

MINISTRY PAPER NO 38

Farmers' Development Programme - Subsidy Assistance Schemes 1969/70

I present for the information of members of the Honourable House proposals for the Farmers' Development Programme - Subsidy Assistance Schemes for the current financial year.

This Programme is designed as a successor to the Farmers' Production Programme which was in operation between 1963 and 1969.

Farmers' Production Programme:

The Farmers' Production Programme was the third major development programme introduced by Government in recent years to stimulate and expand agricultural production by the provision of grant and loan assistance to farmers - the two earlier being the Farm Development Scheme which was introduced in 1955 and the Agricultural Development Programme which was introduced in 1960. Total expenditure under each of these programmes for Subsidies and Loans was as follows:-

Programme	Subsidies	Loans	Total
Farm Development Scheme	£1,379,305	£ 573,742	£1,953,047
Agricultural Development Programme	£ 818,194	£2, 848,356	£3,666,550
Farmers' Production Programme	£1,891,520	£5, 874,230 (at 31.12.68)	£7,765,750

The objectives of this Programme which was a part of the Five-year Independence plan were:-

- (a) to secure a rapid increase in agricultural production consistent with the needs of the country as an independent nation;
- (b) to secure the fullest and most efficient use of all the land in Jamaica; and
- (c) to improve the economy of rural areas and raise the standard of living of the rural population.

In this connection farmers were provided with grant assistance and other incentives under the following items:-

1. Dairy Industry Development
2. Hill Farming
3. Farm Mechanization
4. Farm Water Supplies
5. Farm Buildings
6. Fish Farming
7. Minor Irrigation
8. Group Facilities - Capital Aid
9. Food Crops Subsidy Scheme
10. Fertilizer Demonstration
11. Farm Housing

Hereunder is a summary of expenditure on the various grant assistance Schemes under the Farmers' Production Programme:-

Hill Farming	-	£ 328,766
Farm Water Supplies	-	488,730
Farm Buildings	-	447,708
Fish Farming		62
Group Facilities-		
Capital Aid	-	4,456
Fertilizer Demonstration		18,446
Development of the Dairy Industry	-	145,804
Food Crops Subsidy Scheme		457,548
		<u>£1,891,520</u>

In order to ensure the widest possible spread of benefits under the programme consistent with its objectives, the maximum subsidy which any farmer could receive under the Programme was limited to £3000.

Most of the Schemes under the Programme attracted considerable interest from farmers, and 25,394 applications, excluding the Food Crops Subsidy Scheme, were approved over the period 1963 - 1969.

During the life of the Farmers' Production Programme, farmers were severely affected by the "Flora" flood rains of 1963, and since then by periods of prolonged drought; but substantial increases in the production of food for local consumption have been recorded over the past five years e.g. Irish potatoes, roots and tubers where self-sufficiency has been achieved, with surpluses in some instances for the export market. In eggs, poultry meats, fresh pork and certain vegetables, production is now virtually adequate to meet demand.

Food Crops Subsidy Scheme:

The Food Crops Subsidy Scheme was introduced on the 1st

April, 1965...

April, 1965, as part of the Farmers' Production Programme and was designed to assist small farmers who, largely because of their insecurity of tenure, were unable to participate in other Schemes. Over the period April 1965 to March 1969, 80,052 applications for assistance were approved. This Scheme was designed not only to help farmers who had little security of tenure, but also to increase production of the following subsidized crops:-

gungo peas
red peas
plantains
white yams
onions
garlic
pumpkins
carrots
melons
negro yams
yampies.

FARMERS' DEVELOPMENT PROGRAMME:

Despite the success achieved under the above Schemes over the past years, there is no doubt that the present position could be greatly improved with increased production of crops for domestic consumption and for export. There has been a steady increase in the island's imports of food from £17.1m. in 1963 to £29m in 1968, although, over the same period, the contribution of the agricultural sector to the Gross Domestic Product at factor cost rose from £34.2m in 1963 to £38m in 1969.

The problem of increasing agricultural production must, however, be examined against the background of the present structure of the agricultural sector and the disadvantages which accrue from small scale farming. The 1961 - 62 Agricultural Census showed that there were some 113,000 farms of 5 acres and under, and it is on these farms that the bulk of our home-grown foodstuffs are produced.

One of the achievements of the Farmers' Production Programme has been to provide capital necessary for creating improvements of a permanent nature and for working expenses, but the lack of adequate capital is still a serious impediment to development. This Ministry is therefore proposing, under the Self-Supporting Loan Assistance Scheme, on which a separate Ministry Paper is being presented to the House, to give emphasis to increasing the income-earning capacity of farms within the 5-25 acre group, though not to the exclusion of smaller farms which may have a comparable income-earning capacity.

There are, however, a considerable number of holdings which are unable to operate as self-supporting viable farm units, but which are still able to make a substantial contribution to production, and this Ministry proposes to continue to make subsidies available to small farmers under the new Farmers' Development Programme in order to enable them to expand their production in accordance with the general guidelines laid down by this Ministry. This Scheme as well as the Self-Supporting Loan Assistance Scheme will be operated within the framework of the overall plan to divide the island into Regional Land Authorities, as it is felt that a decentralised approach to agricultural development is the best means of fostering increased production in Jamaica today. Indeed the existing Land Authorities are the areas in which the Farmers' Production Programme and previous development programmes have been most successful.

A separate Ministry Paper dealing with the establishment of the Regional Land Authorities is being presented to the House.

Provision has accordingly been made in the new programme for:-

- (a) the continuation of certain subsidy assistance schemes on the same basis as obtained under the Farmers' Production Programme;
- (b) the intensification and expansion of agricultural training.

(a) Details of the Subsidy Assistance Schemes are:

- (i) The Hill Farming Scheme provides incentive payments, amounting to £20 per acre in three instalments, for the protection of steep hill-sides from erosion and the rehabilitation of eroded lands. As under the Farmers' Production Programme, farmers will be encouraged to devote the steep hill slopes to the culture of citrus, coffee, avocado, cocoa, pimento, forest trees and other appropriate crops. The areas devoted to the production of food crops should be the most easily managed portions of these lands, permanently terraced, where necessary, and cultivated on an intensive basis.

This Scheme is applicable only to farmers who do not possess more than 100 acres of land. Farmers in this category will be eligible for subsidy up to a maximum of 10 acres per farmer, but this limitation will not apply to farmers in the declared watershed areas.

- (ii) The Food Crops Subsidy Scheme provides for subsidy assistance at the level of 50% of the cost of establishment and maintenance up to £8 per acre subject to a maximum of 2 acres per year per farmer for planting certain crops which will be specified from time to time.
- (iii) Farm Water Supplies Scheme - In many sections of the country, farmers are still experiencing great difficulty in securing adequate supplies of water for farm use, and assistance under this Scheme will be provided on the basis of grants of up to 50% of the cost of establishment of facilities for water supplies or improvement of existing facilities e.g. building of tanks, entombment of springs and the provision of piped water supplies, up to a maximum of £250 per farmer.
- (iv) Farm Building Scheme - This Scheme provides grants for the establishment of farm buildings to the extent of 50% of the cost up to a maximum of £100 per farmer.
- (v) Dairy Industry Development Scheme - This Scheme which is part of the Livestock Development Programme operated by the Ministry of Agriculture and Fisheries provides subsidy assistance to farmers as follows:-
- (a) Pasture Improvement: 50% of the cost of establishment up to a maximum of £10 per acre and a maximum of 25 acres per farmer;
- (b) Installations & Equipment: 25% of the cost of installation up to a maximum of £50 per farmer.
- In addition, livestock farmers are also eligible for assistance under the Farm Water Supply and Farm Buildings Schemes.
- (vi) Minor Irrigation Scheme - grants of up to 90% of the actual cost incurred in the establishment of deep well schemes for irrigation are made to farmers under the following conditions:

- (i) if fully successful: no grant
 - (ii) if partially successful: grants of not more than 75% of the approved cost.
 - (iii) if total failure: grant of 90% of the approved cost.
- (vii) Group facilities (Capital Aid). This Scheme provides subsidy up to a maximum of 50% of the cost of establishment, subject to a limit of £500 per project, to groups of farmers for providing facilities on a co-operative basis - e.g. bulk buying and storage of farm supplies, collection, grading, packing and storage of farm produce.
- (viii) Farm Housing - Under the Scheme which was part of the Farmers' Production Programme, farmers were provided with unfinished 2-bay and 3-bay concrete units. This Scheme is being re-examined with a view to providing farmers with completed 2-bay farm house units.

As in the case of the Farmers' Production Programme, cash subsidies payable to any one farmer will not exceed £300.

Credit

The usual Credit facilities provided by the Agricultural Credit Board and other lending Agencies will be extended to farmers participating in the Subsidy Schemes **under this programme.**

(b) The intensification and expansion of Schemes of Agricultural training

The Five-Year Independence Plan 1963 recognised the need for agricultural training among farmers and, as an ancillary to the various development programmes, contained proposals for farmer training with the overall objective of improving the knowledge and skill of practising farmers. The programme envisaged the establishment of training centres at strategic points throughout the island at which farmers could receive short intensive courses of training in crop and livestock husbandry practices including the proper application of fertilizers. The first of these centres was established at Twickenham Park, St. Catherine, in November 1965, and courses have also been in operation at temporary Centres at

Centres at Warminster in St. Elizabeth, Denbigh in Clarendon, Knockalva in Hanover and Eltham in St. Ann. During the period 1965 - 1969, over 5,000 farmers have received training at these centres, and the substantial increases in the production of such crops as carrots, pumpkins, horse plantains and Irish potatoes can be attributed as much to the training courses as to the operation of the Subsidy Schemes. Provision has been included under this Ministry's Head of Estimates for continuation and expansion of these courses.

Financial Implications:

A provision of £300,000 has been made in the 1969/70 Capital Estimates of this Ministry to meet Subsidy requirements for the new Programme.

(W. G. McLaren),
Minister of Rural Land Development.

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