



## **Policy Brief**

# **National Agricultural Policy 2009 - 2015**



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## Context

The rapid structural changes in the global and regional economies, coupled with the advances in information and communication technology, the integration of value chains, from farm to table and the new and emerging development challenges to the country's rural and agricultural economy, signal the need for a radical rethinking and approach to agriculture and rural development. Such shift must espouse a developmental approach that provides scope for "self-propelled", people centered development. This participatory mode presents more effective models for decision-making, institutional building, policy design and implementation; as well as the monitoring and evaluation of the rural and agricultural development process.

A major response to the changing external environment is the need to expand the boundaries of agriculture, from just farm and primary production to the value chain concept. This is essential to effectively and systematically address constraints that have limited growth in both primary production and value- added.

Such growth limiting factors are well documented and are particularly critical in farm agriculture, the start of the value chain. These include:

- The prevalence of small-scale agriculture which is characterized by uneconomical and highly fragmented/ individualized production units;
- The limited use of improved technologies and the low rate of technological advancement;
- The limited marketability of both traditional and non-traditional agricultural products;
- Aging /quality of the farming population ;
- Availability and quality of farm labor.

In addition there are a myriad of factors that affect agriculture, which are largely external, and outside the scope of sectoral and national policy and decision-makers.

These include:

- Demands of regional and international markets;
- Levels of capital flows and investments;
- Advanced research and technological development;
- Accessibility to cost effective communications and high impact information diffusion methods;
- Impact of natural phenomena, such as, hurricane, drought, invasive species etc;
- Effects of global climate change on agricultural production cycles and related gestation characteristics.

These challenges mitigate against potential expansion and growth of agricultural enterprises, firms and industries, and discourage efficiency and competitiveness of products for both domestic/regional and extra regional markets. The results of uncompetitive primary production is heavy reliance on imported foods, a value-added sector that relies heavily on imported raw material, both which lead to high and rising agriculture and food import bills, increased vulnerability to food and nutrition insecurity and rural poverty, as the employment and income earning capacity declines.

The agricultural policy objectives and strategic plan developed by the Government of St Lucia seeks to provide the framework and guidelines within which this is to be achieved over the 2009 to 2015 period and to create an environment which facilitates investments and long term growth in agriculture. They are intended to serve as a useful guide to the processes of social and economic resource allocations.

### **Hemispheric/Regional Context**

The national policy and strategy takes into consideration participation, obligations and commitments to the major external agreements and conventions. These being the United Nations(UN) Millennium Goals(MDGs), Agro 2003-2025 Plan for improving agriculture and rural life in the Americas, the Caribbean Community Agricultural Policy of the Revised Treaty of Chaguaramas, the Regional Strategy to Alleviate Key Binding Constraints to Agriculture in CARICOM(Jagdeo Initiative) and the OECS Agricultural Policy and Strategic Plan.

## **The Vision**

**VISION IS THE PIVOTAL FORCE BEHIND THE CREATION OF GREAT NATIONS. IT IS THAT ELEMENT WHICH COMMITS ORGANIZATIONS AND SPURS PEOPLE TO ACTION.**

*The vision envisages an efficient, competitive, market driven agriculture that assures food security, differentiates products that profit from the opportunities occasioned by the process of globalization and trade liberalization.*

In this regard our vision for the sector is:

***A vibrant agri-food chain or system that provides adequate supplies of safe, high quality, nutritious food and non-food products and services ,at stable and affordable prices, that assure financial security to producers and is socially and environmentally responsible thereby , promoting development in rural areas and conservation of resources.***

This sector vision will be pursued within the broad framework of a globally competitive market, liberalized global trading environment and national economic and social imperatives in respect of rural prosperity, food and nutrition security, natural resource conservation and gender equity.

The intention of Government therefore is to have a focused and targeted approach to the long-term development of the agriculture, forestry and fisheries sectors enveloped in a comprehensive national development policy package. In effect, the sector-specific policies will be complemented and coordinated with other policy measures within the broader sustainable development policy framework of the country as a whole.

## **POLICY GOAL**

***To promote economic development, generate employment and enhance the viability of rural communities.***

*The agricultural policy is designed to achieve seven broad objectives.*

- 1. To increase the efficiency and competitiveness of the island's agriculture.*
- 2. To promote the generation, adaptation and adoption of improved and appropriate technology.*
- 3. To expand the agricultural production and market base.*
- 4. To rationalize the use of land in the country.*
- 5. To enhance national food security.*
- 6. To generate new opportunities for employment and income generation in rural areas.*
- 7. To protect, conserve and ensure sustainable use of natural resource.*

***Objective 1: To increase the efficiency and competitiveness of the island's agriculture.***

In spite of the indicators that show declines in the measured gross output, agriculture, that is the chain from farm-to-table, remains of major significance to the Government's national growth objectives and socio-economic development.

Government's core strategies to promote growth and socio-economic development involve **(a) fostering a commercialized and an agri-entrepreneurial approach to farming.**

Government will pursue the following policy measures in this regard:

- (1) Strengthen the agricultural research system and technology adoption to make it more responsive to farmers' needs ;
- (2) Increase the effectiveness of publicly and private service providers to ensure that research and technology developments are more accessible;
- (3) Facilitate increased access to investment finance;
- (4) Developing and managing information system ;
- (5) Improve the production, distribution and marketing infrastructure;
- (6) Strengthen marketing organizations and institutions.
- (7) Foster inter-sectoral linkages;

While it is envisaged that all viable agri-business enterprises will be supported, emphasis will be placed on promising areas for commercial investment. These include:

- Developing a specific basket of crops, fisheries and livestock production to meet food and nutrition requirements, take advantage of the opportunities presented by the tourism sector, stimulate small scale processing of local commodities and enhance production of under-utilized crop and marine land based varieties/species.
- Building export capacity for a range of selected crops and fisheries products for international and regional markets.
- Development of the links between agriculture, rural areas and the environment to create wealth and employment in rural communities.

High priority will be given to groups of farmers with potential to increase production efficiency and competitiveness in specific products to enable them to commercialize their activities.

The Government will also facilitate more efficient and effective functioning of farmers' organizations so that they contribute to increased production efficiency and income, poverty alleviation and economic growth.

***(b) Create the environment to enable non-state actors to effectively participate in the development and decision making process***

Government's role in fostering the achievement of this goal subscribes to the farm-to-table value chain for agricultural development. Government will emphasize strengthening of the enabling environment to promote efficiency, nurture entrepreneurship, foster commercialization of products and processes (from research results) and provide a stable investment climate along the value chain, with special emphasis on building supply capacity.

The Ministry of Agriculture will assume oversight and regulatory responsibilities for the production, value adding (through processing, or other transformation process) and marketing of primary agricultural commodities, fostering value chain development.

Government will manage the process of integrating all stakeholders in the planning, implementation and evaluation process, including institutionalizing the participation of the private sector, non-governmental bodies and civil society, particularly as it relates to projects that impact on the development of rural communities. This process will be guided by the establishment of a special Advisory Committee to advise on implementation of agreed development plans and as well, to ensure a constant and two way flow of relevant and accurate information to improve the quality of participation and decision making.

The Ministry as a facilitator of the development process will seek increased stakeholder participation in the design and implementation of actions aimed at achieving the above-stated policy goal. Among the main policy tools to be utilized is institutional building among stake holder groups, i.e., the establishment and strengthening of

farmer/fisher/producer organizations, to take greater ownership in the development of the sector. The Ministry will also emphasize capacity development in terms of group development and management to improve the quality of services provided membership and farming community as well, to encourage the management and use of the renewable natural resources.

Institution building and capacity development of stakeholders form part of a broader strategy to support sustainable development of the rural sector. In this regard, the Government will seek to:

- provide a policy environment that encourages the spirit of entrepreneurship among farmers, fisher folks and particularly the youth; and
- support existing co-operatives and commodity organisations to broaden their product and add value along the product chain.

***(c) Facilitate credit and agricultural finance***

There is a growing indebtedness in agriculture and it is forcing increasing numbers of farmers to leave the industry

Institutional finance and credit has almost disappeared. Banks are no longer treating agriculture for priority sector lending and interest rates are high.

Government will take steps to revive agricultural credit. In addition to the establishment of the St Lucia Development Bank, schemes that encourage banks to provide easy credit to farmers will be introduced. Measures such as mild financial repression (keeping interest rate positive but low) and tax incentives to banks to encourage lending to farmers will be introduced.

***(d) Finding a solution to farm labor problem.***

St Lucia by and large is a high cost producer of agricultural goods. The situation is further exacerbated by high labor cost and a shortened work day. This situation places the local farmer at a serious disadvantage and reduces his ability to compete in a globalized market place. Government will take steps to address this situation through appropriate mechanisms.

***(e) Eliminating and minimizing the effects of praedial larceny***

Praedial larceny constitutes the greatest impediment and threat to the growth of the agricultural industry. Government is committed to reducing the incidence of and the eradication of praedial larceny. Appropriate legislation supported by effective enforcement mechanism will be put in place to (a) protect farm produce from theft (b) regulate the sale and purchase of fresh produce.

***(f) Assist farming community to mitigate and manage risks***

Government is conscious of the fact that farmers face a spectrum of risks on a daily basis which impact on farm income, productivity and access to credit. In this regard Government will institute a wide range of measures to help farmers to manage and mitigate those risks so as to provide them with the stability they need to maintain viable farming operations.

Among the measures that will be pursued include (a) affording access to land (b) promoting practices that lessen soil disturbance and aid permanent soil cover and crop rotation, minimize risk of erosion on steep land and increase yield (d) promoting sustainable management of natural resources within river basin (e) better planned, long term risk prevention and preparedness strategies, (f) practices that reduce pests population and keep pesticides to levels that are environmentally justified and safe for human health and environment (g) precautionary fisheries measures such as installation/improvement of storm warning systems, training in safety precautions, contingency planning for pollution (g) access to adequate quantities of good quality seeds and planting material and farming systems (h) crop insurance (i) farm safety nets such as net income stabilization account-build up reserve of liquid asset that can be drawn on in period of financial difficulty and (j) encourage active risk avoidance, management and identification and evaluation of best alternatives courses of action among choices.

***(g) Promote gender equality***

Government is cognizant of the contribution of both men and women to food production. It recognizes that each of these groups is affected differently by policy decisions and experiences in particular. Government will seek to reduce the factors that cause gender inequality in agriculture and promote equity in the execution of all policies and programs.

***(h) Encouraging succession planning and youth involvement in agribusiness.***

The age range and literacy level in the farming community is well documented. If the agricultural sector is to be transformed the quality of the human resource engaged in the sector must change. In this regard the participation of youth is paramount.

A number of barriers however exist which prevent the involvement and participation of youth in agriculture and fisheries. Among them include difficulty in obtaining credit, capital intensive nature of farm ownership and operation, unattractiveness of agriculture because of its relative low profitability, high risk and drudgery and the long gestation period of agricultural projects.

Policy and strategies to encourage youth in agriculture will aim to make agriculture more appealing and reduce negative impact on youth involvement in agriculture. Government will examine and implement strategies to encourage the involvement of youths in agriculture. In this regard, the development of more vibrant land markets for lease of land, and the development of credit products tailored to the circumstances of youths will facilitate their involvement. The strategies implemented will recognize that



the unattractiveness of agriculture is a more pervasive problem, which if corrected would substantially increase investments, including youth participation in agriculture.

Further in collaboration with the Ministry of Education the school curriculum will be reviewed with the aim of strengthening the agricultural science content and made more relevant to help unlock the creative potential of our youth to help them assist the country in finding answers to the many challenges confronting us.

***Objective 2: To promote the development, adaptation and adoption of improved /appropriate technology***

Improvement in competitiveness can only be achieved by differentiating our products which is supported by research. To achieve international competitiveness requires development efforts to be focused on producing and supplying strategic niche crops. Science and innovation hold the key to create new food and non-food opportunity for the sector.

Emphasis shall be placed on the development of science and innovation programs to increase the potential for growth and profitability in St Lucia's agriculture and agri-food sectors.

Government will foster a supportive climate for scientific investment, improved technology transfer and commercialization of new products, development of sustainable production systems and product differentiation.

Stronger mechanisms for accessing and sharing information among the public/private research system will also be established. Government will foster increased collaboration with national, regional and international research agencies with a view to adapt technologies that impact productivity, yields, quality and minimize risks. Stronger incentives will be provided to the private sector to encourage their support to agricultural research.

Finally, Government will reform the Extension Service to enhance its effectiveness and made more accountable thereby bridging the gap between available technology and the diffusion and adoption of innovation.

***Objective 3: To enhance national food security***

Government is committed to national nutrition security. A well nourished population is healthier, more productive and better able to learn. No child or needy family should be left behind for want of food. Recognizing that a major responsibility of agriculture is to produce food for the nation, a priority for the Government will be to simultaneously foster growth in food production and improved access to food.

The food production objectives will be simultaneously addressed through emphasis on promising areas of commercial investment, in terms of developing a specific basket of crops, fisheries and livestock production to meet food and nutrition requirements.

Further, Government will ensure that each household has physical and economic access to food i.e. each household has the ability to produce or procure the food it needs.

The access to food objective will be met through investment in post harvest handling, storage, preservation and distribution to reduce loss at all stages, strengthening local leadership, peoples participation and community involvement, incentives to promote processing at the local level and better utilization of indigenous foods and credit that combines small scale credit with technical advice and assistance will be promoted.

Further, great emphasis shall be placed on strategies that promote and influence the consumption of locally grown foods products. In pursuit of this objective the Ministry of Agriculture shall collaborate with various Ministries, in particular, Education, Health, Tourism, Finance and Social Transformation.

***Objective 4: To rationalize the use of land in the country***

Government is concerned about the pattern of land use in the country. It is also aware that should this pattern be allowed to persist it can lead to a crisis of multiple proportions. The land market will become inaccessible to the majority of the native population leading to conflicts among uses and users of land, leading to conversion of prime agricultural lands to other uses. Such could result in the radical transformation and loss of many landscapes and ecosystems, with unavoidable consequences on food security, water supply, agriculture, fisheries, biological diversity and environment quality, industry and tourism development, social cohesion and quality of life.

Government will institute a wide range of legal instruments, institutional arrangements and programs aimed at addressing these issues, rationalizing and optimizing the use of land and to improve upon the coordination and administration in land administration and management in the country.

Working in conjunction with the Ministry of Physical Planning all agricultural lands shall be zoned or designated with the supportive legislative and enforcement mechanism put in place to protect and ensure the remaining lands fit for agriculture is not used for other purposes.

***Objective 5: To protect, conserve and ensure sustainable use of natural resource***

Government recognizes the critical role of natural and environmental resources in the overall development of the country and that the more effective management and sustainable utilization of these resources are indispensable to the process of development.

Government shall place strong emphasis on minimizing the risks to farm income arising from potential environmental liabilities.

Programs that enhance soil, water quality and quantity, air, biodiversity and protect wild life will be promoted. “Stewardship” incentives, conservation compliance and regulatory assistance programs will be employed. Increased emphasis shall be placed on the use of beneficial fertilizers, land and water management practices. Support will be provided to facilitate the rehabilitation of degraded lands.

Government will encourage the citizenry to take greater responsibility for their environment by creating a conservation ethic through public education, awareness and monitoring of land management practices. Further, users of the resource who degrade and/or cause environmental damage shall be made to contribute to the remedy and restoration of the resource.

Government through the Water Resource Management Agency will institute measures to effectively manage and allocate water, including its use in agriculture and non-agriculture activities. The appropriate institutional and legislative framework has been established to ensure same.

Government will take appropriate steps to conserve and protect the island’s plant and animal species and endangered ecosystems in keeping with her international commitments. Genetic resources shall be conserved and managed in-situ and ex-situ in a manner conducive to the maintenance of sustainable livelihoods.

Forest resources shall be conserved through zoning regulations, reforestation and community-based management systems. Conservation of coastal and marine resources shall be promoted through appropriate legislation, public education of end users and beneficiaries of the resource. An integrated approach will be employed for the effective management and control to land based activities that pose a threat to these resources.

With respect to the marine resource, Government recognizes its potential to national development. Steps will be taken to ensure that the country adheres to her obligations under UNCLOS. Further that action will be taken to ensure proper management of the living resources in the exclusive economic zone for the long term benefit of the people of St Lucia and that it is not threatened by over-exploitation. In this regard appropriate legislation and measures establishing fishing priority areas, gear restrictions, marine reserves, closed seasons and protection of breeding species shall be put in place.

Government will discharge its obligation in accordance with the United Nations Law of the Sea Convention and the Maritime Areas Act, No. 6 of 1984 developing its fisheries in harmony with the development of shipping, marine transportation, tourism and the recreational use of the marine waters. Further, Government will adopt the 1995 FAO Code of Conduct for responsible fisheries. In executing this policy due consideration will be given to traditional users and their right to compensation for loss of traditional fishing grounds.

Limited access to national fishery resources may be granted to foreign interests once they have been determined to positively contribute to the long-term goals and objectives for

the fisheries sector and deemed to be non-detrimental to existing and potential economic and social interest of Saint Lucians. Nonetheless, priority will be granted to nationals who wish to operate within the sector, once they can operate in accordance with established national standards.

***Objective 6: To expand the agricultural production and market base***

Declining preference in the traditional markets and the continuous threat to the country's principal export crop signals an urgent need to broaden the country's production and export base. Under the Special Framework of Assistance program (SFA), financial support has been provided by the EU to help the country transition and make the necessary adjustments. In addition to the initiatives undertaken under that program, Government will adopt a market led approach to make the agricultural sector more productive, competitive as well as creating new market opportunities, consistent with the demands of a liberalized trading platform.

It is the intention of Government to integrate and make St Lucia an active participant in new global economy and increase market access for the country's agricultural goods and services. Towards this end Government proposes the following policy measures:

- (a) Adopt a trade posture that enhances and maintains market access particularly for non-traditional products. Government will endeavor to ensure access barriers are minimized and where possible removed.
- (b) Take steps to protect the country's traders against unfair trading practices.
- (c) Facilitate adjustments to new trade regulations and liberalization.
- (d) Improve coordination among Government Ministries to implement and monitor agreements and compliance. Where compliance necessitates reforming and modernization of existing legislation, Government will review and enact the necessary legislation. In-keeping with her WTO obligations St Lucia's tariffs will be adjusted over time to comply with the agreements.
- (e) Implement new measures for promoting and enhancing export readiness and competitiveness including the development of standards and certification for major crops and animal products.
- (f) In collaboration with the private sector, take steps to reform the domestic market reducing its role in direct trading.
- (g) Strengthen plant and animal health quarantine services and other regulatory services to ensure quality standards and food safety.
- (h) Promote an understanding and implementation of agreed international sanitary and phytosanitary measures and other technical barriers to trade which restrict access to export market.

With respect to Agricultural health and food safety, to increase consumer confidence in the safety and quality of St Lucian agricultural products Government will build on existing food safety measures while undertaking new measures such as (a) product

training throughout agri-food continuum and to adopt Hazard Analysis and Critical Control Point (HACCP) practices (b) enable tracing of food products back to the farm(c) improve food quality and (d) Invest to educate producers about on farm food safety systems and help them implement those systems (e) strengthen the capacity of plant and animal quarantine services.

***Objective 7: To generate new opportunities for employment and income generation in rural areas.***

Government is mindful of the possible dislocation which may result from a globalized and liberalized market and the need to encourage economic activity that creates an earning stream and employment especially in rural communities. Further that steps need to be taken to afford opportunities to vulnerable groups in those areas.

In this regard, a number of targeted initiatives that promote the diversification of rural income base and rural enterprise will be embarked upon. Special emphasis will be placed on interventions that link rural areas with the growth sector – hospitality industry.