

**Budget Presentation by Dr. the Honourable Christopher  
Tufton, Minister of Agriculture**

**April 2008**

**In the People's Interest:  
Advancing Agriculture for Sustainability and Food Security**

Mr Speaker, let me begin by thanking the Honourable Prime Minister for allowing me the opportunity to serve my country in the capacity of Minister of Agriculture. I want to re-assure him that I will work hard for the farmers and the people of Jamaica, and in the process, justify the confidence he has placed in me. Similarly, I want to thank my Cabinet colleagues for their support and understanding, as well as the members of this Honourable House - on both sides.

Mr. Speaker, I want to thank the people of South West St. Elizabeth who have sent me here to work on their behalf. I ask for their patience and prayers as I try to balance my duty to represent their interests, with the responsibility I have to represent the farmers of Jamaica.

I want to thank the members and friends of the Ministry of Agriculture. The Permanent Secretary and the over 6,000 team members who are working hard; the recently appointed Boards which I depend on to provide strategic guidance, friendly governments, local and multi-lateral agencies, as well as all the other critical stakeholders and friends who have offered advice and support during the past seven months.

Mr. Speaker, I also want to thank my family for their continued support and understanding. All of us here recognize that our duties in this Honourable House sometimes require them to make as much or even greater sacrifices than we have to make. Without them and their support, it would be so much more difficult.

Finally, I want to thank the Almighty for humility, strength, wisdom and understanding. In him, I put my trust.

### **Historical Context**

Mr. Speaker, today I intend to profile and assess the development of the agricultural sector and the Jamaican farmer over the past 20 years. I will then examine the current state of the sector, within the international context. Finally, I will articulate this Government's policy position for the sector and specific initiatives to move agriculture forward.

Mr. Speaker, I want to begin by saluting the farmers of this country.

Mr. Speaker, while there are many of us who have the option to choose, if it weren't for the Jamaican farmer, many Jamaicans, particularly the rural poor, would be left to the harsh realities of the international markets, the understandably inward looking focus of foreign governments to protect their own wellbeing, the threat of rising commodity prices, and the continued thrust towards market liberalization.

This Government salutes the Jamaican farmers Mr. Speaker, who despite the odds, have overcome hurricanes and droughts, crop and animal diseases, limited extension services, as well as unfair trade practices, but still provide for themselves and their families and for the rest of us -- uptown and downtown.

Mr. Speaker, too often we take the Jamaican farmers for granted. We devalue their contribution by equating it with contribution to GDP, with very little thought or credit given to agro-linkages, with very little thought or credit given to them for rural life and rural stability, and with very little thought about the strategic importance of our country's food security.

Mr. Speaker, this Government sees the Jamaican farmer, as the primary and most consistent solution to rural poverty and underdevelopment. We recognise the Jamaican farmers' unrealised potential for providing food for tourism, authentic Jamaican brands which can compete in the global marketplace, and the source of a critical mass of foods to reduce our vulnerability to imports.

Mr. Speaker, despite the modern manifestations of success - the high rise buildings, bright lights and flashy cars - let us never lose sight of the primary producers on whose efforts these successes have been built. Somewhere out there within that commodity chain, there is a primary producer. In this country, it is the Jamaican farmer. He represents the base on which value-added commodities is created. He is the energy of our existence.

Like the bankers, manufacturers, hoteliers, and traders, the Jamaican farmers deserve recognition and respect.

Mr. Speaker, to understand their story, we must seek to understand who they are.

In the main, the typical farmer is aging, averaging 55 years, with no formal training in agriculture or otherwise, occupying two to five acres of land, but having no registered title. According to official statistics, he or she represents over 200,000 members or 18% of the country's workforce. For the most part, that farmer does not have the opportunity to re-tool or to get training.

He/she does not understand the WTO or the EPA, but he/she must confront the consequences of trade policies that result in increasing competition, and increasing marginalisation.

Mr. Speaker, there *are* exceptions like Hopeton Singh, who according to the Gleaner report of April 5, 2008, is 34 years old, and is making agriculture work, through the use of hydroponics

and greenhouse technology. Or Sean Black and Mark Lee, two young farmers, who have taken over a 400-acre farm in North West St. Elizabeth and are successfully turning it around, by diversifying into such exciting endeavours as agro-tourism, orchard crops and greenhouse production of vegetables. They have seen the new agriculture Mr. Speaker, driven by markets and technological improvements. However, they are in the minority.

As a Government, we have a responsibility to encourage and facilitate the movement of this thinking into the mainstream. Mr. Speaker, this is the Government's vision, and the thinking that will drive our policy for the agricultural revolution which we must achieve.

### **The Burden of Inaction**

Mr. Speaker, we have much work to do. In that respect, the Government of the last decade and a half had the greatest opportunity to transform and modernise the agriculture sector.

They had the time, the support and the opportunity. They knew that transformation was necessary, but did little to make it happen. They knew what was coming, WTO-fuelled liberalisation of trade, and the Economic Partnership Agreement. They knew that markets for sugar and banana would be threatened, and their focus should, therefore, have been on assisting farmers to move their production up the value chain. They should have understood that hotel rooms would be expanded and that tourists would require a Jamaican menu. Mr. Speaker, they should have known, but they failed to prepare.

Where was the driver with the vision and the plan?

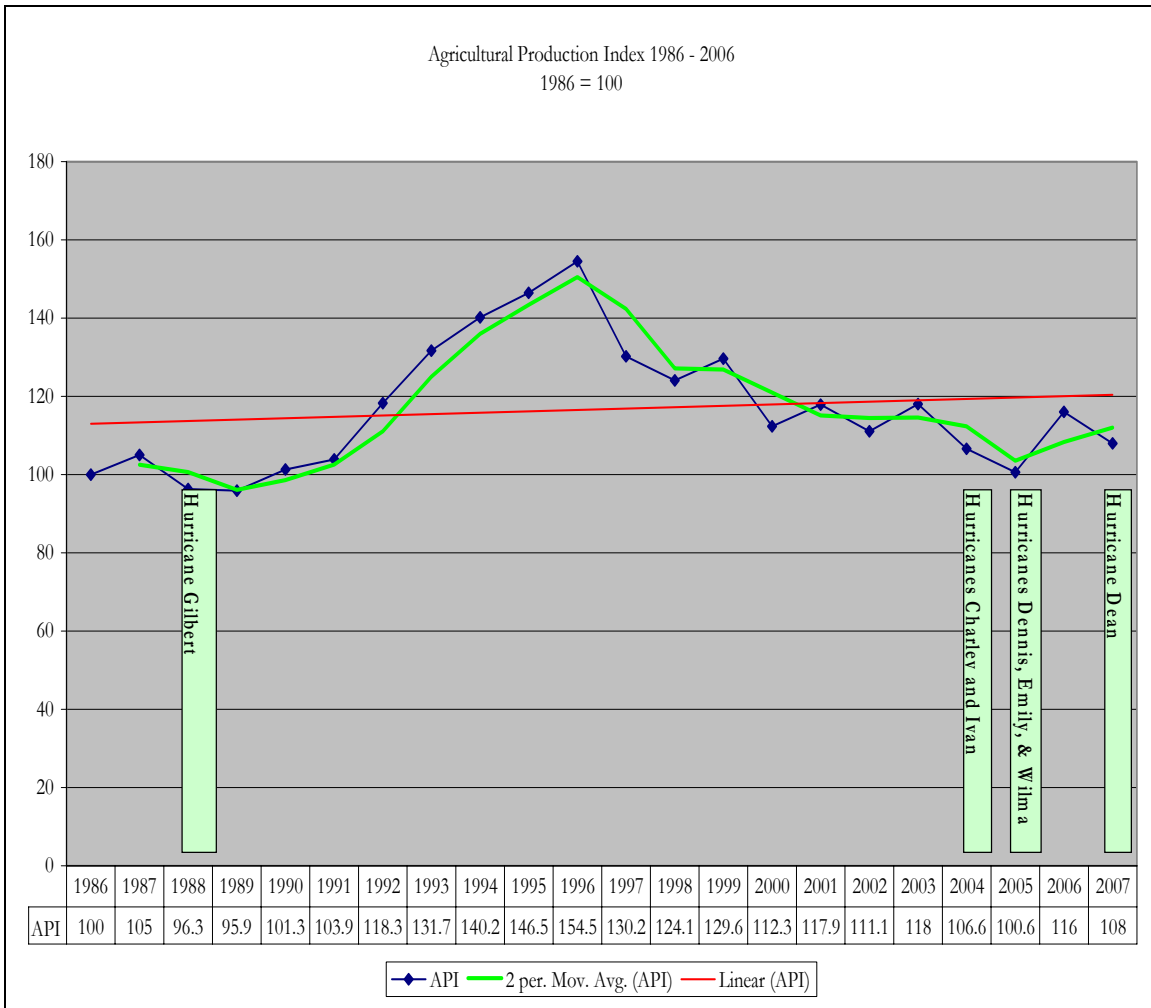
Mr. Speaker, the performance of the agricultural sector over the last 20 years, tells us that the driver seemed unaware or undisturbed about the threats to our food security and economic well-being. And like a bull in a China shop, farmers were left to

run for cover, to fend for themselves, to abandon their fields so as to become traders, rather than primary producers - or worse, to join the ranks of the unemployed.

### **Twenty Years of Inaction**

Mr. Speaker, we have experienced 20 years of inadequate action in the sector. Twenty years of missed opportunity. Using 1986 as the base year, the Planning Institute of Jamaica's, Agricultural Production Index shows an increasing trend in production up to 1996, and since then, there has been a general decline. In fact, agricultural production in 2007 constituted only 73.7% of the 1996 level.

During the 20-year period, production has remained basically flat. In fact, agricultural production last year was the same as it was the year before Gilbert in 1988.



**Source: ESSJ**

In 1986 we produced 206,000 tonnes of sugar, while in the last five years we have been struggling to produce 150,000 tonnes. Banana exports over the last 20 years peaked at 89,000 tonnes in 1996, but have been declining since, with an average of approximately 30,000 tonnes annually in the last four years.

Between 1987 and 1995, we easily exported an average, 2,000 tonnes of cocoa per annum. However, there has been a steady decline since 1995, with performance standing at about 200 tonnes in 2005 and 2006 respectively. Mr. Speaker, this represents a 10-fold decline!

We have fared slightly better in other areas, with crops like citrus and cabbage doing fairly well, but yam and coconut production increasing only marginally.

**Mean Production Volume of Major Export Crops (tonnes)**

	Mean Production			
	1987-1991	1992-1996	1997-2001	2002-2006
Sugar Production	207,200	219,200	203,200	147,860
Export Banana	41,924	73,811	55,790	30,313
Citrus* <sup>1</sup>	33,527	46,208	n/a	130,805
Coffee	8,802	13,623	15,674	13,618
Cocoa**	5,012	5,662	2,990	1,334
Coconut	14,802	17,985	19,826	15,849
Cabbage	15,402	24,354	22,921	22,684
Carrot	14,365	24,403	21,040	20,663
Yellow Yam	87,190	131,733	99,319	78,737
Sweet Yam	11,611	17,876	16,816	10,274
Pumpkin	24,978	38,751	35,237	33,508
Hot Pepper	2,078	7,235	5,837	5,562
Sweet pepper	3,064	6,865	8,032	7,933
Escallion	3,419	11,429	13,761	9,496

*Source: ESSJ and the Ministry of Agriculture's Data Bank*

Mr. Speaker, the decline is also evident in the livestock sub-sector. In 1986 we slaughtered 53,033 goats, producing 638,000 kg of meat, and in 2006 we slaughtered 39,515 goats producing 567,000 kg of meat. This represents a 25% decline in the number of

<sup>1</sup> The single asterisk (\*) relates to volumes delivered to factories and processing plants and the double asterisks (\*\*) relate to volumes delivered to processing plants only.

animals slaughtered and an 11% decline in goat meat production respectively.

Mr. Speaker the same situation occurs with pork, beef and dairy production.

**Livestock Production (1987-2006)**

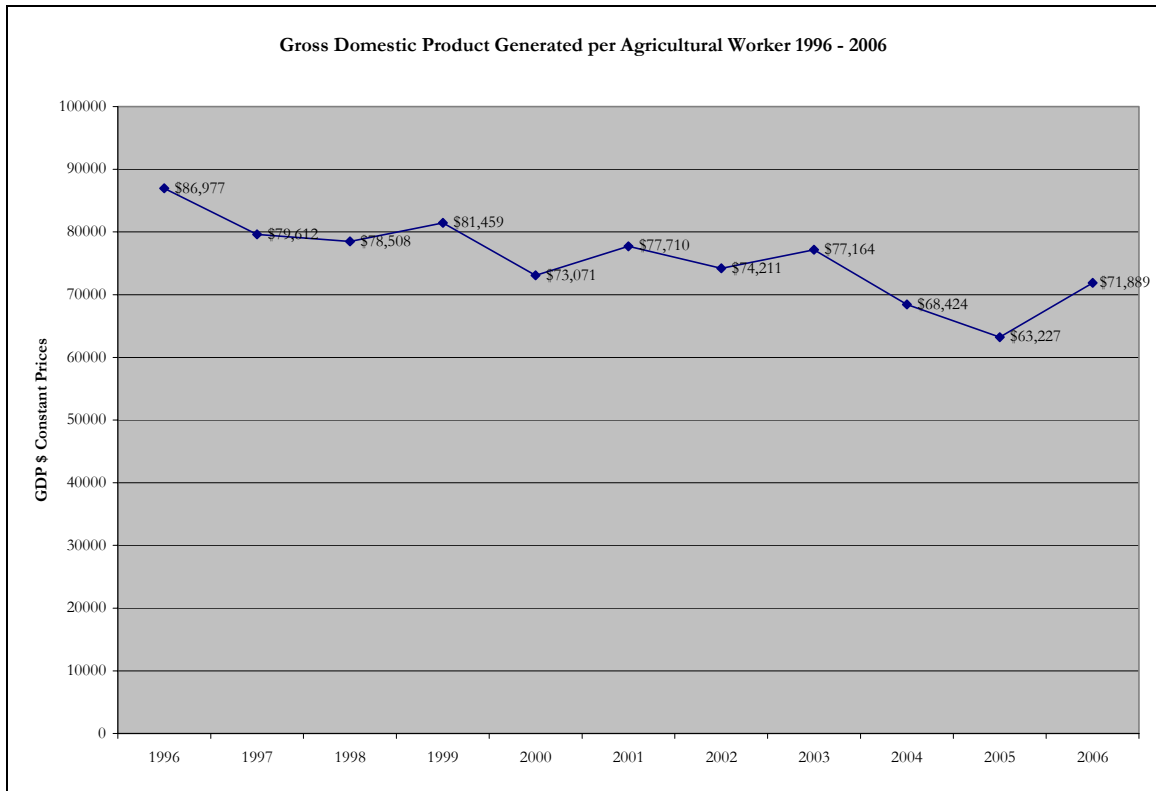
CROPS	Average			
	1987-1991	1992-1996	1997-2001	2002-2006
Goats (head)	50,612	42,107	41,274	40,522
Goat Flesh ('000 kg)	615	557	535	615
Sheep (head)	420	334	455	536
Mutton ('000 kg)	8	5	8	11
Hogs (head)	111,412	105,964	108,158	121,135
Pork ('000 kg)	6,686	6,692	6,411	6,772
Cattle (head)	67,322	75,611	61,911	52,101
Beef ('000 kg)	14,400	16,386	14,124	11,026

*Source: ESSJ and the Ministry of Agriculture's Data Bank*

**Decline in Productivity**

As expected, during this 20-year period to which I have been referring, agriculture's contribution to GDP reflected an overall decline, from a high of 8.5% in 1987 to a low of 5.6% in 2006. That's a decline of over 33%! Similarly, the number of Jamaicans employed in the sector has also been declining, from a peak of 272,000 in 1987 to 202,000 in 2006. That's a reduction in employment of 70,000 farmers! Agro-linkages, using local inputs have also declined due to the increasing volumes of imports to meet the shortfall.

Mr. Speaker, not only has the sector been burdened by low levels of production, but during the last 10 years, productivity levels have actually declined from a GDP of \$86,977.00 per worker in 1996, to \$71,889.00 per worker in 2006 - representing a decline of 17.3 %.



**SOURCE: ESSJ**

**Why have we come to this Mr. Speaker?** Are our farmers cursed? Are they complacent or lazy, as a former Minister in the last Government once said? Or have they been the victims of bad policy? Mr. Speaker, I want to examine three likely causes of the challenges we currently face in the sector.

### **Was it Weather Conditions**

Firstly, let us look at the impact of weather conditions during the period under reference.

Mr. Speaker, the impact of weather conditions - droughts and hurricanes, has certainly had a negative effect on the sector. The last 20 years, we experienced 19 hurricanes in this region, and were impacted by six. These were Gilbert in 1988, Ivan and Charley in 2004, Dennis and Wilma in 2006 and Dean in 2007. Mr. Speaker, these hurricanes have cost us \$13.47 billion in damages to the agricultural sector, between 2004 and 2007.

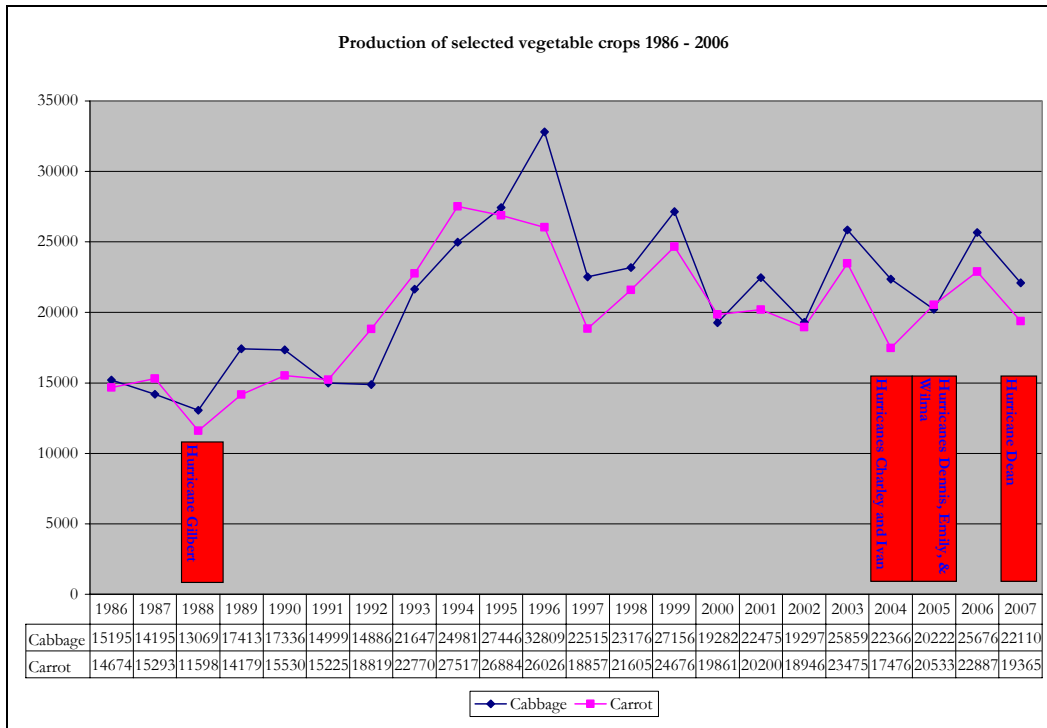
**Value of Damage to the Agriculture Sector (J\$ million)**

<b>1988</b>	<b>2004</b>	<b>2005</b>	<b>2007</b>
Gilbert - 710.6M	Charley -90.40M	Dennis Emily - 745.1M	Dean – \$3840M
	Ivan - 8550.00 M	Wilma -248.8M	
\$710.6 M	\$8640.40 M	\$993.9M	\$3840M

*Source: ESSJ*

Mr. Speaker, the impact of these hurricanes cannot be discounted. But to what extent can they be viewed as the primary cause of the decline in agricultural production and more importantly agricultural productivity over the past 20 years?

The data on agricultural output suggest that the most significant and consistent declines occurred during the years 1996 to 2004. Only in 2004, which saw the passage of hurricanes Charley and Ivan, could weather be identified as a primary cause for the production level decline. In other words Mr. Speaker, production levels were flat or declining during the non-hurricane years. As it relates to productivity, hurricanes or droughts cannot be blamed for that. As we will see that is due to a lack of research and development and support for farmers.



*Source: ESSJ and Ministry of Agriculture's Data Bank*

## Mismanaged Liberalisation

Mr. Speaker, the management of market liberalisation, which began in the early 1990s is also worth examining as a cause of the decline in agricultural production.

As early as 1992, the Government of Jamaica began to aggressively implement the CARICOM-based Common External Tariff (CET), which consisted of a reduction in the average level of import duties.

Similarly, Stamp Duties on agricultural goods were reduced as a condition for accessing the World Bank Agricultural Sector Adjustment Loan.

The process of liberalisation did not stop there, but continued through the 1990s, in accordance with WTO commitments. Such measures included the abolition of import licensing and the simplification of the tariff structure, with a gradual reduction of average tariffs.

Mr. Speaker, the reduction of Stamp Duties on agricultural goods, as a condition for the World Bank Agricultural Sector Adjustment Loan, led to a significant increase in imports of fruits and vegetables as early as 1993. Similarly, there was an increase in imports of meat products, particularly poultry parts.

At the same time, this loan of US\$25 million (\$J1.8B) was expected to be used to boost productivity and capacity levels in agriculture. Instead, this money was used for budget support; and our productivity levels today suggest that nothing was achieved. So, Mr. Speaker, our farmers were exposed to greater competition, with no support from the government.

Mr. Speaker, this Government is not opposed to liberalisation, but I say without fear of contradiction that the former Government's management of the market liberalisation process made victims of the Jamaican farmer. The previous administration rushed to liberalise, but did not take due care to prepare the sector for what was coming. In fact, Mr. Speaker, they liberalised beyond what was necessary; and exercised tremendous discretion in exposing the local sector in many cases, to unfair competition.

It became the norm and still is the case today, for discretionary duty waivers to be granted on imported farm products. That in effect, gives the imported produce an advantage over the local farmers' output, due to subsidies in the countries of origin. Last year, duty waivers on agricultural inputs totaled \$5.5 billion.

While it may be necessary at times to grant waivers to address production shortfall, this policy should never discourage local production. The current policy has made many traders supremely wealthy - and many farmers dirt poor. It has also made traders and processors uninterested in linking with primary production.

Mr. Speaker, the former Government pursued a policy that favored imports, at the expense of local production!

### **Erosion of the Dairy Industry**

No other sub-sector has been more affected by the mis-managed liberalisation than our dairy industry. As a result of the lowering of tariffs on imported powdered milk, which is heavily subsidized in Europe for its own food security, dairy production in Jamaica tumbled from 39 million litres in 1992, to 14 million litres in 2007. **This policy drove 500 small and medium size farmers out of business, while reducing dairy cattle from 22,385 heads in 1990 to 16,000 heads in 2007.**

Mr. Speaker, in addition, local production has fallen from 24% of local consumption to a mere 10%, on a product that is absolutely critical to the nation's nutrition. We are now feeling the impact of this bad policy, as subsidies have now been slashed in Europe, once again to protect the European dairy industry, and as a consequence, imported milk has become prohibitively expensive, and largely unavailable. This situation Mr. Speaker, is a case study in how bad Government policy can erode our productive capacity.

### **Slashing Extension Services**

Mr. Speaker, to add insult to injury, while the Government was mismanaging liberalisation, they were also busy cutting extension support to our farmers, thereby making them even more vulnerable victims.

The Government did not seem to care that small farmers with limited formal training, facing direct competition from larger, subsidized and more technologically advanced producers, for the first time would required added extension service support.

Instead, the primary extension agency for the small farmer, the Rural Agricultural Development Authority (RADA), established in 1990 with a staff complement of 1,164 persons, was downsized

during the period when the farmers needed the support most. The posts of nearly 300 extension officers were cut during the 1990s.

We now have an agency Mr. Speaker, with 437 positions, of which only 60 are extension officers, with one livestock extension officer and three marketing officers to serve the entire island.

**Mr. Speaker, with over 200,000 farmers in this country, this works out to one (1) extension officer to every 1,500 farmers!**

The reckless policy of the former administration must, therefore, be seen as one of the primary reasons for the poor performance of the sector. In fact, when the data is examined, there is a strong relationship between the downsizing of RADA and the decline in production and productivity levels of the farmer.

Mr. Speaker, these are areas which this Government must address in order to move the sector forward. The situation is even more critical in the current context of high food prices and global food insecurity.

### **The Global Context**

Mr. Speaker, in the last years, the world has been witnessing a worrying trend of rapid increasing commodity prices. According to the UN Food and Agriculture Organization (FAO), commodity prices rose sharply in 2006 and continued to rise even more sharply in 2007. The FAO commodity price index rose by nearly 40% in 2007 when compared to 2006, and projections suggest that this trend is likely to continue.

These frightening increases have been occasioned by production shortfalls, a serious reduction in stock levels of many commodities, an increase in fuel costs, the rising demand of China, and the rapid conversion of agricultural produce into feedstock for bio-fuels.

## **Fertilizer Prices**

Mr. Speaker, not only is food getting more expensive, but it is also becoming increasingly more expensive to produce. The price of fertilizer, one of the major inputs in agricultural production is a case in point.

**This Government has already spent one hundred million dollars to subsidize fertilizer prices;** and only last week, I went to Dominican Republic where I met with the local supplier, Newport Fersan and Pequiven, Venezuelan fertilizer company to seek better prices.

Mr. Speaker, this is a difficult situation, as not only are raw materials continuing to rise, but some inputs are also in short supply. No one country produces all the raw materials for the various mixes, so the Government has been engaging several sources in an attempt to access cheaper inputs. In the case of Venezuela, they have said they will give us a discount on Urea, and we are working out the details with Newport Fersan. The Government is also in discussions with a manufacturer of Potash, another important raw material, with a view to securing better prices.

In addition, we are also in dialogue with Newport Fersan and our own Rural Physical Planning Division, regarding the use of soil tests to review our formulations, in order to ensure that we are using our fertilizers efficiently. This has not been done for more than two decades, and the limited evidence I have seen, suggests that we are over fertilizing in too many cases.

At the same time, the Government will be embarking on a farmer-education programme to expose end-users to more efficient use of fertilizer, as well as alternatives to chemical fertilizers, such as organic blends. RADA will drive this programme through a series of training sessions at the parish level, as well as a public education campaign.

### **Increasing Food Bill**

Mr. Speaker, the combination of high food prices, high fuel and high fertilizer costs pose a clear and present danger to our country's food security. As net importers of food, we are particularly challenged.

Data from the Statistical Institute of Jamaica (STATIN) show a steady increase in our food import bill, rising from US\$479 million in 2002, to US\$662 million up to November 2007. If we examine the composition of our basic food basket, which is used by STATIN to compute inflation, the picture becomes more worrying.

A careful examination of this basket shows that at least 61% of the items are imported. This is a major statement on our level of dependency - hence our vulnerability to external shocks. Mr. Speaker, given the prospects of continuing increases in prices, *we must reduce our dependence on imports for consumption.*

### **Focus on Food Security**

Mr. Speaker, the frightening reality of increasingly high food prices, together with the daunting projections are in fact a summons to action now! Countries the world over, regardless of size or economic profile, are taking conscious and deliberate steps to combat this emerging threat.

While some countries are seeking cheaper alternatives, others are trying to protect what they have for their own consumption.

For example, cereal-producing countries such as Argentina and China, have imposed export levies on these products, ranging from 10% to as much as 28% to prevent exports. Other countries have taken even more extreme measures. For instance, Argentina and Honduras have banned the export of maize, while Bolivia and Pakistan have banned the export of wheat. In India, just this week, the State arrested persons breaching the export embargo on grain.

Mr. Speaker, as we have seen in Haiti, there has been street protests and violence due to food shortages and rising prices. In fact, the World Bank and IMF is predicting that food protests are likely in at least 30 countries around the world, as a result of escalating prices and the threat of hunger.

### **Cheap Food Versus Access to Food**

These are extraordinary times and extraordinary times require extraordinary measures. With all the uncertainties of the global marketplace, the issue today is not just about finding cheaper food supplies, but more importantly, ensuring access to food.

**This government understands that it would be foolhardy to pursue ‘cheap foods’ without paying the requisite attention to building the nation’s capacity to produce a critical bulk of its food.**

### **The Enabling Environment**

Mr. Speaker, the Government is fully aware that the transformation of the sector that we seek, can only be a reality if the enabling environment and the requisite infrastructure are in place.

In that regard, any planning for the sector must be based on reliable data. Within that context, I would like to speak to two issues: Farmer Registration and Land Management.

### **Farmer Registration**

A comprehensive farmer registration programme is fundamental to moving the sector forward. The Government needs to know who the farmers are, where they are, and what they are producing. Thereafter, this information must be used as a basis to plan for the development of the sector. Let me stress here, Mr. Speaker, that this registration process has nothing to do with taxation. It is about planning.

Presently, we have the *Agricultural Business Information System (ABIS)*, under which 97,000 farmers have been registered. But this is not good enough.

We have examined a number of approaches to determine how best to advance this process and have concluded that we need to make it easier for the farmers to engage the process.

After due deliberation and discussion, we are about to launch a major **Farmer Registration Programme**, involving the following:

- Engaging the Electoral Office of Jamaica to use its infrastructure and offices in each constituency as registration centres.
- RADA extension officers and the JAS will be allowed to sign up farmers in the field.
- RADA will waive the \$300 charge for registration for one-year.
- An ID will be generated for registered farmers.
- This exercise will be supported by a PR campaign.

The Government is encouraging all farmers to register and this approach should make it easy for them to do so. Mr. Speaker, those farmers who ignore or refuse to comply, cannot be guaranteed benefits from Government programmes. To put it another way, Mr. Speaker, if you are not registered, then we have no record of you and cannot plan for you. We, therefore, urge all farmers to take up this offer.

Once farmers are registered and given their IDs, we will encourage them to use these IDs to secure attention to access Government programmes.

## **Inventory of Agricultural Land**

Mr. Speaker, like registration, proper agricultural planning must be supported by a knowledge of the available land resources, both in respect of size, fertility and best use. In this regard, the Government has commenced the development of a comprehensive land inventory, showing all parcels of land owned by the State, the zoning for different purposes and the capability profile, based on soil analysis. I am pleased to announce that this assignment is now being executed jointly by the Rural Physical Planning Division, and the National Land Agency.

We intend to use this information to make sure that farmers are growing the right crops in the right places and using the right methods of farming.

## **Farm Roads**

Mr. Speaker, good farm roads are critical to sustainable agricultural production, as farmers need to be able to move both inputs for production, as well as outputs to markets in an efficient manner. Farm roads have been neglected over the years from a combination of lack of maintenance and uncertainty about who has jurisdiction for them. In the past 10 years, from time to time, small sums have been directed to repair farm roads; and this has been carried out as an appendage to the work programme of the National Works Agency (NWA) and the Parish Councils.

Mr. Speaker, this *ad hoc* approach to farm road maintenance cannot support the kind of agricultural sector that we are trying to build. We have, therefore, devised a comprehensive programme for farm road rehabilitation to be executed on an annual basis. I am happy to report that in the current Estimates of Expenditure, some J\$200 million have been allocated to RADA to begin this programme.

Mr. Speaker, we have since had discussions with the Jamaica Defence Force (JDF) and the NWA to examine the 'least cost approach, so as to maximize benefits of these resources.

### **Ministry Reform**

Mr. Speaker, effective policy implementation requires an efficient infrastructure. I inherited a Ministry with a number of departments, in too many cases, overlapping in their functions. End-user or market analysis is inadequate and extension services are limited. We are restructuring to make better use of the taxpayers' dollar and to serve our farmers better.

The critical agencies under review are RADA, the Agricultural Credit Board, the Agricultural Marketing Corporation, the Agri-Business Council, the Marketing and Credit Division and the Research and Development Division.

The objective of the restructuring exercise is to create more effective services for farmers, focused on extension field support, including marketing, soil preparation and disease control, agricultural business development and animal husbandry.

We are far advance with this work, expecting recommendations with respect to a new structure by the end of this month.

### **Expanding Extension Services**

Mr. Speaker this Government did not need a strategic review to correct certain of the glaring inefficiencies in the system. We did not need 18 years to discover that a study had to be done, or that there was a problem. **We have been listening to the farmers!**

And so, even before this report is submitted, I am happy to announce that this year, we will double the number of extension officers operating under RADA, so as to provide more technical support to our farmers.

We will implement a structured programme for training and re-training of these officers, a stronger marketing presence in every parish, and increase the cadre of livestock specialists.

Mr. Speaker, the reorganisation is not only about personnel, but also physical facilities. The RADA Parish Offices will be examined to ensure that they are easily accessible to farmers and provide commercial demonstration plots, where farmers can observe and participate first-hand in different farming techniques and post-harvest handling. As such, extension officers will be trained to adopt a hands on approach, and required to establish and maintain demonstration plots as part of their teaching and training functions.

### **A more effective Veterinary Services**

In the case of the Veterinary Services Division, the Government intends to fully implement the new structure which was the subject of a study conducted by IICA, the World Animal Health Organization and the Cabinet Office.

This structure calls for an expansion of field officers, the addition of a number of specialists and the setting up of an Artificial Insemination and Embryo Transplant Unit. The new structure also mandates the provision of advisory/extension services and clinical veterinary care for the livestock sub-sector, as well as the mounting of disease surveillance activities. The structure is now before the Ministry of Finance and the Public Service for approval, and we will commence implementation in this financial year.

Mr. Speaker, the purpose of this exercise is to increase the quality of livestock and to safeguard against disease outbreaks.

### **Reforming Farmers' Groups**

Even as we restructure and reposition the Ministry Mr. Speaker, we are aware that the various farmers' organisations are in need of institutional strengthening.

We are a country of small farmers which makes clustering and farmer organisations critical for the development of the agricultural sector.

Mr. Speaker, with the increasing challenges of the global marketplace, we believe it is important for us to work with these farmers groups to strengthen their management capabilities to ensure that they can adopt and maintain viability.

### **Jamaica Agricultural Society**

The work in this area has to start with the Jamaica Agricultural Society (JAS), which is the umbrella group for most of these bodies. I have had discussions with the leadership of the JAS, and we have agreed to partner with them to conduct a joint organisational review and restructuring exercise to re-focus the JAS to concentrate on its core business - that of effectively representing farmers interests, and turning around the financial position of the Society, through more productive use of its rich asset base.

The Government is also conducting a management audit of the Jamaica Citrus Growers Association and is about to determine a management structure for the resuscitation of the dairy industry.

### **Agricultural Shows**

Within this review, we have to take a fresh look at our approach to agricultural shows, endorsed by the Ministry or its agencies. We want these shows to place more focus on demonstrating the latest technologies in agriculture and best practices in the sector. I have, therefore, asked for a review of all agricultural shows, with a view to maintaining minimum standards and a critical focus.

### **Focus on Research and Development (R&D)**

Mr. Speaker, Research and Development are going to be a critical driver in this agricultural transformation process.

The R&D Division must provide the requisite support for the new initiatives that the Ministry will be pursuing, such as Protected Agriculture, Orchard Crop Expansion, Small Ruminant Expansion, the resuscitation of our major cattle breeds and the demonstration of more productive and powered farm tools.

Mr. Speaker, I am happy to announce that the Spanish Government, through its agency for International Development has signed a memorandum of understanding to establish a **Centre of Excellence for Advanced Technology in Agriculture** at our Bodles Research Station. This facility will benefit from a US\$3-million grant from the Spanish Government over a three-year period, and will demonstrate the latest technologies in agricultural production, including crop irrigation systems, soil fertility management, training of farmers, and extension workers. It will also provide a platform for collaborative research with academia, input suppliers, and end-users.

In this regard, we have been having discussions with the University of Technology, the College of Agriculture, Science and Education, and the University of the West Indies, to explore collaboration within the framework of this Centre.

Additionally, Mr. Speaker, we have negotiated a series of bilateral technical cooperation programmes involving the Governments of Canada, the United States, Brazil, Costa Rica and Cuba, in relation to training and the provision of expertise in such areas as Protected Agriculture, Fruit Tree Crop production, soil preparation, pest and disease control and fisheries management, among others.

### **Focus on Protected Agriculture - Greenhouse Clusters**

Mr. Speaker, our agricultural sector has been dogged by the failure to consistently produce the quality and quantity of produce required by the end-users. Technology and effective management must, therefore, be used to successfully tap into the growing

markets, such as tourism, in order to exploit the natural synergies between these two sectors.

In the recent past, greenhouses, as one form of protected agriculture, have been dotting the agricultural landscape, in a sort of experimental and uncoordinated manner. What these projects have shown us however, are the enormous possibilities in terms of consistent production and higher levels of productivity, in comparison to conventional methods. Mr. Speaker, this Government intends to mainstream this method of production.

Our approach, as I articulated earlier, is to work from the end-users backwards to production. The Government is, therefore, proposing the establishment of Agricultural Clusters primarily, but not exclusively, involving the use of greenhouse technology. These clusters will be driven by end-user demand, and will involve a number of small farmers around a packaging facility. The packaging facility will be private sector-driven, and will be responsible for the sorting, grading, packaging and logistics management, as well as marketing to end-users.

Critically, Mr. Speaker, the Ministry is bolstering its research and extension capacity to provide support to these clusters. In this regard, a **Greenhouse Unit** is being set up by RADA. As I mentioned earlier, we are providing the requisite training for our researchers and extension personnel, through a number of bilateral programmes in this technology, in countries such as Costa Rica, which has demonstrated success in using the technology.

In fact, Mr. Speaker, very shortly we will be sending the first 13 of our extension officers for training in greenhouse technology in Costa Rica, to support the greenhouse clusters we are developing. Their training will be for one month but the programme of collaboration is being coordinated through a MOU signed by me, on behalf of the Government with the Director General of IICA, during my official visit to Costa Rica recently.

Mr. Speaker, in keeping with our end-user focus, we have also been pursuing discussions with a number of critical consumer groups such as hotel and supermarket operators, as well as agro-processors, in various areas of agricultural best practices. We have also canvassed a number of private sector players, with a view to their investing in these clusters.

I am pleased to announce that we are now ready to begin the first two greenhouse clusters in the parishes of Manchester and St. Elizabeth, comprising approximately 40 greenhouses, and two packaging facilities.

I am also pleased to announce that we are far advanced in negotiating a grant of CAN\$5 million, through the Canadian International Development Agency (CIDA). CAN\$2 million of this sum will be allocated to support the development of greenhouse clusters. In anticipation of this, the Government has made the appropriate budgetary allocation in the 2008-2009 Estimates of Expenditure.

Mr. Speaker, it is important to note that the Government's initiative in relation to protected agriculture is being complemented by a number of private investors, who on their own, are adopting this method of farming. The Ministry is, therefore, taking steps to ensure that its extension, marketing and research services will provide the appropriate support to sustain this emerging technology.

In an attempt to keep in touch with market requirements, the government is also moving to establish an *Agriculture Supplier Advisory Committee*, comprising end-user representatives like the Jamaica Hotel & Tourism Association and the Jamaica Chamber of Commerce, along with farmers' representatives, agro-investors and RADA. This committee will meet on a quarterly basis to discuss and sign off on end-user requirements and production processes.

Mr. Speaker, there are currently four main types of fresh produce which are being successfully cultivated in greenhouses in Jamaica; and it is our intention to ensure that our farmers are able to provide all that is required for the local market, with a surplus for export. The crops I am referring to are lettuce, cucumber, tomato and sweet pepper. We want to get to the stage where we achieve food security in these areas quickly. To do this, we are going to make our farmers efficient, and then we are going to protect them from subsidised imports.

### **Non-Greenhouse Crops**

Mr. Speaker, there are several other crops which are not suitable for greenhouse production which we can cultivate competitively. These include sweet potato, yam, melon, cantaloupe, pineapple, mango, and hot pepper, to name a few. One of our major thrusts as we seek to assist farmers to adopt these new technologies is the provision of training in best practices, in order to facilitate increased and consistent production. At the same time, we will be encouraging our farmers to grow by not making them victims of unfair competition.

### **Hot Pepper**

Take hot pepper as a case in point. Jamaican Scotch Bonnet has been identified as a crop for which we have a clear, competitive advantage. This is based on a strong demand for peppers for the manufacturing of condiments such as jerk seasonings, which are widely used both in Jamaica and abroad.

In an effort to respond to this market opportunity, the Ministry has developed a programme for the expansion of hot pepper production and processing. The objective of the programme is to put some 950 acres of pepper into production in this financial year, supported by some 16 seedling nurseries, which will be strategically positioned across the island, within close proximity to the production areas.

We have already awarded the contract for the 16 nurseries to Jamaica Drip at a cost of over \$11 million. One of the production areas will be at Ebony Park in Clarendon, where some 250 acres, equipped with on-farm irrigation facilities are about to go into production. This exercise will involve approximately 50 farmers. I should also highlight here, that all the production areas will be supported by our extension services.

Mr. Speaker, in response to the demand for semi-processed pepper for sauces and jerk seasonings, we have simultaneously developed a business plan for a pepper mash and a drying facility to cost US\$4 million. Mr. Speaker, the feasibility of this is well established, and the Government will shortly be inviting interested parties to invest in this facility.

### **Cassava as an Alternative**

Mr. Speaker, a major challenge of this government is to provide a local substitute for imported starches like rice and wheat. In this regard another initiative of the Government to address the country's food security, is the development of a viable cassava industry. This is not a new crop, but we can do so much more with it.

As a nation, we face the unfortunate reality of our major staples being imported products such as wheat, corn and rice. Cassava is ideally suited as a substitute for these products, both for human consumption and for animal feed.

Mr. Speaker, *cassava provides the same amount of energy as rice. It exceeds the nutritional value of rice in its protein content, as well as in fibre, calcium, potassium, iron, Vitamin C, and thiamine, which makes it a suitable substitute for rice.*

When processed, cassava can be used to make a number of products, including: chips, flour, our popular bammy, and pan cake mix. It is also ideal as animal feed. The Government will,

therefore, be embarking on a sustained and deliberate campaign to increase the use of this versatile crop.

To this end Mr. Speaker, we are in the process of a comprehensive Industry Development study, which is exploring the viability of growing cassava for human consumption, animal feed, pharmaceuticals and bio-fuels. We have already received a commitment of support from the Government of Thailand - the largest exporter of cassava products in the world - for technical assistance in the development of this programme. In the meanwhile, I am pleased to announce the following:

- 1) The RADA Twickenham Bammy Factory will be expanded through private sector partnership this year, in order to significantly increase production on the basis of the demand now identified, which we cannot fill.
- 2) RADA, the Scientific Research Council (SRC), the Ministries of Education, Health and the National Security/Correctional Services Department have agreed to participate in a project for expanding cassava production. Under this project, the Correctional Services Department will engage its inmates in the growing of approximately 300 acres of cassava, to be processed into products developed jointly by RADA and the SRC, in consultation with the Ministries of Health and Education.

These products will be used within the School Feeding Programme, the correctional institutions and the public hospital system, as a substitute for traditional starches like rice and flour which have to be imported. Mr. Speaker, in the case of the school system, we are talking about 176,000 meals per day in one programme alone.

- 3) RADA is also working with small farmers to grow more cassava, based on pre-determined market demand. We

have already started to examine the feasibility to grow this crop on mined out bauxite lands.

- 4) The Ministry will partner with agro-processors and fresh produce exporters, to find ready markets in the Diaspora, with a view to utilizing the excess capacity they now have.
- 5) We have had discussions with persons in the animal feed sector, and they have committed to working with us to conduct a feasibility study to grow cassava as a substitute for corn used as feedstock.
- 6) A Public Education Campaign will support greater awareness and consumption of cassava.

### **Other Starches and Tubers**

Mr. Speaker, additionally, the Government will be promoting the production and consumption of more locally grown starches, such as yams and sweet potato, as substitutes for rice and flour.

In this regard, we will be providing \$50 million immediately to encourage farmers in yam and sweet potato-growing parishes to cultivate more of these staples. Our focus will be to provide grants in the form of planting material and land preparation, administered through RADA.

### **Rescuing the Dairy Sector**

Mr. Speaker, I have already described the devastating impact on the dairy sector caused by the liberalisation policies of the early 90s.

The tragedy is, now that we no longer have access to subsidized milk powder imports from Europe, the country does not have the capacity to respond to the people's nutritional needs. Our resuscitation programme, therefore, seeks to rebuild the productive

capacity, and it is also critical to our larger food security programme.

**Our Strategy for the Dairy Sector Rests on Two Pillars:**

- Rebuilding the stock through a Heifer Rescue Programme, rapid multiplication of existing stock, through artificial insemination and importation of stock from abroad;
- Pasture improvement.

*Mr. Speaker, I am pleased to announce that the Government has allocated \$140 million in the current budget to commence this dairy resuscitation programme. The focus this year will be to provide low cost loans to dairy farmers to acquire stock and undertake pasture improvements. Priority will be given in the allocation of these funds to milk production clusters involving small farmers feeding into a processing plant.*

The Government will allocate some of these funds to import live animals and/or genetic material for herd expansion. In addition, we will continue the Heifer Rescue Programme started last year, and funds from the \$140 million allocation will also be used for this purpose.

As indicated earlier, the Veterinary Services Division, consistent with its new structure, will be establishing a fully staffed, *Artificial Insemination Unit*. We intend to partner with the wider industry, with a view to incorporating their skills and expertise in the management of this Unit.

The objective of this intervention is to make artificial insemination services far more accessible to the farmer. From these initiatives, we expect to increase milk production by 10%, to 15.4 million litres in this financial year, through stock expansion and the rehabilitation and establishment of 1,000 hectares of improved pastures. This will benefit 125 small farmers.

### **Expanding the Small Ruminant Programme**

Mr. Speaker, Jamaica is currently satisfying less than one percent of the demand for mutton. In 1996 we imported some 4.6 million kilograms of mutton, valued at \$734 million. At the same time, we produce only 8,000 kilograms valued at \$1.6 million. This industry has considerable potential for expansion and the Government, has established an *Industry Development Programme* for this sector. Under this programme, the Ministry facilitated the importation of the highly productive Dorper sheep, on which the modern industry is now being built.

The industry now boasts some 5,000 mature ewes, and the objective of our programme is to increase this number to 60,000 by 2013, in order to replace 50% of the 2006 imports.

This five-year programme calls for the importation of some 1,300 ewes, expansion of feed lot, abattoir and cold storage facilities, together with the renovation of the Hounslow facility in St. Elizabeth as a small ruminant development centre.

Mr. Speaker, we have already begun to implement elements of this five-year programme, as we recently procured some 50 ewes at a cost of \$8.3 million, with a further 100 to be purchased at the end of August at a cost of \$16 million. The outfitting of the Artificial Insemination and Embryo Transplant Unit in the Veterinary Services Division, which I spoke to earlier, is a critical part of this programme.

The Ministry (ASSP) has developed a project that will involve the production of sheep on 100 acres of land at the Government-owned Rhymesbury property located in Clarendon. We are now seeking investors to participate in this project.

Mr. Speaker, the Government is also developing a programme for the development and expansion of the goat herd at the Hounslow facility in St. Elizabeth, with special emphasis on improved breeds.

## **Pork Production**

We also intend to continue our collaboration with the Pig Farmers' Association to expand production and continue to improve quality.

## **Praedial Larceny**

Praedial larceny, Mr Speaker, constitutes one of the greatest impediments to the development of agriculture in Jamaica, particularly livestock farming. The latest strategy in combating this problem is the receipt book initiative.

Mr. Speaker, this system has not worked. Of the over 100,000 books printed, 5,000 have been sold. Only 17 arrests were made in 2007, and a few genuine farmers were fined for not issuing receipts. Mr. Speaker, the 'two foot pus' lives on, and the receipt book system is failing to stop them.

The fundamental flaw in the current system is the lack of traceability of agricultural outputs from end-users to farmers. It is important to address this, not only from the point of view of curbing praedial larceny, but also in the interest of establishing acceptable food safety standards.

The international food safety regimes require traceability from field to fork, and this will, therefore, be a critical issue in maintaining our trading relationships.

Traceability requires a holistic approach, beginning with a proper farmer registration system. With this in place, the judiciary, the constabulary, the Veterinary Services Division, the Bureau of Standards, and critical end-user groups like the meat processors, all have their part to play in the process.

The Government has moved to take this more holistic approach by appointing a committee involving representatives of these critical stakeholder groups to review the current system, with a greater

focus on traceability and enforcement. The committee will report its recommendations within three months.

Mr. Speaker, I am, therefore, pleased to announce that Anthony Harriott, renowned criminologist and Professor of Political Sociology in the Department of Government at the University of the West Indies, Mona, has agreed to chair this committee.

In the meantime, the Government has had discussions with the leadership of the Jamaica Constabulary Force to increase surveillance, particularly in areas with large cattle populations.

Also in this financial year, the Ministry, through the ASSP, will be implementing a \$23.6 million **National Animal Identification System**. This will involve the tagging and registration of animals island-wide, the establishment of an identification policy, revision of legislation and the development of a public education campaign in support of the system.

This project is a sequel to the pilot phase conducted in 2006, in which over 3,047 head of cattle were tagged in St. Thomas, St. Mary, St. Ann, St. Catherine, Clarendon and St. Elizabeth.

### **Rebuilding the Fisheries Sub-sector**

Mr. Speaker, the Fisheries sub-sector, which engages some 34,000 people, occupies a very important place within the agricultural landscape. Typically, these fisher folk are characterized by informal training and artisanal fishing. The infrastructure which supports their activities is generally poor, and they risk their lives at sea due to inadequate gear and communication equipment. In addition, the impact of a series of natural disasters in the last few years has made their situation even worse.

At the same time Mr. Speaker, there are some activities which have been part of the fishing tradition for decades, which are

simply unsustainable. Moreover, we have over exploited our reef fishery resources and the industry is suffering as a consequence.

The remedy, Mr. Speaker, cannot be to ignore such a large body of people, but rather to engage them in a positive way, and to re-orient them in more environmentally-friendly practices.

### **Overdue Reform Measures**

To this end, the Government has a comprehensive programme for the sustainable development of the Fisheries sub-sector.

The first plank of this programme is to install the requisite governance framework within which these objectives can be achieved. The former Government has been talking about this for the past 15 years, yet nothing has come to fruition.

This Government intends to act. We are committed to accelerating the conversion of the Fisheries Division to an Executive Agency, which will drive the sustainable management of the sector. With the help of the Canadian Government, we are almost at the end of the process of recruiting an international specialist to lead this charge.

Mr, Speaker, I am pleased to announce that for the first time, a *Fisheries Advisory Board* has been appointed to guide the development and management of the soon to be established executive agency. A new fisheries policy has been completed and will be in place shortly. We are also committed to the enactment of the new Fisheries Legislation currently being finalized by the Chief Parliamentary Counsel.

### **Restoring Fishing Beaches**

We are under no illusion that the task of engaging fishermen to change their fishing practices is going to be easy. We believe, however, that the Government can forge a partnership with fishers, by improving their conditions of work, and showing them the

respect that they deserve. This Government is committed to doing just that.

I am, therefore, happy to announce that in this Financial Year, the Government will be undertaking a programme to rehabilitate some 30 fishing beaches, at a cost of nearly J\$100 million. This programme will include the installation of environmentally-friendly toilet facilities, storage sheds, an area for basic processing and signage. Mr. Speaker, I am pleased to advise this Honourable House that these initiatives will be fully funded from our Capital A Budget, a proposed CIDA grant, and the EU Rural Diversification Programme, where these beaches are situated in the six (6) EU Banana designated parishes. We are also having discussions with Food for the Poor to partner with us in this venture.

### **Loan Scheme for Re-tooling**

Mr. Speaker, we are going further, as we want to give the fishers an opportunity to re-tool. I am pleased to announce that the Development Bank of Jamaica has approved a \$50-million loan facility specifically for the fishing industry, targeting primarily small and medium size fishers, for the provision of fishing gear and safety equipment. This money will be available at an interest rate of 7.8%, and will be disbursed through the People's Cooperative Banks, Credit Unions or other approved micro finance institutions.

### **Sustainability Measures**

I want to say to the fishers out there that this Government cares about you. We want you not only to survive but to prosper. We want to work with you to ensure that our fishing industry is viable and sustainable.

This sustainability of which I speak, can only be achieved if we work together to address the challenges facing the industry. One such challenge is the matter of over fishing. Mr. Speaker, we cannot continue to remove more fish than the species' ability to

replenish itself. Otherwise, one day the livelihood of our fishers will come to an end. Already, we see smaller and smaller catches and sizes. We have to stem this tide and our fishermen must partner with us to this end, in their own interest.

Later this year we will outline more comprehensively the Governments' policy and the new legislation to be enacted. However, we are committed to doing the following immediately:

- A major registration programme to bring existing fishers not registered into our data-base;
- The establishment of five fish sanctuaries where no fishing will be permitted; and a management regime instituted for monitoring, supported by appropriate legislation. These sanctuaries will be located in Old Harbour Bay, Hellshire, Falmouth, Discovery Bay, and the Negril regions. In other words, Mr. Speaker, designated sections within those areas will be restricted from fishing activity, thereby becoming natural breeding grounds for our fish population.
- Mr. Speaker, each year during the period April 1 to June 30, there is a closed lobster season, during which time the harvesting of lobsters is prohibited to allow for the replenishment of the stock. However, as is well known, illegal harvesting persists because of the overwhelming demand. Therefore, Mr. Speaker, in an effort to deter the temptation to harvest during the closed season, this year we will be instituting legislative changes to ban the possession, storage and sale of lobsters during the close season.

Mr. Speaker, these initiatives are an attempt to begin to return sustainability to the sector. To work, they will require a strong regulatory infrastructure, including education and enforcement. This Mr. Speaker, is a very expensive proposition, but the Government is committed to the process.

Accordingly, beginning in this financial year, we will move to impose a levy on every pound of conch exported from Jamaica to create a dedicated fund for the sustainable development of the fisheries sector. This, based on projected export volumes this year, will see approximately \$75 million flowing into this fund. Appropriate legislative amendments will follow to make this initiative effective.

Mr. Speaker, we intend to work with NGOs and the fisheries sector to organise fishers around beaches from which they will operate and to train them in best practices, as well as, to develop a maintenance and management programme for the facilities we will be installing.

### **Promoting Urban Agriculture - (Backyard Gardens)**

Mr. Speaker, the Government is of the view that confronting the challenges of food security, must be a collaborative effort. While our main thrust is to improve the commercial viability of the agricultural sector, we also believe, that as a Government, we should encourage all Jamaicans to define a role for themselves in reducing their food costs and their vulnerability to imports.

This Government believes that we must return to the days when householders grew a little something for themselves in their backyards. We must get back to basics. As part of our response, the Government will be implementing an *Urban Backyard Garden Programme*. The project will assist residents throughout urban centres to grow fruits, vegetables and herbs in small spaces in their backyards or other community spaces.

A pilot project will be implemented immediately involving 400 households in Portmore and Spanish Town. Working with the local municipalities and community groups, residents will be selected and given free of cost, a backyard garden kit developed by RADA, and monitored over a three-month period.

Participating residents will each be encouraged to devote a minimum of 30 square feet of yard space, to producing two to four crops per year, of vegetables such as tomato, sweet pepper, cabbage, callaloo, escallion, pakchoi, as well as herbs. The backyard kits will consist of seeds, soil nutrients and basic planting and crop care information.

Mr Speaker, by simply growing two cycles of tomato, cucumber, sweet pepper and pakchoi, the average household would have saved some \$12,000 per annum.

It is the intention of the Government in this financial year, to make backyard garden kits available to the general public through farm and hardware stores islandwide, at a cost of less than \$1,500 each.

We are projecting Mr, Speaker that for this year we will distribute approximately 10,000 of these kits.

### **Residential Fruit Tree Programme**

Mr. Speaker, we are all aware that the consumption of fruits and vegetables is important to healthy living; and as a tropical country, we are blessed with an environment that is conducive to the production of a variety of fruits.

This Government, therefore, intends to exploit this as part of our food security strategy. As such, we will be embarking on a major residential fruit tree planting programme, involving the distribution of approximately two million fruit trees free of cost, to householders, schools and public entities, over the next three years. This project is estimated to cost \$120 million and will be funded jointly by the Government of Jamaica, USAID, Food for the Poor, and private sector companies.

This will be good our health, the environment, and provide a basis for domestic and commercial consumption, as well as processing of our tropical fruits.

Mr. Speaker, we will make Jamaica green again, and we are ready to partner with every Jamaican householder, in every community, and every district to achieve these objectives.

Mr. Speaker, we have already commenced plans for sourcing the planting material and we anticipate that by October of this year, we can start handing out fruit trees with basic instructions on plant care.

The fruit trees to be distributed include: garden cherry; dwarf June plum; sour sop; sweet sop; dwarf cashew; coconut; dwarf naseberry; mango; avocado; breadfruit; and lychee.

### **Expanding the School Garden Programme**

Mr. Speaker, we are taking the concept of food security even further. The Ministry, through the Jamaica 4-H Clubs will be embarking on a three-year Programme commencing this year, to establish school gardens in the 966 public schools across the island.

The intention Mr. Speaker, is to encourage our young people to appreciate agriculture, nature and the environment, and to impress on them the critical importance of food security. But more than that Mr. Speaker, we want to use these gardens, especially in the high schools, to demonstrate the viability of technology-driven agriculture.

The 4-H Movement is the ideal vehicle for the implementation of this project, as for the last 60 years it has been involved in school gardens. The 4-H Clubs currently operate 300 school gardens across the island, and with its presence in the overwhelming majority of these schools, with approximately 60,000 ‘clubites’, they are uniquely poised to make this difference.

The Programme will cost \$108 million, beginning with a \$34 million first phase this year. This will be jointly funded by the Ministry and other donors.

Mr. Speaker this Government is taking food security seriously and we are engaging the entire country.

### **Labour Day - Food Security Project**

Mr. Speaker, in an effort to further reinforce the issue of food security, the Cabinet agreed on Monday of this week to place the focus of Labour Day 2008 on food security - eating *what we grow and growing what we eat*.

This Labour Day, the Ministry of Agriculture working through RADA and the 4-H Clubs and the Ministry of Education will be working with the Labour Day Secretariat located in the Ministry of Information, Youth, Culture and Sports, on a national food planting programme within our schools and communities.

This project Mr. Speaker will highlight the Backyard and School Garden Programmes, I announced earlier.

In addition, to encourage food production, the Ministry will be distributing some 200,000 packets of vegetable seeds to every student from Grades eight to eleven in all secondary schools, for planting at home or in secure spaces within their communities on Labour Day. In addition to the seeds, RADA has been mandated to produce a simple instruction flyer outlining planting and other agro-techniques to guide the students. This will cost the Government \$30 million.

### **Reducing Agricultural Risks**

The matter of insurance has now become central to the issue of sustainable agricultural production. Between hurricanes Ivan and Dean, the sector sustained losses to the tune of \$13.47 billion. Apart from hurricane losses, we now have a defined drought

period annually, and in recent years, these episodes have been more prolonged and intense. The projections of the Inter-Governmental Panel on Climate Change, with respect to the frequency and aggressiveness of hurricanes do not provide much comfort. Sustainable agriculture must, therefore, seek to mitigate and adapt to these risks.

Mr. Speaker, the situation is made worse because of the difficulty of attracting re-insurers. The Caribbean is deemed too risky. As such, the implications for the sector are clear. We must seek more innovative ways to deal with agricultural insurance; and farmers must now begin to view insurance as a legitimate cost of doing business.

### **Parametric Insurance Model**

Against the background of these challenges, the Government has been in dialogue with the Inter-American Development Bank (IDB) to construct a parametric insurance model for some critical crops, such as, banana and coffee, as well as greenhouse production.

A parametric insurance model is one in which a pay-out is automatically made upon submission of evidence that the defined parameters have been triggered by the occurrence of a disaster. This model will require a four-way commitment, involving the Government, in terms of providing the infrastructure to measure the parameter (for example, automatic weather stations), the farmers, who will be required to pay premiums, the insurance companies which will provide coverage, and re-insurers for underwriting the risk.

We have already brought together the first three of these players in a series of consultations.

It has been agreed by the parties that a feasibility study needs to be conducted in order to secure buy-in by the stakeholders. To this

end, Mr. Speaker, I have asked the World Bank to assist us with this feasibility study, and I am pleased to announce that a team from the World Bank will visit the island shortly to undertake this. The expectation is that once the feasibility study is completed and all the stakeholders sign off, the IDB would then be approached for a grant to build the model under its multilateral investment Programme.

In the meanwhile, it is important that the entire sector does all in its power to undertake such preventative measures that are necessary to minimize risks. For example, the Government has moved to ensure that all greenhouses in our clusters be constructed in such a manner as to allow for easy dismantling in the event of hurricanes.

### **Disaster Preparation and Response**

Mr. Speaker, at the same time the agriculture sector must be more deliberate in preparing for and managing these likely disasters.

It is against this background that I will be establishing a committee chaired by the Chief Executive Officer of RADA to develop a proper agricultural disaster management plan. This committee will also comprise representatives of the Office of Disaster Preparedness and Emergency Management (ODPEM), the Army, agricultural input providers, NGOs, CASE, the Fisheries Division, the JAS, and other commodity groups.

A significant feature of this Plan will be the mobilization of a cadre of volunteers drawn from each parish, including farmers, agricultural workers and peace corps volunteers, who will be trained to assist farmers with preparedness activities, and more critically, to conduct rapid damage assessments after a disaster. The Ministry will also be making arrangements with suppliers of agricultural inputs, particularly seeds and fertilizer, for the supply of these items immediately following a disaster.

*The Government is setting itself a target to get production back up and running within two weeks after a hurricane takes place.*

Mr. Speaker, we expect this Plan to be formulated and activated before the start of the 2008 hurricane season.

### **Providing Agricultural Financing**

Mr. Speaker, it goes without saying that the successful implementation of our technology-driven programmes and food security initiatives will require sustained funding at low interest rates. We also need to address the efficiency of the loan administration process to increase speed, reduce frustration, and provide a greater level of facilitation for our farmers.

The Planning Institute of Jamaica (PIOJ), is currently working with the Caribbean Development Bank (CDB) to access some US\$8 million at 2%, with a pay back period of 30 years, and a moratorium of up to 10 years. It is the expectation that these funds will be channelled through the Development Bank of Jamaica (DBJ) for our technology-driven programmes, including production, retooling, and agro-processing.

Mr. Speaker, until this comes on stream, I am pleased to announce that the DBJ has approved a loan package of \$250 million, specifically for the agricultural sector, at an interest rate of 7.785%, to be on-lent through the PC Banks and Credit Unions and other micro financing institutions.

We have more good news. The Government is currently finalizing a US\$2.5 million grant from the Chinese Government, to be used for agricultural development projects.

I am also pleased to report that through a \$15 million programme financed by the IDB, the DBJ, supported by the Agricultural Credit Board will be conducting a restructuring exercise within the PC Banks. The objective of the review is to strengthen the PC banks'

capacity, to provide fast and efficient service to our farmers, and to better facilitate them in respect of areas such as business plan preparation. We intend that the new RADA will work closely with the PC Banks to assist in the preparation and monitoring of loans.

## **Conclusion**

Mr. Speaker, there is so much more that can and will be said about this Government's plans to modernise agriculture.

My colleague Minister Hutchinson, when he speaks, will address a number of other issues to be targeted this year, in keeping with the focus of safeguarding our food security. He will focus primarily on our major commodities: banana, cocoa, coffee and coconut, commercial fruit tree initiatives and irrigation.

The Honourable Prime Minister, when he speaks, will address other important issues, including an update on the sugar divestment initiative, which is currently in progress.

At the close of the Budget and Sectoral presentations, Mr. Speaker, this Government would have highlighted, a defined and coherent programme for the sustainability of our agricultural sector.

We are clear on the challenges we face, we are clear on the vision for the future. We are clear about the fact that Jamaicans have become vulnerable because of over-dependence on imports.

We are clear in our minds that our farmers must be supported with training, technology, and market intelligence in order for them to be viable, and to ensure our nations' food security.

Mr. Speaker, we are clear in our minds that all Jamaicans, young and old, uptown and downtown, urban and rural, must define a role for themselves in securing the nations' food security.

That clarity is what drives our sense of purpose. We are clear that together, with God's help, we will make it work.

With greater focus on research and development of our agricultural practices, we *will* make it work.

With the doubling of the complement of extension officers, to teach farmers best practices in agriculture, we will make it work.

With greater resources for repairing farm roads to provide improve access to farms and markets, we will make it work.

By expanding greenhouse production, supported by packaging and marketing facilities, we will make it work.

With the expansion in cassava cultivation to begin to reduce our dependence on imported starches, we will make it work.

With our major focus on the resuscitation of the local dairy sector to reduce vulnerability to imported milk, we will make it work.

With the restoration of over 30 fishing villages, and securing the sustainability of the fisheries sector, we will make it work.

With the planting of over two million fruit trees, involving every Jamaican, in every community, to expand our tropical fruits and protect our environment, we will make it work.

With a backyard and school garden programmes that should see thousands of urban homes and over 960 schools involved in small scale farming, we will make it work.

With a programme to address the vagaries of weather on farming activity, through insurance and better preparation, we will make it work.

With low cost financing for farmers to re-tool for greater productivity, we will make it work.

Mr. Speaker, as we ask God for guidance, we also ask the people of Jamaica, to work with us, to make it work.

Thank you.