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MARKETING OF AGRICULTURAL COMMODITIES PRODUCED
FOR DOMESTIC CONSUMPTION IN JAMAICA

by

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There are many concepts as to what the term agricultural marketing embraces. In broad terms it involves the transference of agricultural commodities from the farmer to the consumer. In most under-developed countries and to varying degrees in some developed countries, the producer (farmer) not only produces but also markets his produce and in this sense it becomes difficult to define precisely where production ceases and marketing begins.

In more recent times, however, with the development of structured market economies and the attendant tendency towards specialisation, in general, the farmer concentrates on production, leaving marketing to others. This does not mean that he is not interested in marketing - in fact the farmer is very much concerned over his ultimate share of the consumer's dollar.

AGRICULTURAL PRODUCTION

(i) Land area

The total area of Jamaica is 4,200 square miles - approximately 2.8 million acres. Of this area only about 20 per cent is classified as flat or gently rolling.

(ii) Land distribution (for agricultural purposes)

It is estimated (See Agricultural Census 1961) that the total area of land in farms is 1.7 million acres distributed as shown in Table 1 of the Appendix to this paper. Most of the small farms are found almost exclusively in the hillier regions of the island - a considerable part of the land on which these farms are located is far too steep and otherwise too erodible to accommodate existing patterns of Agriculture. However, paradoxically enough it is this land which produces the bulk of the food grown for local consumption as well as significant portions of the crops which are produced for export. The quality of the land which is used for producing locally consumed

commodities is relatively poor by comparison with that used for the production of sugarcane in particular, and bananas to a considerable extent also.

(iii) Soils

In general, the main soils are limestone in origin. They are not very fertile, but are reasonably responsive to good management. They range from clays, terra rossa soils, through the sandy ranges of soils.

(iv) Rainfall

Rainfall varies widely - from 25 inches per annum on the southern plains to 300 inches in the upper reaches of the Blue Mountain (7,360 ft.). Two marked rainy periods exist - one centred on May and the other on October. The period November to March is usually dry. Although rainfall on an annual basis is usually more than adequate in many areas, unequal distribution limits its effectiveness. On very flat lands where water is available from rivers or wells it is often necessary to irrigate.

Agriculture as practiced on the larger farms follows a monocrop pattern. There is relatively little mixed farming in the strict meaning of this term. In general, apart from bananas (and most of this is exported) the larger farms produce an insignificant portion of the food grown for local consumption.

On the smaller farms (over 100,000 in number) many crops are usually found growing in a system of mixed cropping. These crops are produced on the poorest grade of land; in inaccessible regions, by farmers who are least able to surmount the difficulties associated with farming under those conditions. Land preparation is mainly manual and therefore tedious, expensive, inefficient and untimely.

One finds unused land not only on the larger farms but on the smaller farms as well. In general, however, farming is more intensive on these thousands of small farms. Many farms even the small ones are considerably fragmented. On average for all farms there are about 2 parcels per farm, some having as many as 5 or more parcels.

The main commodities produced for local consumption in Jamaica may conveniently be divided into two main groups, viz:

- (a) Livestock products (including poultry)
 Meat (bovine, pork, poultry, mutton, chevron)
 Milk
 Eggs

- (b) Crops
 - (i) Vegetables
 - (ii) Pulses
 - (iii) Cereals - maize, rice
 - (iv) Root crops and other starchy foods
(including the banana and plantain)
 - (v) Fruits

This paper proposes to deal mainly with crops and particularly those listed at (b) but a few observations concerning livestock products will have relevance.

In 1955 Agriculture was the major contributor to GNP being responsible for as much as 31 per cent. The economy has become considerably broader based and Agriculture since then has produced progressively a smaller percentage of the GNP contributing only about 13 per cent in 1964 in spite of the fact that increases in absolute terms continue to be recorded in the agricultural sector. The added factor of a rapidly increasing population has led to an increase in the demand for total food. About 40 per cent of the labour force is estimated to be in Agriculture. This broadening of the economy together with the sizeable increase in per capita income and improvement in the levels of living have not only made consumers more quality conscious, but have also resulted in an increased demand for more protective foods. (Food Balance Sheets for 1958 and 1962). The total food requirements exceed local production (at present it is estimated that local production accounts for about 70 - 75 per cent of the total food consumed). These factors are the major contributors to the considerable annual increases in the quantity and value of foods imported.

The value of food imports in 1960 - 1964 are shown in Table II of the Appendix. It is estimated that with proper planning, including financing, some £5m of food imports or approximately 25 per cent of the value of existing imports could be replaced from local production. Clearly, the results of such planning cannot be achieved overnight.

Important considerations in relation to foreign trading in agricultural products relate to the fact that traditionally Agriculture in Jamaica has been export oriented. Sustained declining prices on world markets have placed our major export crops in a precarious position. Continuing increases in the volume of exports have not been matched by similar levels of increase in the value of exports - in fact the value of exports for sugar has shown significant decreases. This necessitates a critical examination of our position and considerations towards commodity rationalisation.

Pressures have been created towards:

- (i) increasing the percentage contribution of Agriculture to GNP
- (ii) reducing the adverse balance of trade, especially in agricultural products.

These would involve fuller and sounder use of all resources (including land), establishing economically viable farms, provision of adequate credit facilities, training facilities, etc. This also implies the necessity for farmers to possess adequate know-how, managerial ability, and above all to accept the challenge to increase production. It has been evident, however, that any measures taken to increase the local production of food crops would be doomed to failure without the provision of a proper system of marketing.

For the purpose of this paper it will be assumed that in the main marketing includes "those services which are performed in getting products from the farm gate to the consumer." It becomes easy to identify the broad groups of services which are involved. These include, inter alia (not necessarily in the order in which they are performed) the following: assembly, transportation, grading, packaging, storage, marketing information, buying and selling.

The extent to which any service is carried out will undoubtedly depend on the particular circumstances - type of services, effective demand for them, who performs them, etc. It therefore becomes necessary to examine or at least to bear in mind these characteristics of producers, consumers and the trade which influence patterns for both production and marketing. The relevant elements to be considered include:

- (a) the producers - conditions under which they produce; size and location of farms; the productivity of the soils on their farms; type of farming system; availability of labour and credit facilities; managerial ability; costs of production, returns in relation to these costs.
- (b) the commodities produced - their characteristics - quality, varieties, perishability, bulkness, availability of substitutes, seasonality of supplies, etc.
- (c) the consumers - their preferences, customs, distances from the production areas, income levels, levels of nutrition;
- (d) institutional arrangements - retailing, wholesaling, etc. under which production and marketing are carried out.

MARKETING

By far the greater portion of the food consumed in Jamaica is sold through some 92 Parochial markets and probably a larger number of roadside markets. The higgler system was and still is a vital part of the marketing system.

In 1960 Government sought assistance from FAO to provide an adviser on "aspects of the marketing of food produced mainly for domestic consumption."

The "terms of reference" were:

"One of the major agricultural problems facing Jamaica at the present time is the need for some rationalisation of marketing in respect of crops grown for local consumption. Broadly speaking the marketing of crops for export is well organised and presents relatively few problems, but this is in contrast to the position relative to the marketing of produce for local sale and consumption.

The existing system of marketing has become inadequate to deal with the growth in local food production and consumption, and the point of breakdown is fast approaching.

Producers and consumers alike are clamouring for a better system for the collection and distribution of locally grown food."

The Higgler System

Traditionally, most of the foodstuffs produced for domestic consumption in Jamaica has been marketed by "higglers." The term "higgler" is generally used to describe a trader in agricultural commodities. Some of the types of higgler found in Jamaica are:

- (i) those who sell produce grown by someone in their own household;
- (ii) those who purchase all the produce they sell. These higgler may sell to other higgler who function principally as retailers or they may function as retailers themselves and;
- (iii) those who purchase some of the commodities they sell while a portion is produced by members of their own household.

Higglers are firmly established in the business of assembling small diverse lots of agricultural commodities from remotely located farms and channelling them to various outlets. The system is considered costly and inefficient but provides a means of livelihood and indeed much recreation for many people. Some higglers advance credit to farmers, some assist in reaping the commodities and observations indicate that they tend to pay higher prices to farmers than some of the more organised groups of farmers including Government agencies. This has tended to make the Government marketing agencies purchasers of surplus commodities.

The major weaknesses in the higgler system are:

- (i) the small quantities in which most of them deal increase the cost of marketing;
- (ii) when supplies are scarce they may buy all the farmer has to offer, but when supplies are plentiful higglers are selective and large quantities of commodities may remain unmarketed;
- (iii) poor transportation methods result in substantial spoilage and damage;
- (iv) travelling costs for groups of higglers are much higher than if bulk handling were done;
- (v) higglers do not package.

The Government Marketing Department

This Department was established during World War II to administer Government's guaranteed price schemes which were effected to foster local food production in order to fill the gap created by the scarcity of imported foodstuffs. It also took on the function of buying and selling certain agricultural commodities and thereby became the largest single purchaser of foodstuffs for domestic consumption from farmers, although in terms of actual quantities it only handled about 1 per cent of the total food consumed. The Marketing Department fell under the control of the Ministry of Trade and Industry and as such had its policies determined and dictated by that Ministry.

In recent years it became more and more apparent that the Marketing Department was limited in scope and that it could not provide the services necessary to catalyse increased production of food crops in particular. Some of its limitations were:-

- (i) inability to handle a large enough volume of supplies;

- (ii) delays in payment for produce consigned by farmers;
- (iii) lack of the necessary packaging and processing facilities;
- (iv) lack of proper grading and standardisation techniques;
- (v) the fact that it operated largely on the basis of surpluses;
- (vi) its selling operations were mainly restricted to Government institutions; and
- (vii) lack of purposeful policy formulated to encourage production, particularly in view of the fact that its policies and operations were dictated by a Ministry of Trade and Industry rather than one of Agriculture and Lands.

In 1961 an FAO Marketing expert was assigned to Jamaica in response to the request made in 1960. His report "The Marketing of Domestic Food Crops in Jamaica" - FAO 1564 was published in 1962. The report re-iterated many of the ills with which Agriculture was, and still is beset. It listed as the principal weaknesses in the marketing system:

- (i) absence of an established organisation;
- (ii) absence of a guaranteed market for these commodities which can be produced locally;
- (iii) inadequate use of the methods available for lowering the costs of marketing;
- (iv) absence of a co-ordinated approach to production and marketing so that marketing improvements can provide a solid incentive for increases in production.

Recommendations of the Report

The central recommendation was that a Corporation, with initial governmental financing be established to correct weaknesses in the system.

It also recommended that:

- (a) a system of marketing intelligence be established;
- (b) specific steps be taken to improve export prospects;
- (c) additional emphasis be given to improving the grading of products and to improving hygiene in marketing operations; and
- (d) greater support be given to the research necessary to make Agriculture fully up-to-date and progressive.

The Agricultural Marketing Corporation

In anticipation of the passage of enabling legislation for establishing an Agricultural Marketing Corporation, a Steering Committee was set up in November 1962. This Committee did much work in establishing the organisational framework of the Corporation.

The necessary legislation (The Agricultural Marketing Corporation Act No. 27-1963 See Appendix) was passed on July 25, 1963 and the Agricultural Marketing Corporation AMC, was established on 1st December, 1963, under the portfolio of the Minister of Agriculture and Lands. (See relevant extracts in the Appendix Pages III & IV). The AMC was established, *inter alia* to initiate and maintain an efficient system of marketing, and given powers to:

- (i) provide and maintain adequate marketing outlets for agricultural produce;
- (ii) to buy and sell agricultural produce;
- (iii) to provide for the collection, transportation, storage, grading, packing and processing of agricultural produce; and
- (iv) to import and export agricultural produce.

Administration

The AMC has a number of Directors (3 to 7) who are appointed by the Minister of Agriculture and Lands. The Minister also appoints the Chairman. During the first year of operation the AMC had a part-time Chairman who has been succeeded since January 1, 1965, by a wholetime Executive Chairman (See Chart in Appendix). The Principal Officers of the AMC are:

Manager
 Assistant Manager
 Secretary
 Executive Field Officer
 Supervisor (Purchases and Sales)
 Chief Accountant

On 24th April, 1964, the Ministry of Agriculture and Lands (MAL) obtained the services of an Agricultural Marketing Adviser from Israel to assist in establishing the organisational framework of the Corporation on a commercial basis and in guiding the Corporation in the use of proper marketing techniques. In addition to the administrative staff there are 194 other staff members, 73 are executive and clerical personnel, and 121 are weekly and daily paid personnel.

In addition to the Central Branch which is located at its headquarters in Kingston, the AMC has 5 branches located at strategic points in the other parishes. One new Branch will be established early in April 1966 and it is proposed to establish an additional one later in the year. The Branches are supplied with produce from a number of Buying Stations (ranging from mere sites to buildings) of which there are now 140.

Facilities

The facilities of the AMC include:

- (i) a central packing house located at the headquarters in Kingston. Most of the business of the AMC is transacted from this point;
- (ii) a corn meal factory with a potential production of 300,000 bags of corn meal per annum;
- (iii) a potato (Irish) storehouse - provided with cold storage facilities - capacity 2,000 tons; and
- (iv) five (5) Branch offices each of which operates several buying stations.

Operations of the Corporation

Trading

The Corporation endeavours to purchase all marketable produce which farmers offer for sale. Purchases are made on 3 bases:

- (i) Guaranteed prices. Government determines from time to time crops for which guaranteed prices will be paid and the actual prices to be paid. Currently corn (maize) is the only crop falling within this category.
- (ii) Contracts at stipulated prices. The AMC contracts (See Copy of contract form attached at Appendix) with farmers and farm organisations to purchase certain commodities and for these the prices are stipulated. This stipulated or fixed price was changed to a minimum guaranteed price since April 1, 1965. Farmers may receive a higher but not a lower price than the stated minimum. This arrangement is intended to provide farmers with an assured market for producing crops which are not now produced in large enough quantities. There are 11 crops now covered by contract:-

Carrots, onions, sweet corn, plantain (horse), pumpkins, melons, yampies, white yams, red peas, congo peas and strawberries.

- (iii) Open Market trading: The Corporation buys at prevailing prices all crops for which there is a market. Purchases are made on a cash basis at the point of delivery. In most cases the point of delivery is the buying station.

Volume of Trading

The AMC has been in existence for only 2 years and 4 months and already there has been a sizeable increase in the quantity and value of commodities traded. Comparison with the volume of trading carried on by the former Marketing Department is hardly relevant in view of the fact that the AMC was established on a different basis from that on which the Marketing Department was set up.

As part of its policy the AMC enters trades in certain commodities (e.g. table eggs and ginger) to stabilise the market. In addition, where the necessity arises to import certain items e.g. red peas and Irish potatoes, which have been placed on specific licence to encourage local production, Government gives the AMC a permit to import specified quantities of these commodities for release to the trade.

The AMC stores and freezes eggs and processes certain commodities for export - e.g. sweet potatoes, negro yams. It also exports small quantities of chochoes largely to West Indians in the United Kingdom. The AMC is endeavouring to provide certain services for farmers. The main service so provided has been in procuring seeds - Irish potato (imported seed) and red peas. The service is supposed to be self-supporting.

Relationship with other agencies

The AMC falls under the portfolio of the Minister of Agriculture and Lands who determines the policy of the Corporation. The AMC maintains liaison with certain Departments and agencies of the Ministry of Agriculture and Lands, particularly the following Departments:-

Extension Services

Crops and Soils

Agricultural Economics and Statistics

The AMC has no qualified technical staff of its own, and as a consequence it is necessary not only for close liaison to exist between itself and other MAL agencies but also for it to rely on them for services in certain specific areas.

Department of Extension Services

This Department has the responsibilities for:-

- (i) guiding and assisting farmers in developing their holdings, teaching them good husbandry practices and assisting them in making the best use of the facilities (including marketing) available for development. In particular, the Department has a responsibility to encourage farmers to grow these crops which can be grown successfully and for which a market can be found either through the AMC or otherwise;
- (ii) administering Government's subsidy and loan schemes.

Crops and Soils Department

This Department has the responsibility for the research work on crops through its Divisions of Agricultural Chemistry, Agronomy and Plant Protection. Until recently most of the research work had been concentrated on crops grown mainly for export. With a change in emphasis and with the devotion of greater attention than previously to crops produced for local consumption, it has become necessary for this department to take specific steps to bridge the gap in knowledge concerning the production of these crops.

Under the supervision of this Department a Pilot Vegetable Growing, Testing and Demonstration Project has been established on irrigated lands at Twickenham Park with assistance from US/AID. The project is intended to provide information and training in the commercial production of a number of vegetables. The information will be used to assist farmers in their production programmes. The crops selected for priority treatment are: onion, carrot, sweet corn, tomato, okra, watermelon, cucumber. This project although under the control of the Director of Crops and Soils is carried out on the group basis in which several disciplines such as Agronomy, Agricultural Economics, Plant Protection and Farm Engineering are involved.

Department of Agricultural Economics and Statistics

This Department has a major responsibility for the collection and collation of various types of data relating to production such as quantities, costs, seasonality, distribution by areas and availability of substitutes. It also examines the demand situation and advised MAL on matters relating to the importation of agricultural commodities. It

also has a responsibility for the collection of data used in the preparation of a series of farm gate prices.

In order to facilitate and improve its operations, Forecasting and Market Intelligence Services were established within the Department to enable it to procure information not only to meet its broad responsibilities but also to assist the AMC in particular in a number of its operations. In this respect the Department prepares:

- (i) monthly forecasts and estimates of production;
- (ii) marketing intelligence reports - market prices and supply conditions in Parochial markets;
- (iii) series of farm gate prices.

The Department also prepares cost of production data which are used by the AMC as a basis for setting prices offered for commodities purchased.

The AMC also maintains liaison with the Agricultural Information Service a Division of the Ministry of Agriculture and Lands, which assists by keeping farmers informed (through various media - pamphlets, Press, Radio, and Television) of the various activities of the AMC.

The AMC liaises with other Ministries of Government. The most important of these is the Ministry of Trade and Industry with which there is liaison in relation to determining import licences for certain food items and food processing. There is also liaison with the Ministry of Local Government which is responsible for the administrative policy relating to the Parochial Markets.

Financing

The operations of the AMC are financed by Government from the following sources:

- (i) Treasury Bills (advances - interest at $4\frac{3}{4}$ per cent per annum)
- (ii) Grants received from the Ministry of Agriculture and lands as provided by Parliament to meet
 - (a) deficits on trading operations; and
 - (b) expenditure on capital works.

The intention of the AMC is to operate as efficiently as possible. In view of the AMC's policy of purchasing all marketable commodities produced by farmers, and in view also of the perishable nature of the commodities handled, it is inevitable that significant losses will be experienced. These trading losses are likely to be reduced proportionately as the AMC becomes more firmly established and as farmers tailor

production to consumer requirements. The major losses incurred to date have been due to spoilage, inadequate cold storage facilities, trading in commodities for which the demand is low, and unexpected price changes. A substantial loss is also incurred due to the trading on corn meal but this is inevitable in view of Government's policy of subsidising the price of corn meal to consumers. The retail price of corn meal has been controlled at 4½d. per lb. since 1954. Since then the guaranteed price of corn as well as the manufacturing costs of cornmeal have increased.

Efficiency-wise the losses on trading must be evaluated against the volume of business carried on. Current overhead expenditures are high in relation to the magnitude of business transacted. Inadequate facilities are partly responsible for some of the losses incurred. The organisational structure of the AMC also needs to be improved and the staff strengthened. These deficiencies have been given consideration and steps are now being taken to correct this.

- (i) Construction of a Wholesale Terminal Market has already started, to provide increased storage space, receival area, etc. as well as increased and improved cold storage facilities. This building is scheduled to be completed in mid-1967.
- (ii) Steps are also being taken to increase the number of Branches - one will be established in April 1966 and another soon thereafter - and subsequently the number of buying stations.
- (iii) With the aid of the Marketing Advisor, proposals have been made to strengthen the organisational structure of the AMC (See chart in Appendix).

When all these improvements shall have been made, the question is whether the AMC will be able to attract the volume of business which will make it an economic venture. The primary objective of the AMC (a non-profit organisation) is to stimulate local food production and this objective is not necessarily consistent with one of covering operational costs. Steps can and must be taken, however, to ensure that it operates as effectively as possible.

The Parochial Markets have played a great role in the marketing of food crops. At least 60 per cent of the food consumed locally passes through these markets in which the "higglers" still reign supreme. These markets are for the most part badly laid out, have poor facilities, and the services provided are largely sub-standard. If the AMC is to

fulfil its role of improving marketing in general it must endeavour to influence the operations of those Parochial Markets in many respects. The AMC has held initial discussions with the Ministry of Local Government on this subject.

The AMC is not only interested in seeing that farmers receive a fair price for what they produce, but is also interested in seeing that the consumers get a fair deal in terms of the prices which they pay. The AMC is mainly a wholesale outfit and thus it may be difficult for it to become more fully involved on this account until (a) it handles a larger volume of produce and (b) gets into the retail business. This raises additional questions in relation to the fixing of retail prices and whether this is possible and permissible.

There is ample evidence to indicate that once the farmer produces the commodities required, (varieties, qualities, etc.) and these are offered for sale in a proper form, they will provide adequate replacements for relevant imports. This implies the necessity for satisfactory grading of commodities and the setting up of acceptable standards (through a Bureau of Standards, if necessary). In countries where marketing of food crops has become more sophisticated than it is in Jamaica, marketing agencies make it their own responsibility to determine the form in which consumers require and will buy these commodities. This is carried out on the basis of research. This is an area which to date has not been considered and which must be fully explored at an early date.

Supermarkets

Supermarkets have only been operating in Jamaica during the last 15 or so years. The term supermarket as applied in Jamaica covers true supermarkets, as well as businesses which are essentially transformed groceries. The number of true supermarkets is increasing. They now perform a very useful function in that their displays and packaging of food items provide an attraction for customers which is not found elsewhere. In fact, they have made a real contribution in demonstrating the existence of a quality market for several items of food - even if some of those such as carrots and Iceberg lettuce were imported.

The supermarkets obtain their supplies from farmers, higglers, agents, dealers. With the establishment of the AMC many supermarkets are now obtaining some of their supplies from this source. When supermarkets first started to operate in Jamaica they did very little packaging and the marketing services especially for food crops were not of a high standard.

Demands for certain services by people who have visited the United States of America, Canada and the United Kingdom have created pressures towards improving the services offered. These together with the added advantages associated with supermarket shopping, have increased the number of supermarket shoppers. This tendency is likely to continue. In the more heavily populated areas like Kingston with a population of over 450,000, there is a real potential for the expansion of the marketing of food crops through supermarkets. The converse is likely to be the case in the rural areas. Supermarkets do not carry the full range of agricultural products and this added to the relatively small volume of business handled is one of the important factors which limit the competitive position of supermarkets vis-a-vis the parochial markets in providing outlets for food crops.

Agents and Dealers, etc.

There are several agents and dealers who handle food items. In the past, agents (largely the merchantmen) have handled only these items which could be imported (e.g. carrots, lettuce, celery) and have been most reluctant in handling local produce of comparable quality when available.

Steps have been taken to correct this by improving the quality of local produce offered for sale and by restricting imports. Few of the agents and dealers, however, have either developed large supplies or improved their handling through better transportation, cleaning, packaging, etc. The relatively small quantity of produce handled by some agents and dealers has resulted in high costs to the consumers much of which covers margins to the various middlemen and profits to the sponsors. With the establishment of the AMC some of them have been displaced.

Livestock Products

It was mentioned in Paragraph 7 that while this paper would deal mainly with crops produced for local consumption, some observations would be made concerning livestock products such as eggs, milk and meat.

Eggs

It is estimated that about 70 per cent of the eggs produced in Jamaica passes from the producer through supermarkets to the consumer. Small quantities pass through the AMC (as mentioned at Paragraph 31), the Parochial markets, roadside markets and grocery stores. The remainder is sold directly to institutions and individual customers. The eggs that are sold through the supermarkets are usually graded and packaged

but this is not necessarily true in case of eggs being sold through the other channels. Initially grading was synonymous with weighing, no proper handling, sorting on the basis of cracked eggs or dirty shells being done. Grading systems, however, have now been improved considerably and are more, widely adopted in the marketing of eggs than in the marketing of food crops for domestic consumption.

Many of the larger egg producers operate on a contract basis in which they are supplied food and medication, but they themselves provide the labour and housing facilities. Many of these producers are doing much of the grading which is necessary.

The AMC purchases eggs principally in the time of glut for the specific purpose of stabilising prices so as to prevent considerable loss to producers.

The Department of Agricultural Economics of MAL prepares annual forecasts of egg production towards the end of each year for the following year. These forecasts are revised at intervals and provide the basis for final estimation of production. These are released to the general public. They serve as guides to the AMC, egg producers and merchants who are associated with the business. Marketing Intelligence studies pertaining to eggs are also done by the Department to provide regular information on quantity and prices of eggs available.

Milk

Milk produced in Jamaica is sold either to Jamaica Milk Products Ltd., one of the pasteurising plants, or directly to the final consumer.

Jamaica Milk Products Ltd. (JMP) is the largest single purchaser of milk in Jamaica. It operates collection services in any part of the island where sufficiently large quantities of milk are available, provided terrain and roads are suitable. The milk is collected from farmers in 8 - 10 gallon churns and taken to the Headquarters at Bog Walk or to one of the two chilling stations operated by the company. The company pays a basic price of 7½d. per quart for milk but offers premiums for butterfat content, low acidity, clean milk, chilled milk and milk from farms complying with health regulations. Farmers are therefore able to secure a maximum of 10¾ per (imperial) quart. The average price for all milk sold is 9d. per quart. Jamaica Milk Products Ltd. processes most of its milk as condensed milk. Some of the milk supplied to the JMP is fit for consumption as fluid milk, but absence of cooling facilities and other problems related to distribution of milk forces some producers to sell to the JMP.

There are at present two pasteurising plants in the Corporate Area, Dairy Farmers Ltd., and Creme Ltd. There are two others on the North Coast. These plants purchase milk from farmers, pasteurise, homogenise, package and/or bottle it for final consumption. Some of the milk is used by these companies for the manufacture of ice cream and other milk products. The farm gate price for milk used for these purposes averages about 1/2d. per quart. Retail prices to the consumer (in the retail houses) is 2/6d per quart.

Much of the milk produced in Jamaica is sold by the producer to the final consumer. This is done mainly by house to house deliveries. Since milk is nature's most complete food and yet one that is easily contaminated, the Government has enacted milk legislation under the Public Health Law for safe-guarding the health of the consumer. An important part of this legislation is the requirement that all milk supplied for human consumption must be from cows that have passed the tuberculin test within twelve months. Raw milk for liquid consumption must be sold in stoppered bottles or from churns or containers having a suitable cover. Distribution of milk from churns or other containers by means of dippers of any kind is forbidden.

With proper planning of production and marketing, milk production in Jamaica can easily be doubled. It is estimated that current production is in the region of 34,000,000 quarts annually.

Meat

In Jamaica meat is sold through supermarkets, parochial markets, meat shops and groceries. Meat passing through the supermarkets is generally cut and packaged, that from the meat shops cut but not packaged, while in the parochial markets, where poultry meat is not sold, the sides of the animal carcass are suspended by a wire hook over a meat stall, and from these sides the cut the consumer desires is made when meat is purchased. This situation also obtains in roadside markets and groceries.

All meat that is sold for human consumption must satisfy a prescribed Public Health examination. In the rural areas each butcher kills his stock which is tested for fitness by trained Public Health Inspectors. If the meat satisfies the conditions specified by law it is stamped as an indication of fitness and made ready for sale.

In the Corporate Area all the animals are slaughtered at the abattoir where the carcasses are examined and have to be proven free from communicable diseases before they are released to the trade.

The Broiler Industry is well organised both in terms of production and in marketing. There are three Broiler Companies in the island. These Companies rear their own broilers while they also place birds on the farms of various farmers to be reared on a contract basis. Mature birds must be marketed through the company which generally pays the farmer for them on a point-spread basis. These birds are then killed, plucked and packaged by the company and released through the various sources mentioned to the consumers. This Industry provides perhaps the best example of contract farming together with both vertical and horizontal integration of operations. The Companies provide foods, medication, etc. while farmers provide the housing facilities.

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APPENDIX I

TABLE I. LAND IN FARMS BY SIZE GROUPS, AND BY TYPE OF UTILISATION-JAMAICA

Size Group	No. of Farms	Acreage		Cultivated		Grassland		Woodland		Ruinate		Other	
		Total	.%age	Total	.%age	Total	.%age	Total	.%age	Total	.%age	Total	.%age
5- 25	113,239	198,000	100	118,120	59.6	27,345	13.8	6,062	3.1	28,872	14.6	17,601	8.9
5 - 25	40,769	389,441	100	152,635	39.2	92,483	23.7	31,238	8.0	94,827	24.4	18,258	4.7
25 -100	3,803	167,607	100	43,406	25.9	53,800	32.1	21,593	12.9	42,948	25.6	5,860	3.5
100 -500	779	185,596	100	40,644	21.9	62,737	33.8	39,417	21.2	37,107	20.0	5,691	3.1
500 +	351	770,786	100	190,471	24.7	258,790	33.6	143,058	18.6	151,237	19.6	27,230	3.5
All Farms	158,941	1,711,430	100	545,276	31.9	495,155	28.9	241,368	14.1	354,991	20.7	74,640	4.4

Source Adapted from - Agricultural Census of Jamaica, Department of Statistics, 1961.

TABLE II. VALUE (£) OF FOOD IMPORTS 1960-1964.

	1960	1961	1962	1963	1964
<u>FOOD</u>	14,581,111	14,437,794	16,195,076	17,134,367	20,768,525
Live animals chiefly for food of which	<u>64,479</u>	<u>65,556</u>	<u>27,203</u>	<u>18,900</u>	<u>32,150</u>
Poultry (incl..day old chicks)	59,062	65,532	26,532	13,380	2,283
<u>Meat & Meat Preparations</u>	<u>1,876,638</u>	<u>1,770,998</u>	<u>2,149,707</u>	<u>2,417,593</u>	<u>3,148,595</u>
of which meat fresh	706,197	617,484	817,405	1,021,834	1,471,624
Meat canned	584,550	496,046	747,560	617,606	777,825
<u>Dairy Products, eggs, honey of which Butter</u>	<u>2,101,146</u>	<u>1,971,618</u>	<u>2,540,132</u>	<u>2,740,628</u>	<u>3,495,189</u>
Tonic foods, etc.	755,977	661,430	889,397	927,059	1,340,401
Skim milk	457,434	509,447	585,369	635,661	700,042
<u>Fish & Fish Preparations</u>	<u>2,373,598</u>	<u>2,397,224</u>	<u>2,621,618</u>	<u>2,669,401</u>	<u>2,997,799</u>
of which Codfish	1,238,766	1,354,513	1,479,187	1,455,772	1,391,894
Canned Fish	624,343	613,292	714,759	664,217	794,846
<u>Cereal & Cereal Preparations</u>	<u>5,383,293</u>	<u>5,198,983</u>	<u>5,763,268</u>	<u>6,213,844</u>	<u>7,337,213</u>
of which Flour	3,064,430	2,995,885	3,243,018	3,311,663	3,688,300
Rice	1,458,644	1,311,835	1,398,569	1,717,565	2,090,306
<u>Fruits & Vegetables</u>	<u>1,211,100</u>	<u>1,278,891</u>	<u>1,383,552</u>	<u>1,407,861</u>	<u>1,831,955</u>
of which Potatoes inc. seed					
Potatoes	115,312	141,097	132,563	128,638	88,208
Beans, peas, etc.	244,343	178,464	252,360	256,438	389,472
<u>Sugar & Sugar Preparations</u>	<u>124,472</u>	<u>136,819</u>	<u>153,874</u>	<u>149,534</u>	<u>198,916</u>
of which Sugar Confectionery	74,558	80,408	83,650	67,993	87,788
Coffee, Cocoa, Spices, etc.	360,228	411,200	394,225	328,810	356,041
<u>Feeding stuffs for Animals</u>	<u>749,355</u>	<u>877,809</u>	<u>951,875</u>	<u>904,103</u>	<u>1,028,227</u>
of which Poultry Feed	640,022	775,190	829,484	763,658	804,642
<u>Misc. Food Preparations</u>	<u>377,802</u>	<u>328,696</u>	<u>209,622</u>	<u>283,693</u>	<u>324,503</u>

Source : Department of Statistics, Jamaica.

PART II - ESTABLISHMENT AND POWERS OF THE CORPORATION

*Establishment of
Agricultural Mar-
keting Corporation
Schedule.*

3 - (1) There shall be established for the purposes of this Act a body to be called the Agricultural Marketing Corporation.

(2) The provisions of the Schedule shall have effect as to the constitution of the Corporation and otherwise in relation thereto.

*Functions of the
Corporation*

4 - (1) The Corporation shall have power to establish and maintain an efficient system of marketing for agricultural produce by securing the most favourable arrangements for the purchase, handling, sale and exportation of agricultural produce.

(2) Subject to the provisions of this Act, the Corporation may, for the purpose of exercising or discharging any of its functions under this Act, do anything and enter into any transaction which, in the opinion of the Corporation, is necessary to ensure the proper exercise or discharge of its functions.

(3) In particular and without prejudice to the generality of the provisions of subsections (1) and (2) the Corporation shall have power:-

- (a) to provide and maintain adequate marketing outlets for agricultural produce;
- (b) to buy and sell agricultural produce;
- (c) to provide for the collection, transportation, storage, grading, packing and processing of agricultural produce;
- (d) to import and export agricultural produce.

Policy directions

5 - The Minister may, after consultation with the Chairman, give to the Corporation directions of a general character as to the policy to be followed in the exercise or discharge of its functions in relation to matters appearing to him to concern the public interest, and the Corporation shall give effect to any such directions.

*Appointment as
Agent*

6 - The Corporation may be appointed to be an agent of the Government or any person.

PART III - FINANCIAL PROVISIONS

Application of revenues

7 - The revenues of the Corporation shall be applied for the purposes authorised by this Act or by any other enactment relating to the functions of the Corporation.

Borrowing powers

8 - (1) Subject to the provisions of subsection (2) the Corporation may borrow sums required by it for meeting any of its obligations or discharging any of its functions.

(2) The power of the Corporation to borrow shall be exercisable only with the approval of the Minister after consultation with the Minister responsible for Finance as to the amount, as to the sources of the borrowing and as to the terms on which the borrowing may be affected. An approval given in any respect for the purposes of this subsection may be either general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

Advances, grants and guarantee of borrowing

9 - (1) The Minister may from time to time make advances and grants to the Corporation out of moneys provided by Parliament for the purpose.

(2) With the approval of the House of Representatives, the Minister responsible for Finance may guarantee, in such manner and on such conditions as he may think fit, the repayment of the principal and the payment of interest on any authorised borrowings of the Corporation made otherwise than by way of advance under subsection (1).

(3) Where the Minister responsible for Finance is satisfied that there has been default in the repayment of any principal moneys or in the payment of interest guaranteed under this section, he shall direct the repayment, or, as the case may be, the payment out of the general assets and revenue of the Island of the amount in respect of which there has been such default.

Repayment of, and interest on, advances and sums issued to meet guarantees

10. The Corporation shall make to the Accountant General, at such times and in such manner as the Minister may direct, payments of such amounts as may be so directed in or towards repayment of advances made to the Corporation under section 9, and of any sums issued in fulfilment of any guarantee given thereunder, and payments of interest on any sum outstanding for the

time being in respect of such advances and of any sums so issued at such rates as the Minister may direct, and different rates of interest may be directed as respects different advances or sums and as respects interest for different periods.

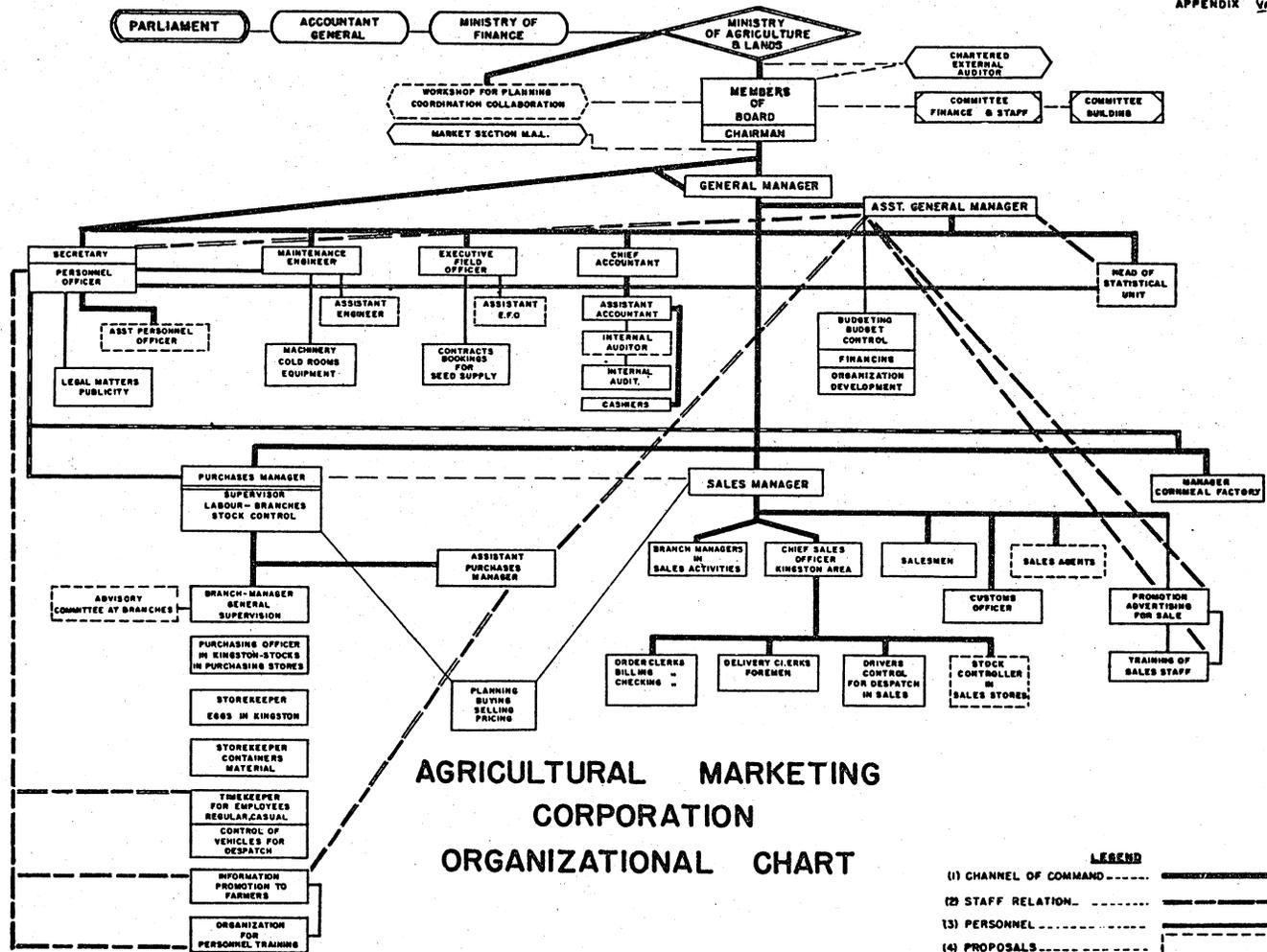
Reserves

11. - (1) The Corporation shall establish and maintain such reserves as it considers necessary.

(2) The Management and application of the said reserves and the sums to be carried from time to time to the credit thereof shall be as the Corporation may determine:
Provided that except with the prior approval of the Minister after consultation with the Minister responsible for finance no part of the reserve shall be applied (whether by way of investment or otherwise) for the purposes of any business or undertaking other than the activities of the Corporation mentioned in subsection (1) of section 4,

TABLE III - ESTIMATED DISTRIBUTION OF LAND BY TYPES OF LAND USE AND BY PARISHES.

Parish	L A N D U S E											Total (Acres)
	Sugar-cane	Banana	Citrus	Coffee	Coconut	Cocoa	Pimento	Corn	Grazing.	Food Crop	Veget-able Crop	
St. Thomas	13,500	11,000	250	230	25,000	1,000	120	100	22,400			
St. Andrew	200	1,000	600	600	500	1,750	250	150	8,400			
St. Catherine	31,000	6,000	7,500	3,000	5,000	3,750	830	450	10,400			
Clarendon	40,000	3,900	9,250	2,000	50	8,450	70	300	44,800			
Manchester	-	2,800	2,250	1,000	50	50	390	500	53,500			
St. Elizabeth	12,500	750	600	1,000	50	160	3,050	850	103,800			
Westmoreland	30,000	1,600	400	400	200	650	5,000	1,000	70,900			
Hanover	8,000	1,500	180	180	680	3,000	500	500	35,000			
St. James	8,000	12,600	1,100	250	250	1,200	150	50	36,850			
Trelawny	13,500	3,500	180	100	700	90	900	280	45,500			
St. Ann	2,100	2,250	2,100	2,500	3,600	50	12,100	3,500	85,000			
St. Mary	4,900	27,100	1,500	1,000	52,000	22,700	3,200	50	44,900			
Portland	-	10,000	500	860	9,000	1,800	500	50	24,000			
Total	163,700	84,000	26,410	13,120	97,080	44,650	27,060	7,780	585,450	20,000	10,000	



AGRICULTURAL MARKETING CORPORATION ORGANIZATIONAL CHART

- LEGEND**
- (1) CHANNEL OF COMMAND -----
 - (2) STAFF RELATION - - - - -
 - (3) PERSONNEL - - - - -
 - (4) PROPOSALS - - - - -
 - (5) ADVISORY COMMITTEE - - - - -

MEMORANDUM OF AGREEMENT

THIS AGREEMENT made on _____ day of
 One Thousand Nine Hundred and Sixty-five between _____
 of _____
 in the Parish of _____
 (hereinafter called "the Grower") of the One Part and the
 AGRICULTURAL MARKETING CORPORATION established and existing
 by virtue of the Agricultural Marketing Corporation Act, 1963,
 and having offices at _____
 in the Parish of _____ (hereinafter called
 "The Corporation") of the Other Part WITNESSETH as follows:-

1. The Corporation is an Agricultural Wholesaler and to fulfil its obligations to customers of the crops hereinafter mentioned relies upon supply of such crops from Growers who undertake to plant, cultivate, grow, reap and deliver such crops to the Corporation at its receiving stations.

2. The Grower hereby COVENANTS:-

(a) To plant, cultivate and grow the following crops
 from the month of _____ 1965
 to the _____ day of _____ 196 _____ on
 _____ acres of land at _____
 in the Parish of _____
 (hereinafter referred to as "the said lands") in a good
 husbandlike manner:

ACRES	KIND OF CROPS	VARIETY OF CROP
-------	---------------	-----------------

(b) When reaped to deliver the crops at such receiving station or stations (or branches of the Corporation upon delivery dates stipulated in the schedule hereto or upon such other dates and between such hours as the Corporation may from time to time direct.

(c) To offer for sale to the Corporation all crops grown on the said land which the Corporation considers acceptable at the price hereinafter mentioned and not to sell or offer for sale to any other person or Company any such crops which the Grower shall grow on the said land unless the Grower has the permission in writing of the Corporation so to do.

(d) To purchase from such person or Company approved by the Corporation seeds valued at £ _____
 fertilisers valued at £ _____
 spray materials valued at £ _____ and
 equipment valued at £ _____ and, unless
 credit facilities are arranged as hereinafter mentioned,
 to pay such person or Company the purchase price for such

items, which shall be in accordance with said valuations either in cash or by way of deduction from the purchase price paid by the Corporation to the Grower on the sale of the Crops, but in any case not later than _____ days from the date of this Agreement.

(e) To receive and observe all instruments given by the Corporation relating to reaping and delivering of crops and by the Ministry of Agriculture and Lands relating to all aspects of planting, cultivating and growing of crops on the said land.

3. The Corporation HEREBY COVENANTS:-

(a) To purchase from the Grower the crops grown on the said land at the prices set out in the Schedule hereto (such prices being guaranteed minimum prices) taking into consideration the variety of crop, the estimated quality per acre and the various grades of each variety as also set out in the Schedule hereto provided said crops have been grown on the said land and in accordance with the terms and conditions of this Agreement and further provided that the Corporation shall be entitled to refuse any crop which it shall consider unacceptable because of the quality of the crop.

(b) To give advice to the Grower free of charge in connection with the reaping and delivering of crops grown on the said land.

(c) Subject to the Corporation being advised by the Ministry of Agriculture and Lands that it has satisfied itself by inspection from time to time that the land has been prepared and that cultivation methods are being used in accordance with agricultural practices approved by the Ministry of Agriculture and Lands, to recommend the Grower to recognised lending institutions for credits and loans in such amounts and at such times as the Corporation shall from time to time deem fit.

(d) To assist in arrangements for the supply of seeds, fertilisers, spray materials and equipment at the valuations mentioned in clause 2(d) hereof to the Grower on credit at such times and places as the Corporation shall from time to time direct provided the Grower shall use them exclusively in connection with the planting, cultivation, growing and reaping of crops on the said land.

4. IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:-

(a) When buying prices in the current price list issued by the Corporation are higher than the prices stipulated in the schedule hereto the Corporation will pay such higher list prices to the Grower.

(b) In case the Grower shall be delayed in delivering all or any part of the crops grown on the said land to the receiving Station stipulated by the Corporation and within the stipulated time by Acts of God, he shall immediately advise the Corporation of such delay and the reasons therefor in writing (such advice to be certified by a person authorised by the Corporation and the Corporation shall upon receipt of such advice fix a new delivery date.)

(c) In case the Grower anticipates delay in delivering of said crops for any other reason, he shall immediately advise the Corporation of such anticipated delay in writing and the Corporation may, if it deems fit, fix a new delivery date.

(d) Duly authorised Officers of the Corporation or other officers of the Ministry of Agriculture and Lands shall have the right at all times during the continuance of this Agreement to enter upon and inspect during the hours of daylight the said lands and the crops thereon.

(e) All crops grown on the said land shall upon reaching their respective reaping stage as stipulated by the Corporation be reaped by the Grower and shall upon reaching such reaping stage become the property of the Corporation who shall however only be liable to pay or account for the purchase price thereof when same shall have been delivered at the receiving station of the Corporation as directed by the Corporation from time to time and such payment shall be made to the Grower in cash less any outstanding sums by the Grower under clause 2(d) hereof.

(f) All disputes arising between the parties hereto touching this Memorandum of Agreement or the construction hereof or the rights duties or liabilities of the respective parties hereunder or anything pertaining hereto, or to the said land shall be settled by reference to a single arbitrator, in case the parties agree upon one, otherwise to two arbitrators, one to be appointed by each party and their umpire in manner provided by the Arbitrators Law Chapter 19 of the Laws of Jamaica Revised Edition 1953.

Dated the _____ day of _____ 1965.

SIGNED for and on behalf of)
the AGRICULTURAL MARKETING :
CORPORATION BY)

and)

in the presence of:-)

SIGNED by the said)
in the presence of:-:)

