



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

2. Need for and Implementation of a Regional Policy to Achieve the Objectives of Carifta, with special reference to the Agricultural Marketing Protocol

Chairman: M. Brown.

Secretary: F. Watty.

The Workshop identified the main objectives of the Agricultural Marketing Protocol as encompassing the aims set out in Section 2 Paragraph 1 of the Protocol, being encouragement of agricultural development of the Caribbean Free Trade Area as a whole by ensuring that commodities capable of being produced in the Area are in fact produced and distributed at prices remunerative to growers and reasonable to consumers.

In addition the Group took special recognition of the particular reference made to the needs and problems facing agriculture in the "less developed territories". It was, however, noted that despite this provision nowhere in the Document was there explicit provision of a particular mechanism for achieving the latter objective. Reference was made to the limited guarantees available under Paragraph 6 (Allocation of Markets) and Paragraph 7 (Annual Price Fixing) but the question was raised as to whether those constitute sufficient opportunities for securing those aims.

The view was expressed that the objectives of the Agreement could be considered incompatible:

- (a) on the assumption of Area production of products which can be grown, it might be possible that some crop grown because of unfavourable conditions might not be grown and sold at prices remunerative to growers and reasonable to consumers;
- (b) in attempting to meet the conditions of grower and consumer satisfaction, the less developed territories might be relatively worse off as against the more developed territories.

Further, it was suggested that the commodities contained in Annex to the Protocol were much too few to realistically benefit the less developed economies. It seemed to the Group that the principle governing inclusion of commodities (mainly to halt importation from outside third countries) was far too negative to be useful. The Group was perturbed by the possibility of continuing trade with third parties even though regional deficiencies might yet exist. And with particular reference to Canned Products, the Workshop felt that a concentration on only fresh fruit was unrealistic.

Notwithstanding, opinions ranged over the need for the Agricultural Protocol to the Carifta Document; that the problems which existed were typically those of trade in agricultural commodities; that the 21 products listed in the Annex did allow the less developed territories some latitude; that the provisions under Paragraph 8 Section 2 for two-thirds majority vote did allow the smaller territories considerable opportunity for influencing decision.

On the question of licenses and subsidies prevalent in the larger territories, it was felt that these negated the objectives of the Agreement; that an unyielding policy of national import substitution ran contrary to the spirit of the Agreement; that the problem of defining a subsidy could not however be evaded, and that regionali-

zation of subsidy and incentive programmes be undertaken.

It was felt in some quarters that perhaps the Carifta Agreement created more problems than it solved. Perhaps a regional agreement on minimum commodity prices might have been preferable. It was felt that there were grave implications for fixing both prices and market allocation. A strong case was made for the early establishment of a regional market information and intelligence network communicating all territories with a Central Secretariat by a Telex system. Simultaneously, there arose the need for

- (a) efficient personnel at the Regional Secretariat in marketing analysis forecasting;
- (b) efficient territorial staff;
- (c) regular communication between the territories for information on agricultural programmes and trends.

The Group recognised that compulsory registration of all growers and exporters, and the registration of commodities for export would assist in furnishing the information required. However, there exists the urgency of a good reporting system.

In summary, five main areas were considered essential to the development of regional agriculture and the promotion of regional agricultural trade with Carifta:

1. Improved marketing and information system;
2. Intensified research activities by Government institutions and private groups oriented to special local problems, this being of special relevance to the needs of the smaller territories;
3. Licensing as an alternative to price fixing and market allocation;
4. Improved regional shipping and warehousing/storage facilities;
5. It must be the responsibility of researchers in the Area to communicate as far and as meaningfully as possible the results of their work in understandable language for public benefit.

In closing, the Group recognised that contribution to the Articles of the Agreement and continuing commitment to its principles have in part been motivated by the prospect of compensating benefits from participation in the proposed Development Bank. Fears were expressed that if and when confidence in the reality of a development bank sensitive to the needs of the less developed territories faded, commitments to the Agreement and the Protocol might cool. This should be anticipated and provided for. The time is now.