the agricultural sector in terms of land use, income, employment and export earnings.

The industry contributes approximately 1% to GDP, employs approximately 41,000 persons during the cropping season and an estimated 28,000 persons out of crop. It is estimated that approximately 200,000 persons derive their livelihood directly and indirectly from the industry.

The industry is vertically integrated and employs a wide range of professionals. These include: accountants, agronomists, chemists, computer programmers and analysts, economists, electricians, engineers, entomologists, machinists, human resource personnel, research scientists, secretaries and technicians.

It integrates backward with sectors which supply and/or service farm machinery, tools, fertilizer, weedicides, pesticides, provide transportation (field and factories) and finance. It integrates forward with sectors such as transportation (factories to warehouses and port), rum, finance, shipping, civil aviation and legal services.

Industry Structure

The industry is currently structured around six estates with operating factories which process the sugar cane into raw sugar and molasses. Four of the factories are directly associated with distillation.

Four of the factories (Appleton, Worthy Park, Golden Grove and Everglades), are privately owned by different entities. Two factories, Frome and Monymusk, are publicly owned. These two factories are being operated on a self-financing basis by a recently established company, "Sugar Development Enterprise".

Several organizations share the responsibility for the operation of the industry. In addition to the SIA they are as follows:

All-Island Jamaica Cane Farmers' Association (AIJCFA)

This is an umbrella association of local cane farmers' associations. It represents the interest of the cane farmers. It is the cane farmers, lobby group.

Jamaica Cane Products Sales Limited (JCPS)

This is a private marketing company owned by the sugar manufacturers and cane growers which functions as the marketing agent of the Sugar Industry Authority.

Sugar Manufacturing Corporation of Jamaica (SMCJ)

This is an association of sugar manufacturers representing the interest of sugar manufacturers. It is a manufacturers' lobby group.

Sugar Producers Federation of Jamaica (SPF)

This organization is responsible for the industrial relations of the sugar manufacturers and it establishes the pattern for staff welfare within the industry.

March 2010