

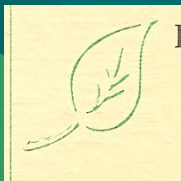
Agriculture in Crisis: Planning For Change

by

Frances L. Chandler Ph.D.

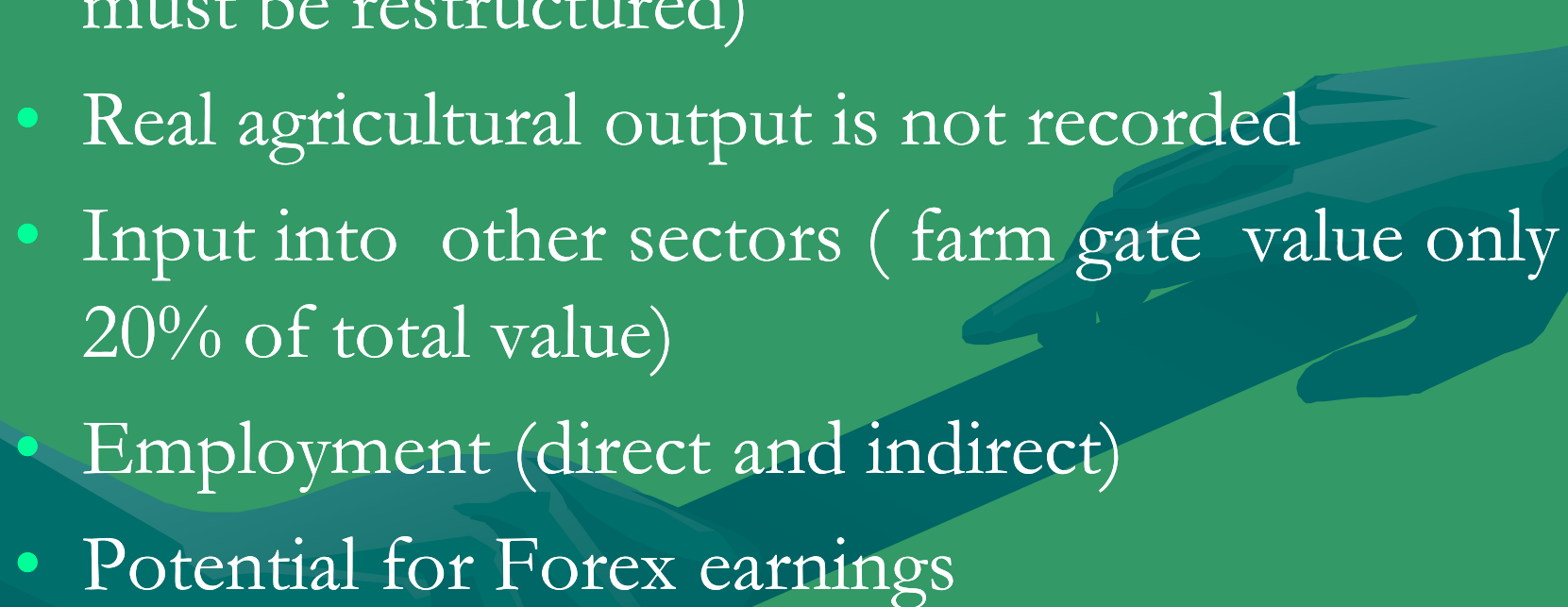
Presentation at Barbados Town & Country Planning Society

Symposium June 28 2013



**Horticultural Business
Solutions Inc.**


Agriculture is important

- Food Independence (Forex savings) – but it must be restructured)
 - Real agricultural output is not recorded
 - Input into other sectors (farm gate value only 20% of total value)
 - Employment (direct and indirect)
 - Potential for Forex earnings
- 
- A stylized illustration of two hands shaking, rendered in shades of green and teal, positioned diagonally across the lower half of the slide. The hands are shown in a firm grip, symbolizing agreement or partnership.

Agriculture and Development Can Co-Exist

- Up to 2007 30,000 acres agricultural land permitted change of use (plus agricultural subdivisions which did not go into agriculture)
- Need to retain remaining 30,000 acres of agricultural land as a critical mass
- Enough non-arable land available for development without any further change of use of agricultural land
- New residential areas within agricultural land affects farming operations

Sugar Industry is Foundation for Agricultural Industry

- Difficult if not impossible to produce large acreages of food crops without rotation with cane
 - Why cane? We know how to grow it and it has a market
 - It is well suited to our soils
 - We have the infrastructure for sugar cane production
- 
- A stylized illustration of two hands shaking, rendered in shades of green and teal, positioned diagonally across the lower half of the slide. The hands are rendered with soft shadows and highlights, giving them a three-dimensional appearance. The background is a solid, medium-green color.

Other Positive Contributions of Sugar Industry

- Ambience of the countryside for tourism industry
- Maintenance of the environment (reduction of rats, garbage, cow itch etc)



Changing Fortunes of Sugar Industry

- Reduction in yields and competition from 16th century
 - Changes in exchange rate
 - Sugar Industry Act 1971
 - Use of monies from cess for development of country
 - Change of policy to crop diversification rather than diversification around and within the sugar industry
- 

Changing Fortunes of Sugar Industry

- Removal of the Preferential Agreement with the EU

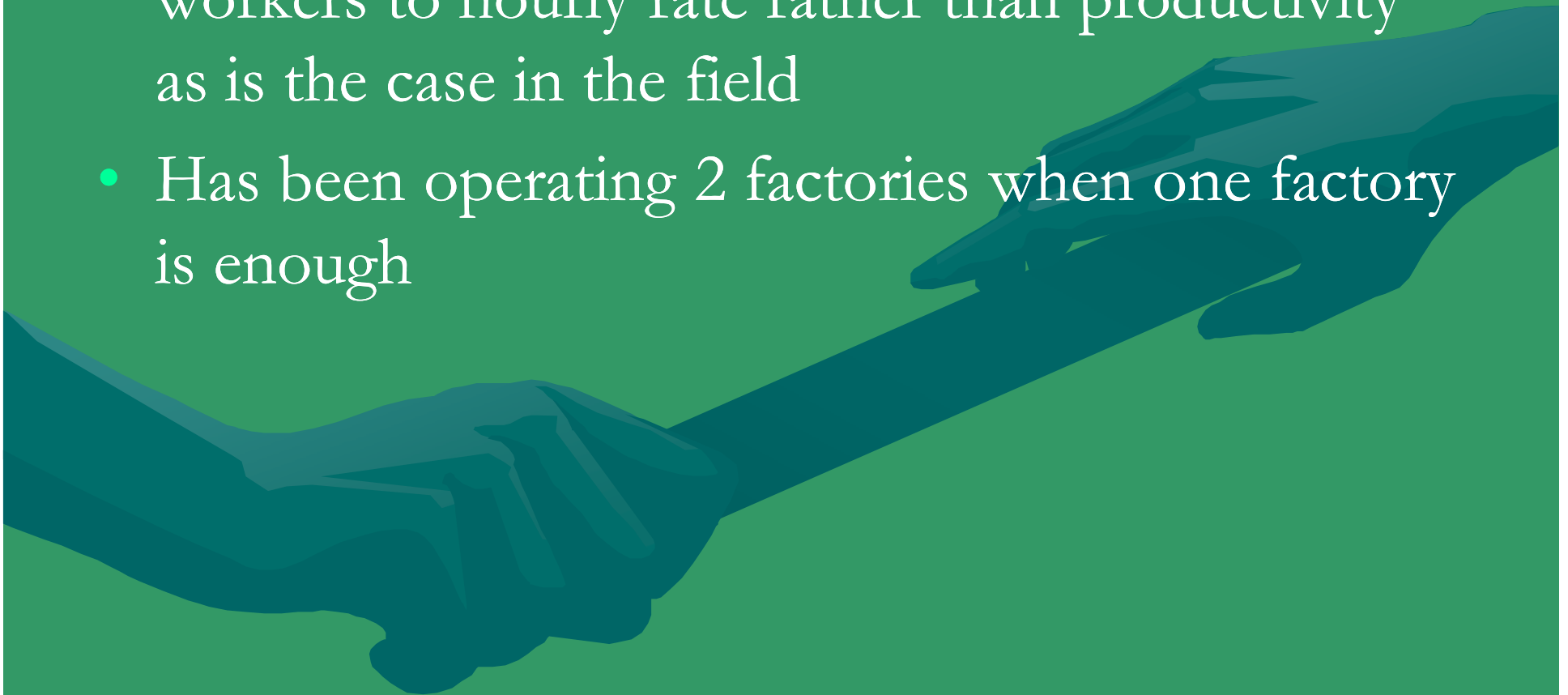


BAMC

- BAMC created to manage highly indebted plantations
- Supposed to show industry how to do it
- Instead a large bureaucratic organisation whose estates perform below those of private farmers
- Absorption of staff from Bulkeley after it closed (same staff for 65,000 tons of sugar employed to produce 17,000 tons)- social welfare

BAMC (Cont'd)

- Change of method of payment for factory workers to hourly rate rather than productivity as is the case in the field
- Has been operating 2 factories when one factory is enough



Questions for BAMC

- Why is cost of production of sugar apparently \$4000/ton?
- If cane is bought from private growers at base price of \$45 and it takes 10 tons cane to produce 1 ton sugar (= \$450.00) how is the \$4000 made up?
- Why is raw sugar still being exported to UK at \$900/ton when sugar is being imported at \$1400/ton and sold for \$1300/ton? Who is responsible for this arrangement?

Questions for BAMC

- Why has it taken so long for the sachet making machine to be commissioned?
- When will some decision be made on its future?
- What is the latest on the sale of specialty sugars in the UK?

We must earn the maximum revenue possible for our sugar cane products

Questions to Government

- Why is there still a control on the price of sugar?
- When will be the private farmers receive the funds to stabilize the industry which they have been promised months ago ?

Absence of these funds has already set back 2014 crop and possibly 2015

Sugar Yields and Revenue/acre Must be Improved

- Since 1600s yields have been declining
- Growers at that time complained that soils were exhausted and that animal manure was needed
- Barbados soils appear to be “biologically dead” after years of application of inorganic fertilisers and no organic matter
- Biological activity in soils must be increased
- Varieties and agronomic practices must be matched with fields to increase revenue/field

Other Problems

- Indecision about future path of industry
- First plan to change to a sugar cane industry in 2003 – not implemented
- Fuel Cane project –did not come up to expectations
- Study by Shaffer 2005 – new factory –Bulkeley – not implemented
- Study by Bosch – new factory at Andrews
- Landell Mills study

New Units Established

- Cane Industry Restructuring Project (CIRP)
1997
- Barbados Cane Industry Corporation (BCIC)
(At what cost and what have they achieved in the
last 6 years)

BACT still in operation although debt on 23
indebted plantations cleared

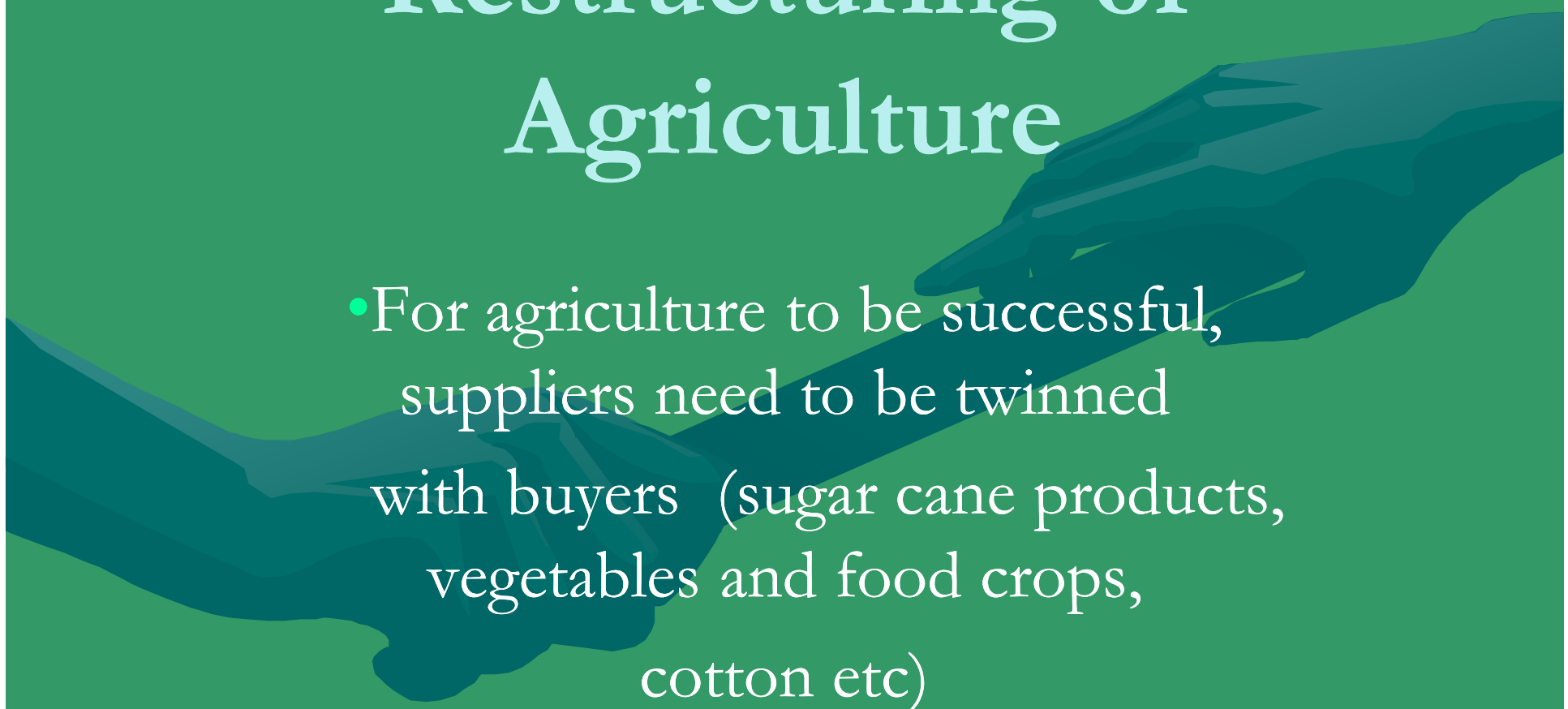
Decision for new factory at Andrews

- Why is there such mystery surrounding this new \$300M+ venture?
- Why are the private farmers who supply 60% of the cane not involved in these discussions or allowed to see the proposal?
- Will there be enough cane to supply this factory when it is completed supposedly in 2015?

Novel Approach proposed by BSTA

- Approach to save the sugar industry without incurring a large debt proposed by BSTA
- Cease export of raw sugar and close Bulk Storage facility
- Produce 10,000 tons “A” sugar for local consumption and specialty sugar niche markets
- “A” molasses sold to rum industry on basis of fermentable sugars (save foreign exchange)
- Close Portvale factory and operate only Andrews

Restructuring of Agriculture

An illustration of two hands shaking in a firm grip, symbolizing partnership or agreement. The hands are rendered in shades of green and teal, with the background being a solid green color.

- For agriculture to be successful, suppliers need to be twinned with buyers (sugar cane products, vegetables and food crops, cotton etc)

Restructuring of Agriculture

- This has to be co-ordinated properly if it is to be successful
- Barbados Agricultural Trading Trust proposed by BSTA, then the National Agricultural Advisory Committee since 2009, but no progress has been made





My greatest point is my persistence. I never give up in a match. However down I am, I fight until the last ball. My list of matches shows that I have turned a great many so-called irretrievable defeats into victories.

*..... Bjorn Borg
Professional Tennis Player*