

APP Thematic Feature No. 2

Intra-ACP Agriculture Policy Programme (APP) Caribbean Action, with funding by the European Union under the 10th European Development Fund (EDF)



Intra-ACP APP Caribbean Action

Thriving as a Caribbean Agricultural MSME in a Competitive, Retail World Means Understanding Regulatory Food Safety Requirements & Unique, Targeted Marketing Strategies.

Unless they are shopping at a local farmers market, very few sellers and buyers are in direct contact with each other anymore. Between them is a multifaceted world of food safety requirements, product planning, packaging, labelling, merchandising and more.

Before a customer can pick up a product and take it to the cash register to put money in the pockets of producers, there are many expectations that need to be met. From ensuring that a product is safe and meets national food safety standards, to making a product stand out from all the rest, navigating the world from crop to cash requires know-how. Large corporations spend millions of dollars each year to get their products on the shelf, and then off the shelf into hands of consumers. Micro, Small and Medium Enterprises (MSMEs) traditionally don't have the same money to spend.



Young agripreneurs examine packaging and labelling at a local supermarket. (Photo: APP)

Meeting Food Safety & Consumer Expectations: What Every Agri-MSME Needs to Know

This Feature highlights the importance of understanding what it takes to meet food safety and consumer expectations in the marketing of agri-products in the Caribbean. Agri-MSMEs have many elements to consider and decisions to make on their way to a competitive retail market.

Marketing has changed. No longer do people buy based on the products that their mothers were loyal to, or simply out of habit. Today, consumers are overwhelmed with choice. Organic, locally grown, low fat, low sugar, gluten free, quick and easy, fresh, frozen, single-serve, family size...and the list goes on.

In order to make it off the shelf, a product needs to get noticed. "People's brains are hardwired to notice what stands out", said Derek Waddell in his presentation to MSMEs on 'Understanding your Market and Meeting Expectations' at an APP workshop. "They see what is different."

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However, making a product different is only one facet of the process. According to the European Food Information Council in an article on 'The Determinants of Food Choice', other factors which affect consumer choice are economic, such as cost, income and availability; or social, such as culture, family, peers and meal patterns. Even psychological factors such as mood, stress and guilt can come into play, along with a buyer's attitudes, beliefs and knowledge about food.

Reputation is also a key factor. “A brand is a person’s gut feeling about a product”, says Derek Waddell. “We buy based on trust.” When consumers reach for your product, they have an expectation, indeed a right, to safe food that is free from harmful elements.



Making choices at a local Caribbean supermarket. (Photo: APP)

So how does a small Caribbean agri-business tackle such a vast array of factors in the marketing of their products? It was this question that inspired an APP joint Component 2 and Component 3 regional workshop on **Product Development, Marketing, Food Safety and GMP for SMEs** in Port-of-Spain, Trinidad earlier this year. Thirty-nine agri-business owners representing 15 Caribbean countries took part in the workshop that addressed important issues such as marketing, labelling and food safety, as well as fostering networking amongst Caribbean business owners and food industry professionals, all with the goal of helping MSMEs sell their products and grow their businesses.

Getting Products On the Shelf - Meeting Food Safety Standards

Health and Food Safety Specialists, as well as a Food and Drug Inspector from Trinidad & Tobago, were invited to present at the APP workshop. Getting your product off the shelf requires getting it on there in the first place. That means knowing and meeting consumer expectations, as well as regulatory standards for food safety in each country across the Caribbean. These standards must be met before a product can even get to market.

Food Safety

“Food safety is an important part of public health, linking health to agriculture and other food production sectors. For over a century, developments in food production and new control philosophies have contributed to food safety systems in most developed countries perceived by many to be efficient in the prevention of foodborne disease”, says J. Schlundt in the article, ‘New directions in foodborne disease prevention’.

Today, food safety is one of the World Health Organizations (WHO) top priorities. They have called for systematic and aggressive steps to be taken to reduce the risk of foodborne diseases. Unfortunately, however, the WHO estimated that at least one-third of individuals in developing countries are likely to contract a foodborne illness each year.

As part of her presentation, “Food safety in Trinidad and Tobago: should we be concerned”, Dr. Lisa Indar of the Health and Foodborne Disease Surveillance Programme, Caribbean Public Health Agency (CARPHA) revealed that foodborne diseases in the Caribbean region had increased by 26% since 2015.

According to Dr. Lisa Harrynanan, an Agricultural Health and Food Safety Specialist with IICA, “Food safety is defined as the assurance that the food will not cause harm to the consumer when it is prepared and/or eaten according to its intended use...as well as the action of monitoring food to ensure that it will not cause foodborne illness.”

Dr. Harrynanan presented on ‘Food Safety Management Systems’ and an ‘Introduction to HACCP & Its Prerequisites’ at the APP workshop. The Hazard Analysis Critical Control Point (HACCP) system, has become the reference for international food safety requirements. It is supported by Ministries of Health, Agriculture & Trade, Bureaus of Standards, Public Health and Private sector agencies throughout the Caribbean.

The HACCP system was created to install preventative measures to eliminate or reduce hazards in food. It is a proactive rather than reactive approach to minimizing, preventing or preferably eliminating the risk of food borne illnesses. Many industries now consider the HACCP, or HACCP-based system, to be mandatory.

HACCP is designed to understand what hazards can enter into the food and food system; how they occur and how they can be controlled or eliminated. HACCP training is important at all stages – from the growing, handling, receiving, storage and holding of raw produce

to value-add product preparation, labelling, storage and distribution.

“Many persons are unaware of the importance of HACCP”, said Dr. Lisa Harrynanan in her presentation, “they may know about HACCP, but lack the technical competence and business skills necessary to operate an effective prerequisite programme and set up an HACCP system.” She points out the importance of making it as user-friendly as possible.

A simple diagram shows the important elements that make up the HACCP Food Safety pyramid. The strong structure of HACCP is upheld by management’s commitment to the program, training and hazard identification. The prerequisite practices which make up the foundation of the pyramid are Good Manufacturing Practices (GMPs) such as Food Temperature Control, Cleaning and Sanitizing, Personal Hygiene and Pest Control. Establishing these, along with the applications of the Seven Principals of HACCP will create an efficient and effective food safety management system.

The results of HACCP in preventing food borne illnesses are obvious. However, since it is not mandatory in all industries, it is also important to highlight the additional benefits of putting this system in place. A food safety

management system based on HACCP principles can also reduce product loss due to spoiling, increase product value, foster consistency in product preparation, which is important to the end customer. It can also result in an increase in profit, not to mention that when it comes to food safety, the reputation of a product depends on it.

Responsible agri-SMEs will recognize that before getting their products to the shelf, they should understand the HACCP system and apply the GMPs necessary to support it. Then, they need to assign and train a team to ensure that any products leaving their hands are safe for the final consumer.



Food Regulations: A Quick Tour

Wayne Watts, a Food & Drugs Inspector for Trinidad & Tobago, told MSME participants at the APP workshop that “every citizen and resident of the Caribbean has the right to safe food.” Mr. Watts is part of the Food & Drug Inspectorate (FDI) in Trinidad which monitors all aspects of importation, manufacturing, processing, packaging, storage, labelling, advertising, sale and distribution of food, as well as food quality, fraud and hygiene.

HACCP is not mandatory in all industries, however most countries do have food regulations that must be met. A review of the Trinidad and Tobago Food and Drugs Act and Regulations provides an excellent baseline for understanding the general kinds of regulations that can be expected in any Caribbean country. The Act deals with many aspects of Food Control, including:

THE SEVEN PRINCIPALS OF HACCP

PRINCIPLE 1: Conduct a Hazard Analysis (HA).

PRINCIPLE 2: Determine the Critical Control Points (CCPs) in the process.

PRINCIPLE 3: Establish Target Levels & Critical Limits.

PRINCIPLE 4: Establish System to Monitoring CCPs.

PRINCIPLE 5: Establish an appropriate Corrective Actions Plan for each CCP.

PRINCIPLE 6: Establish Verification Procedures to confirm that the HACCP is working effectively.

PRINCIPLE 7: Establish Record Keeping concerning all procedures & keep note of their application.

Labelling your product:

Many countries have specific requirements for labelling such as the inclusion of brand name, common name, weight, volume, expiry date, a list of ingredients, safe handling and much more. MSMEs need to be aware of the requirements for their product type and include all relevant requirements on their labels. It is also law that no food be described or presented in a false, misleading or deceptive manner. Producers must be able to justify all claims on the label that are made about their product. Common misuse of terms includes “natural”, “organic”, “fresh” and “home-made.” In these cases, terms must be consistent with regulatory requirements and the standards associated with them.



Examples of labels on Caribbean agri-products. (Photo: APP)

Meeting Food Standards:

All food producers must meet and maintain standards for food production as well as for the actual products themselves. By law, they are also prohibited against the sale of harmful, unfit, adulterated or unsanitary food. These two elements relate back to HACCP and the standards for food safety that should be put in place by all agri-SMEs.

Keeping your Facilities Clean:

There are also standards to guide the conditions under which you operate your facilities. According to Dr. Lisa Harrynanan, a good operation includes Good Agricultural Practices, Good Manufacturing Practices and Standard Operating Procedures.

Good Agriculture Practices (GAPs) are a set of voluntary guidelines or practices that are followed

at primary production to reduce food safety hazards. The risk of produce contamination during growing, harvesting and packing can be significantly reduced by following health and hygiene procedures during field production and postharvest water use, soil amendments, cleaning and sanitizing, packaging and transport and record keeping and traceability.

Good Manufacturing Practices (GMPs) apply to all segments of the food industry and describe a set of conditions and practices that must be observed during manufacturing to ensure that food is safe and produced under sanitary conditions. These operations include elements such as pest control, building design and construction, sanitary facilities and controls, equipment and utensils, employee health and hygiene, raw material ingredients and storage, and handling and shipping of the finished products.

Standard Operating Procedures (SOPs) and Sanitation Operating Procedures (SSOPs) are the steps that a processing facility takes to ensure that the GMPs are met. These practices should include the purpose and frequency of doing a task; who will do the task; the description of the procedure to be performed, including all the steps involved; cleaning and sanitizing a piece of equipment, and corrective actions to be taken if the task is performed incorrectly.

Allowing Inspection of your Premises:

All agri-SMEs must be prepared for and allow inspection of their manufacturing, processing, storage and packaging facilities at any given time by various inspection agencies in their country. This could include extension officers, pesticides and toxic chemical inspectors and public health inspectors.

Storing and Distributing Food:

Storage and packaging includes a means of providing the correct environmental conditions for food during the length of time the food is stored and/or distributed to the consumer. Good packaging is expected to keep products clean and safe, provide protection against different types of hazards in transport and handling and different types of pests and other elements could harm the product. The packaging and labelling must also provide accurate information about a product.

It is clear through examination of HACCP principles and common food regulations that there needs to be a priority in focusing on public health and ensuring that food is untainted and honestly presented when

offered to the consumer. Agri-SMEs will benefit greatly by understanding these principles as they begin their products journey on the road to the consumer.



Short term storage for peppers at Abbey Garden Farms
(Photo: Abbey Garden Farms)

Getting Products Off the Shelf - Grabbing the Customer's Attention

After all of the hard work planting, harvesting and safely processing a product according to food standards and expectations, it is finally ready for market...or is it?

Most successful products have been tried and tested, worked and reworked, and subject to many iterations before they make it to a store shelf and then into the hands of a customer. From taste testing to visual appeal, safe and attractive packaging to an eye-catching label, there is a lot of work to be done to grab the consumer's attention.

"Point of sale (POS) is where the business is won or lost", said Derek Waddell in his presentation to MSMEs at the APP workshop. "More than 70% of purchase decisions take place at the point of sale." He acknowledges that understanding who the shopper is, how they think and behave and why and when they shop is key to sales success. Waddell says that "having the right product and package, in the right place in the store, in the right position on the shelf or in the cooler...with the right communication material and message" is crucial, and that all begins with planning.

Customer Research

In her presentation on 'Improving your Product' at the APP workshop, Food Product Development expert Vidia Doodnath laid out the considerations that should be made when planning for, creating or seeking to improve a product. From the very beginning MSMEs must ask some questions:

- Is there a need for this product in the market?
- Will my product sell?
- Will my product be profitable?
- Does my product include desirable ingredients?
- Can I mass produce my product?
- Do I already have, or have access to the equipment required to make my product?

To know the real answers to these questions producers must do customer research. According to Julia Cupman in her article on 'Using Market Research for Product Development' (2016), she states that "market research can play a role in determining the need for most new products." She says that expenditure on R&D for most companies is somewhere between 2% and 5% of sales. Cupman states that "the most effective types of market research studies for product development are needs assessment research studies in which the usage of existing products are examined and unmet needs are explored, and concept screening in which a new concept can be shown to the target audience for feedback on the product."

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So, a little planning and research can go a long way to ensure that MSMEs hit the market with a product that is likely to succeed.

Choice of Packaging

Once a product has been developed and perfected, it is time for packaging. Glass or plastic, vacuum pack or loose, see-through or opaque - there are many elements to be considered and decisions to be made when selecting packaging.

The first elements are the regulations discussed earlier. Good packaging must keep products clean and safe, provide protection against different types of hazards and be appropriate for the storage of a particular product.

Next, a business owner must determine if they have the sanitation and filling technologies required to accommodate a particular type of packaging. If not, they need to decide if they will invest in those technologies, or if they will outsource the packaging which opens up many other questions on items such as transportation and contracts.

Lastly, decisions must be made on the goal of the packaging. Does the product require, and is the customer looking for, packaging that is practical, usable, attractive or environmentally friendly? Or, perhaps all four?

Label Design

Next to be considered is labelling. According to Wayne Watts, Ministry of Health, Chemistry Food and Drug Division, a label should “let the product to speak for itself”.



Considering packaging options for Caribbean produce at the APP 'Product Development, Marketing, Food Safety and GMP for SMEs Workshop' (Photo: APP)

Richard Lewis and the team from Label House made presentations on 'Packaging and Decoration' (Stuart Maingot) and 'Label Design' (Carolyn Chu Fook), before taking workshop participants on a journey to see packaging, label design and printing in action at the Label House Facilities. Participants received expert advice on labels for their products. They were able to see, touch and assess many examples of how they could make their products stand out.

After the standard considerations of paper or plastic labels, sleeves or stickers and varied inks, participants learned about different colours and the message that they convey. They were encouraged to use colour to capture the feeling of their product. For example, yellow is said to be optimistic and youthful, while red speaks of energy and urgency.

Fonts were also discussed. Does a particular product require that information be simple and easy to read, or does it cry out for more of a unique look, with hand-written font or text embossed with foils?

Label House experts also encouraged the agri-SMEs to use their labels for more than just the practical requirements such as nutritional information and ingredients, bar codes and expiry dates but also to tell the product's story, link to social media and websites, and even to make a call to action. According to the Label House experts, “You made the product, now, give it a voice!”

Blue: Trust and Security
Green: Associated with Wealth
Black: Sleek and Powerful
Red: Energy and Urgency
Yellow: Optimistic and Youthful
Orange: Aggressive and a Call to Action
Pink: Romantic and Feminine
Purple: Calming and Soothing

Source: Label House

Merchandising

The final step in the marketing of a product is merchandising. Hopefully by this point, business owners have created a product that tastes good, is safe, looks great and will sell. Now, according to Derek Waddell, the product “must be visible” or the rest of the work may not be enough.

Waddell encouraged workshop participants to “be a shopper to generate new ideas”; to see how they shop and what they notice in the stores. He noted the “Hot Spots” as prime merchandising locations where people stood around waiting for services such as the cashier, deli and bakery. He also pointed out “adjacencies” where products were paired with other products that made sense for suggestive selling like birthday cards with chocolate and soft drinks with salty snacks.

Participants examined supermarket traffic patterns of the “routine stock-up”, “traditional daily needs” and “urgent items” shoppers. They looked at time of day traffic, shelf locations and end of row opportunities all to understand the greatest merchandising potential for their products.

Clearly, marketing is not what is used to be. Consumers have more choice, but then again, so do producers. With a little bit of focused attention, MSMEs in the Caribbean today have excellent opportunities to put safe, unique and quality products on the market.

“You made the product, now, give it a voice!”

According to the recently drafted 2016 CARICOM Regional Policy on MSMEs “the MSME sector makes a significant contribution to the economic development of the region and must be systematically advanced”; that MSMEs aid in “poverty reduction, wealth creation and supporting sustained economic growth.” CARICOM acknowledges that an important part of creating a vibrant MSME sector is skills development, knowledge sharing and better use of resources and appropriate technology.



Providing technical advice on packaging and labelling options at the APP ‘Product Development, Marketing, Food Safety and GMP for SMEs Workshop’ (Photo: APP)

In short, there are many things that MSMEs need to know in order to succeed but armed with information, connections and know-how they can go a long way in advancing Caribbean products in domestic, regional and international markets and in turn, supporting and growing the regional Caribbean economy.

This is the second in a series of four Thematic Features to be produced under the Agricultural Policy Programme (APP) Caribbean Action. The APP is funded by the European Union (EU) under the 10th European Development Fund (EDF) with the Inter-American Institute for Cooperation on Agriculture (IICA) as Executing Agency and the CARICOM Secretariat (CCS) and the Caribbean Agricultural Research and Development Institute (CARDI) as Implementing Partners.

This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.



Intra-ACP APP Caribbean Action is funded by the European Union (EU) under the 10th European Development Fund (EDF)

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