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A CRITIQUE OF SECTION II

(Case Study Report on An Integrated Production and Marketing System
for the Antiguan Agricultural Sector)

Hugh C. Miller
(Agricultural Consultant, Jamaica Development Bank)

Section III of the above cited report comprises pages 39-82 of the document and contains description of the agencies serving the Agricultural Sector in Antigua.

Two Ministries are involved:-

1. The Ministry of Agriculture and Supplies responsible for six (6) major Divisions plus a Central Cotton Station, a Chemistry and Food Technology Laboratory, the Central Marketing Corporation, a Special Committee set up mainly to advise on the co-ordination of agricultural production and marketing but charged with other functions, and the Antiguan Sugar Estates Development Board.

It is also proposed shortly to establish the Antiguan Development Corporation and this will report to the Minister of Agriculture and Supplies. Also involved in the Agricultural Sector is:-

2. The Ministry of Economic Development and Tourism. This Ministry controls the following sectoral areas - Tourism, Trade and Custom, Industry, Development, Banking, Physical Planning and Development Planning.

Accordingly, its activities in the areas of Agricultural Development Planning, Agro-industry, Tourism and Trade Development have important linkages with areas for which responsibility resides with the Ministry of Agriculture and Supplies.

In view of the comprehensive complex of services and agencies controlled by the Ministry of Agriculture and Supplies, it appears to be a weakness that responsibility for planning for agricultural and economic development should reside outside the direct control of the Minister responsible for agriculture - recognition of this deficiency appears to have prompted the decision to establish, within that Ministry, a Planning Committee comprising the Extension Officer, the Government Horticulturist, the General Manager of the CMC, the General Manager of the ASEDB and "other members which the Committee might decide to co-opt".

As a first step, the Committee has wisely concentrated on steps to improve the availability and collection of data on agricultural production, imports, exports and prices and trade statistics broken down on a basis meaningful for planning purposes. It has commissioned a market survey in Antigua to be undertaken by the Secretariat of the East Caribbean Common Market.

The Committee is also reported as giving close consideration to a plan for registration of farmers, to proposals for the introduction of Contract Farming, and to the problems of Agricultural Credit.

As at present constituted, the Committee lacks personnel representing the Livestock Industry. This highlights the need for focussing increased attention on this sector which has such an important potential for improving the economy of Antigua.

The report draws attention to the possibility of conflict developing between the Agencies of the Ministry of Agriculture and Supplies which are responsible for planning and the agencies responsible for physical and economic planning which come under the portfolio of the Ministry of Economic Development. Since agriculture will long be the dominant sector of economic development, this possibility looms large.

It would appear that strengthening and proper equipment of a Planning Division within the Ministry of Agriculture and Supplies is highly desirable and that a major thrust should be developed for the establishment of a Farmers' Organization sensible of and sensitive to the needs, aims and problems of farmers and that such an organization be adequately represented on the Advisory Council of the Planning Agency.

In the field of Agro-Industry and Tourism, there will clearly be the need for close co-ordination in the development planning undertaken by both Ministries.

A notable characteristic of the structure of the Ministry of Agriculture and Supplies is the relative importance accorded to livestock rearing as compared with crop cultivation. We note, for example, that provisions exist for only one Livestock Extension Officer as compared with a provision for a staff of thirty-seven (37) in the Agricultural Extension Division. We consider that the scope for improvement and expansion of livestock production in Antigua is considerable and merits a higher rating in the activities of the Ministry.

In the field of Agricultural Credit the Report paints a very gloomy picture; it indicates farmers as unwilling to offer proper security or to submit to close monitoring, while bankers are persuaded that agricultural loans are likely to be defaulted on in repayment. The facts probably are:-

- (i) that farmers have traditionally been forced to accept the lowest prices possible for their production as interests of consumers are usually made paramount;
- (ii) that farmers have reason to lack confidence in the agents that might be assigned to monitor their performances; and
- (iii) that an efficient service of supervised credit has not so far been put into operation.

Supervised credit is in effect an intensive form of Agricultural Extension involving educational work in money management as well as in the land management. It begins with a careful assessment of the farmer's financial position, proceeds to the preparation of a plan for the most efficient use of the resources of land, labour and capital available to the farmer, a careful evaluation of the expenditure to be involved, the income likely to be generated and the cash flow rate. On the basis of the projected cash flow, details of the rates of advancement of loans

and of repayment schedules are realistically forecasted and there need be no pessimistic anticipations as regards agricultural loans provided prudence is observed in the assessment of the farmer's attitude to credit.

The process of supervised credit is exacting in its demands on the skill, dedication, knowledge and patience of the Extension Officer carrying out these functions. For these reasons it has been found essential that their loyalty and interest be directed towards the lending agency. As employees of an Extension Service separate from the Bank and required to give assistance to the Bank they are not likely to develop the zeal and dedication necessary for this particular task.

In recognition of the fact that credit processing under a system of supervised credit comprises a considerable input of extension activity, it would not be fair to expect the Bank's spread of interest rate to finance fully the employment of the high calibre extension staff required.

The need for close co-ordination in the planning and implementation of programmes for production, ancillary services of Tillage, Credit, Extension, Research, Land Settlement, Irrigation, Drainage, Soil Conservation and Marketing has been emphasized in the Report.

The need for establishment of an effective organization through which the Farming Community can relate to the Government and vice-versa and the need for establishment of a sound efficient system of supervised credit have also been highlighted.