**You Say Tomato, I Say Comparative Advantage**

Alex Blumberg of National Public Radio’s Money Talk blog recently spoke to Rose Mary Garcia—a Principal Associate at Nathan Associates—about the cost of tomatoes in Jamaica. Blumberg had come across Nathan Associates’ assessment of Jamaica’s economy and wanted to have a nagging question answered: why do tomatoes imported from Mexico cost less in Jamaica than locally grown tomatoes? The short answer: in Mexico it costs less to grow them.

Dr. Garcia described the inefficiency of Jamaica’s agricultural sector and the nature of comparative advantage: that not every country can produce all of its own food because of a variety of constraints—soil conditions, labor conditions and traditions,  and technology gaps. For Jamaica, traditional labor and lack of technology erode comparative advantage. And the lack of technology is rooted in lack of credit; a farmer cannot buy the irrigation system that would lower his costs of production and allow him to compete against imported products because he cannot get a loan. In the podcast for Money Talks, Dr. Garcia describes how the inability to secure a loan affects economic growth.