

# **2004/2005 SECTORAL DEBATE PRESENTATION BY THE HON. ROGER CLARKE, MINISTER OF AGRICULTURE ON MAY 18, 2004.**

## **INTRODUCTION**

Mr. Speaker...

It is an honour and a privilege for me to speak in support of the actions and policies of this Government in respect of Agriculture for the year 2003/2004, as well as, the plans and programmes for the financial year 2004 /2005.

Let me commend all whom have made contributions in the debate so far, for the content and quality of those contributions.

From a personal standpoint, I must say I look forward to this opportunity each year to give account of my stewardship of whatever Ministry I am. Mr. Speaker because of my own upbringing, the Ministry of Agriculture is of great significance to me. It embodies all my dreams, hopes and aspirations for a better life for rural folks. I have been a part of and shared the experience of rural challenges, and I yearn for that day in the sun for those folks.

I would like Mr. Speaker, to thank the Prime Minister for the confidence which he has placed in me, and for the guidance and support that he has afforded me throughout the years.

I would also like to thank my Cabinet colleagues for their consideration and co-operation. I must make special mention of the Minister of State in the Ministry, the Hon. Errol Ennis, who has shared the burden of the political responsibilities in this Agriculture portfolio. He has played an important supportive role. To the extent that we have achieved portfolio successes under my watch, Mr. Speaker, this has been in no small way due to the outstanding work of the administrative team of the Ministry of Agriculture, headed by our acting Permanent Secretary, Dr. Richard Harrison. I have indeed been fortunate to have this kind of experienced and dedicated

leadership in my Ministry, and I would like to take this opportunity to publicly acknowledge this.

The Rural Agricultural Development Authority... RADA... has played a pivotal role in the link between the Ministry and our farmers, they, and the other agencies of the Ministry have done an outstanding job in the year under review, and I would like to thank them sincerely.

Special thanks are also due to the leadership of the Commodity Boards, the Farmers Organizations, and the private sector in general.

Those of us who have chosen to serve our country in representational politics should never take for granted the vital importance of the support we receive from our home base. Unscheduled and sometimes prolonged absence from one's household requires the understanding and forbearance of one's family. My own family has been extremely supportive Mr. Speaker. I would like to take this opportunity to place on record, my deep appreciation of their abiding support. I specifically would like to thank my wife and soul mate of 27 years for her love, forbearing and understanding over these years.

In some ways, Mr. Speaker, the same is true of my constituency. In order to be able to serve at the Ministerial level, there must be a dedicated support team, which keeps the organization going when the Member of Parliament has to be absent from the constituency.

In this respect, I must admit that I have been extremely lucky. The organization and executive of North East St. Elizabeth are virtually my extended family. They perform above and beyond the call of duty, and I would like to thank them most heartily.

### **Order of Presentation**

Mr. Speaker, I would now like to outline the order of my presentation:

- Firstly, I will give a very brief summary of the Budgetary Allocation for the Ministry of Agriculture for 2004/05;
- Secondly, I will review the performance of the sector during 2003

- I will then share my vision for the future of the agricultural sector
- Finally, I will look at the international context, which must guide the sector's development.

## **Budget Analysis**

Mr. Speaker I wish to turn now to the budgetary provision for my Ministry.

Analysis of the 2004/2005 budget indicates that the Ministry of Agriculture has received a total allocation of one billion, seven hundred and seventeen million, seven hundred and four dollars (\$1,717,704.0), which reflects an increase of \$65.8m over the total revised budget for 2003/2004. This provision is broken down as follows:

Recurrent	1,355,004.0
Capital 'A'	100,000.0
Capital 'B'	262,700.0

I have provided for the guidance of this house Mr. Speaker comprehensive information on the details of how the Ministry will spend these funds, so I will not go into them now. Suffice it to say that we intend to make the best use of the funds provided. I can also assure you that the proper controls are in place to ensure effective management. We will also seek to identify extra budgetary funding as we have done during the previous year so that the sector can continue to build on the progress made during 2003.

## **Performance of the Agricultural Sector**

Mr. Speaker, the year under review has indeed been another challenging one for the sector.

There have been outstanding successes, as well as, some areas in which we have not performed as we would have liked.

But, it has to be said right up front, that we are beginning to see the fruit of the implementation of our policies and programmes and overall, the signs of sustainable growth are beginning to become more apparent. It should be noted that for the calendar year 2003 Gross Domestic Product (GDP) for agriculture, forestry and fisheries measured in 1996 prices was \$14,822.1 Million - an increase of 5.7% over 2002

With respect to the traditional areas there have been a mixture of recovery and advances; while in the non-traditional areas, there has been a noticeable increase in success stories.

What is even more interesting is the emerging pattern of energy and creativity in areas of new opportunity. The vertical integration into traditional and non-traditional sectors:

- spices
- banana chips...
- ackee production and processing...

to name a few.

The relationship between our local producers and the Hospitality Industry, is growing from a fleeting acquaintanceship, into a marriage of mutual convenience, as more and more of the needs on one side are being satisfied by the productive talents of the other.

We have been saying it for years...the Agricultural Sector and the Tourism/Hospitality Industry are natural partners. They will grow together and prosper together. It has begun.

It must be said, Mr. Speaker that the weather has played a significant role in our achievements of growth. So often, our best laid plans have been derailed by natural disasters of one kind or another. However, last year we were fortunate, and for this we are grateful.

As I said earlier, Mr. Speaker, while it is true to say that the Government as catalyst and facilitator for development is beginning to see results, I must

admit that there have been shortcomings. For example, the Youth Programme which I announced last year has got off to a slower start than was planned, but even that is now being addressed, as a pilot programme to bring our youth and land together is being implemented in St. Thomas.

At the same time, Mr. Speaker, let it be said that the drive to encourage the involvement of youth in the agricultural production process, is receiving impressive attention through the efforts of the Jamaica 4-H Clubs which over the past year, continued to forge ahead with its programmes, in order to fulfill its mandate of providing the nation with a cadre of trained young people in the field of agriculture, home economics, leadership skills, the environment and information technology.

The problem of inadequate irrigation continues to inhibit continuous growth in the sector as we continue to depend on rainfall for a substantial portion of our production.

### **RADA**

During the year under review Mr. Speaker, the Rural Agricultural Development Authority (RADA) played a pivotal role in the Ministry's drive to facilitate agricultural development throughout the country.

Since its inception in 1998, RADA's Domestic Food Crop and Marketing Project has targeted a selected groups of crops, which were determined by a survey undertaken by the Ministry, to have high local and export demand and for which there were regular shortages.

The crops targeted were negro yam, yellow yam, sweet potato, red cocoa, tomato, hot peppers, escallion, plantain, dasheen and exotic vegetables.

This Project has continued to record impressive gross production returns, and over the period of its existence, just under 19,000 tonnes have been harvested, at a value of over \$421 million.

As part of this same Project, irrigation schemes have been expanded, and Mr. Speaker, marketing arrangements continue to be brokered for farmers to sell fresh produce to hotels, supermarkets, green grocers and processors.

RADA has continued the development of the Agri-Business Information System (ABIS), which will process data on stakeholders and their activities,

and be a repository of technical information. ABIS will assist stakeholders to buy and sell produce, and to forecast key agricultural variables. The System will also boost capacity and competitiveness, while measuring performance. To date, Mr. Speaker, sites have been prepared and computers installed in all RADA Parish Offices, which will function as ABIS centres. Farm registers have been installed on all parish computers designated for Extension Officers, and these Officers are now in the field collecting data from buyers and input suppliers for the registers.

This online registration is shortly to begin, and, the capability to facilitate online trading in agricultural produce has been developed and will be operational in a matter of weeks, when the ABIS Website is operationalized.

As I mentioned before, RADA's Farm Rehabilitation Programme with FAO assistance, has been invaluable to the parishes worst hit by the flood rains of 2001 and 2002, and in the past year, over 6,000 farmers have been assisted with planting material and tools.

A very important part of RADA's mandate, Mr. Speaker, is the work of its Social Services and Home Economics Unit, which has continued to touch the lives of Rural Farm Families through the empowerment of 2,000 rural women and youth, who have received training to enable them to earn a living within their communities and to develop their entrepreneurial skills.

Outstanding examples of the income-generating activities of the Unit are the expansion of the Twickenham and Flower Hill Bammy Enterprises production line, to include a cereal from the cassava leaf called 'Gari', cassava flour and their flagship product, the popular pancake mix.

In addition, Twickenham Industry has installed a bio-digester system and is now utilizing gas generated from the wastewater obtained during the processing of cassava, thereby providing for some of its energy needs and ensuring that operations are environmentally friendly

Flower Hill will soon be opening the doors of a new \$6 million, state-of-the-art factory, which was built with the assistance of the Jamaica Social Investment Fund (JASIS)...

RADA's processed, packaged sweet cassava leaves – a product developed as part of the Unit's activities in St. Thomas, were exported to Canada for the first time during the year under review. Mr. Speaker, this as well as our tamarind meat sauce, for gourmet palates are very good indications of the potential that is being tapped in non-traditional areas.

RADA continued implementation of its Tree Crop Project and by January of 2004, 779 hectares had been planted in a wide range of fruit trees, across 13 parishes. A total of 193,000 seedlings were distributed as part of this important Programme.

A Parish Agricultural Development Programme for each parish has been developed by RADA. Specific projects have been identified and a price tag of \$75 Million is attached and funding identified.

RADA has also been implementing a revolutionary training methodology termed the farmer field school. This approach to the transfer of technology to our farmers is being spearheaded by the European Commission under the CARIFORUM Caribbean Agriculture and Fisheries Programme – Integrated Pest Management Project (CAFP-IPM).

Essentially, the programme involves the training of trainers in the IPM technology transfer approach on vegetable production. A master trainer has been trained who has in turn, trained trainers (extension officers, researchers), and the farmer field schools are now being established with activities starting in the western part of the island.

## **AGRICULTURAL SUPPORT SERVICES PROJECT**

Mr. Speaker, the Agricultural Support Services Project is a US\$31.5 million, four-year programme, the purpose of which is to enhance the competitiveness of Jamaican agriculture in the domestic and global markets.

The Project commenced in 2001, and is being funded by a US\$22 million loan from the Inter-American Development Bank (IDB), together with a contribution of US\$8.6 million from the Government of Jamaica, with the balance of the funds coming from the Project beneficiaries.

The ASSP is being implemented through three components...

- strengthening the delivery of agriculture support services...
- strengthening and consolidating agricultural health and food safety systems...
- financing selected activities in high-payoff productive projects...

The results are already outstanding. Mr. Speaker, with a cross-section of projects being implemented. I will just briefly mention a few:

- **The Fodder Production Project**, being implemented by the Rhymesfield Dairy Cooperative, in Clarendon. This project consists of 25 farmers who are involved in producing fodder to manufacture a total mixed ration, thereby replacing imported concentrate feed, in a bid to lower milk production to increase the returns to the farmers.
- **The Honey Production and Marketing Project**, being implemented by All-Island Bee Farmers Association, in Linstead, St. Catherine, which involves the establishment of a honey bottling plant, two Queen Bee nurseries, and training for farmers in disease control.
- **The Green Adventures Limited Escallion Production Project**, New Forest – Manchester, is providing a clearing house for escallion producers in South West Manchester and South East St. Elizabeth and Mr. Speaker I am pleased to announce that one of the major successes is the fact that the project participants have surpassed Walkerswood’s target of 10,000 lbs of escallion per week and are currently supplying the company with a record 17,5000 lbs per week.
- **The Pig Industry Improvement Project**, which is being implemented by Newport Mills Ltd., in collaboration with Bodles Research Station in Old Harbour St. Catherine. The purpose of this project is to reduce the cost of production of pork through the supply of improved genetic stock..
- **The Tilapia Expansion Project**, being developed by Aquaculture Ltd in St. Elizabeth.
- **The Small Ruminant Development Project** which is being developed by the Sheep and Goat Farmers’ Association, St. Elizabeth, and the list goes on, Mr. Speaker.
- **The Ornamental Fish Production**, Shrewsbury, Portland.

- **The Ice Cream Production and Marketing Project**, Old Harbour - St. Catherine.
- **Vegetable Production, Processing and Marketing Project**, Bull Savannah - St. Elizabeth.
- **Sealapia Ornamental Fish Production and Marketing Project**, Iteboreale - St. Mary.
- **Vegetable Production and Marketing Project**, Springfield - St. Thomas.
- **Bright River Cooperative Project** in St. Elizabeth.

This Island-wide spread of new productive projects, Mr. Speaker has already shown signs of enhancing the competitiveness of our Agricultural Sector, and will positively impact on the Sector's contribution to GDP. But more than that, they indicate to the youth of this Country that the Agricultural Sector is a viable means by which they can earn their livelihood..

Finally, Mr. Speaker, it should be noted that projects approved under the ASSP total some \$262 million with ASSP's own contribution being \$122 million.

### **Eastern Jamaica Agricultural Support Project (EJASP)**

The European Union-Funded Projects which include the Eastern Jamaica Agricultural Project, the Stabilization Of Export Earning Project 2000 (STABEX), and the EU Banana Support Programme, Mr. Speaker, have made a significant contribution to our thrust for increased production.

EJASP has established an impressive number of projects across the Parishes of Portland, St. Thomas, St. Andrew and St. Mary. These include goat production, as well as many of the activities being promoted by RADA, including:

- beekeeping
- pineapple production
- ginger cultivation
- coffee and cocoa rehabilitation
- mango top working
- grape production

- a marketing information system
- agro-processing
- vegetables
- small scale dairy
- land husbandry and several others.

STABEX has focused on the rehabilitation of parochial and farm access roads in the EJASP areas, and other areas of the country, for example, the Cedar Valley to Moy Hall, Bath to Hayfield and Bath to Mount Mansfield Roads in St. Thomas. Contracts are to be awarded soon for the rehabilitation of roads in Portland and St. Mary.

Under the EJASP Replanting Project, Mr. Speaker, of the targeted 50 hectares, 43 hectares have been planted by 231 farmers in the parishes of St. Thomas, Portland and St. Mary.

## **RESEARCH & DEVELOPMENT**

Mr. Speaker, the Ministry of Agriculture is firm in its belief that the drive to make the Sector more competitive must be fueled by the availability of appropriate technology for the farming community. Within the limits of our resources, we are making every effort to provide this necessary input. We have continued to generate relevant information and technology for the improvement of productivity, developing and introducing new species and varieties finding solutions to pest problems, reducing the risk of pests being introduced and their spread via seeds and other propagating material.

The Research Division has continued to improve on its Integrated Pest Management packages for hot pepper, pumpkin, papaya, among others. Additionally, bio-control agents for the control of Hibiscus (Pink) Mealy bug are being maintained in cultures, and form part of the Country's preparedness strategy for the possible entry of this devastating pest.

We have continued in the development and evaluation of new hot pepper, pumpkin and tomato cultivars that are adaptable to local conditions, are high yielding and are disease resistant. The "Bodles Globe", a true breeding and

stable open pollinated cultivar, was introduced to the farming community only last month (April 2004).

The Mulberry plant, Mr. Speaker, which was recently introduced into Jamaica for evaluation in our feeding systems, has produced a yield that is comparable to many of the grasses currently on the Island. The crude protein levels and organic matter digestibility were shown to be high, and preliminary results indicate that this plant has the potential to facilitate high levels of animal production, thus reducing the dependence on imported feeds.

We are playing an important role in the development of the Herb/Nutraceutical Industry. We are focused on the rejuvenation of pimento, ginger and sorrel, and we intend to fill the information gap that exists on Fever Grass, Rosemary, Turmeric, Kola Nut and Sarsaparilla.

## **FORESTRY**

Mr. Speaker, it gives me particular pleasure to announce an important breakthrough in Forestry. Negotiations are presently underway to reach a subsidized debt swap agreement, under the United States' Tropical Forest Conservation Act (TFCA), to create a local Tropical Forest Fund to support eligible forest conservation activities in Jamaica.

This is the culmination of a process that began in 2001, following a positive response by the US Government to an expression of interest by the Government of Jamaica in the debt relief under the TFCA.

Under the subsidized debt swap agreement, The Nature Conservancy, an international organization headquartered in the US, with a Country Office in Jamaica, is committing US\$1.3 million to the deal, which will see the US Government allocating US\$6.5 million of appropriated funds to retiring a portion of Jamaica's debt to the United States.

The Ministry of Finance and the US Treasury Department have identified the debts to be treated, and are working out a repayment schedule as well as the appropriate discount rate.

Depending on the discount rate at which the debt is retired, the final value may be considerably higher than the US\$7.8 million presently on the table.

The Forestry Department, with input from other relevant organizations, is working with the Nature Conservancy to prepare the Forest Conservation Agreement which, among other things, establishes the priorities for the use of the funds generated under the debt swap agreement, sets out provisions for the management and governing of these funds, and establishes guidelines for local groups which may benefit from these funds.

The types of activities eligible for TFCA funding include:

- The establishment, restoration, protection, and maintenance of parks, protected areas and reserves;
- Training programmes for organizations involved in conservation efforts;
- Development and support of the livelihoods of individuals living in or near a tropical forest, in a manner consistent with protecting that forest;
- Research and identification of medicinal uses of forest plant life to treat human disease, illness, and health concerns; and
- Restoration, protection or sustainable use of diverse animal and plant species.

The Prioritization and implementation of specific forest conservation activities will be guided by the National Forest Management and Conservation Plan, which was approved by Cabinet in 2001, and other national level plans as they relate to tropical forest conservation.

The benefits to Jamaica, Mr. Speaker are:

- a replacement of a US DOLLAR obligation with a local currency obligation;
- the possible receipt of a discount on the total obligation and
- restoration and conservation of forest land in designated areas;

The sums involved, Mr. Speaker, are significant from the perspective of the need for financing forest conservation efforts in this Country.

The integrity of our Island's forest resources impacts the lives of all Jamaicans on a daily basis by protecting and conserving the primary

resources of water, soil, biological diversity and air quality. The productiveness of our timber plantations contributes to the nation's economic and social well being... and the beauty of our forests give Jamaica an ambiance unique among Caribbean tourist destinations.

Through its various programmes, Mr. Speaker, the Forestry Department of the Ministry of Agriculture actively manages our Country's forest resources to ensure the sustainability of their environment, as well as their economic and aesthetic functions.

It should be noted, Mr. Speaker, that private landowners now have the opportunity to participate in national forest conservation efforts, by having their lands declared forest reserves, or forest management areas. In exchange, these landowners can receive several benefits, including:

- remission on property taxes;
- provision of technical advice on forest management;
- provision of tree seedlings at special rates and
- duty free concessions at the level applicable to the agricultural sector.

I must tell you, Mr. Speaker, with some amount of pride, that the Forestry Department has launched its landmark publication, **MANUAL OF DENDROLOGY - JAMAICA**.

This tree identification book is the first of its kind to be published in Jamaica and, in fact, the entire Caribbean, and took two years to prepare.

The publication is of outstanding quality and the Department ought to be congratulated on this superb effort. I should add, Mr. Speaker, that this publication was funded by the Canadian International Development Agency (CIDA), through its very successful Trees For Tomorrow (TFT) Project.

We are confident that the manual, which is receiving widespread acclamation will become a 'must-have' for students, practitioners in the forestry sector and tourism interests, especially in the fast growing eco-tourism sector.

The National Forest Management and Conservation Fund will benefit from the proceeds from the sales of the Manual, Mr. Speaker.

## **FISHERIES**

For the first time, Mr. Speaker, a comprehensive policy is being developed for Jamaica's Fishing Industry...a modern policy framework, which will establish a strategic approach to fisheries, management and development planning.

Hand-in-hand with this, Mr. Speaker, goes the imminent passage into law of the new Fisheries' Bill, the need to prepare for the implementation of its provisions, and the related necessity to prepare the Fisheries Division to discharge its institutional mandate, alongside other public and private agencies that have complementary and convergent mandates in Jamaica.

Accordingly, Mr. Speaker, the Fisheries' Division, with the assistance of the FAO, embarked on a series of consultative meetings with stakeholders throughout Jamaica in August 2003, and these were continued in October. These consultations with stakeholders included the Aquaculture Industry and relevant Government Agencies.

Some of the burning issues coming out of these consultations include:

- effective organization of fisher folks;
- stock assessment and research;
- increased fines and penalties for illegal fishing practices;
- enforcement of mesh size limits and other gear limitations;
- protection of 'no-fish zones';
- the licensing system;
- alternatives to current fishing practices;
- incentives for sustainable fishing practices;
- safety at sea;
- insurance of life and equipment and
- fishing beach management, inclusive of waste disposal and sanitation.

The final draft of the document, entitled *A Policy Framework and Strategic Plan for Sustainable Fisheries in Jamaica*, will be ready within the present quarter, Mr. Speaker, as also the instructions for the reviewing of the Draft Fisheries Bill.

We confidently predict that the people of Jamaica will be the beneficiaries of the project -fisher-folk, consumers... as well as the Country's aquatic biodiversity.

## **PLANT QUARANTINE**

In all of this, Mr. Speaker, it is vital that we ensure that only the highest quality, pest-free produce is imported into, or exported from the country, to prevent exotic plant pests and diseases from entering and becoming established in the Island.

The Plant Quarantine/Produce Inspection Unit of the Ministry carries out this mandate.

It is now three years since the Unit has had direct responsibility for the operation of the two Export Complexes, located at the Norman Manley and Sangster International Airports. The services provided have been efficient, continuous and at a high level.

As this Honourable House and the nation are aware, the services at these two important stations include:

- produce inspection;
- USDA Pre-clearance inspection;
- Fumigation;
- cold and ambient storage;
- facilitation of airline cargo;
- customs

Among other development plans, Mr. Speaker, is a major expansion of the warehouse at the Export Complex at the Normal Manley International

Airport, to develop more efficient handling of the increased cargo expected to pass through the facility.

Here, Mr. Speaker, it is worthy to note that all financial commitments to the USDA for the operation of the pre-clearance programme in Jamaica, have been met on time and the centers met the revenue target as set out under Appropriation in Aid in the 2003/04 Estimates.

Within the constraints on resources, Mr. Speaker, we will continue to improve the equipment and facilities, in order to ensure that the high quality of services to the exporting community is sustained and that the infrastructure is protected from deterioration.

## **THE COMMODITIES**

### **Banana**

Mr. Speaker, one of the more encouraging aspects of the agricultural portfolio has been the move to add value to primary produce. In this regard, the Banana Industry is a good example.

The fact is that local annual consumption is now at 100,000 tonnes and this is in no small way due to the growth of the Banana Chips Industry. Our export production has declined from 87,000 tons in the region to 40,000 tonnes, but what is increasingly apparent is that the local value-added Banana Industry is increasing its importance to the economy, through its contribution to foreign exchange earnings and import substitution.

An export quota of 60,000 tonnes per year plus the local consumption demands, will make it difficult for farmers to keep pace with the overall market requirements.

It is encouraging to note, Mr. Chairman, that despite the closure of Victoria Banana Company, which produced 7,000 tonnes, we still managed to effect a small increase from 39,896 tonnes in 1992, to 40,000 tonnes in 2003. This is as a result of strategies being put in place to increase productivity, both on large estates and on the smaller farms of regular growers. As a matter of fact, small and medium growers registered 45% increases in their

production in 2003. We believe that this is also due to the exciting demand for banana on the local market, which has created new marketing opportunities.

As far as we are concerned, Mr. Speaker, we expect that under the post 2005 Regime, ACP banana will enter the EU tariff free, while a levy will be imposed on non-ACP countries. The level of protection, of course, will depend on the rate of the levy imposed, and that is yet to be decided.

Mr. Speaker, we are committed to the Banana Industry, and look forward to achieving our target of 60,000 export tonnes, while taking the fullest possible advantage of the booming local market potential of 100,000 tonnes/year

### **Update on Moko**

The industry was recently presented with another serious challenge with the confirmation of the Moko disease in a number of banana growing areas in St. James. The Ministry moved swiftly to contain its spread of the disease and to institute an eradication programme. In addition, the FAO provided the services of an expert to assist us in our surveillance and eradication strategy.

To date, the disease has not been detected in any banana growing area outside of the parish of St. James and subsequent laboratory testing of suspected materials suggests that the disease was not introduced into Jamaica through diseased banana or plantain corms. A total of approximately 20 acres of affected fields have already been eradicated. The industry fully supports the efforts of the Ministry to resuscitate those farmers affected and this assistance will be provided to them shortly.

### **Pimento & Ginger**

If ever there was a niche market, Mr. Speaker, pimento and ginger must surely be among the most exclusive to us. It is well known that Jamaica produces the finest quality of pimento in the world, while the flavour of our ginger is famous and highly sought after.

The Ministry of Agriculture is determined that there should be a dramatic increase in the production of these two crops, so that we can take greater advantage of the vast potential market that beckons.

In this regard we are currently implementing a Pimento Rehabilitation Programme, with all the required inputs being made available to pimento farmers free of charge. These include:

- planting material;
- Black Ant control;
- drying equipment;
- reaping equipment and
- research and development
- 

These interventions are already reaping success with positive signs of increased production.

The Ginger Industry, Mr. Speaker, was on the verge of virtual extinction in 1999 as a result of the ginger rhizome rot disease. However, thankfully due to the production of ‘clean’ planting material utilizing the tissue culture technology – an initiative spearheaded by the Ministry in collaboration with the Scientific Research Council, the industry has now recovered to the extent where Jamaican Ginger is now available to satisfy local demand. I must say that our Export Division has played a vital role in this positive turn of events and we are now making every effort to rebuild the ginger export market, which has required our starting from ‘scratch’, by identifying buyers abroad.

All potential buyers have confirmed the quality of Jamaican Ginger, and readily say that it is superior to its counterparts from other countries, but there is a significant pricing differential, which is our main problem, and this is for example reflected by US 48 cents per pound as compared with the Jamaican Ginger, which sells at US\$3.60 per pound.

We are confronting this problem, Mr. Speaker, because if we can become more cost competitive, the quality of our Ginger will speak for itself. Meanwhile, experiments are being carried out on the extraction of ginger

emulsion, which is widely used by bakeries. These value-added products would be one method of resolving the marketing problem and garnering more returns to the industry.

## Coffee

Mr. Speaker, the restructuring of the Coffee Industry is a work in progress. The separation of the Coffee Industry Board; that is, the separation of the Regulatory Division from the Commercial Division, is being actively pursued. This exercise was scheduled to be completed at about this time. At any rate, both Divisions now functional separately as they carry out individual mandates and are housed in different offices.

The CIB Regulatory Division continues to carry out functions such as quality control, advisory services, export, research, promulgation of standards, licensing, and certification and brand protection.

The Commercial Division will be divested to the Specialty Coffee Company of Jamaica, and will operate as a wholly owned subsidiary of the Government of Jamaica, retaining responsibility for purchasing and marketing of its own supplies and continuing to sell its services as a processor of coffee. The intention of this separation is to provide greater transparency to all operations of both organizations and, ultimately, to enhance their efficiency.

It is worthy of note, Mr. Speaker, that the CIB Regulatory Division, through its legal department, has successfully secured registration of its trademarks... *Jamaica Blue Mountain Coffee, and Jamaica High Mountain Supreme* in major markets abroad.

It is also prepared to settle standard Trademark Licensing Agreements to be used in trading agreements involving these categories of coffee, between the Jamaican Industry and its trading partners overseas.

The CIB has also developed a **Brand Identity Kit**, which outlines the guidelines governing the use of the trademarks by any coffee entity. This Kit is now available for dissemination to the trade.

Producers and manufacturers of coffee are now required to apply the CIB-RD for a Coffee Dealer's or Coffee Works Licence, to legitimize their operations.

Approval is based on fulfillment of the standards by the CIB, relative to the production and/or manufacture of Jamaican coffee.

The importance of these developments cannot be over-estimated, Mr. Speaker as the pirating of our Blue Mountain Brand has become alarmingly widespread, and one of the main dangers is that inferior products are now

benefiting from the use of the name, while at the same time destroying the reputation for high quality, which is enjoyed by our coffee.  
The vigilance will neither cease nor subside, Mr. Speaker.

### **Cocoa**

Mr. Speaker, the net operating surplus in Cocoa, earned for the Crop Year in review, jumped from \$3.1 million in 2001/2002 to \$33.5 million. This is a significant achievement, considering that the tonnage sold was similar for each year.

This was due to the record average price of \$135,851 per tonne which was negotiated, compared with \$89,987 in the previous year and the tight control maintained over expenditure.

With the significant surplus generated, the accumulated deficit of \$28.5 million, as at September 30, 2002, was effectively cleared, paving the way for growth.

With demand for Jamaica's 'fine-flavoured' cocoa currently estimated at 1,200 tonnes per annum, and production averaging 810 tonnes over the past three years, the Cocoa Rehabilitation Project was formulated with the main objective of increasing and sustaining production in the shortest time possible.

Already over \$2.2 million has been spent to provide benefits in the form of fertilizers, rodenticides, cocoa seedlings, reaping hooks and technical advice to 220 farmers in the parishes of St. Mary, Portland, St. Thomas, St. Catherine and Clarendon, to rehabilitate approximately 715 acres of cocoa. Another 200 farmers have prepared approximately 550 acres in anticipation of benefits under this Project.

We expect positive results in production within 6 to 12 months after application of the inputs, Mr. Speaker.

Indeed, Mr. Speaker, there are those, Mr. Speaker, who maintain that cocoa has been the most improved of the traditional crops over the past year.

## **Domestic Food Crops**

Domestic Crop Production for 2003 was 491,479 tonnes, reaped from an area of 36,239 hectares. This level of production represents a growth of 13% over the level of production in 2002.

Vegetables did exceptionally well, as their production increased by 26.4%...notably cabbage, tomato, pumpkin and carrot, which recorded growth of 34.2%, 29%, 26.4% and 26.4% respectively.

The increased levels of production triggered a reduction in the farmgate prices of most crops, thus making them more affordable to consumers and lessening the effect on inflation.

## **Citrus**

The fight against Tristeza continues in the Citrus Industry, Mr. Speaker, and is underpinned by a Citrus Replanting Programme, supported under loan and grant agreements involving the Caribbean Development Bank, the Government of Jamaica and the Development Bank of Jamaica.

The drive is to arrest the decline of the Industry, and the target is to replant some 2,833 hectares of citrus groves over a five-year period.

The activities are within three components:

- Public Education;
- Technical Services;
- Credit Services;

While the farmers have been slow in taking up the loans, Mr. Speaker, there has been wide-scale utilization of the certified plants.

## **Livestock & Poultry**

The sub-index for meat and poultry during 2003 reflected an increase of 9.8% relative to 2002. This was pushed mainly by poultry and pork, Mr. Speaker, which went up by 12.4% and 15.2% respectively.

In the case of Poultry, production during 2003 was estimated at 94,241.9 tonnes. This was mainly attributable to improved efficiency in the Industry,

leading to an increase in the dress weight of birds, as well as efforts by Government to discourage dumping of this product on the local market.

There continued to be a high demand for poultry meat, which accounted for between 70 to 72 per cent of the total meat consumed in Jamaica in 2003.

Although there was a 4.7% increase in the number of beef cattle slaughtered during the year, Mr. Speaker, production declined by 3.8%. This was due to the increases in the prices of inputs, poor management practices on the part of some farmers and competition from imports.

The ban on the imports of beef from the US in December 2003, as a result of the single reported incidence of BSE in the State of Washington, created a shortage of the product on the local market and a subsequent increase in the price to farmers.

As predicted, Mr. Speaker, the cycle is about to come full turn, as currently, no one is about to give away their cow, and those who have maintained their herds in some acceptable form, will begin to reap the benefits.

The story with the Dairy Industry is also one of decline, Mr. Speaker, as the production of milk fell from 20.5 million litres in 2002, to 18.2 million litres last year.

Some farmers experienced difficulties selling milk to processors and this influenced a reduction in production as farmers adjusted to the market.

Government/s continued support to dairy industry through milk marketing project.

Jamaica's Goat Industry continues to provide farmers with increased market opportunities, as a result of the continued shortfall in the supply of local mutton.

This is supported by data collected by the Ministry of Agriculture, which shows that while some 3.3 million kilograms of goat meat was produced between 1997 and 2002, in excess of 3.6 million kilograms of mutton had to be imported for that period, amounting to expenditure of over \$244.3 million to meet the local demand.

In an effort to significantly reduce the import bill for goat meat by encouraging more farmers to take advantage of the available market

opportunities, the Ministry of Agriculture continues to provide them with information necessary to operate profitable goat rearing businesses.

## **Sugar**

Mr. Speaker, I end this section with the Sugar industry.

As I speak, the 2003/2004 Crop is heading for the 'last furlong' so to speak, with grinding operations scheduled to end no later than the end of May or early June, in most cases.

It is already clear that, production-wise, there has been a significant improvement over the previous crop. The final figure looks to be at least 25,000 tonnes more of 96<sup>o</sup> sugar than was produced in the 2001/2002 Crop.

A fortunate set of circumstances regarding the rate of exchange of the US Dollar as against the Euro resulted in improved earnings last year. The same circumstances are likely to have a similar, or even better effect this year. There are some predictions that the final price of this Crop will be closer to the J\$30,000 per ton sugar mark.

This is good, but we must not fool ourselves into thinking that these prices are related to increased price for our sugar but it is as a consequence of favourable exchange rate movement. There has been marginal improvement in the TC/TS ratio but we are still woefully short of the efficiencies that must be achieved if we are to prepare ourselves for the stiffer competition, which is inevitable with the new European trade regime.

The Government of Jamaica supports our Sugar Industry. We recognize its vital importance and it is our intention to ensure that there is a holistic and sustainable approach to the growth and development of this vital sub-sector.

Our plans for the Sugar Industry will be based on the realities of future markets and trading relationships, and already some directions are clear.

The most Honourable Prime Minister, Mr. Speaker, informed the nation and this Honourable House of plans to explore the possibilities of an Ethanol Project, as we actively pursue initiatives to identify alternative sources of energy. This, together with the potential for co-generation and the refining

of sugar, open up tremendous possibilities for the Sugar Cane Industry, and could relieve much of our dependence on certain markets for the viability of the Industry. These are exciting times, and the potential for a rebirth of the Industry is becoming clear.

Mr. Speaker replanting has started again in earnest. The farmers are becoming more aware of proper agronomic practices and a genuine effort is being made to revitalize the industry. The Sugar Company of Jamaica is not to be outdone by the private estates and have been moving rapidly to put their house in order. Centre Pivot and Hose Reel Irrigation systems are being installed. Replanting is taking place and the target for next crop is for more upgrading of the factories. Mr. Speaker, we are on track to really improve efficiency and overall competitiveness in the sugar industry. The prospects for value added are real and are being pursued vigorously.

### **The Agricultural Sector – The Way Forward**

Having reviewed the performance for the previous year, Mr. Speaker, I would like to focus up now on my vision of the way forward for the agricultural sector. However, before doing this, I wish to highlight some pertinent factors.

The sector continues to play an important role in the Jamaican economy, employing approximately 21% of the labour force. Whilst the year under review saw the sector increasing its contribution to real GDP by 5.1%, the reported GDP growth masks its contribution to secondary activities including agro-industry, tourism, distribution, transportation and food services.

Approximately 25% of the inputs of these industries are sourced from domestic agriculture with the potential for significant increase. Agro-based products account for over 20% of export, earnings with non-traditional agricultural exports such as spices, fruits, vegetables, roots and tubers showing serious growth potential.

Mr. Speaker, because of the role that agriculture plays in its impact on the cost of living, the contribution to food security, the potential for foreign exchange earnings, its impact on environmental protection stabilization of

rural communities, the Government is taking a hard look at revitalizing the sector.

However, despite the above and numerous policy initiatives over the years, up to now the sector continues to perform well below its potential. The sector faces four (4) major threats.

- Diminished availability and inadequate utilization of land;
- Reduction in the active farming population
- Declining competitiveness in the face of imports
- Restricted scope of policies consequent on application of WTO rules

Counterbalancing these threats, Mr. Speaker, there are a number of important opportunities; including:

- A growing demand for agricultural products in domestic and export markets, (e.g. agro-processing, tourism, food services);
- Specialized demand for the ‘Jamaican-Product’; and
- Competitive advantage in a range of agricultural and agro-based products (e.g. alcoholic beverages, spices, ethnic foods).

In order to successfully face these threats and take advantage of emerging opportunities, a new highly efficient technology-driven agriculture is required. However, certain structural weaknesses of the sector must be overcome. These constitute major constraints to the development of efficient and competitive agriculture in Jamaica.

## **International Trade**

The vision for the future Mr. Speaker, has to be informed by the developments taking place in the International Trade arena.

The year under review was a busy and difficult one for international trade negotiations both in the WTO and FTAA negotiations, where agriculture continued to be the centerpiece of the discussions – many times threatening to be either the deal maker or deal breaker.

Both negotiations have encountered serious problems and as a result have been inconclusive. In both cases agriculture has been the main stumbling block, as most countries including Jamaica, are very serious about defending

their interests in this sector, and it is often difficult to accommodate the varying interests of all the countries in a single approach.

In these negotiations, Mr. Speaker, the Jamaica agricultural sector has quite a lot at stake, since the negotiations raise questions about the continued viability of producing for traditional preferential export markets, as well as the domestic market. Will we be able to compete in these markets? Will the sector be required to reduce jobs? What is the future for Jamaica's national food security and rural development objectives?

We are also very reliant on imported foods, which are worth about twice as much as the value of our agricultural exports. We need to consider how these negotiations will impact on our import bill and we, therefore, We therefore have a range of vital national and economic interests to defend and promote in these negotiations.

In the WTO, an agreement on agriculture has continued to elude the negotiations. The WTO Doha Ministerial mandate had set the date of 31<sup>st</sup> March, 2003 as the deadline for agreeing to the methods and modalities, or the ground rules for an agreement. This deadline passed without an agreement. Later in September 2003 the WTO Cancun Ministerial was unable to advance the process as this meeting also ended in deadlock over agriculture, as well as other trade issues. Jamaica is still working along with the other WTO members to arrive at a satisfactory agreement.

What are we seeking to achieve in these negotiations, Mr. Speaker Jamaica along with the CARICOM countries and a number of other developing countries are emphasizing the development perspective and the importance of special and differential treatment, particularly for small vulnerable economies. We are seeking to protect a number of sensitive agricultural commodities produced for the domestic market including fruits, vegetables, meats, dairy products and condiments. In addition, we are recommending the preservation of traditional non-reciprocal trade preferences particularly for sugar and bananas for a reasonable transitional period. The use of a special safeguard measure is being advocated for use by developing countries in the face of import surges and significant price reductions.

A real impediment in these negotiations has been the unwillingness of a number of developed countries to reduce the substantial subsidies granted to their farm sectors, while insisting at the same time on the reduction of tariffs

in developing countries, which lack the necessary resources to match their farm subsidies.

The FTAA negotiations also encountered some difficulties during this year. At the Miami Ministerial Meeting held in December 2003, the trade Ministers agreed on a new strategy or vision for the FTAA. The new approach is considered much more pragmatic than the former one and will allow countries to accede to different levels of obligations within the FTAA. The way forward, however, has to be further elaborated by officials at the technical level. CARICOM was successful in carving out for the region a commitment from the Ministers in Miami, to Special and Differential Treatment for smaller economies.

Jamaica is fully prepared to further liberalize further its agricultural sector within the context of the FTAA, Mr. Speaker, but would wish to use practical and useful provisions for special and differential (S&D) treatment, to assist with in the adjustments that the sector needs to undertake in order to operate in a more liberalized trading environment. We are, therefore, supporting a more gradual and non-linear approach to liberalization in the agricultural sector.

The Hemispheric Cooperation Programme (HCP), which is being established by the FTAA participants, as a practical S&D measure, is expected to provide resources to assist with the development of the agricultural sector in smaller economies. My Ministry has therefore submitted for inclusion in this programme, projects in the areas of fisheries' development, trade policy and plant protection. Other projects will be submitted later in the process.

The topic of sugar has engaged significant attention on the radar screen of the multilateral trading system. Brazil, Australia and Thailand have complained formally to the WTO about the EU's Sugar Export Subsidies and a Panel was subsequently established, and has submissions from the complainants. The panel has also benefited from inputs from Jamaica and other A.C.P. countries whose vital interest could be affected by a ruling in favour of the complainants. The ACP countries including Jamaica, view this action as inimical to their interests.

The viability of the sugar industry in Jamaica is also being threatened by the current reforms undertaken by the EU of its sugar regime, under the aegis of reform of its Common Agricultural Policy.

The WTO negotiations on Agriculture, in so far as they seek to reduce subsidies and domestic support, also pose a serious threat to the current arrangements for sugar contained in the Cotonou Agreement. The trade issues concerning bananas and the repercussions of the WTO banana ruling have not yet passed completely. The EU is about to establish a tariff only regime to replace its current Banana Import Regime. ACP banana producers will need to lobby for a tariff that will offer maximum WTO compatible protection against bananas originating in Latin America.

A tariff of about 140 euros per tonne is being recommended by some Latin American interests to replace the current 75 euros per tonne. The ACP is likely to respond with a proposal for a higher tariff. Jamaica is one of two (2) countries in the ACP that could be affected by adverse rulings in both sugar and bananas.

The Ministry of Agriculture, Mr. Speaker, is committed to the successful conclusion of global and hemispheric negotiations on agriculture, which respond to our development objectives. As a consequence we have been actively working closely with the Ministry of Foreign Affairs and Foreign Trade and the CARICOM Regional Negotiating Machinery in these discussions. We have also kept the stakeholders in the sector fully abreast of these developments. For this purpose, the Ministry, in collaboration with IICA, convened two workshops during 2003, which were designed to bring the stakeholders in the sector including related Ministries and Agencies, farmers and the private sector, up to date regarding developments in the negotiations and to allow them to make inputs into Jamaica's negotiating positions.

## CONCLUSION

Mr. Speaker, I have given this Honourable House an overview of where we are and where we want to go. For the benefit of the Members, the Ministry of Agriculture has tabled some information, inclusive of the projected expenditure, and we, of course, stand ready to entertain any requests for further information. I would like to further advise this honourable house that the Ministry will table a number of Ministry Papers during the course of this parliamentary year, in order to update the members on the status of certain critical programmes and initiatives being pursued by the Ministry, to move the sector forward. This is a sector with which we must all bond, because it is, as I said before, nothing less than the development of rural Jamaica.

This Government has moved in a direction, which is informed by the new paradigm of globalization and the market economy. We have sought to set the policy parameters and supplied the required incentives and assistance.

Partnership is the name of the game...partnerships between the Public and the Private Sectors. For example Mr. Speaker, The Pig Improvement Project to which I have already alluded, bears testimony to this new approach on which we have embarked.

Partnerships between large producers and smaller producers and partnership between the Ministry and international development agencies/organizations. Enlightened self interest would demand this approach.

I would like to highlight the partnership with our development agencies such as the EU, FAO, IICA, CARDI, CIDA, and USDA. They have provided both technical expertise and significant funding for of many important programmes and projects for which the sector and the country, as a whole, is extremely grateful.

This is a time for serious minds to have practical visions, fueled by the willingness to look beyond the obvious and the traditional. We must find new ways to do old things even as we strive to preserve all that is best in our rural traditions.

Mr. Speaker, I feel fully vindicated in my defense of and support for the Jamaica Agricultural Society. There were times when I was virtually a lone

voice crying in the midst of detractors. But that institution will play a pivotal role in our marketing plans, and is beginning to rise again to the challenge, under vibrant new leadership. They share our vision of a modernized agricultural sector and although this belief may have faded in the minds of many, it is still so, now... more than ever. A whole generation of youth have grown up without knowing this or ever hearing it expressed, but Mr. Speaker it is so.

Our need for food security is greater than ever before, and we will pursue it. But the approach must be grounded in the principle that farming is a business. It must embrace best practices and appropriate technology. Jamaican quality and flavour must meet international standards.

Even as we embrace the move to encourage all our citizens to “Eat Jamaican”, we know it must be on the basis that what we as farmers are putting in the market place can stand up to any competition.

Mr. Speaker, I have never felt more optimistic about the sector than I feel now. We do have problems in certain areas, but the areas of opportunities far outweigh the problem areas. Investments are taking place in the sector and many people are progressing within the sector.

The Ministry of Agriculture will continue to pursue our Mission and our goals. We will build on what has been an encouraging year of progress. And we look forward to playing our part in the productive process, and the positive developments brought about by wise Government. Government with a vision.

Thank you.

