THE FUNCTIONING OF THE AGRICULTURAL MARKETING PROTOCOL OF THE CARIFTA AGREEMENT WITH PARTICULAR REFERENCE TO EXPORTS FROM ST. VINCENT

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Introduction

The aim of this paper is to discuss the functioning of the Agricultural Marketing Protocol with particular reference to St.Vincent. To some extent, St.Vincent can be considered a special case. It is one of the few, if not the only, less developed island which had a significant amount of trade in agricultural products with the other CARIFTA territories prior to the inauguration of the CARIFTA Agreement. It is common knowledge that countries which enjoy an established trading position tend to benefit initially from free trade arrangements. Even so, the very short time that has elapsed since the introduction of the Protocol means that the empirical data available for examination is severely limited. The paper, however, does take the discussion on the Protocol a step further in that previous examinations have been based upon analytical rather than empirical grounds. No doubt, at a later stage, an even more detailed examination will be undertaken.

The paper is divided into three parts: first, the main features of the Protocol are outlined; secondly, the impact of the Protocol on four crops grown in St.Vincent is considered; and finally, some general conclusions are stated.

The Main Features of the Protocol

The objective of the Protocol is set out in the second paragraph of the Preamble. It is to encourage "the 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".

The Protocol covers about twenty-two items[1] and its provisions deal with the three main issues that are usually of paramount importance in agreements of this kind -- price, quantity and quality.

As far as prices were concerned, the aim was to fix these sufficiently early so that farmers could know what returns they were likely to receive. If prices are known early enough and are attractive enough the incentive to produce is provided. However, the multiplicity of crops covered by the Protocol made it difficult to determine a single time period for which prices ought to be fixed. The Protocol itself refers to annual price fixing, though it was recognised that some prices would have to be reviewed more frequently. Further scope for varying prices was provided by fixing only minimum f.o.b. prices, except in the case of one item -- sweet potatoes. Producers would therefore be given a floor price but there would be scope for negotiating higher prices.

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1 These items are: carrots, peanuts, tomatoes, red kidney beans, blackpepper, sweet peppers, garlic, onions, potatoes (not sweet), sweet potatoes, string beans, cinnamon, cloves, cabbages, poultry meat, eggs, okra, fresh oranges, pineapples and pigeon peas.

In fixing the actual level of prices, attention was to be paid to several factors, including the price presently paid by consumers, the cost of production, the cost of marketing and the general tendency of the terms of trade to move against agricultural producers.

As regards quantity, the problem was to encourage production but not over-production and to ensure that supplies were sent where they were demanded. Participating territories were therefore expected to declare their import requirements and export surpluses. The Secretariat was to coordinate the whole exercise providing the data on import requirements and export surpluses. The presence of a large number of perishable items on the list suggested that rapid communication would be necessary and it was at one time mooted that each government marketing agency in the Area should have a telex machine. Probably because of the expenses involved the proposal never became a reality. However, to prevent shortages from occurring, while the Secretariat was sorting out surplus/deficit situations, individual countries were to be allowed to import 30 per cent of their requirements from any source, notwithstanding the other provisions contained in the Protocol. In cases where production in the Area exceeded demand, preference was to be given to supplies from the less developed territories.

On the question of quality, it was at one time felt that a high standard of product could be best ensured by making the government marketing agencies in the various territories solely responsible for handling the imports and exports of the items listed in the Protocol. It was observed, however, that many government marketing agencies, not only in the Caribbean but throughout the world were not particularly distinguished for their efficiency. To give them a monopoly on the handling of the items listed in the Protocol could well tend to encourage rather than discourage inefficiency. As a compromise, it was agreed that private traders as well as government agencies could trade in all items. However, to ensure that the government agencies had some control over quantity and quality, private traders would have to obtain licence from the government agencies.

Finally, in considering the Protocol, it should be borne in mind that the Agreement in its present form was never intended to be an end in itself. The process of integrating Caribbean agriculture was envisaged as having three phases. The first phase occurred when the Chairmen and Managers of government marketing agencies met, placed orders with each other, and took steps towards formulating the Protocol. The second was the introduction of the Protocol itself. The third phase is to be a scheme for rationalising agriculture which should emerge from a study to be conducted by the Regional Secretariat of the CARIFTA Council.

Crops Affected by the Protocol

With the exception of garlic all the crops listed in the Protocol have been produced in St.Vincent in varying quantities at one time or another. In St.Vincent attention is concentrated on four: sweet potatoes, peanuts, plantains and carrots. The first three ~~of these~~ were produced and exported in fairly large quantities from St.Vincent to other CARIFTA territories before the introduction of the Protocol, while in the case of carrots, an effort has been made to promote its exportation since the introduction of the Protocol. Production of other items listed in the Protocol is of no great significance.

Sweet Potatoes

To appreciate the implications of the Agricultural Protocol for the potato industry, it is necessary to look briefly at the history of the marketing of potatoes from St.Vincent.

The exportation of sweet potatoes from St.Vincent to Trinidad, the main market for the commodity, commenced at the turn of the century. For over half a century the trade was handled by several middlemen known locally as "traffickers". They bought the potatoes in St.Vincent, transported them on schooners to Trinidad and ferreted out purchasers, returning not with cash but with manufactured goods for sale in St.Vincent. It was a classic example of a man having little capital but much time, and making effective use of both factors.

The great objection to the traffickers was not that they wre not providing a sufficiently large outlet for the potatoes. In fact, as Table 1 shows, more potatoes were sold in Trinidad before the system was abandoned in 1959 than have been sold since then. Rather the objection to the system arose from the feeling that the traffickers were getting too much, and the farmers too little, from the industry. The tendency of the traffickers to build up small commercial businesses, mainly the distribution of imported dry goods, had not gone unnoticed. In 1959, the St.Vincent Marketing Board, a statutory organisation, was set up with the exclusive right to export potatoes. Traffickers who wished to continue in business had to obtain a licence from the Board.

The Board appointed an agent in Trinidad with the usual terms that go with such arrangements, the potatoes were consigned to the agent, all expenses were for the Board's account, a commission of 9 per cent was to be paid to him, and unsold potatoes were to be dumped since it would be useless to return them to St.Vincent.

Whatever other shortcomings these arrangements may have had, there was one very disturbing feature -- remittance from the agent tended to be about 10 per cent to 20 per cent short. The agent claimed that too many potatoes were shipped at the wrong time and to get rid of them he had to sell them on a credit basis to the wholesalers. The wholesalers for their part claimed that they owed the agent no money. Many delegations from the Board went to Trinidad, but the problem remained unsolved. It was felt that while the marketing of potatoes through the Board had led to an increase in the price the farmers received, there was still room for improvement.

It was against this background that sweet potatoes were included in the Protocol. The objectives were to eliminate the agency system altogether, get a better price for the farmers and to try to arrest the decline of the market. As regards the decline of the market, Alexander had shown that "per capita consumption of yams, sweet potatoes, eddoes and tannias has shown a marked downward trend for the period 1954 to 1963".[1] Moreover, there was nothing to prevent the development of the potato industry in Trinidad to the detriment of St.Vincent imports. This had happened in the case of the pig industry and, as will be shown later, import substitution in Trinidad curtailed the exportation of plantains from St.Vincent between 1961 and 1965.

The present arrangement is for the St.Vincent Marketing Board to sell the Central Marketing Agency of Trinidad and Tobago 5,000,000 pounds annually at 9 cents per pound. It is the only instance in which a market has been allocated for a considerable period

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1 Alexander, M.N., 'Some Factors Affecting the Demand for Starchy Roots and Tubers in Trinidad', Economics of Tropical Root Crops, The University of the West Indies, St.Augustine, 1967, p.48.

and the price fixed rigidly under the Protocol.

As far as producers in St. Vincent are concerned the arrangement has led to an increase in price, for whereas they used to receive between 3-4 cents per pound under the agency system, they now obtain 5-6 cents. There are however, other issues to be considered. First, is the price sufficiently high to encourage production in other Associated States? A 'high' price could lead to an internal squabble as to who should supply the market. This does not appear to have been the case, the only other Associated State which has manifested any interest has stated that it cannot produce potatoes for export at an f.o.b. price of less than 14 cents per pound.

A second issue is whether the St. Vincent producers have been making maximum use of the market. As Table 1 shows, though St. Vincent has been exporting over 5,000,000 pounds of potatoes annually, she has been unable to supply 5,000,000 pounds to Trinidad and Tobago as the Protocol requires. The reason for this is that the Central Marketing Agency in Trinidad has requested that St. Vincent Marketing Board distribute the 5,000,000 pounds evenly throughout the year, to meet the pattern of consumer demand. Unfortunately, the flow of production in St. Vincent is not even.

One result of the uneven flow of supply is that retail prices paid by consumers in Trinidad have tended to vary from 12 cents to 35 cents per pound, and in times of high prices the Board has great difficulty in preventing unlicensed "traffickers" from selling potatoes in the Trinidad market. It has therefore been suggested that it was unwise to have the price completely fixed at 9 cents f.o.b.: this should only have been a minimum f.o.b. price and, as in the case with the other items in the Protocol, scope should have been left for upward adjustments. This would have led to greater total returns since average annual prices would have been higher, and secondly, since the high prices in times of scarcity could have encouraged production in the dry season, thus enabling the quota to be filled. There is undoubted merit in the point about higher average prices but it is necessary to tread a little more warily on the question of stimulating production.

In the first place, the distribution of rainfall has become extremely unpredictable in recent years and as a result the periods of scarcity have tended to vary (from March-April in 1968, to June-August in 1969, and from April-September in 1970).

Potatoes in St. Vincent are produced by small farmers on holdings varying from 3 acres to a mere "yam-piece" of 1,600 square feet. The total return on such a farm is not enough to warrant irrigation facilities. Irrigation for dry season production would interest the estate owner, who already has irrigation facilities. The large farmer might run into problems of insufficient labour for harvesting because small farmers resent the competition of large farmers in sweet potato production.

As can be seen from Table 1, Antigua is the second largest market for sweet potatoes from St. Vincent. The existence of this market predates the Protocol. What has happened, however, is that the exchange of information arising out of the frequent meetings about the Protocol has brought the potential of the market sharply into focus and led to more concentrated efforts to supply this market fully.

Peanuts

As can be seen from Table 2, up to the mid-fifties St. Vincent was a major exporter of peanuts. Total exports in 1954 were 744,000 pounds but since then production has declined to the low level of 74,000 pounds in 1968. According to the

Annual Reports of the Agricultural Department in St.Vincent, the main reason for this was the loss of markets. The 1958 Report of the Agricultural Department states that "the main reasons for this decline are falling prices, stiff competition from Egyptian, African and Indian sources and diverted cropping interest".[1] The 1957 Report had been even more explicit. It states: "Production dropped again as a result of large cheap consignments of West African and Indian groundnuts by Trinidad, our main buyer."[2]

It appears that this price has not been the only problem; there has also been a problem of quality. The traffickers engaged in marketing the crop has been exporting green peanuts. This practice had led to a total disenchantment with peanuts supplied from St.Vincent.

Given the provisions made in the Protocol, both as regards guaranteed prices and provisions to ensure quality, peanuts would seem to have been an ideal crop in which trade could be promoted. Despite the very limited period that has elapsed since the introduction of the Protocol, it is possible to discern certain trends.

On the demand side several significant developments have taken place. The Marketing Board has received far more orders for peanuts than it could possible supply and consequently, f.o.b. prices have been about 30 per cent higher than those fixed under the Protocol. The orders have come mainly from private traders. In one case, while the government agency in the territory has staunchly denied that there is any demand for peanuts, the private traders have been going to all lengths, including illegal methods, to secure peanuts from St.Vincent. This has led to speculation that the government marketing agency in the territory is either too concerned with promoting the development of the industry at home or is itself importing from non-CARIFTA sources.

It is significant, too, that while Trinidad and Barbados were once the major importers, since the inception of the Agreement most of the orders have come from Guyana. A possible explanation for this is that while Guyana imposes a tariff of 45 per cent *ad valorem* on peanuts from non-CARIFTA sources, the corresponding figure for Barbados and Trinidad and Tobago is 20 per cent.

On the supply side it is clear that production is as yet not nearly as high as it was in the mid-fifties, despite the excellent demand conditions. There has, however, been some improvement. In 1969, 171,000 pounds were exported while in 1970 production for export was approximately 200,000 pounds though only 138,000 pounds were exported due to shipping difficulties.

The increases in production have come mainly from peasant holdings. They may well have been due to both increases in both acreage and yields. Under persistent pressure from farmers, a new road has had to be built in one of the main peanut growing areas and pesticides and insecticides have been applied to peanuts for the first time. Agronomic practices are however still far from being what they ought to be. Farmers have pointed out that while the prices actually obtained are quite good, sometimes 40 per cent of the crop turns out to be false nuts, that is, soft shells with no nuts inside. This has caused the Department of Agriculture to investigate the

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1 Government of St.Vincent, Report of the Agricultural Department for the year 1958, p.4.

2 Government of St.Vincent, Report of the Agricultural Department for the year 1957, p.5.

problem and it has been felt that the addition of gypsum to the soil can reduce if not eliminate the problem. Further experiments in this area are necessary.

So far, too, only one large plantation has been engaged in the production of peanuts. Apart from the questions of uncertain markets and disease, another factor that has probably inhibited expansion on plantations is the system of harvesting. In St.Vincent the practice is for a man to "fork" the fields and then for a team of women following in his train to pull up the plant and pick the nuts. The women no longer seem to be interested in this type of work. However, a harvest machine tried out last year seems to have yielded sufficiently satisfactory results to warrant serious consideration being given to this method of reaping.

Plantains

Several distinct phases are discernible in the export performance of the plantain industry between the years 1953 and 1970. In 1954 exports were 467,000 pounds, but by 1959 they had declined to 99,000 pounds. It is not difficult to identify the major factor involved here. Banana exports from St.Vincent to the United Kingdom began in 1953; in that year only 826,000 pounds were shipped, but by 1959 they had risen to 54,000,000 pounds. Bananas and plantains belong to the same botanical family; in fact the term "bananas" properly speaking includes plantains. Being almost perfect substitutes, farmers would have a choice of producing one or other. Given that at the time the marketing of plantains was entirely in the hands of the traffickers, while in the case of bananas there was a guaranteed market, a well-organised marketing association which also provided credit and extension services, it would have been surprising if the plantain industry had fared well in the circumstances.

Between 1961 and 1965 there was an even more drastic decline in the industry with annual exports for these years averaging about 3,000 pounds. The decline on this occasion was associated with the loss of the main market -- Trinidad and Tobago. It is not known whether it was the failure of St.Vincent to supply plantains at an earlier period or the Government of Trinidad and Tobago's own concern with diversification that led to this state of affairs. What is known, however, is that the production of plantains had been expanding and by 1966 that territory was a net exporter of plantains.

By 1968 there was, however, a resurgence in the industry with exports in that year being 141,700 pounds, increasing to 256,800, but declining to 132,145 pounds by September 1970. The main markets in the Carifta Area had now become Barbados and Antigua. Here again, as was pointed out in the case of sweet potatoes, it would be too much to say that the Protocol has led to the exportation of plantains to these markets, but what it probably did is to focus attention on the possibility of utilising the markets. One step that had been taken by St.Vincent after the introduction of the Protocol was to send a trade delegation to Antigua, to promote the sale of agricultural products through the Peasant Development Organisation in that island and also through private traders.

With Guyana, Trinidad, Dominica, St.Lucia and St.Vincent, all producing plantains for export, the crop would seem to be one of the more difficult items on the Protocol. Fortuitously, there seems to be some markets outside the Area. Also, it may not be in the best interest of St.Vincent or the Windward Islands for that matter, to emphasise the production of plantains. At present, the price paid to producers of plantains under the Protocol is about 50 per cent higher than that paid for bananas for export to the United Kingdom. If farmers, reversing the change from plantains to bananas that took place between 1954 and 1958, were to produce more plantains and less bananas then there can very well be an overproduction of plantains. At the same time, the decline in banana production can lead to serious inroads in the preferential market now enjoyed by the banana industry on the market in the United Kingdom. Already, there are complaints about the Windwards failing to meet their quotas. Rationalisation has to be based not only on agronomic factors but also on market prospects outside the Area for particular crops or their substitutes.

Carrots

Unlike the items so far discussed, little if any carrots was exported from St.Vincent prior to 1968. Nevertheless, it was decided to emphasise production of this item for sale within the CARIFTA area. There were several reasons for this. First, the demand for the crop within the Region was estimated at 2,500,000 pounds per annum and production within the Area was nowhere near this figure, being only some 650,000 pounds. Secondly, at least one farmer in St.Vincent had been producing the crop for some thirteen years and efforts to expand production had failed because of marketing difficulties. Finally, the crop takes only three months and so returns could be realised in a short period.

As soon as the Protocol had been agreed upon several steps were taken to encourage carrot production: meetings were held with various groups of farmers throughout the Island; extension officers were asked to emphasise the production of this crop; the Marketing Board installed cold storage facilities, sold carrot seed at cost or less, and agreed to purchase all the good quality carrots that were produced. The Central Marketing Agency of Trinidad and Tobago, in keeping with the terms of the Protocol, agreed to buy carrots weekly from St.Vincent at the price fixed in the Protocol.

The results so far have been encouraging. In 1969, 8,000 pounds of carrots were exported; in 1970, the corresponding figure was 23,000 pounds; and between January and March 1971 the Marketing Board had purchased 42,000 pounds of which 28,000 pounds had been exported. It should be noted, however, that these exports are not net. Particularly up to May 1970, there was a tendency for St.Vincent to import and export carrots at the same time. There are two possible explanations for this. In St.Vincent, carrots have so far been rain-grown, there has been no irrigation. Consequently, when there is a prolonged dry spell, importation becomes necessary. This was especially noticeable in 1970. Secondly, the local market for carrots in St.Vincent is so small that no one bothered to think about protecting it until the Protocol made it mandatory to do so and even this was not done until May 1970.

Despite the confusion occasioned by the tendency to import and export at the same time, on balance, the evidence suggests that carrot production is increasing fairly rapidly. While exports for the year 1970 were about 200 per cent greater than for 1969, imports were about 18 per cent less. Moreover, 24,000 pounds exported so far for 1971 is 600 per cent more than the amount exported for the same period last year and if the trend continues, exports for the year can well be over 100,000 pounds.

Exports of even 100,000 pounds, however, will still be only a small fraction of the total imports of the Region. Several factors tend to suggest that there is still considerable scope for increasing carrot production in St.Vincent. As far as yields are concerned it is significant that there is that fact that the Marketing Board has had to reject a considerable amount of carrots because they were too small, were reaped too late or so badly handled that they were likely to spoil before reaching Trinidad.

As far as acreage goes, as is customary in St.Vincent, it is the small farmers who have taken up the production of the crop initially. No doubt they will expand their acreages. A great deal will however depend on the large farmers, particularly so during the dry weather, as it is the larger farmers who have the irrigation facilities. So far among the large farms it is the government estates that have paid most attention to carrots and the returns so far have not been discouraging though it is still very much a matter of trial and error.

Conclusions

The Need to Mobilise Resources

The Protocol can hardly have been expected to solve all the problems of Caribbean Agriculture. Where tourism, sugar and banana production have pre-empted the use of resources, it is hardly likely that the Protocol would have any impact. In this connection it has to be borne in mind that not only are there differences between large and small islands, but there are differences between the small islands themselves. Some are mountainous, of volcanic origin, with good soil and adequate rainfall and so can develop agriculture. Others are coral, with white sand beaches and sufficient land to lay down jet airports. In these, tourism has developed rapidly sometimes to the detriment of agriculture. The Protocol can, therefore, help some of the small islands, while for others greater reliance will have to be placed on other techniques to ensure that they derive any benefit from the integration exercise.

Even in those territories where the Protocol can be of some advantage, the benefits are not likely to be seen immediately. As Watty and Yankey,[1] writing on the Dominican situation, have observed, "clove, cinnamon and black pepper are traditional subsistence crops which are presently produced in very small quantities. Any present expansion which must be made to take advantage of the CARIFTA Trade Agreement will yield results from 1974".

The biological nature of the process involved always leads to a substantial time-lag in the agricultural sector. While time must elapse before crops can mature, the mere passing of time is not sufficient to ensure that they are grown.

In St.Vincent the emphasis has been on short-term crops -- sweet potatoes (4½ months), plantains (12 months), peanuts (3 months), and carrots (3 months). The results so far, while encouraging, have not been startling. In effect the most the Protocol can do is to reduce the price uncertainty associated with the crops it covers. The significance of this ought not to be minimized. In a small island that has so far existed by the export of agricultural products, the importance of guaranteed prices for these exports cannot be over-emphasized. A lot, however, will depend on what happens with the factors of production, though the flow of these into the sector itself will to some extent depend on the removal of price uncertainty. As illustrated by the case of peanuts, even to secure a small increase in production it has been necessary to construct feeder roads and introduce insecticides. To obtain an even

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1 Watty, F. and Yankey, B., 'The Small Agricultural Economy in Carifta: A Case Study of Dominica, West Indies', Proceedings of the Fourth West Indian Agricultural Economics Conference, U.W.I., St.Augustine, Trinidad, 1969, p.119.

larger increase, harvesting machines and probably new varieties would have to be introduced and the soil treated. Similarly, with carrots and sweet potatoes, irrigation equipment will have to be used if full advantage is to be taken of the Protocol. The need for capital to be injected into the sector if the Protocol is to be of advantage goes much further than the specific items mentioned here. The Protocol itself will not provide the capital but it can facilitate its flow into the sector.

In February 1968, the Government of St.Vincent established an agricultural bank. The total capital of the institution is small, less than that which it is estimated the agricultural sector needs. Even so, the Bank has not been able to lend its limited funds very rapidly. Because of the extremely poor record of agricultural credit institutions in St.Vincent, the Bank has followed rather rigid lending procedures. It has, for the most part, been prepared to accept mortgages and not crop liens as security. This is not unreasonable since it has neither guarantee that the crop will be sold, nor control over the channel through which it is sold. Farmers, for their part, are not willing to mortgage their property to invest in a crop which they are not certain to get sold. Under the Protocol it is not only possible for both the Bank and the farmers to know what the market conditions are likely to be, but also for the Bank to know the channel through which it is being sold. If it is not the Marketing Board itself, it would be some trafficker, licensed by the Board, except in the case of local sales which are in any case small. In such circumstances the use of crop liens will become feasible.

Similarly, there have been several suggestions that there should be a tax on unused and underutilised land in St.Vincent. But it would be iniquitous to tax land owners to produce crops without having an assured market for them. With the Protocol as an umbrella it may even be possible to insist that large farmers who have irrigation equipment should plant potatoes in the dry season among the tree crops that some of them grow extensively.

Price uncertainty has affected not only the flow of land and capital but also the flow of knowledge into agriculture in St.Vincent. Apart from bananas for which there is a guaranteed market, it has been virtually impossible to stimulate and execute a research policy. Before the policy is even implemented changes in market conditions make it not worthwhile to continue to conduct the research. In 1959, for instance, a research programme was started to develop an improved variety of arrowroot rhizome; by 1965, however, market conditions for the product had changed so drastically that the agency providing the research funds ceased to do so. In extension , the position has been even worse. Extension Officers refuse to promote the production of a crop unless there is a guaranteed market. They are afraid of incurring the wrath of the farmers by asking them to invest their meagre resources in something that may not be sold. Perhaps the Officers have never recovered from the experiences of the 1950s when there was a major drive to expand cocoa production, only to find that there was a dramatic decline in world prices when the trees started bearing. In so far as the Protocol can mitigate this price uncertainty, it will encourage research and extension work, as has happened with peanuts and to a lesser extent carrots and so promote expansion in the farm sector. It is the old story of providing first the market and then taking steps to see that others are added. The Protocol can be a very necessary but never a sufficient condition for agricultural development.

Transport Problems

Attention has quite correctly been drawn to the fact that the operation of the Protocol requires improvement in inter-island transport. All the crops discussed in this paper have been affected by this factor in one way or another.

The small quantities of carrots so far exported makes it unprofitable to have special flights to air-freight carrots out of St.Vincent. At the same time the freights on the only scheduled airline that calls at St.Vincent, Leeward Islands Air Transport, precludes any possibility of using this means of transport. Resort has therefore had to be made to the schooners but here other problems have arisen. The small farmers who grow carrots prefer to bring them to the Board at their own convenience. This would be all right if the schooners had refrigeration facilities; the Board could then store the carrots in their cold rooms and then transfer them to the schooners. Unfortunately, the schooners do not have these facilities. The Board has now asked farmers to reap the carrots on the same day or the day before they are to be shipped. These two days are sometimes the same days on which bananas are to be shipped and sometimes farmers have difficulty obtaining transport. As a result the Board has had to purchase a van which can among other things assist the farmers in transporting their carrots.

The shipping of sweet potatoes to Trinidad has not posed such problems since the schooners have always been engaged in this. Indeed the schooner fleet grew up with the potato industry. As the Marketing Board is only responsible for the importation of sugar which now comes entirely from Trinidad, it controls the flow of cargo both ways and this gives it a strong hold on the schooners. Those boats that will not carry potatoes simply will not be allowed to bring sugar. It should be noted too that the schooners tend to charge what the traffic will bear, and since imports from Trinidad to St.Vincent are usually manufactured goods, while exports from St.Vincent are agricultural, higher rates are charged for the imports than the exports.

The problems with transport in the sweet potato industry have arisen in connection with another market. As exports for the years 1967 and 1968 show (see Table 1), it is possible to sell fairly large quantities of sweet potatoes in Antigua despite the high freight rates; fortnightly shipments are made on the Federal boats. However, if the use of the market is to be maximised, weekly shipments are necessary. Attempts to get the schooners to go weekly, as they did in 1967 and 1968, have been fraught with difficulties. Some schooner captains simply do not know the route, but more important, there is no return cargo from Antigua. Even with the outward bound cargo there is a problem. The Antigua market is not sufficiently large to absorb a schooner load of any single commodity. A shipment has to be made up of sweet potatoes, pumpkins, plantains, yams and tannias, and very often these crops are not available at the same time.

The position as regards the transport of plantains to Antigua is even worse. Sweet potatoes can be shipped at ordinary temperatures on the Federal boats, and still reach Antigua in sufficiently good state to permit distribution over several days. Plantains if they are to reach Antigua in good state must be sent in cold storage. Apart from the question of costs, the distributors in Antigua, both in the public and private sectors, do not use cold storage for plantains, and the commodity would have to be disposed of immediately if it is not to spoil. With the schooners this problem does not arise since they go directly to Antigua covering the distance in some thirty six hours as compared to six to ten days for the Federal boats.

A possible solution would be for St.Vincent to purchase its sugar requirements, at least some of it, from either Antigua or St.Kitts, and so provide the schooners with cargoes both ways. At present, in addition to such long standing items as cement, an increasing array of manufactured articles are being bought from Trinidad and these should offset any loss of freight from Trinidad due to imports of sugar from elsewhere.

As already mentioned, the Marketing Board controls the exports of sweet potatoes to Trinidad as well as the imports of sugar therefrom. There has tended to be a similar situation as regards Guyana. The Board now exports most of its peanuts to Guyana, and at the same time is responsible for the imports of rice from Guyana. Schooners that would not carry peanuts would also not be allowed to bring rice. The problem here, however, is that the two boats engaged in the trade recently sunk. Fortunately, peanuts can be stored until the occasional ships pass through and the problem sorts itself out.

The Paucity of Statistics and Conflicting Policies

Probably with somewhat less justification than in the case of transport, a great deal has been said about the array of statistics needed if the Protocol is to operate. It would seem that for statistical purposes, the items covered by the Protocol can be divided into three categories. There are those items, like peanuts and carrots, where the requirements of the Area are so far in excess of production that one does not have to worry about detailed statistics just yet. Then there are the items, like sweet potatoes, where it is common knowledge that St.Vincent can supply the requirements of the entire Area, and here too the statistical details are not so crucial. The items to be watched are those in the middle, like plantains, where several territories, Dominica, Guyana, St.Lucia, St.Vincent and Trinidad are producing and supply would probably be greater than demand if there were no extra-CARIFTA markets. Inspection of the list suggests that most of the items fall in the same category as peanuts and carrots. The paucity of statistics should not be used as a camouflage for countries to pursue national import substitution policies, which would in fact conflict with regional objectives, and are contrary to the spirit of the Protocol.

One of the assumptions underlying the classical arguments for a free trade area is that all resources are fully employed and increased production of one commodity must necessarily lead to reduction of the other. Hence, it would be best for the countries involved to specialise, producing what they can produce best and trading these for their other requirements. Everyone knows that this is not so in under-developed countries; the term under-developed itself suggests capacity for development -- the availability of under-utilised resources. The emphasis, therefore, has to be not on maximising productivity per man, but on finding jobs for the unemployed particularly so in the Caribbean where the unemployed may not be prepared "to hold strain".

In the circumstances the larger territories of the Caribbean will be sorely tempted to increase their export of manufactures at the same time as develop their agriculture regardless of production possibilities in the less developed islands. The less developed islands would then have to obtain funds from outside the Area, either through trade or aid, and be expected to use the funds, at least some of them, to purchase manufactured goods from within the Area. This can hardly be a sound basis on which to promote integration. Areas of production would have to be reserved for the less developed countries if they are to be expected to continue to participate in the movement towards economic integration. In the sphere of agriculture, the

Protocol has sought to define these areas on an *ad hoc* basis; a rationalisation study is needed to put the situation on a more scientific basis. When this has been done, the Caribbean Development Bank can provide funds to finance development in the desires areas. Above all, governments in the less developed islands would have to ensure they adopt the necessary research, extension and land policies.

Table 1 St.Vincent: Exports of Sweet Potatoes, 1953-1970

Year	Trinidad	Guyana	Barbados	Antigua	Associated States	Rest of the World	Total
	(........................ thousand pounds						........................)
1953	5,675	-	-	-	193	128	5,998
1954	6,399	4	-	3	84	45	6,585
1955	5,492	20	1	-	-	-	5,413
1956	7,635	-	13	-	882	1	8,532
1957	7,143	3	-	-	49	123	7,320
1958	5,828	2	-	1	89	16	5,936
1959	6,287	-	13	-	84	22	6,407
1960	5,120	71	-	-	17	85	5,298
1961	3,787	14	-	-	28	2	3,831
1962	4,440	17	-	8	9	-	4,467
1963	4,133	8	-	16	7	5	4,171
1964	4,263	-	90	17	15	33	4,420
1965	4,917	-	-	108	9	11	5,045
1966	5,590	6	26	603	49	-	6,274
1967	5,054	-	29	149	41	69	5,344
1968	4,331	34	-	875	80	54	5,375
1969	4,934	-	3	337	69	14	5,383
1970	2,314	-	-	80	43	8	2,446

Source: Statistical Unit, St.Vincent

Table 2 St.Vincent: Exports of Peanuts, 1953-1970

Year	Trinidad	Barbados	Guyana	Associated States	Rest of the World	Total
	(..................... hundred pounds				..................)	
1953	3,558	1,221	1,060	371	125	6,337
1954	4,192	2,081	530	276	-	7,448
1955	2,790	1,284	660	371	-	5,125
1956	2,557	2,038	175	436	2	5,210
1957	1,921	1,803	134	219	-	4,077
1958	1,630	1,909	48	211	-	3,840
1959	78	983	-	276	-	1,980
1960	283	1,938	-	263	16	2,844
1961	-	1,945	-	446	-	2,492
1962	-	1,462	-	658	-	2,121
1963	255	950	-	475	-	1,680
1964	66	483	-	321	7	879
1965	221	1,107	-	252	-	1,581
1966	175	362	225	369	-	1,220
1967	222	386	116	484	92	1,302
1968	127	580	422	136	1	740
1969	231	291	952	244	-	1,718
1970	143	-	1,192	28	-	1,384

Source: Statistical Unit, St.Vincent

Table 3 St.Vincent: Exports of Plantains, 1953-1970

Year	Trinidad	Barbados	Antigua	Associated States	Rest of the World	Total
	(..................... hundred pounds				......................)	
1953	2,748	24	-	2,076	-	4,848
1954	n.a.	n.a.	n.a.	n.a.	n.a.	4,678
1955	2,745	2	-	215	-	4,167
1956	971	4	-	571	3	1,551
1957	2,226	5	-	31	14	2,278
1958	1,156	3	-	10	7	1,143
1959	921	29	-	8	-	997
1960	292	10	-	9	-	297
1961	29	5	-	2	-	38
1962	24	4	-	-	-	29
1963	32	5	-	-	-	37
1964	29	9	-	-	-	38
1965	25	7	-	-	-	32
1966	-	14	296	5	-	317
1967	15	39	132	-	487	674
1968	21	128	84	10	407	1,417
1969	753	972	624	79	133	2,561
1970	391	1,048	58	-	167	1,664

Source: Statistical Unit, St.Vincent

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