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REPORT ON THE PANEL DISCUSSION
AGRICULTURAL DIVERSIFICATION IN
ST. KITTS AND NEVIS

The Panellist were:

Mr. Eugene Petty Permanent Secretary
Dr. K.A.E. Archibald Director of
Agriculture St. Kitts
Mr. F.A. Merchant Director of
Agriculture Nevis
Mr. Jerome Thomas Research Officer
Mr. Charles Pemberton Livestock
Officer
Mr. Conrad Kelly Sugar Cane
Agronomist

The Moderator was: Dr. Osbert Liburd
- Consultant in Agriculture.

The session started with each panelist
outlining some aspect of Agricultural
Diversification in St. Kitts and Nevis.

Mr. E. Petty outlined the policy issues
included in the Diversification programme. He
stated that the major policy objectives
included:

- (a) To increase food production
- (b) To generate employment
- (c) To generate income in the
economy, and
- (d) To maintain food reserves.

The Programme he stated was divided
into two Sub Project. The St. Kitts Sub-
Project and the Nevis Sub-Project. Major
aspects of these Sub-Projects included:

Farm Settlement activities in St. Kitts

Fisheries development

Expanded production on Government
estates

Provision of Agricultural Credit

Improved Land Use and Land Tenure
especially in St. Kitts

Improved Agricultural Marketing.

Dr. K. Archibald reiterated the areas
given by Mr. Petty. He noted that the
Diversification programme was designed to

move St. Kitts from sugar monoculture to a
more varied production pattern. Sugar cane
would continue in the Programme but there is
to be the diversification within the sugar
industry in terms of products other than raw
sugar.

The major diversification areas outside
sugar were:

Tree Crop Farm with Vegetables

Intensive arable cultivation livestock
development on natural pasture areas.

He noted that there was need for
institutional strengthening to undertake this
programme. Areas mentioned were:

- (1) Marketing (Central Marketing
Agency) for expanded domestic
utilisation as well as export.
- (2) Cooperatives, and
- (3) Project Management.

He disclosed that the Diversification
Project now under consideration would cost
EC\$41.4 million with capital expenditure in
the region of EC434.7 million.

Mr. F. Merchant gave a background to
the current agricultural situation in Nevis. He
noted that Nevis has taken the lead in
diversification in the state, especially after
sugar cane production declined.

With respect to the current
Diversification Project, he noted that livestock
development will be emphasised in Nevis. Also
the Project will seek to strengthen the linkages
between Agriculture and the expanding
Tourism sector.

He also noted that attention will be
given to cotton production and that there
were plans afoot to create an integrated
cotton industry in the Eastern Caribbean
including Montserrat, Antigua, Nevis and
Barbados.

Tree crop production he stated will be
concentrated on Government stations.

Mr. Jerome Thomas noted the declining
balance between earnings from the export of
sugar and the expenditure for the importation
of food into St. Kitts and Nevis. He gave the
following figures:

Value of Export of Sugar EC\$m

1979	42.7
1986	28.0

Value of Food Imports EC\$m

1979	18.5
1985	29.5

Thus he stated sugar exports could not pay for the importation of food.

Mr. Thomas then explained the details of the Crop Diversification Project which was aimed at doing something to redress the declining balance.

He noted however, that the choice of crops for the Diversification Project did not coincide with the crops which the current farm population was expanding production of. In particular, he noted that a new young aggressive set of farmers were now responsible for a large proportion of food production and he did not consider that the Project dealt with issues pertaining to them.

He stated however, that he was confident that St. Kitts and Nevis could make great strides in food production as shown by the recent expansion of white potato production to the level of some 225,000 pounds in 1988.

He concluded that investment in money and capital should be matched by equal investment in human capital since a depleted staff in agriculture could not respond to the needs of a Diversification thrust. He therefore lamented the recent loss of staff at the Ministry and wondered if this did not impose a serious constraint on the diversification efforts.

Mr. Charles Pemberton expanded on the livestock aspects of the Project. He stated that the major thrust was in small ruminant and dairy production. The aim was to establish measures which would meet the needs of landless farmers as well as others engaged in livestock farming.

The Project had specific activities in the following areas among others:

1. Establishment of communal pastures
2. Setting up of service centres to provide services such as milk collection
3. A joint project with CARDATS to establish six model sheep and goat farms and a breeding unit
4. Establishments of 12 acre sheep and 10-15 acre dairy farms.

Mr. Conrad Kelly of SSMC noted that given the current international conditions, the sugar industry could not be as optimistic as the others areas of agriculture could be. Thus the diversification would be out of sugar cane production. The main role of sugar in the diversification programme would be to promote non-sugar activities.

He noted however, that the industry is engaged in diversifying its products lines. The new distilling operations is expect to provide jobs for 37 people and production is expected to expand to 1½ million litres.

There are also proposals being considered for ethanol production and the production of fertiliser and soil restoratives.

The Discussants were:

Mr. Foster Bissessar
Mr. St. Clair Barker
Mr. Charles Douglas
Miss Mable Tenn
Prof. T.H. Henderson

Mr. Bissessar noted that the Diversification plans seemed not to have been developed with the participation of farmers and executors of the plan. He also raised the issue of leasing versus outright purchase of land. He himself favoured long term leases. He also advocated expanded local uses of sugar as well as the setting of specific targets to guide the implementation of the Project.

St. Clair Barker stressed the need for adequate staffing of the state's Agriculture Ministry, charged with the implementation of the plan. He also noted the stress on single crop enterprises and advised that multiple enterprise mixes should also be considered as they were likely to be adopted by farmers.

Mr. Charles Douglas wondered how the sizes of farm units were determined for the Project. He favoured out right ownership of land by farmers, since this would encourage greater investment on their part. Mr. Douglas also questioned whether credit had been identified as the major constraint by the farmers and if that was the reason it was singled out for special measures. He cautioned that credit programmes often do not achieve what they are aimed to do. Mr. Douglas concluded his remarks by suggesting that import substitution was the best goal or priority for policy in diversification, given the food import bill and difficulties of trying to penetrate export markets.

Miss Mable Tenn contended that the aim of the land distribution should be to bring about increased agricultural production rather than merely setting people on the land. She advised against subsidised credit because of problems of fungibility. Miss Tenn also cautioned about too much emphasis on a Central Marketing Agency or Corporation and suggested that trade should be left to private enterprises (hucksters) and that their trade should be strengthened. She also touched on a number of issues such as: the need for research and development and a system for results to reach to farmers; the difficulties of modifying the infrastructure of sugar for the production of non-traditional crops; the water situation in Nevis and the difficulties of irrigation; and the value of long term leases as collateral for loans.

Professor T. Henderson saw the urgent need to tie agricultural development with the expanding tourism sector. He also urged that in the planning for diversification that total emphasis should not be placed on new farmers. There should be attention paid to all farmers who currently make up the entire body of small farmers along with the selected farmers for the diversification thrust.

Mr. E. Petty then followed up on some points raised by the discussants. He stated that the policy was to lease land to farmers to prevent fragmentation and to reduce problems associated with inheritance. He noted that credit would be paid to suppliers on behalf of farmers to reduce fungibility. He also stated that CMC had been in existence for 13 years and while it was doing a good job, currently it will be refocused somewhat to undertake more local and export marketing of agricultural products.

The main points raised in the ensuing discussion focussed on the issue of the degree of protection that domestic commodities should receive as part of a diversification thrust. The case of broiler production in St. Kitts was detailed in the discussion. The consensus seemed to be that there was a need for some form of protection of local food production and a reducing scale of tariffs was put forward as the best device to achieve this protection.

Concern was also raised about the lack of information on the planned project by concerned persons and individuals. There was the need expressed that more of the elements involved in the agricultural sector should be brought into the discussion and formulation of specific projects and activities.

The issues of the optimal size of farms for diversification and the methods of selection of farmers were raised. It was stated that farm sizes were chosen to give an annual net farm income of \$2,000 from the farm organisation.

A plea was made for the retention of specialised crop production with some of the best lands to be retained for sugar production. This did not meet with popular support. The plea was also made for the physical separation of different agricultural activities to allow each to operate properly eg. the use of herbicides and mechanical harvesting of sugar cane.

In response to some of these issues it was stated that there was not just one diversification project but that several projects in diversification have been going on in St. Kitts and Nevis. The Diversification Project Document that some of the panellists referred to was the culmination of years of ideas and studies on diversification. It was noted however, that there was the need for wide involvement of farmers, extension officers, marketing people and so on in the implementation of the Diversification Project.

Other issues raised in the discussion were:

1. The need to explore processing opportunities especially in Nevis for breadfruit and mangoes.
2. The rate of return for the Diversification project.
3. The role of Bayfords in the livestock diversification activities of the Project.
4. The relative costs and benefits of diversification.

**CRITICAL ISSUES IN
IMPLEMENTING
DIVERSIFICATION RECOMMENDATIONS
FROM THE CONFERENCE**

INTRODUCTION:

The Nineteenth (19th) West Indies Agricultural Economics Conference convened at the Fort Thomas Hotel, Basseterre, St. Kitts during 13-17 June 1988 on the theme "IMPLEMENTING AGRICULTURAL DIVERSIFICATION: POLICIES AND STRATEGIES".

The deliberations of the Conference focussed on priorities in a diversification thrust; theoretical and analytical issues (national, regional, farm levels); issues of markets, prices, incomes, transport and food security; macro-economic issues including balance of payments and employment as well as country experiences in diversification. Project design, farm level issues and agricultural extension were also discussed. The issues were presented and debated with the wisdom and ingenuity at the disposal of delegates in an atmosphere of sobriety, genuine concern and understanding.

This presentation summarises the critical issues in planning and implementing diversification programmes and recommendations arising from the deliberations of the conference. It must be understood that the issues are multifaceted and inter-related and thus any one issue may have several components.

CRITICAL ISSUE I — THE NEED FOR DETAILED PLANNING:

The planning process is complex and involves the following crucial steps: —

- a) problem identification and description;
- b) establishment of goals, objectives and targets;
- c) identification of alternative options, analysis of options and optimal choice of programmes and projects;
- d) incorporation of programmes into the national development plan;

- e) implementation, evaluation and revision.

The methodology of the planning process is well-understood. The critical components centre around (i) participation in the planning process; (ii) clarification of objectives primary and secondary; (iii) strategies for the resolution of conflicts, and (iv) equity in the distribution of development gains and compensation or appeasement of losers.

The Conference recommends:

- (i) the participation of those for whom the policies and programmes are designed, as well as for adequate communication and dialogue, with all those affected by the diversification process.
- (ii) The development of a detailed plan for diversification.
- (iii) That the objectives of such a plan must be clear and consistent as far as is possible. The objectives must be consistent with the overall national objectives.

Crucial development objectives related to diversification include: —

- (a) improved nutrition and health status of the population.
- (b) increased employment and incomes with equity in the distribution of incomes.
- (c) stable food prices.
- (d) increased foreign exchange earnings and improved trade balances.
- (e) improved environmental status.
- (f) sustainability in productivity and income over time.

Specific diversification objectives include: —

- (a) increased variety of products on the market.
- (b) greater contribution to domestic consumption from the farm sector and reduced import dependence.
- (c) increased welfare of farm families.

Diversification plans as they are developed should be consistent with national development plans.

Recognising that conflicts will inevitably arise as the diversification planning process changes the economic and power relationships in the society, mechanisms must be established for the resolution of these conflicts.

The equitable distribution of gains from the development process and the appeasement of losers are crucial to successful implementation of diversification plans. Detailed analyses of the benefits and costs of diversification plans and communications with the various constituents could forestall potential conflicts. The Conference, therefore recommends open dialogue and communication in the planning process as the most appropriate mechanism for resolution of conflicts arising out of allocation of the benefits and costs of diversification.

CRITICAL ISSUE II — DEVELOPMENT OF AN ADEQUATE DATA BASE AND ANALYTICAL CAPACITY:

The development of appropriate diversification plans requires the availability of adequate statistics and factual information on resource inputs, output capabilities, market information, costs and revenues, farmers problems and goals and so on. The analytical techniques for devising the optimal allocation of resources rely on the availability and accessibility to those and other data. Recognising that the costs of compilation of such data could be high and time consuming, the Conference recommends the adoption of rapid reconnaissance surveys (Sondeos) as appropriate approaches for collecting and analysing data for use in developing agricultural extension action plans for diversification. These should, however, be complemented by continuing in depth analyses of the changing socio-economic relations within the farming sector.

CRITICAL ISSUE III — LAND TENURE:

In the Region, the State sector controls a significant proportion of the land resources. In addition, the legacy of the plantation system is one of inadequate size holdings on marginal lands by the small farm sector. The result is alienation, powerlessness, low self esteem and lack of motivation of small farmers. Adequate tenurial arrangements in the allocation of lands to farmers is a major factor in generating motivation. The Conference debated the issue of long term leases versus ownership and remained divided. The critical issue involves the use of the tenure system for collateral and transfer and the protection of economic units from division to uneconomic units.

The Conference recommends further analysis of this issue with the participation of the farming community to devise an appropriate land tenure system.

Division of land into uneconomic units may be overcome by establishing rental or other sublease arrangements allowing economic units to be assembled for farming.

CRITICAL ISSUE IV — MARKETS:

The identification and development of markets to reduce the level of vulnerability of diversification programmes were mandatory. The market must be the basic catalyst for the diversification thrust. Diversifying traditional enterprises by extension to other end products for which lucrative markets exist represents a major diversification potential that should be exploited.

The Conference urges the adoption of a diversification concept that encompasses widening of the product bases and the production of end product levels consistent with market potentials. This concept must not be construed as a need in itself but as a means of achieving other long term goals of diversification.

Since farmers and agro-industrialist, are the ones that stand to gain or lose from the inter-play of market forces, their desires to exploit market opportunities should be supported. This may necessitate the development of: market infrastructure, market information, grades and standards and protection from excessive foreign competition through quotas and tariffs.

CRITICAL ISSUE V — MANAGEMENT OF DIVERSIFICATION PROGRAMMES:

The successful management of diversification projects requires the availability of trained manpower to translate policies into action plans, execute the plans and evaluate the outcomes. This is particularly important where the traditional patterns of production and marketing change as a result of the diversification thrust. While foreign management may have a critical role to play in the diversification efforts, the mainstay of the programmes should be the local manpower resources.

The Conference recommends the appropriate training and work conditions be adopted to ensure the availability of the local manpower resources necessary for the successful implementation of diversification programmes.

CRITICAL ISSUE VI — RESEARCH AND DEVELOPMENT:

Research and development in all areas of the farm to market system are basic to the planning and implementation of diversification. Market potential, production and agro-industrial opportunities are identified through research and development. The technical aspects of moving products from production to consumption in the right form or quality, quantity, time, place and price are developed through research and development.

The Conference recommends the establishment of a programme of researched development specifically geared to diversification. This is particularly important in the development of appropriate technologies. Given the dynamic nature of the diversification process research and development has a continuing critical role to play.

CRITICAL ISSUE VII — BALANCE BETWEEN TRADITIONAL AND NEW ENTERPRISES:

Traditional enterprises have a role to play in the diversification thrust. Abandonment of such enterprises is not indicated in general. Indeed, many have potential for further expansion to other products as well as intensification of existing product lines. The intensification of a more

diversified product base will bring pressures on the traditional system with respect to resource use.

The Conference recommends the critical assessment of the appropriate balance that should be attained between the new and traditional enterprises. In this context the contributions of donor agencies and projects must be rationalised.

CRITICAL ISSUE VIII — BALANCE BETWEEN AGRICULTURE AND OTHER SECTORS:

The Agriculture Sector is not the only one that has potential for diversification: nor is it necessarily the sector that has the greatest potential pay offs. It is necessary to determine the optimal role for the agricultural sector consistent with developments in other sectors.

The Conference recommends the evaluation of the contributions of all sectors and the determination of their desirable balance in the overall development thrust.

CRITICAL ISSUE IX — EMPLOYMENT:

The perceived objective of increased employment arising from diversification does not seem to be borne out by experiences in diversification based on the introduction of new crops on sugar plantation.

Labour inefficiencies in the traditional sector and the introduction of capital intensive technologies create problems of employment displacement.

Governments must be aware of the possible unemployment effects of diversification based on capital intensive technologies.

The Conference recommends the development of programmes for retraining of displaced persons to take up jobs outside the sector. The problem of displaced women is of particular concern and should be urgently addressed.

CRITICAL ISSUE X — TRANSPORT:

Transportation is critical to the movement of product from one point to another within a country, from one country to another within the region and from the region to other markets outside the region. Timely and efficient transportation of

products is necessary for economic gains from diversification efforts.

The Conference recommends the establishment of appropriate local transport systems and the support of regional efforts to establish a transportation network.

CRITICAL ISSUE IX — PUBLIC EDUCATION:

The products from diversification efforts must be consumed by the public. The quality of these products must be made known to the public at large. This is particularly so given the particular food and nutrition related problems of Caribbean peoples.

The Conference recommends the establishment of public education

programmes especially in human nutrition in support of diversification efforts.

CRITICAL ISSUE XII — REGIONAL CO-OPERATION:

Given the small size of national markets, increased production from diversification may result in oversupply at the national level. The deepening of regional co-operation would enhance opportunities for the exploitation of regional markets, as well as the transfer of technologies and the conduct of training programmes.

The Conference recommends continuing efforts to deepen regional co-operation especially in relation to diversification and trade.

List of Registered Participants