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Discussion Report

Participants in the discussion raised the question of the wider context within which diversifiscation should operate. It was suggested that, in the first place, industry should be considered as an alternative to agriculture before points of detail were settled within agriculture. In any case, the exercise should embrace CARIFTA and consider individual national economies in this context. On the methodical side, caution was needed because of the paucity of reliable data and because of the need to consider marginal changes rather than averages, for example, as in the case of sugar pricing and acreages. Doubts were expressed as to the government's ability to direct a policy of import substitution without any guidance from price changes.

On the demand side, speakers were very conscious of the prevailing uncertainty about the future of sugar: beet and cane sugar now cost much the same per ton produced. Britain's agreements were not considered inviolable. Moreover, on the supply side, countries outside the Caribbean were believed to have a comparative advantage over Barbados in sugar production. Although no immediate danger existed, the need for contingency planning was endorsed. The implementation of any such plan was difficult to time since it might induce metropolitan countries to press more strongly for the reduction of the degree of preference accorded to traditional export crops.

Caution was urged regarding acceptance of the proposition that all imports are potentially replaceable. With chicken, for example, the local demand for whole chicken and for the more expensive parts such as legs and breasts was greatly exceeded by the demand for wings, necks and backs which the local industry could not meet economically. Milk posed the problem of paying the premium over milk powder prices in order to support expansion. Further, new export markets for non-traditional exports demanded regular bulk consignments in order to obtain low freight costs. Some sixty commodities had been inspected for export potential, thirty had some possibilities, and Sea Island Cotton was considered to be best of these, despite the new expertise required. It was questionable whether exotic fruits would make more than a marginal contribution because of limited market requirements and competition from other producing areas: the difficulty experienced in exporting cucumbers from Jamaica was cited as an example.

Yet all new prospects needed examination because none of the diversification alternatives discussed in the papers appeared to hold out more than very limited prospects at present. It was suggested that a brighter future for dairying would follow if grassland potential was exploited. The Conference was reminded that other enterprises could be introduced if sugar yields were increased enough to allow the release of land for the production of other crops and if corn were grown on thrown-out land. There was no need to look for another monocrop to replace sugar. Enterpreneurs existed, if only profitable alternatives could be found, as shown by the development of field scale food crop production. Yet it became clear that although Barbados' agriculture is so specialised that some diversification is desirable in order to reduce risk, the alternatives themselves are all high risk enterprises. Other potential exports face as fickle a market as sugar; dairying demands skills which are rare in the Island; livestock production faces high feed costs. Sheep are considered to be too extensive an enterprise, except for production of breeding stock for export. Perhaps sugar cane would provide its own best alternative if the potential value of the cane for the production of paper became realised.

It was concluded that no abrupt change from sugar's 300-year dominance of the economy of Barbados was to be expected. Real estate and tourism were seen as possibilities in some attractive marginal areas, industry in others, and CARIFTA might provide further outlets for agriculture. The search for alternatives to sugar continues, hampered by lack of qualified staff to devise a new system or to implement one if found.

THE CARIFTA AGREEMENT AND THE AGRICULTURAL MARKETING PROTOCOL