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# MARKETING OF NON-SUGAR AGRICULTURAL PRODUCTS: A COMMENTARY

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## Introduction

Any commentary on the marketing of non-sugar agricultural products in the context of a strategy for the development of the agricultural sector in St. Kitts/Nevis/Anguilla must make explicit (a) the overall development objectives and goals expected to be attained; and (b) the particular objectives of the marketing system. The commentary should also have as a backdrop the current state of marketing of non-sugar agricultural products grown in the State and the marketing of foodstuffs in general.

Excerpts from the 1978 Budget Speech by the Honourable Premier and Minister of Finance, recorded in the basic document "Background Information on the Agricultural Sector in the State of St. Kitts/Nevis/Anguilla", point to a clear concern for (a) shifting the balance away from a too heavy import dependence for food supplies, with its corollaries - more favourable balance of payments and greater self-reliance; (b) increased agricultural productivity, with its corollaries - 'full' employment and a basic income for everyone; and (c) price stability.

Omitted from the basic document is any reference to the nutrition and health status of the population, which must be a major concern for all of us. This is a rather significant omission, especially in the context of the statement in the introduction to the basic document that Anguilla was not considered as it is well known that owing to the very poor agricultural conditions of low rainfall and poor soil, there is little agricultural activity apart from the growing of pigeon peas, corn, sheep and fishing. What is perhaps not well known is the fact that despite these limitations, a crop/livestock/fishing system has evolved and has contributed to Anguilla's attainment of a nutritional status among children which would be envied by many Caribbean States (Table 1).

There is much to be learned from these micro-mini territories. Where the majority of the population borders on bare survival, the nutrition status is given high priority in development considerations. Failure to include nutrition as one of the development objectives could lead to widening of the gap between the rich and poor.

More specifically, the marketing system should function so as to (a) get products from their origin of production to all segments of the population, in the quantity, quality, time and place desired by them; (b) provide a system for price determination and dissemination; and (c) contribute to equity in the distribution of gains from the development process. Achievement of these marketing objectives calls for strong regulatory functions by the Government. This is important since the private enterprise system has certain shortcomings which tend to concentrate power in the hands of a few.

The basic document dealt with the production and marketing of a wide variety of products, including starchy fruits, roots and tubers, pulses and

Table 1. Nutritional Status of the Children in Several Caribbean Territories by Weight for Age.

Country	Normal		Mild Malnutrition		Moderate Malnutrition		Severe Malnutrition		Total
	No.	%	No.	%	No.	%	No.	%	
Antigua	303	56.9	189	35.5	36	6.8	4	0.75	535
Barbados	2,208	60.5	1,317	36.1	115	4.1	10	0.3	3,650
Cayman Is.	450	83.8	76	14.1	11	2.0	-	-	537
Dominica	196	49.5	153	38.6	41	10.3	7	1.8	396
Grenada	664	60.3	321	29.1	99	9.0	18	1.6	1,102
Guyana	379	39.3	415	43.0	154	16.0	16	1.7	964
Jamaica	246	50.2	191	39.0	46	9.4	7	1.4	490
Montserrat	999	77.7	255	19.8	28	2.3	3	0.2	1,258
St. Kitts	394	59.3	222	33.4	46	6.9	2	0.3	664
Nevis	155	64.0	72	29.8	14	5.9	1	0.4	242
Anguilla	410	72.4	131	23.1	25	4.4	-	-	566
St. Lucia	210	56.5	122	32.8	33	8.9	7	1.9	372
St. Vincent	1,591	69.5	519	22.7	143	6.2	37	1.6	2,296
Trinidad & Tobago	804	50.7	583	36.8	176	11.1	22	1.4	1,585

Note: Data for Barbados, Dominica, Guyana, Jamaica, St. Lucia and Trinidad and Tobago are based on representative population samples while data for the other territories are based on Child Health Clinic records. In this connection it must be noted that (a) a higher prevalence of malnutrition is usually found among non-attendants at Child Health Clinics, and (b) there is tremendous variation in clinic attendance among different territories - 83% in St. Kitts/Nevis/Anguilla (Anguilla 95%) compared with 25% in Grenada.

Source: Nutritional Status of Young Children in the English-speaking Caribbean (revised). CFNI Mimeograph Document, September 1977.

nuts, fruits and vegetables, fish, livestock products and cotton. Emphasis was placed on the role of the Central Marketing Corporation which is charged with the functions of stimulating, facilitating and improving the production, marketing and processing of produce from the State.

Little was said of the many market vendors who certainly play a significant role in bringing foodstuffs from spatially-dispersed farms to consumers in the towns and along the coastline. According to the 1975 Agriculture Census, there are some 2,470 private holdings in St. Kitts and 2,054 in Nevis producing a wide variety of crops and/or livestock. If the St. Kitts/Nevis market vendor system is similar to that observed in Trinidad and Tobago where the market vendors return a higher proportion of their sales dollar to farmers than supermarkets and handle the bulk of the produce, then this system must be given due consideration in any marketing strategy aimed at developing the agricultural sector. This is of especial importance in the light of the poor performance of the CMC alluded to in the basic document.

The basic document gave recognition to the influence the marketing of imported foodstuffs has on markets for locally-produced foodstuffs. The import sector, with its tendency towards high concentration in import/wholesale activities - supply, demand and price manipulation - aided and abetted by the communications media which highlights as good that which is imported, militates against high volume sales of local produce. The consequences are low production and high cost. Even where costs are low, consumers are made to believe that local products are inferior. A proper marketing strategy for development of the agriculture sector must impinge on the food import sector and the communications media.

In dealing with the imported food sector, care must be taken to avoid adverse consequences on the nutritional status which could be brought about by eliminating from the market basic foodstuffs which now contribute significantly to the nutrient intake of low income consumers. Some of the cheapest sources of nutrient are still imported (Table 2).

### Elements of a Marketing Strategy

Against this background some ideas are presented on elements of a marketing strategy for non-sugar agricultural products. The areas addressed include product selection, price incentives, market structure, marketing facilities, import food price policy and communications aspect. Brief comments will be made on these, which could be further developed in the workshop.

#### *Production Selection*

The apparent small size of the market for locally produced foodstuffs is related to the type of products produced. Well-nourished societies are known to consume a rather large quantity of cereals, a similar quantity of a major root crop and a somewhat smaller but significant quantity of legumes in their early stages of development. Forging a strong linkage between consumers and the agriculture sector requires that crop and livestock selection should be such that a strong and continuing demand for the products is maintained. As an aid to crop selection, we advocate the application of the nutrient-cost concept by which cost of production and distribution estimates could be subjected to a cost analysis based on nutrient value.

### *Price Incentives*

Guaranteed prices have been used by a number of State-controlled marketing agencies to improve farm incomes and increase production. A recent study in Trinidad has shown that because of serious institutional constraints, farmers were very unresponsive to price. If guaranteed prices were adopted, there is need to relate these to carefully selected products as indicated above.

### *Market Structure*

The 'atomistic' market structure typical of market vendors has the advantage of linking farmers to consumers and vice versa, and providing a high level of employment and thus income distribution. The import food marketing sector has certain disadvantages which are inimical to the development of the agriculture sector. Incentives should be given to the former, while Government's participation in food importation should result in proper regulation of food imports and co-ordination with the agriculture sector. Agencies such as the CMC should compete with the import/wholesale sector, not with the market vendors where there is already high competition.

### *Market Facilities*

The development of adequate facilities to be used by vendors in urban and rural areas could increase the demand for locally-produced items and thus influence the development of the agriculture sector. Poor facilities for storage and handling of products lead to high losses, high cost and a reduction in demand.

### *Import Food Price Policies*

Generally the importation of food is permitted either free of duty or with a relatively low duty. Several food items are of doubtful nutritional value. Those consumers whose tastes dictate that those products should be available to them should not object to paying higher prices, and increased duties on these items should be in order. Until local substitutes are available, those products which contribute significantly to the basic nutrition of low-income families should be kept low-priced so as not to affect adversely the nutritional status.

### *Communications*

Factual market information and news are important in effecting behavioural change among consumers. Fictitious claims by distributors of certain food products should be disallowed in the communications media and every effort should be made to utilize the media to educate consumers on the value of the locally produced items.

Table 2. Cheapest Source of Both Energy and Protein within Food Groups, ranked in descending order; St. Kitts/Nevis, 1976.

Food Groups	January 1976		April 1976	
	St. Kitts	Nevis	St. Kitts	Nevis
Cereals & Cereal Products	Cornmeal Pre-packaged flour Parboiled rice White bread Cream of wheat Macaroni	Cornmeal Pre-packaged flour White bread Parboiled rice Butter crackers Cream of wheat	Cornmeal Pre-packaged flour Oatmeal Parboiled rice White bread Cream of wheat	Counter flour Pre-packaged flour Parboiled rice White bread Cream of wheat Macaroni
Pulses & Nuts	Split peas Peanuts in shell Pigeon peas (dry) Peanut butter Peanuts (roasted, salted)	Pigeon peas (dry) Lentils Blackeye peas Red peas Peanut butter	Peanuts (roasted) Split peas Peanuts (in shell) Pigeon peas Lentils	Split peas Red peas Peanut butter Peanuts (roasted)
Roots, Tubers & Starchy Fruits	Sweet potato Yams Green bananas Irish potato	Sweet potato Cassava Green bananas Yams	Sweet potato Yams Green bananas Irish potato	Breadfruit Sweet potato Cassava Yams Dasheen Green bananas
Meat, Fish, Poultry & Eggs	Tripe Liver Chicken (neck and back) Smoked herring Mackerel Luncheon meat	Tripe Liver Codfish Mackerel Salted beef Pork	Salted mackerel Salted codfish Luncheon meat Beef (bone incl.) Liver Pork	Liver Salted codfish Salted mackerel Herring Beef Mutton
Milk & Milk Products	Whole milk Dried skim milk Evaporated milk	Whole milk Evaporated milk Dried skim milk	Whole milk Whole dried milk Condensed milk	Whole milk Whole dried milk Condensed milk Cheese (cheddar)
Fats & Oils	Margarine Butter Cooking oil Vegetable shortening	Vegetable shortening Margarine Cooking oil Butter	Cooking oil Vegetable shortening Margarine Butter	Cooking oil Vegetable shortening Margarine Butter