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### III. THE POTENTIAL FOR AGRO-INDUSTRY - FOOD PROCESSING AND ANIMAL FEEDS

Agro-industry comprises those firms which utilise agricultural products and by-products as raw materials in the manufacture of processed products. The potential for food processing and animal feed production were identified in two major areas - domestic markets (the territorial or internal market) and external markets (the intra-regional and extra-regional markets). The large size of the domestic market was estimated using the size of the import bill together with the markets of existing agro-industries in the Region. The workshop developed an inventory and classification of the short-run and long-run potential of agro-industries in the Region along with their markets and constraints to their development.

In determining these agro-industries which should obtain priority the following criteria were used:

- (a) the size of the food and animal feed import bill;
- (b) the need to increase world competitiveness with respect to our raw material and their by-products;
- (c) the urgent need for rapid generation of increases in income and employment;
- (d) the pressing social need for balanced sectoral growth - rural and urban need between LDCs and MDCs;
- (e) the urgent need for available food at home to feed a growing population;
- (f) the maximization of the use of regional resources; and
- (g) the regional need for innovativeness among its people by developing appropriate technologies to suit their resources and environment.

However, the overall success of such development depended on:

- (a) public policy towards the rationalization of regional production and marketing and the emphasis on research and development; and
- (b) conscious efforts of the public sector to initiate and implement projects that are feasible beyond the research and development stage.

In determining feasibility greater emphasis should be placed upon the social and economic rate of return criteria as the region would rely heavily upon import substitution and displacement for the provision of food, employment and linkages in the economy which would foster greater independence.

A specific recommendation made was for the production of instant yam in Barbados for the regional and extra-regional markets.

A major industry singled out was the sugar industry. The policy recommendations suggested were:

- (a) that the regional production and use of that resource should be harmonised; and
- (b) that a regional committee, financed by the Pre-Investment Fund, should be set up to study the technical and economic feasibility of diversification relevant to that industry and its by-products, and that previous work done by an O.A.S. Committee should be drawn on and a progress report presented by the end of 1974.

The second major activity concerned the fishing industry. The recommendation was that the trash fish and waste from open sea trawler operations should be immediately utilized, using the already available technical advice and that there should also be

- (a) an expansion of the local trawler fleet;
- (b) training facilities for captains and crews;
- (c) cheaper fuel and lubricants for locally owned trawlers; and
- (d) local manufacture of boats and fishing gear.

There was a re-endorsement of the Agriculture Minister's proposals that Belize and Guyana push ahead with livestock feed developments.