

3. The Concept of Agricultural Diversification : a strategy for agricultural development at the regional and national level

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The rationale for agricultural diversification must be to stimulate growth and development leading towards economic independence without aggravating, but if possible strengthening, the balance of payments position of the countries. Relative profitability and degree of risk at all levels must be adequately assessed beforehand.

The form of diversification which is seen to be desirable must be undertaken within a regional framework. National policies can only be meaningfully devised by reference to an overall strategy. For this reason the CARIFTA territories must give the highest priority to evolving some mechanism for regional agricultural development.

Regional diversification must include two directions simultaneously: product and market. It is in this way that a link between supply and demand can be kept in focus. But regional diversification can only be justified if it makes use of whatever comparative advantages there may be. In the final analysis, however, not only the Region as a whole must benefit, but individual countries must share in those benefits, and must grow at a rate

which is not less than could have normally been attained on their own.

It is recognised that there are discernible areas in which localised specialisation would appear to contain opportunities for greater efficiency and for avoiding the disadvantages of low volume production of several commodities.

In considering the execution of a specific policy of diversification, decisions will need to be made regarding the selection of suitable enterprises for the Region and the spatial distribution of enterprises between territories; for example, whether to concentrate on so-called exotic crop and livestock commodities for supply to special high-priced markets and whether, say, beef production should be exclusively located in a particular country. It is only by the judicious pursuit of feasibility studies that areas of comparative advantage from a technical, economic and social justice standpoint, can become clearly delineated. These studies must precede any efforts at implementation of agricultural diversification whether at the regional or at the national level.