

A Linear Programming Approach To Export Development Of The
CARICOM Citrus Juice Industry

Clifton Francis Charles

The study evaluates the economic viability of the CARICOM citrus juice export industry, the competitive locations and products for expanding exports to the CARICOM, United States and European markets, and the optimal product distribution patterns within the region, under tariff-free trade. It also examines the competitiveness of regional freight rates and the influence of freight rates on the cost competitiveness of the regional citrus juice export trade.

The following conclusions can be drawn from the study. Under tariff-free trade the level of vulnerability of the region's citrus juice industry to cost competition from the United States is likely to vary with the different segments of the industry. The concentrate juice segment appears to be more vulnerable than the non-concentrate juice segment. In the juice

concentrate segment orange juice concentrate appears to be more vulnerable than grapefruit juice concentrate.

Jamaica appears to be a cost competitive location for export expansion of citrus juice concentrate to the European Union and the United States. Trinidad & Tobago appears to be a cost competitive location for expansion of orange juice concentrate exports to the United States and CARICOM markets.

In the CARICOM market for "orange juice not concentrated" Trinidad & Tobago appears to be most cost competitive at present, however, Barbados can significantly increase its share of the regional market. Jamaica and Trinidad & Tobago appear to be cost competitive export locations for grapefruit juice concentrate.

Relative regional freight rates appear to influence regional trade in citrus juices. They tend to reinforce the inter-regional trade bias of CARICOM countries and the superior cost competitiveness of Jamaica and Trinidad & Tobago over Belize in the citrus juice trade. However, regional freight rates appear to be sufficiently competitive to facilitate tariff-free trade expansion of intra-regional trade in citrus juices. Strategic management of exports to both regional and extra-regional markets may be necessary to resolve potential conflicts between the objectives of interregional and intra-regional export growth.