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THE ROLE OF WISCO IN THE DEVELOPMENT OF CARIBBEAN AGRICULTURE

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Introduction

WISCO - The West Indies Shipping Corporation - has traditionally played a key role in the development of agriculture in the Caribbean region. The Corporation's role flows almost automatically from its position as the official regional carrier and from the fact that the Corporation's own growth and development are linked with the trade of agricultural products within the region. This cannot be more dramatically demonstrated than by looking at the Corporation's present position, where, because of the cessation (temporary, we hope) of the rice trade between Guyana and Jamaica and the Corporation has been forced to reduce substantially its normal level of operation, has had to revise downwards its cargo-carryings for the year in a drastic manner, and finds its cash flow under severe strain, not to mention a significant increase in the level of its projected deficit for the current year, 1982.

The transportation of rice between Guyana and Jamaica and the movement of citrus fruit between Jamaica and Barbados exemplify in clear terms the level and range of transportation facilities for agricultural products which WISCO has established within the region. In the case of the shipping of rice the Corporation is providing a transportation facility for an established product while in the case of the citrus movement the Corporation is providing a facility for the development of a new trade, a tool for market penetration, a stimulus to increased production.

This, briefly, is what WISCO has done in the past, and is continuing to do at present in the service of Caribbean agricultural development. The Corporation is committed to the widening of its support in the provision of adequate transportation i.e. shipping facilities, to further promote the growth and development of regional agriculture.

WISCO Services

At present the Corporation provides the following range of services:

Regular Scheduled Services:

Direct Intra-Regional Services - WISCO schedules regular direct calls to the following territories:

Trinidad and Tobago	Dominica
Barbados	Antigua
Grenada	St. Kitts
St. Vincent	Montserrat
St. Lucia	Jamaica
Guyana	

Direct calls to the territories listed above are made at least once per month. Most territories receive a minimum of two calls per month, with two territories - Trinidad and Tobago and Barbados - receiving four calls per month. Jamaica receives three calls per month, as does Dominica.

Currently, two ships are deployed entirely within the region, providing the regular, scheduled service. One of these vessels has capacity for 96 20-foot containers, while the other vessel has capacity for 80 20-foot containers plus 300/400 tons of break-bulk cargo.

Included in the overall capacities of the two vessels are electrical outlets for servicing up to 16 refrigerated containers - 20-foot units. One ship can accommodate 10 reefer units, while the other can accommodate six units.

Both vessels are geared - the one of 96 container-capacity being self-sustaining, that is, being able to load, off-load and shift by the use of its own cranes all 96 containers, whether full or empty.

Indirect Intra-Regional Service - The Corporation has arranged for a service to connect the territories listed under the section *Direct Intra-Regional Services* above with Belize. Under the arrangement which was instituted in 1981, WISCO, in its own ships positions cargoes bound for Belize at Jamaica where the cargoes are uplifted by Harrison Line of Liverpool, England, under special concessionary terms negotiated by the Corporation. Cargoes from Belize are transported by Harrison Line to Jamaica from where they are uplifted by WISCO to final destinations.

In this way, Belize is afforded the opportunity of shipping to and from the region three times per month.

WISCO Transshipment Service - The Corporation makes calls monthly at Ponce, Puerto Rico, primarily to lift cargoes which originate in Europe and are transhipped at Puerto Rico to the LDCs of Antigua, St. Kitts, Montserrat and St. Lucia.

This service commenced in 1981 under a Transshipment Agreement with Harrison Line. The Agreement was subsequently extended to include all members of the CAROL - Caribbean Ocean Lines - consortium.

Extra-regional Service - The Corporation's extra-regional service to/from Miami, U.S.A., commenced September/October, 1980. One vessel is employed on a 20-21 day round trip on the following route: Trinidad and Tobago-Jamaica-Miami-Trinidad and Tobago.

The vessel in question has capacity for 94 20-foot containers. There is no provision for carrying refrigerated containers on this ship. The vessel has gear for handling up to five tons.

Non-Regular Services

On inducement, the Corporation provides additional vessels to accommodate special and unforeseen requirements, whether seasonal or not, or to take advantage of new opportunities.

As the circumstances demand, the Corporation selects ships with the requisite characteristics - size, configuration, gear, fuel consumption, age, physical condition, charter hire rate - that best suit the cargo, trade and market requirements at the time of the cargo becoming available.

WISCO Freight Rates

Like any other well-established shipping company which is engaged in providing a liner service, WISCO has developed and operates a comprehensive freight tariff. In fact, WISCO operates two distinct tariffs - one for its intra-regional and another for its extra-regional liner service.

The Corporation's intra-regional tariff is designed to cover a percentage of fleet operating cost based on expected levels of cargo-carryings. Rate adjustments upwards and/or downwards are then made within relatively narrow ranges and under conditions such that rate reductions do not occasion any material deterioration in actual, as compared with budgetted, performance.

There is still, however, some flexibility allowed the Corporation's Management in offering concessionary rates, particularly in the area of new product development where a reduced rate might be important in deciding whether a particular product penetrates a new market or not.

Large blocks of cargo from single shippers also attract special consideration.

The Corporation responds to the competitive activities of other lines which, from time to time, seek to make inroads into its market-share.

Changing Perspectives in Caribbean Agriculture'

It is difficult, if not impossible, to plan or to institute support mechanisms which would operate in consonance with changing perspectives if one is not clear as to the rate and direction of the changes. Nevertheless, an attempt is made to forecast the changes in Caribbean agriculture and to relate the expected changes to the adequacy of WISCO's services - current and projected.

It is probably reasonable to expect a significant increase in the volume of non-traditional agricultural products from the region over the next two to five years. This could mean the availability of substantial quantities of exportable produce in the region during this period.

The primary target market for the surplus produce most likely would be CARICOM, that is, the region supplying a large part of its needs from its own resources.

The secondary target market for the surplus produce would be non-CARICOM territories - both regional and extra-regional.

Shipping Requirements

The shipping service which is required to support the agricultural development thrust must possess the following basic features:

- the service must be a regular, scheduled service with predictable and reliable times of calling at the various loading and discharging ports;
- the frequency of the service should be such as to match, as far as possible, the requirements of shippers, cargo and consignees;
- the ship and ancillary cargo-carrying facilities should have the appropriate characteristics to ensure that the agricultural products are transported under the best conditions;
- the freight rates for new commodities should be low enough to allow the goods to penetrate the new market(s) and become established;
- the freight rates for established commodities should be relatively stable, competitive and well-known so that they can be relied upon in any long-term plan.

At a glance it is probably arguable that the frequency of WISCO's service to some of the LDCs would have to be increased. The Corporation would be in a position to offer increased frequency from 1983 when it takes delivery of two ships which are to be acquired through financing provided by the EEC/EDF.

The advent of the two ships will also witness an increase in refrigerated capacity, as the specifications for the vessels state that they should each be capable of accommodating a minimum of 12 20-foot refrigerated containers.

Instead of the present level of refrigerated container capacity - (16 - on the two vessels which are now in operation) there will be some 30 to 36 refrigerated container capacity in place when the new capacity of the two vessels to be acquired is added to the capacity of the one of the two vessels now in operation which will be retained.

The quantum of financial support which would be required in terms of concessionary freight rates for agricultural products cannot now be determined. However, it should be noted that the Corporation's resources in this area are very slim, and depending on estimates of the level of support that could be required, it is envisaged that the bulk of such support will most likely have to flow from non-WISCO sources.

Co-ordination

The successful exportation of agricultural commodities demands a high level of organisation of the harvesting, inland transportation, sorting and packaging, warehousing, ocean-transportation and delivery to consignees aspects of the operation. A number of groups is normally involved in the exercise, hence a premium is placed on the effective co-ordination of the various groups.

The greater the number of farms from which produce have to be secured, the greater the need for close co-ordination at the first level of operation (harvesting). In this exercise it would seem that the local marketing boards have a key role to play.

Even with the best possible liaison between co-ordinating bodies at the farmers' level and the shipping line(s) there will be the need for appropriate warehouse space at, or near, the ports of shipment, in particular. Large quantities of agricultural commodities cannot be made available for shipment successfully without the facility of cold storage at the point of shipping.

The plans and programmes for the development of exports in non-traditional agricultural products in the region must, therefore, include plans for setting up appropriate cold storage facilities in the various territories. It is necessary that the various local and regional bodies which are engaged in planning the development of agriculture liaise to ensure that facilities provided are adequate, properly located and are in place in time to service exports and imports. WISCO will continue to make top level staff available to contribute to plans in this as in other areas.

Conclusion

WISCO, in keeping with its mandate, will continue to offer maximum support to regional initiatives in agricultural development. The Corporation has already taken steps to ensure that its fleet possesses the characteristics for transporting agricultural products effectively and as soon as developments warrant, the other service inputs will be instituted.