

NON-TRADITIONAL AGRICULTURE IN JAMAICA: MORE QUESTIONS THAN ANSWERS

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Section I

Problems and Prospects in Traditional Agriculture; The Road to Non-Traditional Agriculture (NTA)

The fact that the Jamaican economy has for several years been in what could easily be described as its worst economic crisis to date, is by now widely known, at home and abroad. Indeed, ever since the mid-seventies when it first manifested itself, its analysis and the prospects for recovery has been the source of considerable debate, both at the economic and at the political levels.

Among the many specific issues at stake has been the perennial question of what role, if any, can traditional agriculture play in the much-hoped-for economic recovery. But as expected, a single consensus is yet to obtain. Before examining the various sides of this debate however, let us attempt to look briefly and objectively, at the recent performance of this sector.

It is to be noted that traditional agriculture in Jamaica is composed of two distinct sectors, namely the Traditional Plantation sector and the Domestic (Peasant) sector; the former producing almost exclusively for export, the latter historically oriented towards the local market.

Firstly, the period of the 1970's has gone on record as a period characterised by significant decline in our economic fortunes in which Gross Domestic Product (GDP) peaked at J\$2,265m in 1973 and fell every year thereafter to an accumulated decline

of over 18 per cent by 1980. Since then there has been a mild reversal of that trend, but indications are that this brief reversal might not be sustained, due partly to significant contractions in the bauxite-alumina sector.

During the turbulent period of the seventies however, agriculture was one of the few sectors that actually recorded real growth, with its real value added increasing from J\$150m or 7.5 per cent of GDP in 1970 to J\$187m or 9.5 per cent of GDP in 1978. Deeper analysis indicates however that the admirable performance of the domestic sector had been the real engine behind such growth, to the extent that whereas production for the domestic market grew by over 74 per cent in the 10-year period, export agriculture actually declined by approximately 25 per cent. To a large extent the relatively good performance of domestic agriculture during the period was the direct result of favourable farmgate prices, coupled with restrictive food import policies, along with marginal increases in the amount of land available to domestic food producers under the government's Project Land Lease (PLL) programme.

As Table 1 indicates, the period 1972 to 1980 was characterised by dramatic increases in farmgate prices paid to domestic producers, which no doubt had a significant impact on the output of domestic food production. In relation to imports, the period between 1975 to 1980 saw the government imposing ceilings on total

TABLE 1: Domestic Food Crop Prices, 1972-80 (1972 base yr.)

Year		% Change previous year
1972	100	-
1973	136.6	+36.6
1974	181.3	+32.7
1975	228.6	+26.1
1976	247.8	+ 8.4
1977	335.2	35.3
1978	329.7	- 1.6
1979	433.3	+31.4
1980	688.6	+58.9

Source: Data Bank and Evaluation Division, Min. of Agric.

imports, which served to stagger food imports considerably, again providing an additional incentive to domestic food producers. Table 2 gives an indication of the pattern of imports during the period 1971 to 1978, emphasising the effects of import restrictions put in place after 1974.

On the export side, agriculture's performance during the period of the seventies was nothing short of poor. Such performance is most easily illustrated by looking at the two major export crops, sugar and bananas. In the case of sugar, exports fell from a high of some 275.7 thousand tons in 1972 to a mere 131.8 thousand tons in 1980.

TABLE 2: Value of Import Limitations and Total Imports 1971-80 (J\$m)

Year	Import Limitation	Total Imports	Food Imports
1971	0	559	93
1972	0	611	113
1973	0	677	127
1974	0	935	193
1975	990	1,123	196
1976	930	912	183
1977	880	860	136
1978	800	916	163
1979	906	992	128
1980	0	1,177	197

Source: Bolling, H.C. (1983): Jamaica: Factors Affecting its Capacity to Import Food.

Similarly, banana exports fell from 127 thousand tons in 1972 to a low of 33 thousand tons in 1980, a 74 per cent decline. Indeed, so badly had been the performance of banana, that whereas in 1976 Jamaica controlled a 25 per cent share of the UK market, by 1980, only four years later, its share had fallen to a mere 11 per cent, falling even further to 5 per cent in 1981.

In the main, such overall weak performance on the part of the export agricultural sector during the seventies was directly related to a number of specific factors, chief among which were shortages of critical inputs and other raw materials, due to foreign exchange constraints, various production and marketing inefficiencies, coupled with the negative effects of bad weather and disease. But to make matters even worse the period of the 1970's was characterised by significant upward movements in the prices of imported commodities, which were out of line with more moderate increases in the price of agricultural exports, leading to a marked deterioration in terms of trade. Indeed, although export values from the two main agricultural exports, sugar and bananas, more than doubled between 1972 to 1980, import prices rose more

Table 3: Income Terms of Trade Re: Sugar & Bananas 1972-80 (Base yr. 1972=100)

Year	Export Value Index	Import Price Index	Income Terms of Trade
1972	100	100	100
1973	113	165	68
1974	188	240	78
1975	388	231	167
1976	148	227	65
1977	193	215	89
1978	257	301	85
1979	298	437	68
1980	249	531	46

Source: Calculated from selected issues of Social & Economic Survey and from Bolling, H.C.: Jamaica: Factors Affecting Its Capacity to Import Food, p.10.

than five-fold, rendering a considerable worsening of the income terms of trade of these two earners of foreign exchange.

Arising directly out of the problems faced by traditional agriculture in the 70's and before, the continuing debate in relation to its role in the future development of the country, has over time produced three different, but not entirely exclusive, schools of thought on the issue. For the convenience of simple classification we will describe these schools of thought as follows:

1. the *Traditionalist*
2. the *Structuralist*
3. the *Non-traditionalist*

Since the paper is concerned specifically with the *non-traditionalist* perspective in agriculture, only a brief comment on the other two is needed here.

Exponents of the *traditionalist* school hold the view that despite the relatively weak performance of agriculture over the last decade, particularly traditional export agriculture, the future well-being of the economy still rests critically upon the revival of this sector, along the historically established patterns of resource allocation in agriculture - emphasising the continued dominance of the plantation economy structured around the export of sugar and bananas, along with a few other crops. At best, they argue for greater efficiency in production, to permit the achievement of specified quota levels in protected foreign markets. For them, the domestic sector is still, and should continue to remain, a mere periphery in the agricultural sector, producing for the domestic market.

On the other hand, we find the so-called *structuralists*, for whom the fundamental problem in traditional agriculture is that of the historically given pattern of agricultural resource allocation and use. This perspective came to the forefront during the Manley regime of the 1970's, when

attempts were made to transform both the character of land tenure and the existing patterns of land control. The critical problem was that of making more and better resources available to the domestic (peasant) sector, while at the same time attempting to change the nature of the *relations on the land*. The change in political administration saw an abrupt end to such initiatives in agriculture.

Though it would have been useful at this stage to present a critical appraisal of the two approaches, such an exercise is not within the scope of this paper. Our explicit concern herein lies with the third approach, as it represents the current direction of thought on the issue. The upcoming sections of the paper will therefore focus attention on the *non-traditionalist* perspectives on agricultural development in Jamaica.

Section II

From Traditional to Non-Traditional Agriculture: Context and Content

The Economic Climate Since 1980

In October 1980, a new political administration led by the Jamaica Labour Party (JLP) came to power, against the background of several years crisis in the Jamaican economy; a crisis that was characterised by several years of negative growth, chronic foreign exchange shortages, high and rising unemployment and unprecedented high rates of inflation. From the very outset, therefore, the new administration indicated that its main objective was that of regenerating positive growth within the context of a free enterprise private sector led economy. Under the central theme of *Economic Recovery* it outlined its basic strategies as follows:

1. The *deregulation* of the economy consistent with the spirit of a free market organisation in which the private sector would be the main engine of growth.

- 2 The propulsion of the economy along an export-led path of development consistent with the overriding goal of maximising foreign exchange earnings. (The road to Singapore.)
3. The rejuvenation of the famous *Industrialisation by Invitation* model, in which it was hoped that with the injection of a new 'confidence' in the economy, foreign (US) capital investments would once again be called upon to stimulate growth and development.

But, despite the fact that agriculture, more than any other sector within the economy had demonstrated its ability to weather the crisis of the 1970's, the initial position of the Government towards this sector was somewhat ambivalent, at least up to the end of 1981. On the other hand, the hasty curtailment of Project Land Lease (PLL), pending reorganisation, coupled with the government's liberal *open door* import policies dealt a telling blow to domestic agriculture, as food and livestock producers scrambled to compete with foreign substitutes. By July 1981, whereas exports were up 20 per cent over the same period for 1980, imports were up by 30 per cent.*

On the other hand, the government vocally embraced traditional export agriculture as a natural part of its expressed orientation towards the maximisation of export earnings. By year end (i.e. 1981) it was clear that some growth in GDP had taken place, in the region of 2.6 per cent, though export earnings of the two dominant traditional agricultural crops, sugar and bananas, continued to slide downwards. These early indications of growth were however destined to be short-lived, as by mid-year 1982, indications were that despite expected

upturn in tourism and traditional agricultural exports, there was to be significant shortfalls in bauxite and alumina earnings, due primarily to depressed conditions in the international market. By year end bauxite and alumina earnings had fallen to J\$862.3m against J\$1,353.9m. in 1981, and despite positive achievements in other areas, GDP grew by a mere 0.17 per cent. The prospects for 1983 look grim. If bauxite and alumina earnings continued to fall, coupled with sluggish growth in traditional agricultural exports, the country's foreign exchange position would be the critical constraint on further growth in the economy.

It was therefore, within this context, particularly after 1981, when the economy seemed poised again to decline, that serious consideration were once more focussed on the need to look to agriculture, this time with a new perspective, namely, the development of a non-traditional agricultural sector, particularly with a view of enhancing the country's foreign exchange earnings. It is critical to note however, that this new initiative was not designed to create a non-traditional sector, since it existed before. The main aim was to develop this sector, bringing it to the forefront of agriculture in Jamaica. Although this new thrust was evident as early as 1982, the real machinery by which it was to be propelled to the forefront, came only in 1983, with the announcement of AGRO-21. Only within this context can we proceed to examine this new thrust in agriculture.

The Institutional Context and The Role of the State

As we have indicated before, AGRO-21 stands as the central framework within which this new agricultural strategy will be developed and this new agricultural strategy is explicitly geared towards the commercialisation of agriculture via

*Bank of Jamaica Report, July 1981.

the extensive use of advanced technology under the management of the private sector, whether local or foreign. It is hoped that AGRO-21 will serve to *target* certain specific investment opportunities, and mobilise private and institutional capital and technology into viable commercial projects for exports and/or import substitution. The key word is *commercial production*, particularly export-oriented production.

What is the real role of the State in this undertaking? Although the government is to serve as the prime mover in bringing about the proposed changes, it has defined for itself a rather limited and distinct role. In the first instance, it is not expected to be directly involved, except in the case of some pilot projects² as a means of showing the way to potential investors. Over and above this, it is the view of the government that in the long run its basic role will be limited to that of providing the necessary infrastructure, such as access roads, water supplies and electrification; and in addition to providing technical support services, relating both to investment and marketing via certain quasi-government agencies. Among these agencies, the bulk of this kind of servicing will be carried out by three important organisations, namely, The Jamaica National Investment Promotions Limited (JNIP), The Jamaica National Export Corporation (JNEC) and The Jamaica Export Trading Corporation (JETCO). (See Appendix for description of specific roles.)

In the final analysis therefore, while the AGRO-21 Secretariat along with these three institutions seem to form the real hub of the government's indirect involvement in the proposed development of the non-traditional agricultural sector, it should be noted that other traditional institutions such as the Ministry of Agriculture, the Bank of Jamaica and the Agricultural Credit Bank, will all jointly provide the institutional framework for its

development.

The Concept of Non-Traditional Agriculture

We could easily define non-traditional agriculture as any situation involving:

1. A change in output profile designed to produce new crops for *old* markets;
2. A change in market orientation alone, designed to produce *old* crops for *new* markets;
3. A change in both output profile and market orientation designed to produce *new* crops for *new* markets;
4. A change in the traditional structural dichotomy of *plantation peasant* agriculture, without any significant changes in either output profile or market orientation. For example, the introduction of new forms of agricultural organisation such as cooperatives or the creation of a new class of *commercial/capitalist* agriculturalists on medium size land holdings.

To a large extent, it would appear that the government's new thrust in non-traditional agriculture places heavy emphasis on (1) and (4) above, to the extent that it is designed to create a new class of commercial/capitalist producers on medium to large scale holdings, whose basic orientation will be towards the production and export of a new range of commodities destined for sale in the traditional market places of Europe and to an even greater extent, the USA and Canada. But over and above this, the development of non-traditional agriculture under the broad umbrella of AGRO-21 will play a leading role in the proposed modernisation of the entire agricultural sector via the introduction of new and advanced technology combined with anticipated inflows of foreign capital. Indeed, on the basis of those projections contained in the main AGRO-21 document published by the National Planning Agency, it is expected that

non-traditional output in four to five years, would equal or surpass traditional output under the assumption that traditional output would increase in value terms by about 20 per cent by 1986/87.

While the commercial and technological aspects of the new non-traditional thrust are designed to represent significant departures from traditional agriculture is themselves, perhaps the most important aspect in the introduction of new products and/or the revival of some old crops that may have lost their competitive edge in the market for a variety of reasons. Here the main traditional crops considered for revival are bananas, coffee, citrus, coconuts and cocoa.

The table below indicates the basic product profile of Jamaica's agriculture as identified under AGRO-21. It is important to note that sugar, the leading export crop is conspicuously absent.

In passing we should note that the AGRO-21 programme visualises an implementation in two basic phases. Accordingly, the various products identified for attention have been divided into List A and List B. List A identifies products for which profiles and necessary groundwork has already been accomplished. The development of these products will form the first phase of the programme. For List B items project profiles are still being prepared and are therefore not yet ready for implementation. The two lists are detailed below:

List A: winter vegetables, bananas, coffee, plantain, tobacco, coconut, rice, afforestation, citrus, pineapple, dasheen, yams, honey, aloe vera, ornamental horticulture, cassava, orchard crops, shrimp/fish, dairy, bean, cocoa.

List B: cotton, spices, small ruminants (goats), peanuts, macedonia nuts, mushrooms, strawberries, jobobas, winged beans, corn, soya, sunflower, sorghum bamboo, grapes.

If one adopts a narrow product-based definition of the term *non-traditional* then products included under non-traditional agriculture would be those given in columns (2) and (4) of Table 4. However, if one adopts a broader definition of the term, even some of those traditional products given in Table 6 that are being handled in a non-traditional way, vis-a-vis, marketing and technology may be covered under the non-traditional programme. In such a case, a *residual* definition of the term non-traditional may perhaps be the best practical definition, particularly as it is currently used by the government. As far as crops are concerned therefore, the term non-traditional agriculture can be taken to mean all crops other than sugar, bananas and coffee (or merely all crops other than sugar).

On the Significance of the New Non-Traditional Emphasis

If this broader definition is adopted, then the projected impact of non-traditional agriculture on the overall agricultural output is likely to be significant. This idea may be obtained simply by comparing the gross agricultural output in the economy in 1980, 1981, and 1982 with the projected output of AGRO-21 List A items for the years 1983/84 through 1986/87. This is summarised in Table 5.

As Table 5 indicates, it is apparent that if these projections were to materialise, in terms of output contributions, even if we exclude banana and coffee, in four years or so, the non-traditional sector is expected to play a leading role in the island's agricultural profile. Here it is critical to note that the expected result of this new initiative will in fact be achieved by rapid growth of only a few sub-sectors. Indeed, although a total of 21 product groups have been listed for implementation in this phase, seven of these taken together are expected to account for about 85 per cent of total projected

TABLE 4: Product-Profile of Jamaica's Agriculture

Exports		Import Substitutes	
Traditional	Non-Traditional	Traditional	Non-Traditional
Bananas	Winter vegetables	Coconut	Cotton
Coffee	Tobacco	Corn	Soyabean
Cocoa	(filler)	Cassava	Sunflower
Citrus	Pineapple	Afforestation	Sorghum
Spices*	Honey	Dairy	Rice
Yam	Aloe vera		
Plantain	Shrimp/fish		
Orchard crops**	Orchard crops+		
Tobacco (cigar)			

Source: AGRO-21 (Main document) 1983.

Notes: * Pimento, ginger

** Ackee, mango, guava (processed)

+ Fresh fruits as opposed to processed 'traditional' exports.

TABLE 5: Projected Contribution to Output of AGRO-21 List of Items (1983/84 - 1986/87) (J\$m)

Actual Output Values	1980	1981	1982	
GDP origination in agriculture, forestry and fishing	385.1	389.9	398.8	
Projected output values (re AGRO-21)	1983/84	1984/85	1985/86	1986/87
AGRO-21 List A Items	35.50	169.23	351.04	502.35
AGRO-21 List A Items* excluding banana and coffee	34.40	164.80	335.78	477.93

Sources: 1. National Income & Product, Dept. of Statistics, 1982

2. AGRO-21 (Main document), April 1983.

TABLE 6: Projected Relative Shares in Output and Investment of Major Non-traditional Agricultural Products (1983/84 - 1985/87)

Products	% Share in Gross output	% Share in Capital*
Winter vegetables	50.77	31.49
Shrimp/fish	12.26	13.97
Ornamental horticulture	6.10	9.99
Beef	4.47	9.23
Dairy	4.35	12.24
Yam	3.91	1.07
Rice	2.69	1.74
Total	84.55	79.78

Source: AGRO-21 (Main document) 1983.

*Includes on-farm establishment costs and working capital requirements.

output value. In addition, the overwhelming importance of these seven sub-sectors is also indicative of the fact that together they are expected to account for about 80 per cent of total capital investments (excluding land and machinery costs). The relative importance of these seven product groups is brought out in Table 6.

Section III

Non-Traditional Agriculture: A Preliminary Analysis

Land Mobilisation and Utilisation

As part of the preview to our analysis, we would like to make a brief comment on land, as an indispensable factor in any agricultural programme.

Land, perhaps more than any other singly agricultural resource, has been the centre of an intense and almost continuous struggle between the traditional plantocracy and the peasants, ever since emancipation in 1838. Indeed, the major problem here has not so much been one of an absolute inefficiency of land for agricultural use, but rather the continued monopolization of virtually all good agricultural land by the plantation sector, and the resultant alienation of the peasantry from such lands. The central question from the start has been one of distribution. Even the most recent census data indicates the clear persistence of this problem, to the extent that of the approximately 190,000 farms on 1.5 million acres of agricultural land, 79 per cent of such farms were small holdings of under 5 acres in size, but accounted for only 15 per cent of the total acreage. On the contrary, farms of over 100 acres, while accounting for less than 10 per cent of all farms in the island, occupied over 53 per cent of the agricultural land. Notwithstanding such severe land alienation, these small scale cultivators have nevertheless performed creditably, in providing