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DISCUSSION REPORT (Paper by Mr. E. Kwayana)

How a 'reasonable' price for consumption was determined was first discussed. The decision lay with the Guyana Marketing Corporation which performs an 'open market operation' for the agricultural sector. Thus when supplies from vendors are scarce and prices relatively high the GMC releases supplies with some publicity. With the GMC in the role of alternative supplier, prices are influenced downwards.

The 'legal' significance of contract farming was discussed. In spite of the contract to deliver, 'over-the-fence' sales took place. Contract farming presented problems because of the varying degrees of responsibility of farmers in honouring the contract. Some farmers were responsible; others were not. In periods of scarcity the former group is disloyal. If the contract is withdrawn they are not adversely affected. In periods of glut the guaranteed price is above the market price. Farmers then want to sell only to the Cooperative because the Cooperative price is greater than the market price. If, however, the Cooperative price is consistently greater than the open market price, it is not possible for the Cooperative to recover the subsidy portion of its payment in periods of glut.

It was noted that a significant development in contract farming was in the Jamaica broiler industry where farmers provided the housing and labour and were provided with feed, medication and other supplies. The producers cooperative took care of the marketing of the product.