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PROCEEDINGS

OF THE

CARIBBEAN FOOD CROPS SOCIETY

FIFTH ANNUAL MEETING

PARAMARIBO, SURINAM

JULY 24 – 31, 1967

VOLUME V

Druk.: Leo Victor

Agribusiness, or the organized management of marketing distribution processing and production in agriculture resulting in a marked acceleration in the growthpace of agriculural development — Richard Strauss

In most developing areas — including the West Indies — Agriculture has failed to grow at a pace adequate to Regional population needs chiefly because of a combination of factors viz.

(1) Lack of Technical Skills.

(II) Lack of guaranteed markets combined with a lack of thorough market studies.

(III) A fear that the Caribbean Countries cannot profitably work with each other because each country would produce similar products at similar times and so cut each other's throats : this fear is in fact far from the truth which is that carefully planned inter and intra regional trading would benefit participating countries if properly organized. One example which will serve to emphasise this point is the production of and distribution of Caribbean Rum on a similar basis to that used by the Distillers Company for Scotch Whisky.

(IV) Fear of exporting based on previous unfavourable experience with Sugar and Bananas.

Additionally although certain countries are *UNDERPOPULATED* FOR EXAMPLE :

	Population per square mile
FRENCH GUIANA	0.44
SURINAM	3.90
BRITISH HONDURAS	13.50
GUYANA (approx. the size of Wales & Ireland)	7.70

While other countries are *OVERPOPULATED* for example :

	Population per square mile
BARBADOS	1445.0
JAMAICA	425.0

The logical transfer of *TRAINED* personnel from the overpopulated areas to the underpopulated areas which could have been of enormous mutual economic benefit to all the countries concerned has not so far been possible because of the technical vacuum.

The object of this paper is therefore to discuss briefly some practical plans to overcome these difficulties by applying to Agriculture management concepts that have been used by Industry for years with proven success, which T.A.C. has adapted to Agricultural Development needs with special emphasis on the vertical integration of MARKETING PRODUCTION AND FINANCE.

These concepts recognise that problems are interlocking and cannot be dealt with in isolation.

In Agriculture, for example, land use, mechanization and social improvements are closely interrelated and so cannot be considered singly.

The management plan that will be outlined briefly recognises that adequate basic rural resources do exist and applies itself to the best way to use these. As examples of the extent of these basic resources it is worth pointing out that in Guyana there are *one million acres of agricultural coastline land* — (not to mention the still unexplored potential of her interior) — awaiting empoldering and some desalination and potentially capable of growing two crops a year; in Britisch Honduras not less than two million acres of Agricultural land await development, while in Jamaica there is plenty of scope for better land use and greater Agricultural production. Surinam, too has great growth potential.

The Social unrest in overcrowded cities to which disenchanted people have flocked abandoned countrysides due to rural stagnation underlines the enormous and critical significance of successfully planned and managed rapid agricultural development.

MANAGEMENT: Management control will be supplied by the Management Company (T.A.C.) — with the objective of stimulating the economic and technological development of Agriculture in each participating country. It is a coöperative enterprise aimed at using to the full in each country all the natural resources of that country .ie. water, soil, climate and labour — And combining these NATURAL RESOURCES WITH TOP LEVEL MANAGEMENT IN RESPECT OF MARKETING AND PRODUCTION, PLUS THE FINANCE TO DEVELOP THE AGRICULTURAL INDUSTRY, resulting in an increase of income for the family farmer, the provision of more food for the country's population and, through inter and intra CARIBBEAN TRADE, IMPROVING the balance of payments of participating nations.

BRIEF NOTES ON ORGANIZATION: Because a lack of technological and management "know how" are recognised as the principle obstacles to economic growth in developing countries two distinct organizational entities are necessary in order to operate a comprehensive and successful agricultural program:

(I) The Management Company
(II) The Co-operative or Farmers Association

(I) *THE MANAGEMENT COMPANY*: will perform the operating functions of the Coöperative under a 20 year (or longer if desirable) contractual agreement. It will be a disciplined and well organized operation.

(II) *THE COOPERATIVE*: will be national in scope embracing farmers both large and small who meet the eligibility requirements of the Board of Directors.

The Coöperative plan is a threefold comprehensive one:

A. *PART ONE*: THE DEVELOPMENT AND OPERATION OF CENTRAL FARMS OR RANCHES OWNED BY THE COOPERATIVE BUT MANAGED BY THE MANAGEMENT COMPANY

These farms which would be large enough to accommodate a complete Agricultural organization would serve AS THE HUB OF THE CO-OPERATIVE EFFORT from which SUPERVISION, CONTROL, DISSEMINATION OF THE LATEST TECHNOLOGICAL KNOWLEDGE ASSISTANCE AND EDUCATION WOULD EMANATE TO FARMER MEMBERS.

Such central farms or ranches are considered vital in developing a prosperous agricultural industry in areas that have hitherto been largely disorganized or simply underdeveloped or undeveloped; and there are many areas where, through a variety of causes such conditions do exist.

The profits of this endeavour would accrue to the Coöperative Organization and the land remains national property.

B. *PART TWO*: is designed specifically to assist the family sized farmer in obtaining land, "know-how" and finance for use in the development of individual farming or livestock operations.
AS A TRAINEE OF THE CENTRAL RANCH HE WOULD, WHEN QUALIFIED BECOME ELIGIBLE TO BY OR LEASE TRACTS OF LAND FROM THE CENTRAL FARMS OR RANCHES IN FEASIBLE ECONOMIC UNITS. He would then become a farmer member of the Coöperative and assume the same responsibilities as other farmer members. He is bound to grow the crops contracted for in the way shown at the time requested: this is essential for members to secure full benefits of profitable marketing and is a contractual obligation for each member.

C. *PART THREE*: Embraces those farmers who are already land owners. As members of the coöperative they too would be eligible to purchase cattle, stock, fertilizers, pharmaceuticals, farm equipment and other supplies with lines of credit suited to their needs.

In the event of some such land owners feeling unsatisfied with the Management Company would by agreement after investigation and for a fee undertake the management o fsuch porperties.

THE MANAGEMENT COMPANY AS AN INTEGRAL PART OF THEIR MANAGEMENT SERVICES WILL CENTRALIZE THE HANDLING OF MARKETING AND SUPERVISE THE PURCHASE OF COMMODITIES THUS HELPING TO RAISE THE STANDARD OF PRODUCTION AND TO REDUCE OVERHEAD CHARGES. This increases profitability and these profits accrue to the coöperative and not to the management company.

The Management Company will employ as many local personnel as possible — this is an integral part of its policy. Nevertheless no one country can produce *ALL* the many specialists that this highly technological age needs and the Management Company *proposes to use the*

best technological and managerial brains that each project demands. This is perfectly reasonable. Even America today imports and welcomes all those with special skills and smaller countries can follow this example with confidence for the use of such people results not only in accelerating projects but ultimately in increasing the number of local experts ; but all possible local available talent will be most welcome and fully used.

MARKETING : Marketing is the responsibility of the Management Company and while details will depend upon the results of individual Country Studies the general principles are that :

(I) The Management Company usually arranges crop contracts for coöperatives and seed and fertilizer are supplied the cost of which is deductible at harvest.

(II) Quality control and the timing of planting and deliveries are all important. Coöperative members are given every assistance to produce the right crop of the right quality at the right time and contract to do this. The technological "know-how" necessary for them to achieve these ends is provided.

(III) The Manaegment Company uses its wide connections to interest major firms not only to enter into such contracts but also to explore the potentiality of processing and biproducts, which are considerable. The Management Company also keeps in close touch with firms specializing in lengthening the shelf life of perishables for example Union Carbide.

(IV) The Coöperative receives the full net profit from such marketing. The Management Company receives its fee for Management and no more.

The plans so far outlined show the general scope for and the general way in which Agriculture can RAPIDLY TURN FROM STAGNATION TO SUCCESSFUL GROWTH.

IT IS IMPORTANT TO ADD THAT AT THE CORE OF TAC'S COOPERATIVE PLANNING LIES THE INDIVIDUAL PLAN — (DRAWN UP AT THE REQUEST OF AND BY AGREEMENT WITH GOVERNMENTS) — THAT ARE TAILORED TO THE NEEDS AND BEST ADVANTAGE OF EACH PARTICIPATING NATION AS WELL AS TO THE ADVANTAGE OF THE GREATER CARIBBEAN TRADING REGION AS A WHOLE.

TRANSCARIBBEAN AGRICULTURAL ASSOCIATION LIMITED

Much can be done by keen individuals working alone but still more can be accomplished by groups — hence the coöperative plans you have just heard.

BUT THERE IS NO LIMIT TO WHAT CAN BE ACCOMPLISHED BY REGIONAL GROUPS WORKING TOGETHER. THEREFORE PROPOSE THE FORMATION OF A TRANSCARIBBEAN AGRICULTURAL ASSOCIATION LTD. (T.A.A.L.)

T.A.A.L. 's main objectives will be :

(I) To determine through studies, what each member country can best produce and sell at a profit and to advance their living and nutritional standards.

(II) To encourage Intra and inter GREATER CARIBBEAN TRADE with special emphasis on close liaison between MARKETING DISTRIBUTION STORAGE AND PRODUCTION.

(III) To make detailed country studies to help bring these practical objectives to fruition.

(IV) To implement research data and to define to industries, to Governments and other bodies interested, areas in which further research is necessary, avoiding duplication.

(V) Coördinate credit supply lines specially designed to meet Caribbean needs.

As has been shown the main intent of T.A.A.L. is to continue extend and *implement practically* the valuable work of the Caribbean Food Crops Society.

SUMMING UP : In simple terms.

(1) INTERESTED GOVERNMENTS (and it is hoped that all free Greater Caribbean Countries will participate) provide the land for the Central Coöperative farms. This land remains national property.

(2) T.A.C. provides management, finance, training, development and marketing processing and distribution.

(3) The operation is highly skilled, disciplined and organized ; and coöperative members are taught to grow in accordance with consumer needs : their prosperity depends upon this.

T.A.A.L. : is the coördinating body between countries.

Its COUNTRY STUDIES will enable it to recommend to each participating country the way its land can singly and jointly best be used to the maximum marketing advantage. THIS IS A VITAL STEP TOWARDS INCREASING THE EFFICIENCY AND PROFITABILITY OF THE LAND USE OF EACH COUNTRY AND WILL SHOW CLEARLY THAT *CONTRARY TO PREVAILING FEARS* CARIBBEAN COOPERATION ON THE LINES SUGGESTED *WOULD LEAD TO INCREASED BENEFITS FOR ALL.*

Finally I am aware that this paper has not explained how the money for these projects will be raised. This is a complex subject and I ask you at this juncture to accept that finance *is* available subject to the results of certain detailed studies which after approval, are funded. The detailed methods of funding may well vary from country to country.

THE BASIC STARTING POINT OF EVERY PROJECT IS WRITTEN GOVERNMENT APPROVAL IN PRINCIPLE AND THEIR AUTHORIZATION FOR THE STUDIES INVOLVED.

Studies must of necessity be thorough but the sooner Governmental authorization is received the quicker studies can be prepared and projects started.

The shortness of this paper has only allowed for the sketching of the proposed projects in the broadest terms.

Let me again remind you of the multiplier effect of the proposed operations. As each Central farm emerges as a developed small township it generates demands for services and so creates employment.

One hopes that the 5th Annual Conference of the C.F.C.S. will be remembered not only for it's splended organization and lavish hospitality but also having marked the start of Caribbean Agricultural Cooperation moving forwards in unison towards common goals.

The restlessness stirring all around us tells of urgency and warns that new attempts to solve the problems of Development particularly Agricultural Development will brook no delay.