

**STATEMENT BY
DR. THE HONOURABLE CHRISTOPHER TUFTON,
MINISTER OF AGRICULTURE
SIGNING CEREMONY FOR EU-FUNDED SMALL GRANT CONTRACTS
ON WEDNESDAY, JANUARY 7, 2009**

Ladies and Gentlemen we are here today to sign 11 small Grant Contracts, the beneficiaries of which are former workers in the banana industry who are seeking to enter into alternative business ventures, based on the contraction in this sub-sector.

Background

Under the European Union Special Framework of Assistance to traditional African, Caribbean and Pacific (ACP) Banana Producers, Jamaica has received a total of \$42.9 Million euro (or J\$ 4.7 billion) in grant funding over the past 11 years, to improve competitiveness in the banana export industry. Here I would like to pause to offer our sincere gratitude for this unwavering support.

However, despite this significant investment, the increasingly stringent market requirements of EUROPGAP and more recently, the FAIR TRADE regulations, have made it more and more difficult for Jamaican farmers, particularly the smaller ones, with an average farm size of 5 hectares or less, to grow bananas profitably for the European Export Market.

This situation has been exacerbated by the closure of Eastern Banana Estate in St. Thomas, formerly operated by Jamaica Producers Group Limited, which was the largest producer for the export market. This closure has resulted in the loss of approximately 600 jobs in one of the poorest areas of Jamaica.

The RADA-EUBSP Grant Contract

To assist the Ministry to respond proactively to the fallout in the banana industry, the European Union has made available a grant of \$3.5M euro (approximately J\$400M) to help displaced farmers and ex-port workers in the traditional banana-growing areas to find alternative employment in other sectors, so as to maintain their standard of living. This Grant Contract is being administered by RADA.

The RADA Grant Contract will facilitate the following:

- the operation of a Small Tool Revolving Loan Scheme valued at approximately J\$27M;

- support to Greenhouse Production, with J\$22M allocated, to the research aspect and J\$1.6M to the training of a core of RADA Extension Officers in Greenhouse Technology;
- resuscitation of the dairy industry valued at J\$13M; and
- support to the fisheries sub-sector totaling J\$42M.

Here ladies and gentlemen, I would like to stress that the assistance being given in these areas is in sync with the Ministry's development objectives, as it addresses some of the critical issues we have targeted for priority attention in this Parliamentary year - those of:

- promoting the use of modern farm tools to enable farmers to increase their efficiency;
- increasing the productivity levels of small Greenhouse producers to meet the demands of the hospitality and retail markets;
- reviving the dairy sub-sector; and
- rehabilitating the basic infrastructure and improving the fishing and environmental practice of fisher-folk, in keeping with the Government's programme for the sustainable development of the fisheries sub-sector.

The final component of this assistance programme is:

- the allocation of small grants amounting to some J\$11M, to the beneficiaries present here today.

These beneficiaries have been selected based on the economic viability of the projects they submitted for consideration, which include agro-processing; cottage industry; goat breeding; honey and hot pepper production.

We hope that this will herald the beginning of an expanded assistance programme for local, small-scale business development, in order to help an increasing number of displaced farmers, farm workers and others dependent on banana production to find alternative occupations and new sources of income.

Conclusion

In conclusion, I would once again like to thank our European partners, for their continued support throughout this difficult period of adjustment. My Government is extremely grateful for this assistance being provided by the European Union, through its Delegation in Jamaica.