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OPENING SESSION

OPENING ADDRESS

The Hon. Mr. Kamaludin Mohammed
(Minister of Agriculture, Lands & Food Production,
Ministry of Agriculture, Trinidad & Tobago)

Mr. Chairman, our distinguished friends, ladies and gentlemen. Before I commence my address, I wish that Caribbean Governments would speak with the same confidence about British West Indian Airways (BWIA), being the regional air carrier as the Chairman has spoken this morning by naming BWIA the official conference carrier. I think every West Indian should be very proud of the role which BWIA has played in the development of the Caribbean, not Trinidad and Tobago alone but the Caribbean. I can see no reservation by anyone who is a true West Indian in declaring BWIA the regional air carrier. I have worked with this subject for the last 20 years since I have been in the Government and I have dealt with all the Caribbean Governments and I know the facts about it. I can see no reason why BWIA should not be the legitimate regional air carrier, so I am glad that the Chairman has given me this opportunity to make a plug.

This morning I want to join with Dr. Singh and Prof. Wilson in extending a very warm welcome to all of you who have come from various parts to speak on this very important occasion of the Sixteenth West Indies Agricultural Economics Conference. The subject which you have chosen *The Changing Perspectives in Caribbean Agriculture* is, I believe, very appropriate.

Allow me to extend a very warm and special welcome to my very good friend Mr. Mc Intyre who was one of those together with Mr. Willie Demas and other distinguished West Indians who worked on the new initiative for the regional integration movement in the Caribbean after the demise of the Federation in 1962. I want to pay him a very warm compliment. He is a solid man of world class, just as BWIA. I join with the Chairman and Prof. Wilson in hoping that during the period you are in Trinidad and Tobago you will not only enjoy the fruits of your labour here but that you will move around the country and enjoy some of the warm hospitality of which we are humbly very proud.

Let me congratulate your Society for organising this conference because I was in the Ministry of Agriculture from 1956 to 1961 as Minister and I have had a lot to do with the Caribbean since then. I am back again (about six or seven months ago) in this Ministry and I can hardly recognise what has happened to change the whole situation with Agriculture, not only in Trinidad and Tobago but in the Caribbean as a whole:

The theme that has been selected here this morning is in my opinion, very appropriate and not only should the Trinidad and Tobago Government but all Caribbean Governments should watch with very keen interest the deliberations of this Conference and whatever recommendations you may wish to make.

The English-speaking Caribbean countries have moved as you know, from a loose political entity of the Federation of the West Indies (which was wrongly conceived in the first place and which died a premature death in 1962) to CARIFTA formed by some wise people of the Caribbean. CARIFTA succeeded in such a tremendous way that we moved to CARICOM - a Caribbean

Community Agreement which would widen the scope of a pure trade agreement into a Caribbean Community which would deal with other political, economic, and communications matters as well. About nine regional ministerial committees were institutionalised within the CARICOM agreement: Ministers of Agriculture, Ministers of Trade, Ministers of Foreign Affairs and so on to see whether there could be coordination on policy matters because problems in the region are so similar.

We have succeeded in some respects but we have failed miserably in others. And I do not want to comment on what Prof. Wilson said today about the University but I do hope that something will be worked out on the basis of the interest of the Caribbean region.

In the CARICOM Agreement we have provided for the Agricultural Marketing Protocol and Trinidad and Tobago has allowed (much to the detriment of its own agricultural interest) under the Protocol, a number of imports to help the smaller territories and even some of the bigger ones with respect to the provisions of that agreement. The matter is being reviewed now, but I think all of you here would know, having something to do with the Caribbean, that the trade has moved away from the traditional export crops towards the domestic food sector. In fact it is my view, speaking for Trinidad and Tobago (I don't know what the position is in Jamaica, Grenada or in St. Vincent) sugar, coffee and cocoa are things we have to watch very carefully. We are in pain with sugar, I see Mr. Rampersad is coming to speak here, so I will say very little about that, he knows more about it. All I can say is, in the light of the figures that he has given, about \$3,600 per ton for producing sugar and a market price of \$500 or \$600 per ton, agricultural economic experts as you are, will understand straight away that that is not good business. What the Government will do for the future, I don't know. We have so many experts on everything these days that as soon as the wind blows you get an expert opinion. Even politicians are giving opinions on highly professional and technical matters.

As far as cocoa and coffee are concerned, we do have a severe labour problem in Trinidad and Tobago and I don't know what you will think about it and what conclusions you will come to: but it seems to me that the area of concentration for us will have to be changed completely from thinking all the time that cocoa and coffee must remain and must survive. The situation has to be worked out very carefully to examine the cost of labour, the quality of the land, the problems we are having as you have in your agenda, transport and so on, to see whether it will pay having regard to the fluctuations in the international market price. Mr. Mc Intyre will probably deal better with this subject because he is on the international scene.

The position now on the wider scene is that the English-speaking Caribbean countries have developed some trading ties with the European Economic Community. The trade between the European Economic Community and the African Caribbean and Pacific countries is now regulated as you know by the Lome Convention.

In terms of extra regional influences, much as we might at times wish otherwise, I think the Caribbean, given the openness of our economies, is very much subject to the vagaries of the international economy. At the present time world economic activities continue to be very slow. The

attempts of the industrialised nations to reduce inflation have resulted in sluggish economic growth, declining trade and rising unemployment. In fact, I do not believe that the inflationary trend in Trinidad and Tobago is as high as that of the developed countries and even in some Caribbean countries - those of you who have travelled abroad would know that.

In Trinidad and Tobago we have a particular problem in that we are one of the most highly subsidised countries in the world, so far as the consumers are concerned. In fact, we are the most highly subsidised nation on earth today. In this Conference some of our senior officers from the Ministry will be speaking to you, and in order for you to arrive at proper conclusions, that are not false and fake, I would ask them to let you know the extent to which we as a government are subsidising the people of this country and indirectly some of the people of the Caribbean countries. I do not say this to reproach, but what I mean is that some of our subsidised commodities go also by the schooners to some of the other countries. We are not reproaching, but it's a fact of life that we must face. Consider the range of subsidies provided on our agricultural commodities for example, subsidies provided for the poultry industry alone are in the order of \$110 m. per year which is higher than the budgets of at least three countries in the region and this is for one item. Again consider gasoline or specifically rice, where we are paying 89 cents per pound as the guaranteed price for paddy but we are selling the rice after a lot of processing at 45 cents per pound.

These then are areas in which we must take a realistic approach in analysing the changing perspectives of agriculture in the Caribbean region. There should be some regard to the natural balance of income and the expenditure. Even the Agricultural Development Bank (ADB) in Trinidad and Tobago lends money out at such soft terms that other banks have laughed at us. Even though there are complaints of delays in certain areas (and this is a mechanism which can change) this bank can be examined within the whole perspective of Caribbean agriculture credit facilities. We think that in this area you can look at the ADB and examine it to see how you can apply its experience in the respective countries from where you come.

Now speaking about the inflationary trend mentioned earlier, while the pressure seems to be subsiding in certain areas, overall inflation remains high. Because of sluggish demand in the industrialised economies, trade is slow and most developing nations are suffering from the consequences. Within the developing world, only the oil exporters have been spared and even these have their serious problems at the moment with lower prices and cuts in production. We in Trinidad and Tobago are no exception. Our Minister of oil recently talked about the falling quantity of oil which we are producing here.

Some exporters of manufactured products seem to be performing well, yet we in the Caribbean have not yet discovered the wonder vaccine that will immunise us against the effects of the shock waves of the recessionary conditions affecting the global economy. Regional economic growth and development are further frustrated by declining prices on the commodity markets. For example, take sugar, what we enjoyed in 1973 and 1974 will recur especially with cane sugar where the cost is so much higher than

cost of producing beet sugar. In the case of cocoa we had rising prices for sometime. Recently there has been a depression on the world market just at the time when Trinidad and Tobago had a slight increase in production. In cocoa and coffee, we found that the world price is reducing.

With respect to bananas we had a living banana industry once, now it is almost dead for various reasons. Some of the Caribbean economies have reasonably good banana sectors but for one reason or another there have been fluctuating fortunes because of hurricanes and other disasters for the most part. Therefore in the main, the economies of the Caribbean depend for their very existence upon receipts for primary agricultural exports.

We are slightly different here in Trinidad and Tobago. This has been so for centuries and continues to be so up to this very day. Now what should be the position for the future having regard to the things which are produced in the ten or twelve countries of the Caribbean - banana, cocoa, coffee, citrus, tonka beans and spices. Should these continue in the light of what is happening in the world or should all the Caribbean countries decide on the basis of their soils and so on that they should grow things that are more relevant to the economic development of the Caribbean and for the survival of their own economies? That is the question. Then there are declining prices. We can never know what is the future because our prices are dependent on world supply and demand.

With declining prices and earnings for primary agricultural commodities and in the face of rising prices for imported manufactured goods, the declining terms of trade are a major contributor to the worsening of the current account deficits of our countries. But perhaps Mr. Chairman, a more crucial turn of events has been the reversal in the early 1970's when the region moved from a net exporter of food. We have witnessed over the last decade a continuous and unrelenting increase in the demand for food with a concomitant lag in domestic food production. The resulting food deficit is now being met throughout the region by large scale importation primarily from metropolitan countries. This is in the face of a serious foreign exchange crisis in the region.

The regional food bill, from the latest statistics, is now estimated to be approximately US\$800m. or TT\$1,920m. and for Trinidad and Tobago alone this bill is over \$TT800m.

That is why I am very saddened by the fact that in the last few days, because of the rains and the floods in Trinidad and Tobago where the Ministry of Agriculture has the responsibility of recommending licenses for the imports of tomatoes, sweet peppers, and cabbages and because of the problems which the farmers face in the country, we had to recommend to the Ministry of Industry and Commerce that we do not allow imports from metropolitan countries. What has happened is that there has been a hostile reaction from some people who do not understand the gravity of the situation which the farmer is facing and because we have oil some people do not understand the need to conserve our foreign exchange position. So they say *import*. So what do we do? We spent \$12m. last year importing tomatoes,

cabbages and sweet s, giving these dollars to Canadian and American businessmen and a 100 millionaires in Trinidad and Tobago at the risk of a 100,000 farmers who have to toil in the rain and the sun and who have to work day and night. Further, they have to withstand the varagies of flood, weather, disease and problems with labour, putting their children, wives, and brothers and sisters on largely family farms to produce these commodities. Yet some of our people, not understanding this, are complaining about tomatoes at \$8 per pound and cabbages at \$10 per pound.

Yesterday I posed the question to a party rally of ours what about whisky at \$40 per bottle (not produced in Trinidad and Tobago at all). Naturally we have to balance the situation between the demands of the consumer and the cost of living and the interest of the farmers. Our job in the Ministry of Agriculture is to cut down the food import bill and bring food to the consumers at the cheapest possible price that we can. We are committed to that. We are watching the situation very carefully and in the event that there is need to do something about it appropriate action will be taken.

I do not know what is the position of imports of agricultural commodities and how this affects the farmers in the other countries but I personally would very much like to obtain from the Conference reports information on their respective positions. Because of the situation locally Mr. Chairman, it has become increasingly clear that neither is it desirable nor in the long run prudent to continue to satisfy our food needs through uncontrolled importation no matter how attractive the prices are.

High level representation has been provided by the Government of Trinidad and Tobago and the Food and Agriculture Organisation and the World Food Council where serious efforts are being made to help solve the world food problem. We are following keenly the plans which are being formulated and we look forward to results. Delegates who are here today must be aware that at the 21st Session of the Conference of the Food and Agriculture Organisation held in Rome in November of 1981, among the familiar themes was the need for increased individual country effort to increase food production. It was made quite clear during the conference that increased food production was the primary responsibility of each individual country. The conference also benefitted from indepth analyses of the current world food and agricultural situation and the longer term trends in the food and agricultural development.

It was clear that few are the options open to countries like ours. One of them not available to us for all times is continuous access to cheap sources of supply of food. Recent reports on the world food situation indicate that three billion people must be fed every day in the Third World. By the year 2000, the figure will increase to approximately 5.4 billion people. While at the moment food production has overtaken population growth by one percent, almost 50 percent more food will be required to meet the needs of the increase in population. This indicates the enormity of the problem and the need to ensure and encourage domestic production of food from the point of view of food security.

For us it might well mean that we must make some structural re-adjustments in the agricultural sector with the orientation towards

increased food production. That is why I feel that you must be warmly complemented for selecting of the theme about the changing perspectives of Caribbean agriculture.

It is in this context that the regional governments individually and jointly have opted for policies which emphasised increasing domestic and regional food production and it is for this reason it has become necessary to ensure that the objectives of the regional food plan are realised and the instruments designed to effect the plan become functional and efficient.

You will recall that the Government of Trinidad and Tobago had a major input in the formation of the regional food plan. I have been following very keen interest the progress that the Caribbean Food Corporation has made and I must tell you ladies and gentlemen that I am quite dissatisfied and disappointed. There has been little or no progress. The Government of Trinidad and Tobago is at the moment, because of the lack of progress, reviewing our own position with regard to this organisation. The late Prime Minister had hoped that this Regional Food Plan, having regard to the facilities which some countries have and which other countries do not have, by exchanging ideas and exchanging the technological information which we have between each other, would have been able to meet the requirements of our people. Unfortunately, we have not made any progress in that direction, Mr. Chairman.

In this gathering of professionals highly qualified people of various interests in the agricultural field, it is not my intention to debate because I am not a qualified man. I am a politician, you are professionally qualified to deal with this issue but looking at it from the point of view of a man in politics who has the responsibility to administer and to help to shape policies. I feel that this is one of the most important assemblies in the region in this time of our development and I am looking forward to some very very interesting discussions by you.

Allow me to simplify what I think you can deal with in this very complex problem and try to see what you can come up with bearing in mind the acute labour problems which we are facing in agriculture in the region, not only in Trinidad and Tobago. Given the high cost of production, we must concentrate on new ways to develop and expand production. We have to change our whole mentality from what it was 25 or 30 years ago to find new ideas and new innovations in agriculture. What shall we do to increase production? Is it only use of fertilizer which can increase production? What about marketing?

In our own country our marketing systems are inefficient and farmers still complain. I don't know what it is today in the other countries but that is an area that needs to be looked at. Develop ways and means to process our locally grown food. I see Dr. Sammy here, he has been talking about developing and processing our own food since I was in short pants. We have never thought that iron will fly in the sky and now they call them plane and jets. I predict the day will come when people will use drops and they will be so lazy they will not want to chew food anymore; they will use liquid drops to survive. You look at that. Just as we predicted that

we are going to have cities beneath the sea and we will be flying up to Mars just as we go for excursion to Barbados and Geneva. These are the changes we have to think about. These are the new perspectives you have to think about in agriculture.

Another point I would like to make (and this is in the context of new perspectives for agriculture) is that the whole University of the West Indies has to change. It cannot continue in the way it is going. The whole curriculum for agriculture, the whole concept of teaching everything will have to be changed if we are to deal with all the challenges and the new things we are facing. Now we cannot feed 5.4 billion people on the basis of the same things which have failed us in the past so new things have to come up. So you, who are professionals should come up with something and we the politicians will implement it. We guarantee that this will be done.

Ladies and gentlemen, the effectiveness of our policies at increasing food production will ultimately be determined by the adequacy and reliability of our social and institutional infrastructure. Now we may need changes in our infrastructure. We may need changes in legislation in order to achieve what you may come up with. Now we are talking today about agriculture but in order specific professional fields we will have to speak the same way and say come up with something new.

As individual countries and as a region we will have to be clear on such issues as ownership and tenureship of lands and the size of the holdings. We have not yet settled the *size of the holding issues*, i.e. what could be termed economic sized holdings? Arbitrary figures have been used. We are not sure that it is good enough to give a man a piece of land. What about housing? What about electricity and water? Why give a man land and he does not have the other facilities on it? They all have to go hand in hand and you have to deal with the issue in that way. Price support, crop insurance, input subsidies and access to cheap credit must all be unambiguously worked out giving clear signals to the farming community, if our policies are to illicit the correct response. I myself feel that we can do something else to improve the situation other than the present subsidy schemes which we have. In other words, our strategies must be clearly defined, easily interpreted, well understood and above all consistently applied.

The Government of Trinidad and Tobago, for your information, adopted a White Paper on Agriculture in 1978. It makes very nice reading. The question that remains is to put that Paper into a workable plan and implement it. This is the goal and the task which we are facing now and we have already identified in the various sub-sectoral models a strategy for the implementation of that plan. It will be interesting when our officers from the Ministry speak to share their ideas with you who have come from the other countries to see whether you will have some views on it because it is a very well documented thing which I believe you can use.

We are partners in the region, therefore, we have to share our ideas and exchange our experiences with each other. The obvious question, therefore, which comes up to mind in saying all that I have said, is that when the theme of your conference *Changing Perspectives for Caribbean Agriculture*

is considered, is whether Caribbean agriculture must continue to be dominated by export crops as in the past or whether the accent should be on food production to meet the local demand and I mean meat and cereals and everything else. The export crops are subject to depressed world market prices (mentioned previously) over which the region has little or no control, with the high cost of production in the region and low level of technology in some areas. All regional planners must give greater attention to increased food production for the region at lower cost. I am of the view we can produce almost everything except perhaps in two areas. That is why I regret that the Caribbean Food Plan has not materialized as we expected.

Mr. Chairman, as I indicated earlier, I am deeply honoured to have the opportunity to express some of my own ideas on a subject that is not only engaging the attention of the region but the world community at large and I want to leave you with this thought. While the Caribbean will forever remain islands in the sun, the indolence, the leisurely pace and easy going life style which the image conjures cannot be sustained or supported in the face of the harsh economic realities which we face. As agriculturists, increased regional economic stability and security, through increased food production should be our watch word. But this can only be achieved by the sweat of our collective brows. I have looked at your agenda and have seen the subjects which you have chosen. I have looked at the persons who are chairing your sessions and those who are participating and I have had an idea of the delegates who are attending. I have looked at some of the papers and I am satisfied that this Conference is going to mean a lot to the Caribbean and I think it should be taken very seriously and I hope that the records of this Conference will be so framed that regional governments will take it into account in the planning to help in the changing perspectives for agriculture in the interest of the citizens of the Caribbean. We in Trinidad and Tobago have 1.2 million people and with the rest of the Caribbean we are approaching 5 million people and we have the same traditions and the same background. Our problems are almost the same. We have capable people today, highly qualified people, and I have confidence if we all put our heads together no matter what country we come from, whatever race we come from, whatever language we speak, we can all work together for the development of a better Caribbean. Thank you very much. I have pleasure in opening the Conference.