



SECTORAL PRESENTATION

2019



Presented by:

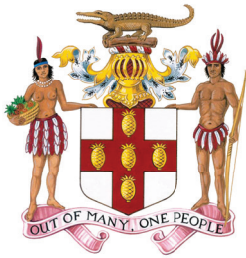
Hon. J.C. Hutchinson, MP

Minister without Portfolio
in the Ministry of Industry, Commerce,
Agriculture and Fisheries



GORDON HOUSE
Tuesday JULY 09, 2019

'TRANSFORMING AGRICULTURE NOW'



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TUESDAY, JULY 09, 2019

‘TRANSFORMING AGRICULTURE NOW’

Mr. Speaker, it is my pleasure to address this Honourable House this afternoon and to update you and the nation on my activities since the last Sectoral Debate.

CONSTITUENCY

Let me begin with my constituency. The constituency of N.W. St. Elizabeth is seeing its best days now. I have a meeting with my councillors, management team, supervisors and key functionaries once per month; the first Saturday of each month.

We are pleased with the developments that have been taking place in the constituency since 2016. As everyone was aware, we were starved for resources prior to 2016.

Mr. Speaker, we now have water pipes laid from the well at White Hall up to New Market. Over 100 students have graduated through the HEART programme and another 200 will start the programme in September. A robust electrification programme is currently being pursued in a number of districts. The road programmes have brought great relief to residents of many communities across the constituency.

Agriculture has always been the backbone of N.W. St. Elizabeth and we have a major project coming soon. This project will be a game changer for agriculture across the country.

AGRICULTURE – TIME FOR A RENAISSANCE

Mr. Speaker, agriculture needs a renaissance, a renewal. There needs to be a total transformation of the sector in order to confront the systemic challenges that confront it.

Mr. Speaker, we are in the process of addressing and redressing those challenges.

CHALLENGES

The continuous cry from the farmers for a market to be provided for most of their crops has been getting louder; they have been suffering at the hands of the praedial thieves. The costs of inputs, especially seeds, are exorbitant. The large amount of produce that is left to rot in the field is sometimes more than what they are able to sell due often to a lack of market. Financing for the young entrepreneur is absent. We are importing produce like carrot, Irish potato, red peas, gungo, onion and cantaloupe; all of which can be grown right here in Jamaica, so that we can be self-sufficient.

There is no structured distribution of produce throughout the island. **Mr. Speaker**, you will find that there will be breadfruit and mangoes in the east spoiling and scarcity in the west. At the same time, you will find a similar glut of carrot, scallion and thyme in the west and none in the east. And, when there is scarcity in a particular locale, the cost of produce skyrockets.

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Mr. Speaker, while the production of the traditional crops has been declining, there is very little utilisation of these lands.

Despite significant input from this government, many farm roads remain in a deplorable state causing many farmers to abandon their cultivation in some areas. The Agricultural Extension Service is woefully lacking in personnel. There is an average of one extension officer to service 2,000 farmers.

Mr. Speaker, despite acknowledging the sector as integral to the growth agenda of the country successive governments have not given agriculture the significant support it deserves as 'pride of place' to drive the growth in the economy.



The inequity of the past arrangement in the sugar industry needs to be fixed now to bring equity and tangible participation of our farmers in their agricultural development. That is to say, we need

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to embrace, properly plan and control the allocation and redistribution as we execute the divestment of these large tracts of land on a shared economy basis.

Mr. Speaker, after the maximum acreage required to satisfy the economy of scale is established for the throughput at a factory, the remaining available lands should be leased to qualified farmers within the shared-economy concept.

We need to be on the cutting-edge of innovation to be competitive in the global sphere. Farmers have to take agriculture as a business and eliminate the 'gimme gimme' hand-out mentality, if we are going to have a sustainable agricultural sector.

Mr. Speaker, in this rapidly changing world, the culture and structure of agriculture in Jamaica has not changed in the past 25 years. The time is now and it has to be technology driven.

This year is the year for the Jamaica Agricultural Revolution. It is now or never for us to lay the foundation of a structured agricultural sector. We have been speaking about it for years, and now is the time for real action. There has been a piece-meal approach in the development of the sector. All the various disjointed aspects have to be pulled together into one coordinated system.

Mr. Speaker, while our food import bill in 2018 was a whopping US\$902.349 million for the corresponding period, Jamaica exported just over US\$217 million of agricultural products. There is far more room for improvement, the same old, same old, cannot continue.

Mr. Speaker, this agricultural revolution will be focused on increased production and productivity; infrastructure development; innovation; value-chain enhancement; greater linkages; development of markets; climate-smart agriculture; technology transfer; stemming rural-urban drift and wealth creation. This new approach can only be achieved through a sustained and focused programme of support and engagement by the Ministry along with private sector investments.

Mr. Speaker, the essential role of agriculture in the attainment of national and economic development necessitates the need for the modernisation of the sector, in a systematic and productive manner. The agricultural sector has been particularly vulnerable to external shocks, the most important of which is the weather.

With the Government's thrust for economic growth, and the linkages of the agricultural sector, this sector can be one of the major engines of growth for Jamaica. The capital budget which has been made available to the Ministry for agricultural development, over the years, has never been sufficient to meet the objectives as set out in the Agricultural Sector Plan.

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The Ministry has had to be responding to the frequent occurrence of natural disasters. **Mr. Speaker**, in the last 25 years, the sector has suffered direct losses in excess of \$30 billion from hurricane damage alone. The Ministry with direct responsibility for agriculture has always tried to respond to these occurrences, however, the absence of dedicated funds has hampered its ability to respond adequately and in a timely manner. **Mr. Speaker**, as a result, potential gains which could have been achieved in the sector have been starved of the necessary resources for their development. This, along with the inherent risk in agriculture, has caused a long-term, systematic hampering of investment and growth in the sector.

As you are well aware, **Mr. Speaker**, in recent years, the budgetary support for capital spending within the sector has been declining, both in real and nominal terms, despite the support from international development partners. Inconsistencies in the year-to-year allocation of funds to the Ministry's capital programme affect the ability of the Ministry to plan and implement its programmes and projects in a strategic and systematic manner.

AGRICULTURAL DEVELOPMENT FUND

Mr. Speaker, we propose the establishment and operation of an Agricultural Development Fund, which would provide the much-needed impetus for immediate and sustained improvements in the agricultural sector, the structures to underpin its sustainability and the support for investments.

It is also recognised that legislation has allowed several agencies within the Ministry to impose a cess on the importation of agricultural commodities and also user and licensing fees have been imposed on local producers and dealers of locally produced agricultural production.

These charges and fees have been designed to provide operational and developmental financing for the individual agency. This has created an imbalance and disparity in the quantitative and qualitative rate of development between agencies within the same Ministry.

For example, the Jamaica Dairy Development Board and the Jamaica Agricultural Commodities Regulatory Authority both have been financed by a cess regime with surplus funds expended without intricate policy oversight.

The Bureau of Standards has collected a cess on all fresh, semi-processed and processed agricultural commodities imported into Jamaica under the name of a Standard Compliance Fee (SCF).

Mr. Speaker, it is being proposed that there be a repeal of the sections of the various Acts that empower the various public bodies (in agriculture) to collect cesses and or user fees or licensing fees from importers and local producers, and enact one single body for the imposition and collection of cesses for agricultural development.

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This Agricultural Development Fund (ADF) is intended to be a sustainable source of funding to support the implementation of critical commercial and development-oriented activities in the agricultural sector. The ADF aims to improve productivity in the sector, enhance the competitiveness of local farmers, and provide development financing to develop, repair and maintain the physical infrastructure of the agricultural sector. The Fund, therefore, intends to:

1. Bolster the research and technical extension capacity of the Ministry to dispense technology-driven solutions to the sector.
2. Provide low-cost loan funding to clearly identifiable high-yielding and profitable agricultural ventures.
3. Provide funding support to enterprises which are not highly profitable, but critical for rural development, for example, the dairy and fisheries industries and
4. Development and maintenance of the value chain.

FARM ROAD PROGRAMME

Mr. Speaker, the Ministry's Farm Road Programme has been causing some amount of concern among farmers. We have now changed the structure of the programme. Members of Parliament (MPs), councillors, farmers' organisations who would like a road to be rehabilitated should make their request to their Rural Agricultural Development Authority (RADA) parish manager in writing. The extension officer for that area will then go and do a preliminary assessment of the roads to ascertain the level of agricultural production in the area. This information is then sent to the local RADA Parish Advisory Board, who then determines which roads can be done based on the funding allocated to the parish. This recommendation is then sent to the RADA National Board for approval.

Mr. Speaker, we have found where roads have been submitted that are not farm roads and this slows down the process of implementation. With this current structure, there is transparency and accountability for the project. We are also in the process of establishing a memorandum of understanding with the Municipal Corporations to oversee the roadwork done in their respective parishes.

PRAEDIAL LARCENY

Mr. Speaker, praedial larceny is one of the main deterrents to persons interested in entering the agricultural sector. We will soon be bringing to Cabinet the Agricultural Produce Act, which will see the fines for anyone convicted increased to a maximum of \$3 million or six months hard labour. There will be restitution, where the farmers will be reimbursed for their loss. This would be in addition to the fine imposed by the Court.

Mr. Speaker, new crops will be added to the schedule of crops to include bamboo, castor bean, cannabis and hemp. We intend to have invoice books complementing the present receipt books

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for farmers when selling their produce. Farmers sometimes sell their goods on credit but still have to give the purchaser a receipt, which puts them at a disadvantage if the purchaser lacks integrity. When an invoice is prepared the farmer will indicate the terms of the sale therefore safeguarding the transaction.



Discussing praedial larceny at the RADA St. Thomas Open Day in Morant Bay on June 28.

REMOVAL OF GCT

Mr. Speaker, we are once again appealing for the removal of General Consumption Tax (GCT) on seeds, forks, hoes and refrigerated trucks. These are essential items for the modernisation of the sector.

NON-TRADITIONAL CROPS

We are promoting a number of non-traditional crops through RADA. The Irish Potato and Onion programmes are well established. We are now having programmes developed for red peas, cassava, dasheen, ginger, garlic, castor bean, sweet potato, pineapple, strawberry, sweet yam, hemp (not industrial), and bamboo, and we are aware of the Alternate Development Programme (ADP) for cannabis.

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There are genuine concerns that have been raised from growers in the cannabis industry about the production of hemp in Jamaica. We have a technical team researching the possibility of these two crops coexisting without detriment to one another by pollination issues. Hemp is a very versatile plant with the potential to provide many value-added products.

IDLE LANDS

Mr. Speaker, there are thousands of acres of government- owned lands that remain idle throughout the island. Since 2016, we have been engaging small farmers to cultivate some of these properties. Most of the lands leased to date are in the parishes of Portland and St. Mary, accounting for roughly 2,900 acres in these two parishes. There are thousands of acres, also, in South Manchester where we intend to lease land to small farmers to grow a variety of crops, including castor bean. We will be clearing 500 acres of government land in Manchester, St. Mary and St. Elizabeth to assist small farmers in cash crop production.

SMALL FARMERS

Mr. Speaker, the jury is out among agriculturists regarding the profit earned per acre by small farmers with 5 to 20 acres versus the large companies, large individuals or organisations cultivating 100 or more acres of land. I am of the view that anyone who cultivates 100 acres or more will not have a greater yield per acre than the individual with 5 to 20 acres.

Mr. Speaker, small and medium sized farmers have been the ones buttressing the agricultural sector over the years. They have been very efficient with the small acreages they have been working on. I say, provide them with the modern technology and they will outperform larger farms.



Speaking with melon farmer, Grandville Francis, and St Thomas RADA parish manager, Bevine Martin Dickenson, at the parish open day expo.

RESTRUCTURING RADA

Mr. Speaker, the first port of call is the restructuring of RADA. At present, we have more persons in offices than we have on the ground. There are 93 extension officers for roughly 220,000 farmers and RADA is supposed to be the extension or training arm of the Ministry. With the new structure we will have twice the number of persons as extension officers and also a number of specialists involved with crop and animal care.

Mr. Speaker, part of the structuring of the sector is that emphasis will be placed on organisations. These organisations, whether it be Jamaica Agricultural Society (JAS), Production Marketing Organisation (PMO) groups, Benevolent Societies involved in agriculture and any other farming organization, will be registered with RADA. Being part of an organisation will enable farmers' access to grant funding from donor agencies; provide better dissemination of information to farmers in a timelier manner; allow for the purchasing of inputs in bulk so that the cost to farmers is less and increase leverage in the marketing of their produce, as a group.

AGRICULTURAL PRODUCTION ZONES

Farmers will operate in production zones as a group. An agricultural production zone refers to lands within a particular geographical area that are cultivated by small farmers or medium farmers and are areas without irrigation or have minimal infrastructure.

AGRO-PARKS

An agro-park refers to lands within a geographical area sometimes contiguous that have roads, and water for irrigation and other infrastructure. Presently, there are two so-called agro-parks, which do not fit the definition of an agro-park and they are both in Westmoreland. There are the other agro-parks that were colossal failures when they were first implemented. However, within the last two years there has been a management system put in place, which has seen an upturn in production in just about all of them, especially at the Plantain Garden River Agro-Park in St. Thomas. The Shadow Minister for Agriculture has assisted in this project and we are grateful.

Produce from the production zones and agro-parks will be channelled to an agro-economic zone. The first agro-economic zone will be established at Holland in St. Elizabeth.

Mr. Speaker, a former People's National Party (PNP) Minister of Agriculture said that with the agro-parks, the JLP is the conceptualiser, but he is the implementer. However, (not to speak evil of the dead) his implementation was a disaster. The establishment of agro economic zones is high on the agenda in the current JLP Manifesto. **Mr. Speaker**, this Government is not only going to be the conceptualiser, but also the implementer.

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Mr. Speaker, some of the characteristics and unique features of the Holland Agro-Economic Zone are:

1. The property has 2,400 acres of arable land. This land was divided into 5-10 acre blocks by Appleton who used to cultivate sugar cane on the property. It is now being further divided to assist those who would like to lease less than five acres. Persons have been allotted as little as a one-acre plot.

2. Water/ Electric Bill

The land is below sea level so instead of pumping water on to the land, water has to be pumped off the land into the Black River. One of the reasons for Campari relinquishing the lease of the property is because it was costing them between \$800,000 and \$1.5M per month for electricity to operate two big pumps and two smaller pumps. There are four springs on the property from which water gushes on to the land 24 hours a day. Water is also free flowing from the YS River through canals along each plot of land. Farmers on the property will use a pump to pump the free water from the canals to irrigate their holdings.

3. Lessees

Mr. Speaker, the persons who have leased the land come from all walks of life. You have established farmers (many from South St. Elizabeth), agriculturists, teachers/ lecturers, security officers, businessmen and women, the St. Elizabeth Dairy Corporation, the Brighton River Cooperative who will be specialising in cassava, cattle ranchers, etc. All farmers will be financing their own enterprise.

A foreign investor will be establishing demonstration plots to demonstrate to the farmers the modern techniques in the production of many cash crops. In total, 224 farmers have been allocated land on the Holland property.

4. Crops to be substituted

Mr. Speaker, as I indicated earlier, there are a number of crops that were imported into our country, last year, which we can grow right here in Jamaica. Some of the crops are cantaloupe- 146,000 kg, honeydew melon- 130,000 kg, broccoli- 170,000 kg, squash- 9,000 kg, zucchini- 55,000 kg, cauliflower- 51,000 kg, carrots- 66,000 kg, lettuce- 43,000 kg, tomato- 19,000 kg, hot pepper- 3,000 kg, cucumber- 1,000 kg, pumpkin- 148,000 kg.

The farmers intend to advise MICAFA to cease the importation of these crops as they intend to supply the local market, including the hotels, with the amount currently imported from the Holland Agro-Economic Zone. There are other crops, the importation of which the farmers intend to reduce, and these include garlic, red peas, gungo peas, Irish potato, onions, sweet pepper and pineapple.

5. **Mr. Speaker**, 30 acres of land has been reserved for youth and 25 acres reserved for women. The youths and women have already been identified and their land allocated. All of them are budding entrepreneurs, but they do not have the capital to establish their own activity. So, they

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will be facilitated through the Agricultural Push Start Programme, where they are provided with all the inputs upfront and the cost taken out at the point of sale by the company in charge of the project.

6. Security

The entire property will be fenced with barbed wire. There will be six entrances to the property, which will be monitored by security guards, floodlights and security cameras at each entrance. Two drones will be used to monitor activities on the property.

7. Expenses

The expense for security, cleaning of drains, electricity and lease to a farmer is \$2,100 per acre/ per month or \$25,200 per acre/ per year.

8. **Mr. Speaker**, it is estimated that 1 million kilogrammes of produce will be reaped from the property at a value of \$1.26 billion by the end of this year. There will also be an online marketing platform to link farmers directly with hotels and exporters.

9. The Airport Authority of Jamaica is planning to expand the existing airstrip by taking in a total of 480 acres to facilitate cargo planes, the runway being 6,000 feet.

Mr. Speaker, the plan is to create a local hub for the export of fresh and processed produce. We are also exploring the possibility for domestic flights to bring passengers to the various tourist attractions in the parish such as YS Falls, Appleton Rum Tour, Lovers Leap and Bamboo Avenue, which is right there next to the agro-economic zone and also to Sandals and other hotels. The farm itself would also be an agro-tourism attraction. Educational tours are also being proposed for the property.

10. The farmers are divided into six groups and each group is registered separately with RADA. This allows them access to grant funding from donor agencies. There is also a catastrophe fund programme being worked out to assist the farmers on the property in times of need. A number of farmers have already bought into the programme.

11. **Mr. Speaker**, to assist in our climate change mitigation efforts, each roadway in the Holland property will be planted with different kinds of fruit trees. For example, Mango Avenue will have mango trees, Guava Avenue guava trees, etc. This will make it easier for visitors to identify the plots from the sign board at the entrance to the property. The fruits will be harvested and used to support the breakfast programme in schools.

Mr. Speaker, the Holland Agro-Economic Zone Project is slated to be the largest agricultural project established in Jamaica, which involves so many farmers establishing such a large acreage of land at any one time.

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Mr. Speaker, the complex is one where there is grading, packaging, cold storage, processing and drying facilities. All produce grown by the farmers would be bought: Grade A going to the hotels and export markets, Grade B to the local market and Grade C, which is usually left in the field but is good, will be processed into puree, juice and other value-added products. The trash from the products would be sold as feed or fertilizer.

Mr. Speaker, we have the investors who intend to build out this complex with us today. Their company is called OUTAONE and I applaud them for coming on board to invest in this project.

Mr. Speaker, we have been talking about a school-feeding programme for years, but nothing concrete has been implemented. My concentration is on a breakfast programme. I started a breakfast programme, involving the schools in my constituency of N.W. St. Elizabeth, some 9 years ago. The problem with the programme was that it was costly to transport the produce from different parts of the parish.

We have now put in place a committee for each school, consisting of the RADA Extension Officer for the area, the school's 4-H leader, a representative of the Old Students' Association, Parent Teachers' Association, Social Development Commission, PMO, JAS and a local business person. The main function of the committees, headed by the 4-H leader, is to maintain the school garden and to channel the produce from the school garden, as well as produce from local farmers, into the schools' breakfast and lunch programmes, on a consistent basis.



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Mr. Speaker, the Holland Agro-Economic Zone will be providing all the raw materials and value-added products for the schools in the constituency. The management of the complex will coordinate the food chain so there is consistency in the supply of the various food items. Most of the farmers have already pledged a certain amount of produce to the programme free of cost, as a result, fruit juice will be sold at the same price as the bag juice.

Mr. Speaker, it is hoped that by next year the programme can be expanded to the rest of the schools in the parish. The former Minister of Education was given a blueprint for this programme. The breakfast programme in the constituency saw an increase in attendance at schools, and the grades of the students also increased greatly. There is an organisation in Lacovia that will also be provided with fresh produce for the creation of value-added products to supply shut-ins and those in need with food produce every month.

The Holland Agro-Economic Zone and others to come will be game changers in Jamaica's agricultural sector. There is a private investor that will be setting up another one in Clarendon before year end. We are also having discussions for one to be established in St. Thomas.

Mr. Speaker, with developments such as these, we are no longer looking for single-digit growth within the sector. I am predicting agricultural growth of no less than 25% annually.

Mr. Speaker, the Holland project is going to play a critical role in the agricultural sector, especially at this time because of the availability of water all year round and the dry spells that are anticipated in years to come.

Mr. Speaker, I have outlined in some detail a project which a big company has given up because of various challenges. Small farmers coming together as groups have seen the vision to become millionaires out of this project and have taken it on with zeal and gusto to make it a success. I am requesting that the Ministry of Finance and the Public Service provide funding through the Agricultural Competiveness Programme in MICAFA so the training and other requirements can be implemented to have the project HACCP and GAP certified.

Mr. Speaker, the benefits that an agro economic zone will bring to the agricultural sector and, by extension, growth for the economy are:

1. Provision of a structure in the agricultural sector to move produce from the farmer to the value chain and to the various linkages
2. Facilitation of a competitive, reliable and sustainable supply of produce to the end user. This is a modern agricultural marketing system
3. Provision of additional income for hundreds of farmers
4. Creation of employment for thousands of persons directly and indirectly

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5. Enhancement of the development of the value chain
6. Provision of primary and high schools with inputs for a sustainable school-feeding programme.
The project intends to:
 7. Curtail the importation of a number of crops and decrease the importation of other crops.
 8. Provide an opportunity for the small farmers to become entrepreneurs
 9. Lessen/eliminate crime in the surrounding areas.
 10. Help eliminate glut and shortage of produce
 11. Reduce the incidence of praedial larceny
 12. Reduction in post-harvest loss, enhanced value addition and market access
 13. Enhanced adaptation to climate change and
 14. Provide economic transformation to residents in the surrounding districts.

DROUGHT MITIGATION

Mr. Speaker, I could not close this presentation without reference to the current drought being experienced islandwide and its impact on our farmers.

We are addressing this matter, **Mr. Speaker**.

Through RADA, the Ministry will be providing urgently needed direct assistance to farmers of \$15 million to assist with immediate relief, while proper assessment is being done to determine further assistance or interventions.

Under the Ministry's Production Incentive Programme, a further \$19.95 million is to be allocated via the Members of Parliament to provide further inputs to support farmers islandwide.

In this political life pastures are not always green, waters are not always still, but when the storm becomes furious, God comes near and whispers, 'keep calm, I am here'.

Mr. Speaker, we are keeping calm.

Mr. Speaker, I present to you a template for the divestment of government agricultural lands. This Holland Agro Economic Zone project is an example of small farmers working within a group to change the complexion of an industry. We do not only have to think big but with vision and purpose, driven by technological development.

Mr. Speaker, the Jamaica Labour Party under the Most Honourable Edward Seaga (a moment of silence please...)

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And now under our Prime Minister the Most Honourable Andrew Holness is the visionary Government. It is the conceptualising Government. It is the Government with sustainable implemented projects. It is the Government for the small entrepreneurs. It is the Government that brings into sharp focus the plans, programmes and projects that will bring prosperity to our people. This Jamaica Labour Party Government has the tenacity and the stick-to-itiveness to move Jamaica forward. **Mr. Speaker**, this is a Government that encourages everyone to hold on to their beliefs, a Government that remains committed to the uplifting of its people and the growth and development of our country.

I thank you.





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