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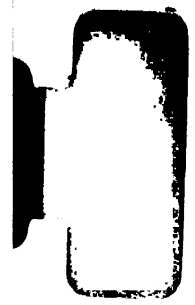


Agriculture in St. Lucia



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Preface

Mindful of its technical cooperation responsibilities, IICA identified the critical need for improved information on the agricultural sector of member countries to assist them to more rapidly integrate with the global marketplace. The identification of the challenges and opportunities for the agri-food sector of constituent member countries, along with the development of a compendium of the best available comparative statistics for agriculture, was identified as a starting point.

Carlos E. Aquino G.
Director General, IICA

Generally, the data collection and analytical information systems for the agricultural sector in Caribbean countries are fairly weak. However, among the Eastern Caribbean countries, St.Lucia is notably furthest along in terms of availability both statistical and descriptive documentation on the agricultural sector. Such information can be found in the "Economic and Social Review", published by the Ministry of Finance, Statistics and Negotiations. The completion of the 1995 Agricultural Census represented another definite step towards strengthening of the existing information base.

This working document represents one in a series of 13 working documents prepared for the IICA Caribbean member states, compiled for the specific purpose of preparing the document titled "*Performance and Prospects for Caribbean Agriculture*". The preparation of this working document constitutes another step towards the goal of improving access to information on the agricultural sector.

This working document was the result of the collaborative efforts of Diana Francis of the IICA Caribbean Regional Centre (CaRC) and Dr. Barbara Graham, IICA Representative in the OECS, Office in St.Lucia, with support from the Ministry of Agriculture and the Ministry of Planning, Development and the Environment. The information and analysis are based on statistics and descriptive information extracted from various national sources, as well as from reports generated by regional and international counterpart institutions. It is anticipated that the information will be useful, not only to individuals and institutions working in agricultural development in St.Lucia, but also to other parties interested in information on the agricultural sector in general.

The guidance of Dr. Patrick Antoine Head, Socioeconomic Policy, Trade and Investment Programme in the preparation of this working document is acknowledged. This report would not have been possible without the full commitment of the IICA Director General, Carlos E. Aquino G. and the Caribbean Regional Centre (CaRC) Director, H. Arlington D. Chesney.

This exercise will be undertaken every two years. We welcome comments aimed at improving subsequent reports. All errors and omissions are the responsibility of the authors.

Working Document, # 10 of 13, December 1997
Socioeconomic Policy, Trade and Investment Programme

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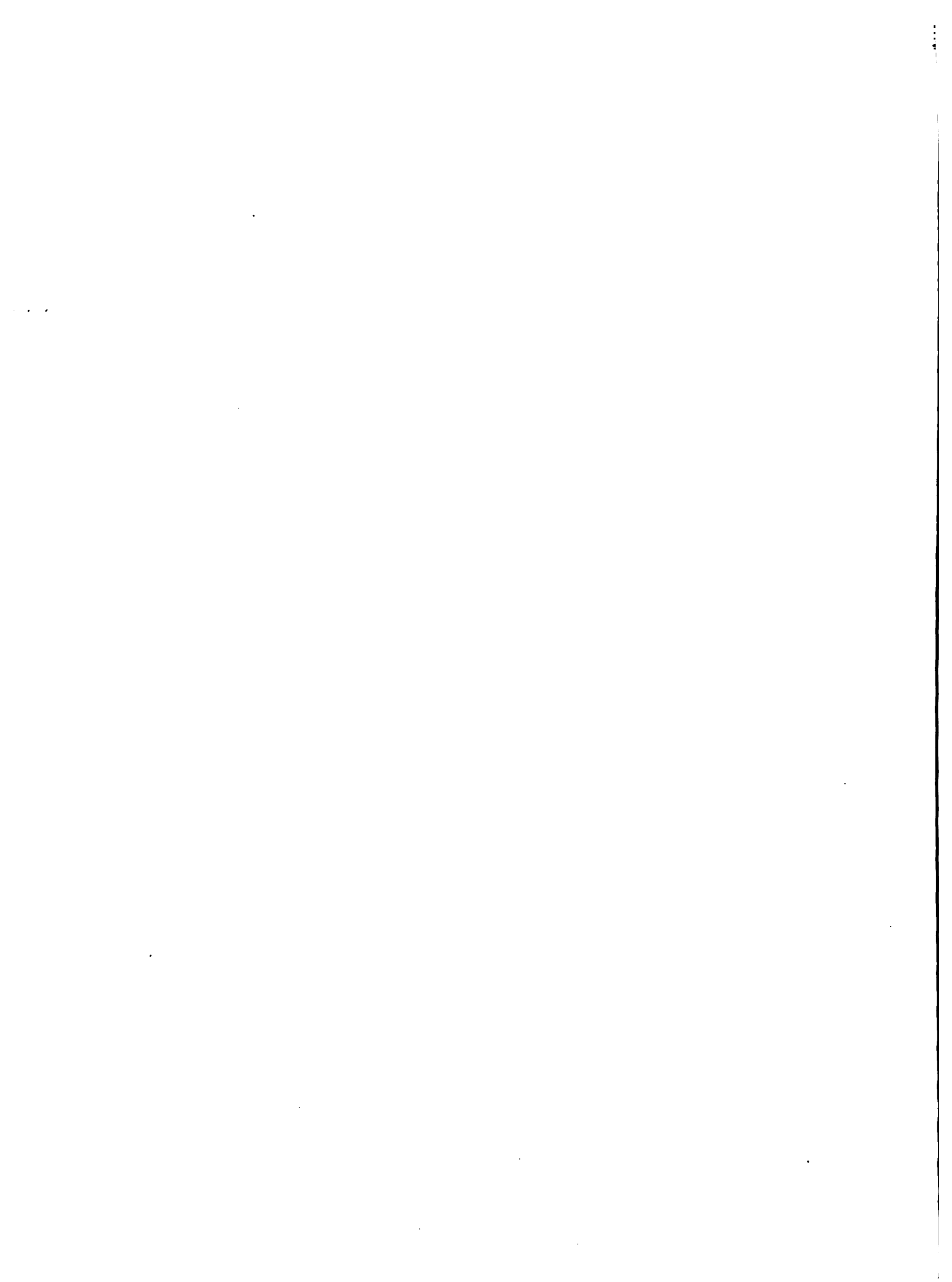
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Country Profile

The island of **St. Lucia** is located between Martinique to the north and St. Vincent and the Grenadines in the south. Total land area is 616 sq. km. (238 sq. mi.). The climate is tropical maritime, with average temperatures of 26°C and average annual rainfall of 1,763 inches. St. Lucia is vulnerable to the effects of tropical storms and hurricanes which usually occur between the months of June to November. Tropical Storm Debbie in 1994 and hurricanes Iris, Luis and Marilyn in 1995 exacted a heavy toll on infrastructure, as well as agriculture, with a total reconstruction cost estimated at \$200 million.

St. Lucia's terrain is mountainous, with slopes of 20° accounting for approximately 50% of total land area. The highest peak, located in the south-west central area of the island, rises to approximately 3,145 ft. above sea level. Between 25-30% of a total of about 152,000 acres (61,600 ha), is forested. Arable land found in broad fertile valleys, constitutes the country's primary resource. St. Lucia is also endowed with a moderate expanse of white sand beaches, marine fisheries resources and impressive coral reefs, which have facilitated the development of the tourism industry.

St. Lucia's inhabitants are primarily of African origin, with a lesser number of East Indian and European descent. The 1995 population, estimated at 145,437 inhabitants, represented an increase of 7% over the 1991 figure. St. Lucia ranks as the third most densely populated country within the Windward islands group. Approximately 65% of the population reside in urban areas, of which an estimated 39% reside in the capital, Castries and 10% in the second town of Vieux Fort.

During the first half of the 1990s, St. Lucia's economic development strategy focused on economic diversification, with government increasingly assumed the role of facilitator to private sector activity. Infrastructural improvements and the provision of economic incentives were the main instruments used to

stimulate expansion in the tourism, manufacturing and agricultural sectors.

Between 1991-1995, real economic growth averaged 3.63% per annum. Much of this growth was attributed to expansion in tourism. The hotel and restaurant sector recorded positive real growth every year between 1991-1995 and the sector's real contribution grew from 9.34% of real GGP in 1991, to 11.7% in 1995/96 period. In comparison, growth in manufacturing, mainly in the paper and paper board industries, and to a lesser extent electronics (assembly) and textiles, averaged a mere 1.2% per annum for the same period.

Growth in the agriculture was less impressive. The sector's contribution to real GDP declined at a rate of 0.6% per annum between 1991-1995. Consequently, from 1994 onwards, the real contribution of tourism to GDP exceeded that of agriculture. In spite of its relatively rapid growth and high foreign exchange generating capacity, the linkages between tourism and the other economic sectors remain weak. This is due in part, the prominence of the "all-inclusive" type hotels and resorts.

For the post-1995 period, the St. Lucian economy was projected to maintain a 4% annual rate of growth. This growth was to be led by continued expansion in tourism and the anticipated recovery in the banana industry. An increase in both public and private sector construction activity was expected to contribute positively to the maintenance of favourable growth rates in the post-1995 period.

Table I - St. Lucia

Economic Indicators, EC\$M	1991	1992	1993	1994	1995*
EC-US Exchange	2.7	2.7	2.7	2.7	2.7
GDP (1990)	925	989	1,010	1,031	1,073
Agriculture	110	134	123	110	120
Manufacturing	70	72	75	66	75
Tourism	86	95	105	118	125
Fiscal Balance	6.7	-19.5	-8.2	-9.8	-24.5
Visible Trade Bal.	-505	-491	-481	-558	-530
B.O.P	20.9	17.4	12.0	-11.3	14.1
Ext. Debt	214.9	258.5	306.3	330.7	367.8

Source: CSO

Agriculture in St. Lucia - Sector Profile

Socio-Economic Role

In St. Lucia, the agricultural sector's traditional role in social and economic development was one of ensuring food security, generating gainful employment, increasing net incomes, domestic savings and foreign exchange, and providing raw material for the manufacturing sector.¹ Overall, the agricultural sector's real share (inclusive of forestry, livestock and fisheries) in GDP averaged 12% per annum between 1991-1995. Since the post-1993 period, however, the relative significance of the sector declined with tourism emerging as the leading contributor to GDP, a trend which seemed set to continue.

Crop production contributed just over 80% of the agricultural sector's total output between 1991-1996. Banana production alone, accounted for more than half of this total (Table 1). Based on the comparative level of contribution to agricultural GDP, the livestock and fisheries sub-sectors appear to have little influence on the economic performance of the overall agricultural sector.

Table 1
Composition of Agricultural GDP (%)

@ 1990 prices	1991-93	1994	1995	1996
Agriculture GDP\$	122.8	110.6	120.9	127.8
Share (%)				
Bananas	59.2	49.9	52.3	52.6
Other Crops	28.0	34.6	32.9	32.6
Livestock	4.8	5.9	2.5	5.5
Fishing	5.3	7.3	7.4	7.7
Forestry	2.6	2.4	1.9	1.7

Source: Computed from GDP data

The measured contribution of the forestry sector to total agricultural value-added was modest, almost insignificant. However, the production of fuel-wood, charcoal and saw-wood, continued to be of significance to the small number of individuals engaged in these activities. Most of the saw-wood is used in the local furniture industry, and in 1990, the total

¹ National Consultative Council Draft Report Agricultural Sector Strategy, April 1995.

estimated value was these industries was US\$905,000. Given the tendency to exploit the forest resources, the Government continued to emphasise the importance of conservation, the protection of watersheds and top soil preservation²

In addition to its contribution to gross output, agriculture absorbs a significant share of the labour force, particularly in the rural areas where a large number are self-employed in agricultural activities. The sector also generates substantial indirect employment opportunities. Over the 1991-1995 period, agriculture's direct contribution to total employment averaged an estimated at 23%, comprising largely small farmers.³ This statistic contrasted favourably with the estimated employment generated in tourism and related activities of 10% and 12% in manufacturing (Table 2). The banana industry alone was estimated to account for over 60% of the total agricultural labour force.

Table 2
St. Lucia, Employed Persons by Industry Group

	1992	1993	1994	1995 ¹
Total Employed	48,164	52,490	50,515	56,689
Agriculture ²	10,414	11,721	11,717	13,013
of which male	7,833	8,313	7,905	9,280
Manufacturing	5,581	6,385	6,098	6,316
Hotels & Restaurants	4,777	4,578	6,302	5,577
Wages in Agriculture:	\$/day	\$/day	\$/day	\$/day
male	26.75	27.55	28.38	29.80
female	23.43	24.13	24.85	26.09

¹ 1995, July-December; ² includes forestry, hunting and fishing
Source: Statistical Department; Wages-Dennery FARMCO - St. Lucia

Labour force statistics however, indicated a declining trend in the number of persons employed in direct agricultural activities in the post-1990 period. This may be due to the general decline in the banana industry and other agricultural enterprises which appear to offer relatively limited employment and net

² St. Lucia - National Forestry Action Programme, with Summary of Project Proposal

³ St. Lucia Statistics Department Labour Force Report, 1993/94.

income earning opportunities. In addition, agriculture, particularly farm labour, ranks very low on the occupational scale, with labour tending to gravitate towards employment in the tourism and manufacturing sectors.

In spite of its declining performance, the agriculture sector continues to hold considerable potential in terms of generating inter-sectoral linkages, particularly with tourism and manufacturing. The rapid growth in St. Lucia's tourism industry over the past decade presented an ideal opportunity to strengthen such linkages. While some linkages in terms of domestic demand for food and beverages exist, the formalisation of the agriculture-tourism linkages continues to be deficient. This deficiency is clearly manifested in the growth of foods imports and the changing consumer preferences towards imported "convenience" foods.

With respect to agricultural-manufacturing linkages, the potential for development is constrained due to the slow pace of development of both sectors. The fact that agricultural production has not been suitably linked to industry and processing continues to be an impediment in the sector's development. In many instances, agro-industry has relied more on imported raw materials due to the inadequate domestic supply capabilities of the sector (mainly low volumes, poor quality and uncompetitive pricing). The low level of output from agro-processing enterprises, lack of technical expertise and information and assistance in support of agro-industrial development, were also identified as a critical constraints to the commercialisation of agro-processed products on the extra-regional export markets.

Organisational Characteristics

Agricultural sector activity in St. Lucia may be conveniently divided into the small farm activities on one end and the banana farmer at the other end. Both of these groups are very reliant on public sector support and services due to the general lack of private sector provided services and facilities. As in many of the other Caribbean countries, the significant proportion of the non-farm private sector

interests tends to be channeled in the food distribution and equipment and supplies retailing.

Within the context of the changing global environment and economic imperatives, increased consideration was given to re-assessing the role of the public and private sectors in the transformation of the agricultural sector. This included the proposed privatisation of some of the public-sector services, particularly those where private sector capabilities existed. The Government thus increasingly emphasised its role as facilitator to stimulate the business sector. However, in spite of these efforts, a significant proportion of farm activity and investment in the sector remains public sector driven.

Since the 1980s, Government support to agricultural development has been guided by four broad policy objectives:

1. improved nutrition in low income groups;
2. import substitution for certain agricultural products;
3. increased export of agricultural produce;
4. increased income within the sector and the improvement of the sector as a way of life.

Priority was accorded to attaining high levels of food security/self-sufficiency and to improve farmer net incomes. Achievement of these objectives were to be facilitated by the implementation of agricultural diversification programmes which would expand the base and range of agricultural production. This would also simultaneously, reduce the food import bill and increase export earning opportunities. Improvements in production efficiencies and commercialisation, through general sector modernisation, farmer training and the provision of infrastructure and support services were envisaged as important elements in the drive to transform the agricultural sector.

The Ministry of Agriculture (MoA) has primary responsibility for implementing Government's agricultural policy. This function is undertaken through programmes of support which encompass the entire production, harvesting

and marketing system. Support is provided through specialised departments of Extension, Engineering, Research, Plant Protection and Quarantine, Livestock and Veterinary services. In addition to the MoA, other state-owned (SOE) such as the St. Lucia Banana Growers Association (SLBGA), are also directly involved in agricultural development activities.

The work programme of the MoA has been supported by a number of regional and international organisations involved in agricultural sector development. These organisations tend to be more involved in technology generation and transfer and rural development. In terms of research, prior to 1995, the bulk of pure research, technology transfer and adaptation activities was undertaken by the Caribbean Agricultural Research and Development Institute (CARDI), while the Windward Islands Banana Association (WINBAN) was solely responsible for undertaking banana research and

technology transfer activities. The restructuring of these two organisations in 1996 has resulted in a reduction in their agricultural research and technology transfer capabilities.

Financial support for project implementation was also provided by international agencies involved in agricultural development within the region. In many instances, this support greatly complemented the limited public sector resources. The level of financial support from the commercial financial sector for agricultural development, particularly in terms of credit to the farming community continued to be inadequate. The bulk of domestic financing for agricultural development is obtained through the St. Lucia Development Bank (SLDB), and to a lesser extent from the National Development Corporation (NDC). The share of financing for agricultural development within the commercial banks' portfolio has traditionally been small.

Agriculture in St. Lucia ~ Performance Indicators, 1991-1995

Overall Sector Performance

The agriculture sector declined, by 15% in 1991 from 1990. This decline was led primarily by the contraction in the banana industry, as well as reductions in output from the livestock and fisheries sub-sectors. Between the 1991-1995 period, real growth in the agricultural sector averaged 3.1% per annum (Table 3).

Table 3
St. Lucia, GDP and Agricultural Real Growth GDP (%)

1990 prices	1991-93	1994	1995	1996p
GDP (%)	3.99	2.14	4.06	3.99
Agriculture (%)	-0.58	-10.64	9.34	5.67
Bananas	-0.96	-24.92	14.45	6.36
Other Crops	1.65	12.41	4.37	4.24
Livestock	2.39	2.20	1.54	6.21
Fishing	9.02	15.00	10.43	10.80
Forestry	-10.35	-8.74	-9.96	-9.36

Source: Computed from GDP data.

This relatively slow growth was the result of consecutive declines in the sector, in 1993 and 1994. The passage of tropical storm Debbie in late-1994, was almost exclusively responsible for the 11% decline in total agricultural output

that year. Bananas, vegetables, root crops and large areas of forests were severely affected. Banana production was estimated to have sustained losses in excess of 40% of the total cultivated acreage, with limited opportunity for field rehabilitation until the following year (January 1995).⁴ In contrast, the recovery of non-banana crops was more rapid, achieving growth of 12% in 1994. This contrasted favourably with the slow and declining growth in non-banana crop production between the 1991-1993 period. This surge in output in 1994 of the non-banana crop sub-sector may have been stimulated, in part, by the need to generate cash income following hurricane damage to the banana sector.

Between 1991-1996, fisheries was the second largest contributor to agricultural GDP and the only sub-sector registering positive and relatively high growth every year during this period. Livestock, also performed favourable,

⁴ Emergency Action Plan - Agricultural Re-Development Programme, St. Lucia, Ministry of Agriculture.

as indicated by positive real growth reported every year between 1992-1996. Noticeable improvements were also registered in the livestock sub-sector, particularly in the pork and chicken industries. Forestry, on the other hand recorded consistent declines in activity throughout the period. In spite of the growth in non-banana crop production, fisheries and livestock, the structure of the agricultural sector remained virtually unchanged, with activity dominated by banana production.

The achievement of balanced growth in the agricultural sector continued to be constrained, partially because of the biased relationship between the traditional export sector and the domestic food production sector. The level of resources allocated to the development of non-banana agriculture was significantly lower than that provided to the banana industry. From 1987, the Government imposed a 5% feeder road levy on the banana industry. The proceeds were to be reinvested in banana industry infrastructure (feeder roads) development. However, due to the difficulties of the SLBGA, this levy was reduced to 2.5% in mid-1988 and subsequently suspended in mid-1989. At the time of the suspension, the levy netted approximately EC\$2.3mn.

Other sources of revenue to Government from the agricultural sector were limited. This was partially due to the fact that farmer incomes were exempted from income tax and duty free concessions were granted on a wide range of essential inputs. Limited revenue was obtained through the sale, albeit at subsidised prices, of planting material and other output generated by various agricultural departments, such as machinery and equipment rental. However, there continued to be virtually no cost-recovery on the provision of most services provided to the farming community.

The sector's capacity to generate fairly acceptable levels of net income to farmers was also significantly eroded. This was due primarily to rising input price levels, particularly agro-chemicals and labour, increased competition and, ultimately, falling commodity prices. This situation encouraged an increase in the abandonment of agricultural

lands, reduction in food production and a transfer of resources out of the agricultural sector.

As previously alluded to, the few success stories in terms of establishing an agriculture-tourism linkage were to be found in the hotel sector. In 1994, 978 tons of fresh produce, with a value of EC\$3.3m, was sold by local farmers to the major hotels in the north of St. Lucia. Fruits and tree crops accounted for the largest share, averaging 46.8%, followed by vegetables (21.8%) and bananas and plantain (22.5%). In 1996, the agriculture-tourism link received a further boost with the initiation of an "adopt-a-farmer" scheme by two of the larger hotels on the island. The bulking up of local fresh produce by two other business concerns for the distribution to hotels and restaurants, and the involvement of at least one wholesaler in on-farm production also strengthened the link between production and consumption of local produce.

In spite of the improvements achieved in domestic food production capacity, imports remained an important source of food, both for final consumption and for use in processing. Table 4 provides an indication of the level of expenditures on selected categories of food imports. As indicated, meat preparations and chicken parts, cereal imports, followed by vegetables and fruits, ranked highest over the 1993-1995 period. Expenditure on fresh vegetables (mainly tomatoes and carrots) and fruit juices accounted for a large share of the vegetables and fruit imports between 1993-1995.

Table 4
St. Lucia, Main Imported Food Groups, EC\$'000

Imports (c.i.f)	1993	1994	1995
Total Food Imports	164,804	173,167	187,716
Meat & Preparations	47,407	51,161	52,073
Milk, Cream & products	12,633	15,418	13,550
Eggs	95	220	72
Fish, Crustaceans, Molluscs	8,843	10,721	11,718
Cereals & preparations	31,907	32,221	36,747
Vegetables & fruits	24,664	25,862	26,052

Source: Central Statistics Office

Of note was the continued increase in vegetable imports alongside the policy objective of import replacement of selected vegetables and fruits. A

1993 French Mission for Cooperation study revealed, that 55%-75% of the demands for vegetables were obtained through imports in 1990, with a continuation of this trend up to 1995. In terms of import volumes, fresh and dried fruit and nut accounted for over 90% of the total import volume of vegetable and fruit.

The relatively high levels of food imports contributed to an increase in the share of agriculture in total imports from 23.5% in 1991 to 26.7% in 1995. Food and live animal imports averaged 83% of total agricultural imports. As indicated in Table 5, the rate of growth of food imports declined significantly between 1991 and 1992. The mere 1% decline in food import expenditures in 1993 was, however, insufficient to offset the decline in export earnings, resulting in an agricultural trade deficit of EC\$10m. The agricultural trade balance deteriorated further towards the end of the period, due mainly to lower earnings from banana exports.

Table 5
St. Lucia, Share (%) of Food in Total Imports

EC\$.M	1991	1992	1993	1994	1995
Agriculture Trade Bal.	2.5	23.4	-10.2	-53.4	-47.2
Agricultural Imports:	188.8	193.5	195.4	202.9	219.4
Food & live animals	158.1	160.5	164.6	172.9	187.7
Beverages & Tobacco	27.8	31.3	29.6	27.9	29.5
Oils & fats	2.9	1.7	1.2	2.2	2.2
Agri/total imports (%)	23.7	23.3	24.1	24.9	26.6
Agri-import growth (%)	11.6	2.5	1.0	3.8	8.1

Source: Central Statistics Office

Given the liberalisation of agricultural trade, the difficulties experienced in the banana industry and the growing tendency towards food imports, further deterioration in the agricultural trade balance beyond 1995 was to be expected. In this context, it is imperative that concerted efforts be placed on reducing the expenditure on food imports, either through the strengthening of domestic food production capacity in all its dimensions and/or, increasing the export value of non-banana agricultural commodities. These issues, particularly the latter issue, have been addressed in various degrees or urgency since the early-mid-1980s as part of a general programme of agricultural diversification.

Agricultural Diversification

Diversification was identified as an essential strategy to facilitate the attainment of the objectives defined for the agricultural sector. Diversification was also viewed in the context of its potential to stimulate agro-industrial development and improve agricultural trade balances. Import substitution, crop diversification and agro-processing were critical components of the agricultural trade development policy. The programme encouraged the expansion of mango, avocado, grapefruits, cashew and pineapples, to satisfy both the fresh market and the agro-processing sector. Vegetables, such as tomato, cabbage, lettuce and sweet pepper were encouraged in order to reduce the food import bill.

As a means of stimulating increased private sector participation, the diversification programme provided incentives, concessions and technical support for agro-industrial development. Producer cooperatives were also to be strengthened in increase their effectiveness as a vehicle for transforming the agricultural sector. According to MoA reports, over the 1987-1992 period...

*"....the diversification effort has been fairly comprehensive, covering a wide range of commodities such as traditional tree crops, vegetables and food crops, livestock fisheries and aquaculture and forestry products."*⁵

However, the success of the agricultural diversification programmes in the 1992-1997 period was less than anticipated. Agricultural policy during this period placed further emphasis on the development of sustainable agricultural systems, through corrective action and the discouragement of destructive practices. Strengthening of the linkages between agriculture and other sectors of the economy continued to be accorded high priority. So to, was the goal of enhancing the nutritional status of the population, through the promotion of local foods and the provision of support to farmer organisations and marketing infrastructure.

⁵ Ministry of Agriculture, Lands, Fisheries, Forestry and Co-operatives document "Some Achievements in the Sector for the Period 1987-1992 and Plans for the Next Five Years.

A major constraint to the agricultural diversification programmes of the post-1992 period was the apparent lack of a clearly defined implementation strategy. In spite of the programme's comprehensive coverage, its implementation suffered from an absence of a distinct implementing unit and a general lack of specific assistance packages for the development of the diversification initiatives. The fact that target crops were cultivated either on marginal banana producing areas or on areas generally unsuited for most field crops, (i.e., hill sides), also, did not bode well for the success of crop diversification initiatives.

A few crops, such as mango, breadfruit and avocado, registered some noticeable expansion in acreage, (Table 6). A slight increase in the domestic sales value of non-traditional crops was observed. In fact, between 1991-1994, the value of marketed non-banana crops was estimated to have increased by an annual average of 6%, with 10% increases recorded in 1993 and 1994. While the higher sales value partially reflected an increase in output, it was also linked, in large measure, to improvements in distribution and retailing, both to local supermarkets and the tourist sector.

Table 6
Expansion in Non-Traditional Tree Crops

# of trees	1986	1996
Mango	80,200	126,073
Avocado	25,100	36,687
Breadfruit	32,000	70,010

Source: St. Lucia 1996 Agricultural Census

Inadequate transportation and lack of processing, packaging, grading and storage facilities, were also identified as major constraints to agricultural development in St. Lucia. This was particularly true for non-traditional crops sub-sector. Compared to bananas, the post-harvest and marketing infrastructure for most agricultural commodities continues to be inadequate. Marketing of non-traditional produce was also conducted, almost exclusively, by many individual small traders and a few medium sized private enterprises.

In order to improve the marketing of non-traditional crops, various efforts at export

promotion thrust were undertaken, facilitated through market research and participation in regional and international trade fairs. The strengthening of the fresh produce marketing systems was also assisted under the OECS Diversification programme implemented by the Agricultural Diversification Coordinating Unit (ADCU). The development of special packaging for mango, breadfruit, plantain, sweet potato and yam in order to improve marketability constituted an important component of the OECS programme. ADCU also undertook improvements of storage facilities at major ports. This resulted in the establishment of additional storage and chilling facilities for fresh produce at the Hewanorra International Airport⁶ Assistance was also provided by the Eastern Caribbean States Export Development Company (ESCEDA), which pursued efforts at penetrating extra-regional markets for a wide range of commodities, including agricultural fresh and processed products.

While the share of non-banana agriculture in total agricultural output is not insignificant, its contribution falls far short of its potential levels, particularly in terms of contributing to export earnings.⁷ The contribution of entire non-banana crop sector to total agricultural output remained relatively constant over the 1991-1995 period, at about 45%. Variable output and fruit quality, as a consequence of adverse weather conditions, and lack of adequate infrastructure to facilitate internal transportation, post-harvest and external marketing, continued to be major constraints to the diversification programme.

Agricultural trade liberalisation also created a high level of market uncertainty among producers and affected the production and export of all crops, including those targeted the under agricultural diversification programme. Towards the end of the period (1995), St. Lucia redoubled its efforts at penetrating overseas markets for a wide range of commodities. Export sales of several commodities such as condiments and other food items increased as a result of St. Lucia's participation in trade

⁶ Ibid footnote 5.

⁷ Report of the National Economic and Social Consultative Council - Agriculture Sector Strategy (Draft), 1995.

promotion events. During the early 1996 period, technical assistance from the EU was utilised to stimulate the production of non-traditional export crops and increase exports in various market niches. There was also a proposal to assess the role and scope of the SLMB with a view to increasing its effectiveness fresh produce marketing.

Commodity and Sub-Sector Performance

□ *Banana*

In terms of cultivated acreage and production volumes, St. Lucia is the largest banana producer in the Windward islands. Growth in banana production between 1991-1995, was highly variable. Following high growth between 1991-1992, production declined from 1993, reaching low output levels of less than 100,000mt in 1994. Production in 1995 represented a 16% reduction from that obtained in 1992 and 1993 (Table 7). The sharp decline in production in 1994 was occasioned by a prolonged dry season, an excessively wet season and the passage of tropical storm Debbie. Approximately 8,000 acres of banana were affected, either severely or moderately, resulting in a 26% decline in banana output in 1994. Rehabilitation efforts aimed at satisfying the UK market quota and quality requirements, focused on land preparation, provision of planting material through nurseries, input supply and infrastructural and other industry related developments. The intensive rehabilitation efforts largely explain the 23% growth in production in 1995.

Table 7
St. Lucia, Banana Production and Exports

	Production mt	Export mt	Exports EC\$'000
1991	110,305	99,006	154,168
1992	143,139	132,863	186,912
1993	140,057	120,129	156,713
1994	96,591	90,098	126,261
1995	119,117	103,064	126,520

Source: Statistical Unit/MoA; SLBGA

Overall, SLBGA banana exports represented approximately 90% of total production between 1991-1995. Banana exports accounted for 80% of total agricultural export earnings. As was to be expected, between 1991-1995, this share declined from 86% in the 1992/93 period to

73% in 1995. Between 1991-1995, banana export earnings fell from \$151million in 1991 to \$126m in 1995. This decline was a direct result of both the decline in absolute export volumes and prices on the UK market.

Quite apart from the adverse effect of unfavourable weather conditions and the outbreak of pests and diseases, increased competition, falling prices and increased cost of inputs exerted a significant influence on the performance of the banana industry in the post-1990 period. These unfavourable developments led to a deterioration in crop husbandry and ultimately to fruit quality problems. The variable export volumes during the 1991-1995 period, were also due to increased grower unrest/protests, in the form of refusal to harvest fruit (i.e., no-cut strikes) and in a few isolated cases, destruction of fields, banana sheds and other farm infrastructure. These upheavals were in response to the acute anxieties regarding the future of the Windward Islands banana industry following the unification of the European market (Single European Market (SEM)) on January 1, 1993 and the introduction of the New Banana Regime (NBR) 6 months later (July, 1993).

This market uncertainty was brought to a head in the latter part of 1995, when Geest PLC announced its intention to sell the banana side of its business. The possible acquisition by a competing Latin American company, Naboa, would have been devastating to the industry and economy of St. Lucia and the other Windward Islands. To avert economic disaster, the Windward Islands Government's, through the establishment of a new Windward Islands Banana Development Exporting Company (WIBDECO)) concluded a joint venture acquisition with Fyffes, an Irish company involved in the marketing of bananas in the UK.

Barring the adverse effects of hurricane damage, the future of the banana industry is conditioned on its ability to significantly improve production techniques, fruit quality and product presentation. Achievement of these objectives will undoubtedly place the industry in a much stronger position to adjust to external factors, such as European Union

quota allocations, falling prices and increased competition occasioned by the EU's obligation to comply with the free trade principles advocated by the World Trade Organisation (WTO).

□ Coconut

Up to the mid-1980's, coconut was considered to be a prominent crop in the agricultural cropping system. The decline in the coconut industry was precipitated by significant damage to plantations between 1979/81 when an estimated 50% of trees were felled by hurricanes. The substantial support for rehabilitation provided by a Coconut Rehabilitation project initiated in 1979, was insufficient to offset the declining trend in production. By 1989 the coconut industry was classified as one of the agricultural sub-sectors in serious jeopardy. The fall-off in market demand for coconut derivatives, labour difficulties, infestation by the coconut mite and the high demand for fresh coconut or 'water nuts' which competed directly with copra manufacturing, were instrumental factors in the continued decline of the industry in the 1990s.

Table 8 indicates a slowdown in copra production and a decline in purchases by the St. Lucia Copra Manufacturer Ltd. over the 1991-1995 period. Production levels below 4,000 tons constrained factory efficiency and resulted in the suspension of operations and eventual receivership of the Copra Manufacturers Ltd at the end of 1995. Less profitable lines of production were also phased-out and the remaining production concentrated on coconut oil refining.

Table 8

St. Lucia, Copra & Oil Production & Exports				
	Copra Production	Local Sales of Oils	Coconut Oil Exports EC\$'000	
	mt	EC\$'000	Crude Oil	Ref. Oil
1991	3,655.2		na	na
1992	3,046.0	4,709.2	2,987.0	192.6
1993	3,764.4	5,010.6	6,687.9	311.1
1994	2,866.8	4,770.4	0	3,872.2
1995	2,220.5	4,396.9	0	1,920.9

Source: St. Lucia Economic & Social Review, 1994 & 1995

Coconut oils (crude and refined), are used in the domestic industry and exported to regional markets. Between 1991-1995, the value of local

sales remained relatively constant, at around \$4M, with refined coconut oil accounting for over 90% of these sales. In fact between 1991-1993, no local sales of crude coconut oil were registered. The composition of coconut oil exports also changed, with crude oil accounting for the bulk of exports, compared with minor exports of refined oil. From 1993, however, the situation was reversed. The fall-off in market demand was primarily due to the alleged correlation of coconut oil food products and health risks. Consequently, sunflower, soya bean and vegetable oils were promoted as healthier substitutes. The increased availability of such low-cost substitute oils within CARICOM, accelerated the breakdown of the CARICOM Oils and Fats agreement. This breakdown, thus further reduced the marketability of coconut oils within the relatively captured regional market. Coupled with the high production costs of coconut derivatives and the high exchange rates between the EC dollar and the currencies of the regional markets, the coconut industry's competitiveness and ultimately, its viability deteriorated further.

□ Cocoa

The decline in the cocoa industry was precipitated by severe damage to mature and bearing orchards during the 1979-1981 hurricane season. Post-1980 cocoa rehabilitation efforts, were secondary to rehabilitation of the banana industry. Considering the 5-6 year gestation period for crop maturity and recovery, the effects of the hurricane damages on cocoa production were extended into the post-1990 period. While cocoa production recorded relatively high spurts of growth between 1991-1995, particularly in 1992 and 1994, overall production declined by 2% per annum between 1991-1996 (Table 9).

Table 9

St. Lucia, Cocoa Production, mt		
	Production mt	Exports EC\$'000
1991	47.8	327.3
1992	67.8	388.9
1993	50.0	404.2
1994	64.4	331.9
1995	47.1	302.9
1996	33.2	na

Source: Economic & Social Review

Cocoa production has never recovered to its pre-1980 average levels of the 108 tons (1979 output level). In spite of the temporary periods of recovery, the slow down in the rate of growth from 1992 was evident. This may have been attributed to the non-productive nature of many cocoa estates. High costs of labour and inputs, as well as inadequate post-harvest treatment and fermenting facilities contributed to the lack of productivity in the cocoa industry. The declines in cocoa production during the 1993-1995 period were due mainly to unfavourable weather conditions, which destroyed a sizeable area of mature cocoa holdings. In 1994, it was estimated that 141 acres of planted cocoa was destroyed following the passage of tropical storm Debbie.

The operation of two government-established cocoa fermentaries in 1995, was expected to assist in the recovery of the cocoa industry. These fermentaries were established in order to improve the quality of cocoa, as well as to reduce the cost of production. Industry recovery in 1995 was, however, also adversely affected by the decline in demand for flavoured cocoa on the world market. Falling prices, the incidence of the black pod disease as well as lower output from hurricane-damaged estates, largely accounted for the lack of cocoa bean exports in 1996.

□ Citrus

Citrus has traditionally formed part of the tree crop base of St. Lucia. However, for a variety of reasons, including limited technologies, poor suitability of crop to the selected production areas and low prices which resulted in a considerable surplus on the domestic market, the citrus industry remained under-developed. Production data in the pre-1980 period indicate an average output of under 600 tons per annum. Much of this output was dominated by grapefruit, orange, and to a lesser extent, lime production. There was some growth in total citrus output in the post-1980 period, with a total of 2,015 tons of citrus was produced in 1995 (Table 10). The structure of citrus production has remained relatively unchanged, with grapefruit accounting for just over 50% of total citrus production, orange 36% and lime making up the balance.

Table 10

St. Lucia, Citrus Production and Exports

	Sweet Orange		Grapefruit		Lime
	Prod. mt	Export, EC\$'000	Prod. mt	Export, EC\$'000	prod. mt
1991	688.9	21.7	1,218.3	33.5	205.3
1992	619.0	38.1	931.1	53.1	134.6
1993	574.2	2.33	814.0	69.9	125.5
1994	598.0	18.7	898.8	34.5	174.0
1995	660.4	12.2	1,182.4	72.3	172.8
1996	673.8	na	887.6	na	184.6

Source: Statistical Unit, MoA;

Between 1991-1996, overall citrus production declined at an average rate of 2.6% per annum, led primarily by an annual 3.5% decline in grapefruit production, and negligible growth in orange and lime production. The contribution of citrus to export earnings remains small, under \$100,000 per annum.

□ Non-Traditional Crops

In terms of production volumes and market potential, breadfruit and mango are the main non-traditional crops produced in St. Lucia. Breadfruit, which was introduced into the Caribbean during the colonial period, is essentially harvested from trees found growing island-wide. Although popular in the local market, breadfruit did not feature prominently within the crops targeted for export development until 1985. This was associated with the relatively 'bulky' nature of the fruit and its short shelf life. The special conditions for enabling exports of breadfruit in its fresh form, were not then in place.

The agricultural diversification programmes of the mid-1980s, however, encouraged the efficient harvest of breadfruit for export. As a result, noticeable increases were reported in the volume of breadfruit harvested and exported in 1991 compared to the pre-1990 period. The level of breadfruit harvested, however, declined by approximately 9% per annum between 1993-1995. The decline was attributed to a number of factors, including adverse weather conditions (which resulted in tree and fruit blow downs), and the limited technology applied to tree maintenance and harvesting. The harvested volumes recorded some improvement in 1996, increasing by approximately 2% over the 1995 harvested level (Table 11).

Table 11
St. Lucia, Non-Traditional Fruit Crop Production & Exports

	1991	1992	1993	1994	1995
Breadfruit					
prod. Mt	2,521	2,644	2,318	3,245	1,968
exports, \$'000	857	713	701	796	837
Mango					
prod. Mt	2,729	2,541	2,197	3,245	1,846
exports, \$'000	560	670	543	864	530
Soursop					
prod. Mt	176	183	251	164	158
exports, \$'000	55	38	51	34	34
Pineapple					
prod. Mt	81	275	389	347	250
exports, \$'000	30	189	368	346	186
Production mt					
Water melon	76	117	79	153	100
Avocado	167	205	238	234	250

Source: St. Lucia Economic & Social Review, 1995

Mango (mainly the julie variety) production was targeted at the fresh fruit market. Mango was considered to be one of the few success stories of the agricultural diversification programme. In spite of strong demand for the fruit in both the regional and extra-regional markets, production was constrained by the increased incidence of the mango seed weevil following its discovery in the mid-1980s. Output during the 1991-1996 period reported a similar pattern of growth as that of breadfruit, declining by 2% per annum. As expected mango exports also exhibited high annual variation over the period.

In contrast to both breadfruit and mango, avocado, although cultivated on a much lower scale than mango, recorded positive growth over the 1991-1996 period. Production increased by approximately 27% per annum, led by a 22% and 95% expansion in 1991 and 1996, respectively. This significant expansion may be attributed with the attainment to full maturity of the trees established during the acreage expansion programme of the mid-to-late-1980s. Tropical storms and hurricanes of the 1994-1995 period were largely responsible for the decline in breadfruit, avocado and mango production in these years.

Production of exotic fruits, such as, water melon, pineapple, and soursop was also variable between 1991-1995. Following a significant expansion in pineapple production of 240% in 1992, output varied between 250mt -

over 350mt between 1993-1995. In fact, pineapple production reportedly declined by 91% in 1996. Apart from adverse weather conditions, production of these exotic crops are highly responsive to market signals, and the apparent low prices on both the local and export markets may have also been a factor responsible for the contraction in production in 1995 and 1996.

Exports of breadfruit, mango, and a mix of exotic fruits, generally contributed a relatively small share (less than 2%) of total agri-food food export value. The UK, US and Canada continued to be the major markets for non-traditional export crops. In 1995, the UK and the US's shares of non-traditional export crops increased marginally to 86.5% and 17.0%, respectively, of the total volume of non-traditional export crops. Canada's share accounted for a mere 6.6%, representing a decline from 7.5% in 1994. Antigua and Barbuda continue to represent the major regional market for non-traditional exports.

□ Food Crops and Vegetables

Plantain, ginger, hot pepper, yam, dasheen, sweet potato and vegetables, have also become important to regional trade in agriculture. Excluding the year 1993 when production declined by 44%, hot pepper in particular, maintained fairly high growth rates between 1991-1995 (Table 12). Growth occurred despite the problems of seed virus infestation and excessive humidity. Ginger production was also adversely affected by damage to the tuber caused by an insect parasite. The development of a "ginger tech pack" by CARDI and some control over the insect parasite contributed to a 230% increase in ginger production in 1996.

Table 12
St. Lucia, Selected Crop Production and Exports

	Plantain		Ginger		Hot Pepper	
	prod. Mt	Export \$'000	prod. Mt	Export \$'000	prod. Mt	Export \$'000
1991	696	165	45	61	104	216
1992	777	215	3	0	173	241
1993	704	119	7	2	97	160
1994	411	30	5	1	224	364
1995	531	102	6	0	304	541
1996	1,172	na	19	na	224	na

Source: Statistical Unit, MoA, Economic & Social Review, 1995

Root crops and vegetable production generally received much attention under the diversification programme as a means of achieving the objective of increasing food security. Tannia production, in particular, recorded relatively high growth levels over the 1991-1996 period, led by significant expansion in production in 1993 and 1996. Growth in dasheen, sweet potato and yam was relatively more stable, with dasheen recording slight declines in 1991 and 1992 (Table 13).

Table 13:
St. Lucia, Selected Root Crop & Vegetable Production,

mt	Yam	Dasheen	Sweet potato	Tomato	Cabbage	Carrot
1991	342.4	302.0	328.5	148.9	179.5	68.5
1992	294.9	294.2	259.0	153.4	124.8	44.8
1993	347.1	395.8	333.4	116.5	199.8	17.5
1994	454.0	371.3	281.6	182.8	238.3	24.4
1995	442.0	417.0	506.8	147.7	231.7	8.8
1996	595.6	647.4	557.8	152.6	255.5	23.8

Source: Statistical Unit, MoA; Sw = sweet

Vegetable production is generally carried out by a mix of small to medium sized farmers, many of which still operate in open field conditions. Local vegetable production is therefore challenged to produce a consistent supply of high quality produce at volumes which facilitate contractual purchase arrangements with the hotel, restaurant and major retail outlets. Appropriate greenhouse production technology offers an economic solution to regularise production, both in terms of reducing the seasonality of output and in fruit quality.

Average annual production yields under greenhouses are estimated to be double that of open field conditions for tomato, sweet pepper and cabbage, and almost three times as high in the case of lettuce (Ref. Colinet, 1993). Growth in production in recent years was partly attributed to the introduction of greenhouse technology. The increased availability of domestically produced vegetables was particularly noticeable during the rainy season (July - December), when open-field vegetable production is normally prone to disease and damage from torrential rains. There were also a few cases where hotels operated their own greenhouse facilities, some with more advanced technologies such as hydroponics.

While the adoption of greenhouse technology has grown, the relatively high establishment and operational costs are prohibitive to many small vegetable farmers in St. Lucia. This has led to a concern that the vegetable market may be dominated by a few, capital-intensive producers. This is undesirable from the standpoint of creation of linkages with agriculture. Unless special institutional arrangements are made to accommodate the resource constraints of smaller, open-field vegetable producer, these disadvantaged producers may progressively lose their share of the market and eventually become marginalised.

□ Livestock Production⁸

The main thrust of livestock production in the 1980s was towards the development of pork and eggs through the establishment of commodity associations and co-operatives. Sustained livestock development was, however, adversely affected by the termination of operations of the umbrella St. Lucia Association of Farmers Co-operative (STAFCo-op) in 1992/93 due to financial problems. During its operation, the assistance provided by the co-operative stimulated an expansion in livestock farming. This was largely responsible for the inroads made in the production and marketing of fresh pork and pork products. The same is true of poultry meat and products.

Data on livestock production are generally absent and incomplete. Milk production reportedly experienced slow growth. In 1994, the St. Lucia Livestock Development Company (SLDC) produced an estimated 9% of total domestic milk requirements, representing a 5% increase over 1993 production levels. This slight improvement was attributed to an increase in the average daily production of milk, from 660 quarts to 689 quarts. Milk production performed favourably in 1995, recording a 12.6% increase. In spite of efforts at product marketing, the importation of cheaper milk continued to adversely affect SLDC's local sales.

⁸ St. Lucia Economic and Social Review, Ministry of Finance, Statistics and Negotiating, various years.

In contrast, egg production performed more favourably. By 1986, St. Lucia had achieved a high level of self-sufficiency in table egg production. This was the result of concerted support from Government to egg producers. This assistance included waivers/concessions of customs duties on requisite inputs. In 1994, the average laying flock increased to approximately 47,133 birds, representing an increase of 15% over 1993. Consequently, the average monthly egg production increased by 59%, to 80,000 dozen. Growth in egg production continued despite the closure of the STAFCo-op. The St. Lucia Egg Producing Company (SLEPCO), however, continued to represent the majority of egg farmers. The closure of STAFCo-op, lack of marketing by the SLEPCO as well as market conditions, may have contributed to the slight contraction in egg production in 1995 (Table 14).

Table 14

St. Lucia, Egg Production,			
	Flock	Estimated Production	
	'000 hens	'000 doz	EC\$'000
1991	29	446	2,447
1992	34	595	3,421
1993	39	605	3,025
1994	47	961	5,766
1995	46	935	5,610

Sources: Economic & Social Review, 1995.

In spite of government's efforts to encourage livestock production, the domestic livestock industries all suffered from a common problem - inability to compete with similar imported products. This stemmed from high production costs, due to reliance of commercial livestock enterprises on expensive imported feeds. Livestock development, in general, and meat production in particular, also continued to be constrained by the lack of adequate abattoir and other meat processing facilities.

□ Fisheries

A 1986 estimate suggested that 2,200 fishermen were engaged in fishing; one-third of whom were part-time. The fleet, comprised of canoes powered by out-board engines ranging from 25 to 75 horse power, was estimated at 700 boats. However, 1996 estimates suggested a decline in the number of fishermen in the industry to 2,000.

Much of the fishing effort (75% of fish landed) occurs during the January-June fishing season. Efforts to enhance the efficiency of fish landings have concentrated on improving various fish landing sites, including the construction of fish stalls, locker room and boat yards. The Fisheries Division also focused on improving fishing techniques, through the introduction of modern fishing vessels (aimed at shifting from the use of canoes to a safer craft, the emphasis being sea worthiness and adequate capacity) and training in coastal navigation, fish handling and gear construction.

The data in Table 15 indicate high variability in the volume of fish landing between 1990-1995. As indicated, the St. Lucia Fish Marketing Corporation's purchases of tuna, kingfish and dolphin increased by 18% in 1995, from 252 tons in 1994. Fish exports contributed a very minor share to total agricultural exports. Trade data for the 1991-1995 period indicate a decline in fish export value from 1990 (which was EC\$208,000). In 1991, the export earnings of fish and fish products declined by almost 40% to EC\$125,000, declining thereafter by an average of 25% per annum between 1991-1994.

Table 15

St. Lucia, Fish Production & Exports					
	1991	1992	1993	1994	1995
Fish Production, mt					
Total	1,039	959	1,114	883	983
Tuna	226	223	321	300	300
Dolphin	257	239	207	142	200
Fish Exports, EC\$'000.					
SITC 04	125	48	20	4	na

Source: Fisheries Management Unit, MoA

Interest in developing the inland fishery industry gained momentum in 1995. This was evidenced by an increase in the number of private individuals engaged in aquaculture. Private sector interest in aquaculture was stimulated by the relative profitability of fresh-water farming. In 1995, the aquaculture facility and prawn project established in 1986, had developed into a fully operational government-owned hatchery, with approximately 27 independent fresh water shrimp farmers. Infrastructural limitations and the limited capacity of the hatchery continue to be serious limitations to expansion. The further

development of fresh water fisheries in St.Lucia was expected to remain high on the policy agenda for the agricultural sector in the post-1996 period. Fresh water fisheries development would augment the supply of marine fish as well as provide farmers with lucrative opportunities for diversification.

□ Agro-processing

Agro-industrial development was identified as critical to the realisation of the full potential of the agricultural sector. Crops targeted for agro-processing included mango, avocado,

grapefruit, cashew and pineapple, and to a lesser extent passion fruit and guava, due to their low production levels. Incentives, concessions and technical support were provided to stimulate agro-industrial development. This notwithstanding, agro-industrial activity has remained relatively limited and processing of the above specified crops has not progressed beyond the cottage-type industries. Table 16 provides some performance indicators for the agro-industrial sector in St.Lucia.

Table 16
St.Lucia, Agri-Industrial Production & Export Value, EC\$'000

Production	1991	1992	1993	1994	1995
Beverages & Tobacco	26,889	21,930	25,166	30,884*	38,203*
Non-alcoholic Beverage	4,999	3,937	3,546		
Fruit, Vegetable processing of which:	18,717	18,301	21,405	14,087	9,234
coconut products ¹	13,211	13,161	16,616	6,536	2,747
other	5,506	5,140	4,789	7,551	6,486
Exports of					
Beverages	17,581	14,443	13,982	13,340	14,984
Fixed. Veg. Oils/ Fats	6,208	3,414	4,334	3,056	1,202

¹: includes copra, raw & refined coconut oil, laundry soap and coconut meal.

* includes total non-alcoholic beverages

Source: Economic & Social Review 1994 & 1995

As stated previously, the performance of the traditional coconut and cocoa agro-processing industries was adversely affected by intense competition from new and "healthier" substitutes, falling market prices and the high production costs. For the coconut derivatives industry, in particular, the ineffectiveness of the CARICOM Oils and Fats agreement and the subsequent loss of regional market share, contributed to a reduction in industry viability in 1995.

Trade liberalisation also holds similar implications for the Beausejour Milk Plant, which is continuously faced with the need to ensure that its products are quality and price competitive with imports. High production costs and variable quality will continue to be a limiting factor to agro-processing in St. Lucia.

Constraints to Agriculture

Given its role in food security, income generation, foreign exchange earnings and employment generation, agriculture continues to be a high priority sector. However, in spite of the various efforts at expanding the production

base, improving productivity and increasing the market prospects for a wide range of agricultural commodities, agriculture in St.Lucia experienced slow and declining growth between 1991-1995. This decline derived from a host of constraining factors, some of which were outside the control of the government and farming community of many Caribbean countries.

The inability of the sector to speedily adjust is indicative of inherent deficiencies in the sector. These deficiencies may be summarised as follows:

Low Productivity Levels

- physical (geological) limitations, including hilly terrain, which minimizes the adoption of cost-effective mechanisation, unsuitable soils, soil degradation and water availability and management problems, which adversely impact on yields and productivity;
- pests and diseases of economic significance, exacerbated by the inadequate quarantine capabilities;

- small domestic and regional markets;
- low levels of human capital and inadequate application of improved technologies;
- lack of a commercial orientation in farming and propensity to produce for "protected" markets, resulting in slow progress in agricultural diversification programmes and difficulty in competing in both domestic and export markets;
- inadequate storage, marketing and transportation facilities and services to facilitate and stimulate trade in agricultural commodities.

Institutional & Structural Deficiencies

- weak macro-economic framework, which constrains the development of enabling economic environment for investment in agriculture and the creation of inter-sectoral linkages with tourism and agro-industry;
- weak institutional capacity of Ministries of Agriculture, resulting in inadequate policy analysis formulation and poor planning, evaluation and implementation of appropriate agriculture sector and rural development initiatives;
- the dependence on public-sector resources, which are inadequate to meet the demands of improved facilities, post-harvest and marketing infrastructure, training, research and other essential services;
- undeveloped domestic capital market and low propensity to invest in agriculture due to the sector's comparatively high risks and absence of risk-mitigating facilities such as insurance, market guarantees and compensation;
- an aging farm population, lack of labour for agriculture and poor skills of the agricultural labour force;
- undeveloped information systems which constrain the effectiveness of sector planning, produce marketing and trade.

While the above constraints are certainly not exhaustive, they capture the general constraints which are fairly common across all Caribbean countries, such as, low productivity levels and lack of domestic private sector

investment. Low productivity and declining competitiveness is manifested in the inability to contain production costs, to effectively prevent and control pest and disease problems and to maintain acceptable levels of fruit quality. These problems are common to most agricultural production enterprises, including livestock production. The persistence of these problems in the 1990s are symptomatic of the low uptake of scientific and technological innovations in the sector.

The financial limitations to agricultural sector development became more acute in the post-1990 period due to increased difficulties experienced in attracting concessionary financing. In addition to the reduction in external financial support, the low levels of public sector resources and limited commercial bank credit to the agricultural sector and agro-industrial enterprises also adversely impacted the level of investments in the sector (Tables 17 and 18).

Table 17

Government Expenditure in Agriculture

EC\$'000	1991	1992	1993	1994	1995
Current Expenditure	10.9	10.8	12.2	11.7	11.8
Capital Expenditure	11.7	9.5	20.2	14.4	36.8

Source: Government Statistics Department, St. Lucia

Table 18

Agriculture in Commercial and Non-Bank Credit

Share (%)	1991	1992	1993	1994	1995
Total Credit, EC\$M					
Commercial Bank	684	772	908	970	1,065
Non-Bank Institutions	115	134	144	168	189
% to Agriculture					
Commercial Bank	2.2	2.1	1.8	3.4	4.4
Non-Bank Institutions	4.1	5.3	5.8	5.4	4.1

Source: St. Lucia Economic and Social Review, 1995, Ministry of Finance, Statistics and Negotiating (1996)

Labour difficulties continue to be a direct reflection of the structural weakness in the economy which generally encouraged labour away from agriculture. The high wages for skilled labour in construction, manufacturing and tourism influenced an increase in the wage rate for skilled as well as unskilled agricultural labour. In most instances, due to falling prices for major commodities, farmers were unable to match the demand for high wages. In addition,

the growing incidence of praedial larceny, particularly of fruits and vegetables, further eroded farm profitability. This critical problem discouraged many farmers from undertaking much needed investment to expand production of fruits and food crops. The possibility of sustaining heavy losses with little or no avenues for compensation continued to be a seriously hamper agricultural production.

Domestic deficiencies inhibit the sector from effectively adjusting to external market developments, particularly changing rules of international agricultural trade. The fortunes of the agricultural sector are very vulnerable to

global recession and waning demand. Export agriculture, particularly bananas, has had to contend with periodic depreciation in the exchange rate between the Pound Sterling and the US dollar. The globalisation and trade liberalisation processes of the mid-1990s highlighted the need to urgently address the deficiencies at the domestic level if agricultural industries are to remain viable in the post-1996 period. Agriculture is no longer a protected industry and the intensification of competition both in the domestic market from imports, and in the export market pose serious challenges for the agricultural sector in St. Lucia.

Agriculture in St. Lucia - Prospects

International Environment

Towards the year 2000, world agriculture will be increasingly influenced by an acceleration in the pace of globalisation and trade liberalisation. Trade is identified as the driver of this emerging environment. The dynamics of the globalisation and liberalisation have also been extended to agricultural trade, which, prior to 1994, was very heavily regulated by regional, hemispheric and international agreements. The most significant of these was the 1986-1994 Uruguay Round of negotiations on trade liberalisation.

These negotiations included for the first time, reducing the distortions in trade in agricultural products. These distortions resulted from government intervention and support for agriculture. The establishment of the World Trade Organisation in January 1995 thus marked the end of an era of protection the agricultural sector. The main WTO Agreements which impact the agricultural sector are summarized below. While developed countries were given a maximum period of six years for implementing commitments (i.e., 1995-2000),

developing countries were allowed a period of ten years (i.e., from 1995 - 2004).⁹

- **Agreement on Agriculture: 3 Commitments**
Market Access commitments require the conversion of all non-tariff border measures (import quotas), to tariffs which provide the same protection (process called tariffication). Tariffication is to be followed by a reduction in all tariffs by 24%. Provision is also made for the institution of a minimum-access tariff quota, initially set at 3% in 1995, to increase to 5% by 2004.

Countries are, however allowed to include special arrangements in their minimum access commitment and to allocate their minimum access to exporters with special arrangements, such as with the EU and sugar. Special safeguard provisions were also included for tariffied products that will allow additional duties to be applied in cases where shipments priced in domestic currencies fall below a certain trigger or in the case of import surges. This introduces, at least, the possibility of new protective measures being

⁹ "The Trading System After the Uruguay Round" John Whalley and Colleen Hamilton, Institute for International Economics, Washington DC, July 1996.

used in agriculture which may represent a weakness of the agreement.

Domestic Support commitments require reductions in the level of expenditures on domestic agricultural support measures which distort genuine trade (called amber box aggregate measures of support (AMS)), by 13.3% between 1995-2004. AMS include acreage payments, certain subsidised loan programmes, input subsidies and price supports.

Export Subsidies commitments require reductions in the value of direct export subsidies by 21% and in the volume of subsidised exports by 14% between 1995-2004. Developing countries are exempted from commitments on marketing of agricultural exports or internal transport subsidies.

• **Sanitary & Phytosanitary (SPS) Agreement**

This agreement covers food safety and animal, plant and health regulations. The agreement stipulates that the use of these measures should only be in instances where human, animal or plant life or health is threatened. Although negotiations towards the development of a globally accepted code of standards are still ongoing, Caribbean countries are encouraged to base their national SPS measures on international standards, guidelines and recommendations; higher standards may only be imposed if there is scientific justification.

• **Ministerial Decisions**

The Decisions on Measures Concerning the possible Negative Effects of the Reform Programme on LDCs and NFIDC seek to ensure that these countries are not disadvantaged in terms of higher food prices. The provision of food aid and basic food stuffs provided in full grant form constitutes the key elements of these Decisions.

The basic objective of agricultural trade liberalisation is to reduce the level of protection which imposed constraints to other potential suppliers of the specific agricultural commodities. The agreements may negatively

affect some participants in agricultural trade, particularly the least efficient producers. However, for most, tariff reductions and the elimination of quantitative restrictions may impact positively on their production costs, particularly as the cost of imported inputs are reduced. While lower costs of imported inputs is one element in enhancing commodity competitiveness, other factors, such as increased productivity, improved fruit quality and improved commodity marketing are equally important in producing a cost and quality competitive commodity.

International - Domestic Economy Link

While agricultural trade liberalisation may inherently have negative impacts on some developing countries, overall trade in agricultural products is expected to expand. For agri-food producers, tariff reductions and the elimination of quantitative restrictions may positively impact their production costs, particularly as it lowers the cost of imported inputs. While lower imported input costs is one element in enhancing commodity competitiveness, other factors, such as increased productivity, fruit quality and proper commodity marketing improvements are equally important.

In implementing WTO commitments, LDCs will require assistance in developing the legal framework and in undertaking reciprocal trade responsibilities. In St. Lucia, the pace of implementation of WTO commitments has progressed rather slowly. Concerns regarding import competition, particularly from products which continue to benefit from domestic supports and export subsidies have however, contributed to the slow pace of implementation of WTO commitments in some sectors.

In addition to the slow pace of implementation of the WTO 1994 Agreements, St. Lucia must now prepare for the Mini-WTO Agriculture negotiations, which are due to begin in 1999. It is very likely that this Round will place additional pressure in the EU to further liberalise its internal agricultural policy. The EU and the ACP are currently engaged in discussions towards the development of a post-

Lomé IV arrangement and preparations are also underway for the review of the EU's Common Agriculture Policy (CAP). It is expected that these the outcome of negotiations will impact on the EU's ACP trade preference regime and on the special commodity protocols in particular.

Commodity Market Trends¹⁰

The dominant trends in world commodity markets reflect the changes in the global context particularly over the last 15 years. Specifically, these trends relate to the changing patterns of production, food sourcing, distribution and consumption. The following section summarises the dominant trends for St. Lucia's main export commodities.

□ **BANANA:**

Banana continues to be a leading consumer fresh fruit choice, as evidenced by an increase in per capita banana imports over the last 10 years. However, world production capacity has increased, particularly in the Latin American countries. Barring the adverse impacts of unfavourable weather conditions on the major production zones, supply will continue to outpace demand. Prices in general, will fall. Another factor which will definitely lead to lower banana export prices is agricultural trade liberalisation. The WTO 1997 ruling against the continuation of the EU's banana trade regime, is one benchmark in the quest to liberalise agricultural trade. For the Windward islands, this decision means an acceleration of the UK banana market liberalisation in advance of the guaranteed market protection to the year 2000.

St. Lucia has continuously experienced difficulties in fulfilling its UK market quota of 71,000mt (from a total Windward Islands allocation of 294,00 mt). This is partially due to periodic reduction of the production base by hurricanes, as well as fruit rejected due to poor quality. Given the anticipated withdrawal of

farmers from the industry, it is unlikely that the country will satisfy this quota in the near future. The loss of EU market preferences and the subsequent loss of market share, will be potentially devastating on the banana-dependent rural communities and the St. Lucian economy in particular.

St. Lucia's prospects for the fresh fruit export segment of the banana industry hinges on its ability to accomplish, among others, the following:

- a substantial increase in productivity, which will be facilitated through the application of appropriate technologies (eg. irrigation to extend and regularise production, pest-resistant banana varieties), and the adoption of scientific advances in banana production, which will ensure reduction in unit costs of production;
- substantial improvements in fruit quality, mainly in terms of consistent fruit size and cosmetic appearance.

The industry therefore needs to re-evaluate its productive capacity and to put programmes in place to ensure that output levels are sustained. Achievement of these objectives is being facilitated by the adjustment and debt relief assistance from the EU and other international donors. In mid-1997, the EU allocated US\$165 million to assist banana-producing countries in the region. Important elements of this programme included the establishment of a core group of efficient banana growers, who would be able to compete in liberalised markets by the year 2000 and provisions to assist displaced farmers to find alternatives means of income. The acquisition and adaptation of technologies for the production of a wide range of by-products, such as banana purees, juices, chips and fibre products, will also provide a much needed boost to the agro-industrial sector, economic diversification as well as enhance the welfare situation of the banana-dependent communities.

□ **Coconut:**

The trends in coconut harvest, copra and oil production are indicative of the deep rooted decline in the coconut oil industry in St. Lucia.

¹⁰ Information for the main export crops extracted from the USDA's "Situation and Outlook Forum'96 Proceedings", February, 1996 and 1997; CARICOM's "Marketing Developments Relating to the Major Commodities" March 1997; Caribbean Basin Regional Profile 1998 Report.

While demand for coconut oil, both region and extra-regionally, continues to exist, the current and projected low level of prices offered act as a disincentive to coconut harvest for oil extraction. Resumption of operations of the St.Lucia Copra Manufacturers Ltd., hinges on the availability of relatively inexpensive copra in quantities sufficient to meet the operations at full capacity, and/or the access to similarly inexpensive bulk crude coconut oil, either from regional or extra-regional sources.

The rapid acceptance of substitute vegetable oils among a highly health-conscious population will continue to adversely affect the demand for processed coconut food products. However, the shift in consumer preference has not affected the cosmetic coconut by-products (such as shampoos, soaps, body lotions etc). Although the cosmetic industry is highly competitive, its prospects continue to be favourable. There also exists great potential in the development of bottled coconut water for a small, but rapidly growing domestic and regional market. It is doubtful that there will be any association to health risks which may adversely affect market acceptance of the product extra-regionally.

Other prospects for integrated coconut-based industries include, the manufacture of coconut meal in animal feed industries and the production of fibre. These options may be more appropriate at the cottage industry level providing gainful employment in rural communities thus contributing to the development of the rural sector. It must be noted, however, that their establishment should be guided primarily on analysis which measures the socio-economic viability of these small industries.

□ *Cocoa*

Over the last 10 years, the trend in beverage crops, including cocoa, was one of declining prices and generally stagnant demand in traditional markets for these commodities. There has been a tendency in the world cocoa market towards increasing concentration in the chocolate industry and the production of more standardised and bulk products. In the absence of unanticipated shortfalls in world production

due to the effects of natural disasters in main producing areas (such as, the adverse weather conditions associated with the El Niño), the overall outlook for beverage crops is considered to be relatively flat.

By regional standards, St.Lucia is a very small cocoa producer and cocoa beans exports have been sporadic and stagnant. Domestic demand for locally-grown cocoa is not sufficiently strong to sustain the industry. The survival of the cocoa industry in St. Lucia will depend critically, on the industry's capacity to produce a price and quality competitive product. Achieving this requires, in large measure, adequate control of pests and diseases, and the consolidation of the many small producing units.

□ *Fruits*

The global fresh fruit market is considered to be well supplied by low-cost producers, particularly those in Latin America. While demand for less mainstream fruits, such as mango, golden apple, tamarind, paw paw and soursop etc, exists, penetrating the US market in particular, has been difficult, due to rigid health and sanitation requirements, as well as in the trend towards multiples and supermarkets which demand variety, volume, regularity and product-related services.

Generally, the competition on the mainstream fresh fruit market has kept prices relatively low, in many instances, too low for St.Lucia, with small volumes, to profitably and continuously participate in trade in the markets. Niche market targeting has worked for fruits such as avocado and mango. However, maintenance of these niche markets will depend on reductions in production costs and improvements in fruit quality and market presentation.

Domestic Food Production

Production of roots and tubers, vegetables, legumes and grains, as well as meat, poultry and fish production, occurs primarily for domestic consumption. St.Lucia's domestic production capacity for these foods has increased substantially and appears sufficient to meet domestic requirements. In spite of the apparent high output levels, there continues to

be room for improving the efficiency of root crop production. Given the high levels of domestic market saturation for roots, tubers and plantains, there is need to develop these products into forms which extend shelf life (such as frozen packaged produce) and forms which offer a variety of options for consumption, (such as plantain chips). Innovations, such as these, remove the limitations on production due to saturated domestic markets for fresh food, and present increased opportunities for year-round availability of the product and for trade.

The capacity is also being developed for increasing the year-round availability of the more common vegetables, mainly tomatoes, carrots, lettuce, sweet and hot pepper, using irrigation and greenhouse technologies. The results of this are evidenced by improved market stability for the commodities. While greenhouse production of vegetables is an expensive investment due to its current reliance on imported technology, there has been some improvements in terms of use of local material in greenhouse construction. This trend is expected to reduce investment costs, stimulate increased utilisation of the technology and ultimately lead to expanded output of a wider range of vegetables.

There also remains much scope in increasing domestic production of legumes. The reorganising of crop production patterns, such as the systematic use of rotation, the development of appropriate inter-cropping systems which maximises output of all crops, and the use of irrigation for out-of-season production, will go a long way in achieving expanded output and ensure year-round supplies of high quality produce at reasonable prices.

Similar focused efforts in livestock and fisheries development, based on an assessment of the viability of domestic meat production, will also benefit the non-crop agricultural sector. Developments in the livestock industry should focus on the utilisation of local products and materials for animal feed in particular, will enhance the competitiveness of sustainability of livestock rearing.

Agro-Industry

The development of food processing capabilities to increase shelf self, enhance convenience and reduce waste from rejected fruit has emerged as an important driver of increased production and exports of agricultural products. In their present form, primary food products will find it difficult to compete with processed and semi-processed imported foods, particularly as these foods become more available as a consequence of trade liberalisation.

With the exception of the organic fruit and vegetable market segment which has recorded significant growth in this decade, growth in processed fruit and vegetable products has been very rapid. The processed food market for fruit products, such as segments, pulps, juices and purees, in developed countries offer opportunities for efficient agro-processors. The development of a vibrant agro-processing will not only add-value to agricultural output, but will also stimulate domestic production. In the first instance, such industries should concentrate on the processing of fruits which are in abundant supply, but for which export markets have either stagnated or declined, such as banana, grapefruits and limes. Enterprises such as the plantain and banana chip manufacturing undertaken at the cottage level should be strengthened and expanded to include other foods and fruits. The consolidation of this base, the expansion of product lines and strict attention to product quality and marketing will ensure the continued vibrance of this sub-sector.

Guidelines for Policy Formulation

St. Lucia's economy, once predominantly agricultural, has been reasonably successful in transforming into a service-led, primarily tourism, economy. Within this transition, agriculture remains an integral economic activity, both at rural and national levels. At the level of production, the sector's ability to contribute to national economic development, has however been adversely affected by the decline in the banana industry and slow growth in the non-traditional sectors.

The Government of St.Lucia has committed to the provisions of the WTO Agreement, including reducing public sector support to agriculture. Against this background, all actors in the sector are challenged to develop WTO-consistent mechanisms to increase productivity and competitiveness in the sector.

Competitiveness in agriculture can be viewed as a dynamic economic concept inherent to globalisation, that takes into account the need to adjust to the macroeconomic environment, adapt to the astonishing pace of technological innovation and be flexible in terms of the requirements of sustainable and equitable development.

AGRIFORUM - Towards an Agenda for Agriculture in the Americas, DIREXCOM, IICA Headquarters, Costa Rica, August, 1997.

The challenge continues to be one of sustaining efficient traditional crop production while expanding into a more flexible, diverse agriculture. Policy makers are thus faced with the twin tasks of increasing productivity and competitiveness within a free trade environment while simultaneously keeping the adjustment costs relatively small so as to minimise the negative impact on resource constrained groups. This can only be achieved through an appropriate mix of enabling policies, technological research and development, investment and continuous human resource development. Policy decision making for Caribbean Agriculture should place priority on the following considerations in the design of an agricultural development strategy.

- An Enabling Policy Environment which combines new public policy for rural areas with current macro-economic policy to enhance competitiveness. This should include policies which ensure rational spending of public resources on direct works that support the market rather than replace it. This strongly suggests an increased role of the private sector in all dimensions of the agricultural sector.

- Dynamic and Flexible Support Institutions through the transformation of the institutional framework. Institutional evolution should be characterised by reform/development of specialist institutions and an integrated and dynamic public and private sector partnership with the capacity to capitalise on strategic and tactical alliances for developing the sector.

This implies the extension of institutional capabilities which enables the development of mechanisms to secure access for local output to mainstream food distribution centres, which consolidates linkages with the hospitality sector, which provides quality-enhancing marketing services (eg. grading and packaging) and adequate extension and research services for product development.

- Technology Generation based on innovations for improved efficiency. Given the human and financial resource constraints, it may be more feasible for St.Lucia actively support the establishment and effective operation of a regional or sub-regional research centre for technology generation and transfer. This will be a pre-requisite for achieving and maintaining competitiveness and sustainability of the agricultural sector.
- Human Resource Development and the continuous development of the knowledge base will become a fundamental factor of production. Attention must be placed on the provision of high quality and timely education, which takes into account production and social requirements of the sector. Training and investment in human resources, particularly in the rural areas are inextricably linked to the sector modernisation process, competitiveness and equity.

Additional Statistics

Table 1: Origin of Gross Domestic Product, St. Lucia

EC\$ Millions @ 1990 prices	1991	1992	1993	1994	1995 ^P
Primary Sector:					
Agriculture	110.53	133.99	123.77	110.60	120.93
<i>Crops</i>	62.15	83.14	73.55	55.22	63.20
<i>Bananas</i>	33.79	34.80	34.00	38.22	30.89
<i>Livestock</i>	5.20	6.24	6.36	6.50	6.60
<i>Forestry</i>	3.48	3.14	2.86	2.01	2.35
<i>Fishing</i>	5.91	6.07	7.00	8.05	8.89
Mining & Quarrying	5.37	5.90	6.85	6.86	6.38
Secondary Sector:					
Manufacturing:	70.87	72.64	75.66	66.58	75.90
Construction	73.26	87.82	92.21	98.58	90.75
Services Sector:					
Utilities - Electricity & Water	29.51	31.70	35.11	37.15	40.16
Transport & Communications	168.96	175.25	178.93	188.86	200.87
Wholesale & Retail Trade	145.53	147.38	146.19	147.65	145.00
Restaurants and Hotels	86.39	95.68	105.08	118.30	125.75
Financial Institutions	77.58	80.88	87.67	90.22	94.80
Real Estate & Housing	50.46	51.77	53.12	54.50	55.92
Government	128.34	131.30	134.60	140.13	146.35
Other	30.35	31.11	32.66	33.88	35.36
Less Imputed Service Charge	52.65	55.59	61.78	61.64	64.66
Gross Domestic Product at Factor Prices	924.50	989.83	1,010.07	1,031.67	1,073.51

Source: Government Statistics Department, St. Lucia

Table 2: Consumer Price Index, St. Lucia

Average, year-end, Feb. 1984=100	1991	1992	1993	1994	1995
Consumer Price Index - All Items	129.3	136.6	137.6	141.3	149.6
Food	135.8	143.0	142.1	149.0	160.5
Alcoholic Beverages & Tobacco	128.3	130.4	134.5	135.9	136.9
Clothing & Footwear	147.5	178.4	181.8	178.2	188.8
Housing	105.0	105.0	105.0	104.8	111.8
Fuel & Light	114.5	119.5	118.9	117.8	119.3
Furniture & Household Equip.	137.8	141.7	142.4	143.3	146.4
Medical Care & Health	123.4	126.2	151.9	170.1	177.8
Transportation & Communication	130.8	139.0	144.3	146.8	153.6
Entertainment & Culture	140.2	147.5	149.1	150.3	154.8
Misc. Goods & Services	114.6	123.4	125.4	125.6	128.1
Inflation Rate Annual Average	6.1	5.7	0.8	2.6	5.9

Source: Government Statistics Department, St. Lucia.

Table 3: Summary Central Government Fiscal Operations, St. Lucia

EC \$ Millions Fiscal Year ending June 30 th	1991/92	1992/93	1993/94	1994/95	1995/96 ^p
Current Revenue	297.6	328.9	349.1	351.3	361.5
of which Taxes	275.1	302.7	310.1	317.4	324.8
Non-Tax	22.4	26.1	38.9	33.9	36.6
Grants	0	0.1	0	0	0
Current Expenditure	223.4	242.8	250.2	267.0	311.0
of which Wages & Salaries	113.3	122.5	131.3	143.2	172.1
Current Surplus/Deficit	74.2	86.0	98.9	84.2	50.4
Capital Revenue	2.2	0.3	0.0	0.8	0.1
Capital Grants	4.5	0.3	56.3	18.1	13.3
Capital Expenditure and Net lending	74.3	106.2	163.5	112.9	88.3
Overall Surplus/Deficit	6.7	-19.5	-8.2	-9.8	-24.5

Source: Economic and Social Review, Ministry of Finance, Statistics & negotiating, St. Lucia

Table 4: Distribution of Commercial Bank Credit, St. Lucia

EC \$ Millions, End of Period	1991	1992	1993	1994	1995p
Total Commercial Bank	684.3	772.3	908.9	970.3	1,065.0
Agriculture	15.3	16.2	16.6	33.0	46.5
Manufacturing	20.1	23.8	22.9	29.8	33.2
Distributive Trades	103.1	114.8	123.1	136.4	167.1
Tourism	89.1	86.1	110.5	120.0	130.3
Entertainment & Catering	3.6	7.5	8.3	8.2	9.7
Transport	23.6	22.9	29.5	30.5	54.6
Public Utilities	16.4	19.1	16.0	27.8	18.3
Construction & Land Development	25.1	23.0	32.0	34.9	40.0
Public Administration (Gov't Services)	38.5	54.8	59.5	55.3	50.0
Professional & Other Services	20.6	34.7	51.0	43.3	66.0
Personal	319.9	347.8	426.2	425.9	432.8
House & Land Purchases	177.7	194.8	232.2	252.4	260.1
Durable Consumer Goods	54.3	52.2	60.8	53.1	51.7
Other Personal	87.8	101.7	133.2	120.4	121.1
Other Advances	9.0	20.3	13.3	15.2	16.5

Source: Economic and Social Review, Ministry of Finance, Statistics & negotiating, St. Lucia

Table 5 Composition of Merchandise Exports and Imports, St. Lucia

EC \$ Millions	1991	1992	1993	1994	1995p
Domestic Exports:	272.37	311.02	285.79	225.08	253.16
0 Food & Live Animals	167.40	199.52	162.01	133.18	155.95
1 Beverages & Tobacco	17.58	14.44	13.98	13.34	14.98
2 Crude Material	1.46	0.99	1.37	0.94	1.12
3 Minerals Fuels	-	-	-	-	-
4 Animal & Vegetable Fats & Oils	6.33	3.46	4.36	3.09	1.20
5 Chemicals	1.22	1.69	2.60	1.29	1.40
6 Manufactured Goods	15.33	12.89	10.23	16.50	22.96
7 Machinery, Transport, etc	9.25	12.68	15.28	11.06	9.78
8 Misc, Manufactured Goods	53.89	65.34	75.95	45.66	45.76
9 Misc. Transactions	-	-	-	-	-
Imports:	797.41	831.12	810.32	814.52	825.35
0 Food & Live Animals	158.11	160.47	164.62	172.90	187.72
1 Beverages & Tobacco	27.77	31.29	29.58	27.86	29.51
2 Crude Material	25.51	26.27	21.90	27.42	26.67
3 Minerals Fuels	56.06	42.96	61.72	53.26	62.95
4 Animal & Vegetable Fats & Oils	1.92	1.73	1.19	2.20	2.16
5 Chemicals	80.66	78.78	74.04	76.57	77.74
6 Manufactured Goods	171.76	187.96	156.43	169.25	175.53
7 Machinery, Transport, etc	168.73	179.51	184.79	176.76	157.84
8 Misc, Manufactured Goods	105.60	121.67	115.55	107.73	104.65
9 Misc. Transactions	0.26	0.50	0.48	0.54	0.49

Source: Annual Statistical Digests, 1987, 1990, 1992 & 1995. Government Statistics Office, St. Lucia

Table 6.1: Food Exports Main Commodity Groups - SITC 0 & 1, St. Lucia

EC \$ '000	1991	1992	1993	1994	1995
Domestic Exports	167,401	199,520	162,031	133,185	155,952
00 Live Animals	5	3	4	5	1
01 Meat & Preparations	0	0	0	0	0
02 Eggs & Dairy Products	0	0	0	0	0
03 Fish, Crustaceans & preparation	125	48	20	4	0
04 Cereal & preparations	23	13	27	24	88
05 Vegetables & Fruits	164,182	195,324	159,273	130,001	153,492
06 Sugar & Preparations	45	54	31	14	12
07 Coffee, Cocoa, Spices	1,088	1,484	965	1,938	1,412
08 Animal Feed Stuffs	140	261	116	74	5
09 Misc. Edibles	1,793	2,333	1,577	1,125	942
10 Beverages	17,581	14,443	13,982	13,340	14,984

Table 6.2: Food Imports by Main Commodity Groups - SITC 0 & 1, St. Lucia

EC \$ '000	1991	1992	1993	1994	1995
Imports	158,114	160,471	164,646	172,901	187,569
00 Live Animals	185	138	283	286	213
01 Meat & Preparations	45,093	45,703	47,382	51,162	52,073
02 Eggs & Dairy Products	18,715	21,396	19,335	21,399	23,027
03 Fish, Crustaceans & preparation	8,873	9,677	8,843	10,721	11,719
04 Cereal & preparations	32,283	30,090	31,906	32,221	36,748
05 Vegetables	21,790	22,092	24,558	25,597	25,893
06 Sugar & Preparations	10,269	8,985	8,294	8,590	11,922
07 Coffee, Cocoa, Spices	4,116	4,099	4,539	4,717	5,180
08 Animal Feed Stuffs	3,167	3,600	3,610	3,450	4,265
09 Misc. Edibles	13,623	14,691	15,896	14,758	16,529
10 Beverages	25,410	27,740	26,559	24,927	25,617
11 Tobacco	2,362	3,557	3,020	2,942	3,889

Source: Foreign Trade Report, Government Statistics Office, St. Lucia

Table 7: Direction of Trade in Percent of Total, St. Lucia

Trade Shares	1991	1992	1993	1994	1995p
Exports:	296.42	336.13	323.00	256.09	294.21
UK	50%	53%	46%	53%	53%
USA	21%	22%	26%	28%	25%
Italy	6%	6%	4%	0%	0%
Other Industrialised*	1%	2%	3%	2%	3%
CARICOM Countries	17%	13%	17%	15%	16%
<i>of which Barbados</i>	23%	26%	11%	15%	16%
<i>Trinidad & Tobago</i>	13%	11%	11%	14%	19%
Rest of the World	4%	4%	3%	2%	3%
Imports:	801.97	827.29	804.52	814.52	825.20
UK	14%	14%	13%	13%	11%
USA	33%	36%	36%	37%	36%
Canada	3%	4%	3%	4%	4%
France	4%	3%	2%	2%	2%
Japan	6%	6%	6%	4%	5%
Other Industrialised**	2%	2%	2%	2%	2%
CARICOM Countries	17%	19%	20%	21%	22%
<i>of which Barbados</i>	15%	14%	16%	14%	15%
<i>Trinidad & Tobago</i>	52%	51%	52%	54%	55%
Rest of the World	20%	16%	18%	16%	18%

* exports other industrialised are France, Germany, Canada, Japan;

** imports other industrialised are Germany, Italy

Source: Statistics Department, St. Lucia

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