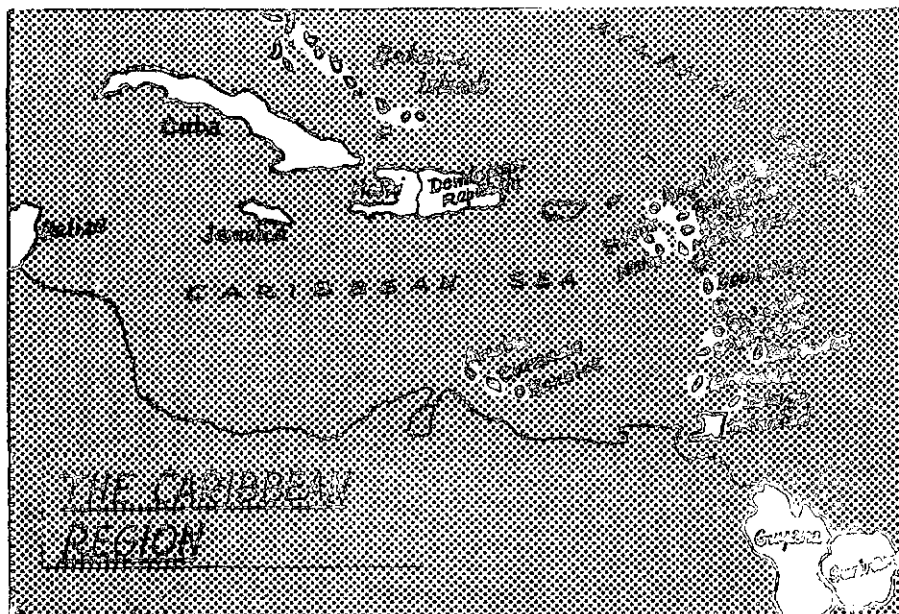


**C**ARIBBEAN  
**D**EVELOPMENT  
AND  
**C**O-OPERATION  
**C**OMMITTEE



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STRATEGY FOR THE DEVELOPMENT OF  
PRODUCERS/EXPORTERS' ASSOCIATIONS IN  
THE CDCC AREA

(A Joint UNCTAD/UNAPEC/CDCC Proposal)



UNITED NATIONS

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1. Introduction

In compliance with Point 6 of the Constituent Declaration of Havana<sup>1/</sup> and in accordance with the requisite conditions defined in the last sentence of Section B - "The Agricultural Sector" - of Chapter III of the CDCC Work Programme,<sup>2/</sup> the Secretariat of the CDCC presented at its Second Session in Santo Domingo, Dominican Republic (16-22 March 1977) a "Preliminary Draft Directory of Associations of Producers, Dealers and Exporters of Agricultural and Livestock Products of the Caribbean Countries - 1976".

Taking note of the importance and usefulness of the Directory, in its Declaration of Santo Domingo the Committee reinforcing its original mandates resolved -

"To adopt common policies to defend the prices of their commodities and raw materials in international markets, and strengthen the action undertaken to that end, by endeavouring to support producers' associations already established in the region or created in future with those objectives."

Furthermore, in its Work Programme for the year 1977 as well as in the preliminary consideration of the report of the Santo Domingo Session, the Committee mandated the Secretariat of the CDCC to complete the Directory and to initiate an attempt to bring the producers associations together and facilitate mutual exchanges".

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<sup>1/</sup> "Co-operate in the field of agriculture, in order to accelerate the development and use of appropriate and efficient techniques in this sector in the Caribbean countries and formulate joint policies promoting the agricultural complementation of the countries of the sub-region".

<sup>2/</sup> "Promoting and organizing: (i) the sub-regional production and industrial processing of crops; (ii) associations of producers/exporters for the sharing of experiences and promotion of reciprocal co-operation in the various aspects of the marketing of agricultural products, without discounting the possibility of exporting as a group to third countries".

In order to help implement fully those specific mandates the Secretariat of the CDCC decided to request the assistance of the Secretariat of the United Nations Action Programme for Economic Co-operation (UNAPEC) for the creation of a joint task force that could carry out a work programme for the end of 1977.

During this above-mentioned period the task force has held discussions on the completion of the Directory of Producers/Exporters Associations (document No. E/CEPAL/CDCC/29), and UNAPEC has prepared a document entitled: "Report on Producers' Associations of Africa, Asia and Latin America, dealing with Agricultural Commodities". Both documents would be submitted at the Third Session of the CDCC. With further assistance from UNCTAD, this last documentation was translated into French and Spanish.

As a follow-up to the above activities with assistance of experts from UNCTAD and UNAPEC in February 1978, the CDCC Secretariat is proposing the following strategy for the development of regional producers' associations in the CDCC area.

## 2. Aims and Objectives of Producers' Associations

The main objectives of any producers' association are two-fold, firstly, to intervene in the market so as to obtain fair and remunerative prices for the respective producers of a commodity, and secondly, to promote the effective co-operation among members of a producers' association so as to further the industrialization process within the respective country.

Within this context and having due regard to the agricultural commodities produced in the Caribbean region, there are some key functions that a producers' association will have to perform and these would include:

- 1) To provide for a general exchange of information and of the various experiences of the members with respect to the various aspects of the commodity or agro-industry.
- 2) Providing assistance in any of the statistical and economic tasks that may have to be performed by members.
- 3) Co-ordinate measures designed to ensure continuous growth of the specific commodity or agro-industry and the promotion and harmonization of the policies of the members related to production, processing, transport, marketing and export of the specific commodity.

- 4) Envisage, whenever possible, ways and means by which members of the associations could export as a group or organize jointly the production of raw materials and their processing.
- 5) Co-ordinate measures by members to counter any of the tariff and non-tariff barriers faced by their specific commodity or agro-industry.
- 6) Draw up standards of production, quality, packaging, etc.
- 7) Pool the resources available to help develop the particular commodity or agro-industry. This could be in the form of bulk purchasing of inputs (equipment, fertilizers, seeds, etc.), as well as in the form of financial assistance.
- 8) Provide the technical and advisory services as well as the training of personnel to meet the various needs of the agricultural sector.
- 9) To co-ordinate and develop a marketing policy that would have as a goal the opening of new markets as well as the vigorous promotion of new products in both the traditional and non-traditional markets.
- 10) Provide a forum for the discussion of problems of mutual interest to the members of the association and to serve as a flexible consultation and co-ordination mechanism for matters related to the specific commodity or agro-industry.
- 11) To formulate and implement measures for co-operation and integration that are consistent with the desires of the respective members of the association.
- 12) To monitor developments of the commodity or in the agro-industry involved and to disseminate or make available for use any new knowledge of either a scientific, technological or managerial nature that would be of importance to the development of the commodity or agro-industry.

In order to accomplish these tasks, producers' associations have different organs. Some of them deal with the general orientation and policies of the association, like the Ministers Council; and others with the implementation of the decisions, as in the case of the Executive Committee and the Secretariat.

### 3. Situation of the Producers/Exporters Associations of Agricultural Commodities in the Caribbean

Agricultural Producers' Associations in the Caribbean area as a whole, evolved originally around the traditional export crops (sugar, banana, coffee, cocoa, etc.), inheritance of the past production and

trading patterns of the former colonies of the Caribbean. They were set up to cater mainly for exports to the metropolitan markets. However, through time with the advent of the co-operative movement and agricultural societies, other types of associations have been created covering a wide range of products for exports to intra-Caribbean markets and markets outside of the region and also for the national or domestic supply.

Those associations could be classified into two broad categories - the public and private sectors associations.

#### PUBLIC SECTOR ASSOCIATIONS

These bodies embrace partially the traditional crops: sugar, banana, coffee and cocoa, etc., and mainly in the English-speaking countries the marketing of agricultural commodities. In the public sector some state or para-state organizations are also engaged that have essentially as functions, the control and monitoring of the relevant associations. But they have no participation in production of the commodities concerned. In that category could be ranged the Banana, Sugar, Coffee, Cocoa, Citrus, etc., Boards, and also the state institutions that oversee the activities of the co-operatives.

The broad objectives of the Commodity Boards of traditional export crops have been to promote, regulate, control and assist the development of their respective industries in direct or indirect participation. Some of their important functions are listed below:

- a) Regulation of production;
- b) Buying and selling of the products;
- c) Control in some cases of exports;
- d) Financial assistance to members;
- e) Processing and Marketing of products;
- f) Provision of research facilities for the development of the industry.

As far as Marketing Boards are concerned, they are set up by Governments to control and regulate the agricultural marketing facilities within a specific country. They are involved in the general improvement of agricultural production and marketing, specifically for securing the most advantageous arrangements for the purchase, handling, processing, trans-

portation, storage and sale of the produce. They are engaged in the buying and selling of any farm produce or foodstuffs.

Some of their basic functions are:

- 1) Buying and selling of agricultural produce.
- 2) Advice on grading, packaging, selection of commodities.
- 3) Gathering and disseminating of agricultural statistics.
- 4) Supply of feeds, fertilizers, and insecticides.
- 5) Assistance to producers (financial and technical).
- 6) Preparation of contracts with producers, regulation of prices of specified produce and control of whole-sale marketing.
- 7) Exercising the role of sole importer and/or exporter of specific produce.
- 8) Regulating trade in agricultural produce through licenses.

#### PRIVATE SECTOR ASSOCIATIONS

These associations operate with a minimal amount of governmental interference and control, yet there are basic laws governing their operations. This sector has both associations for specific crops, e.g. banana, sugar, citrus, rice, coffee, etc., throughout the Caribbean, and general associations for group of commodities, e.g. the Agricultural Societies, especially in the English-speaking countries of the Caribbean and the private Co-operatives.

Agricultural Associations, including Agricultural Societies and Co-operatives, are formed either by a government statute or by a private bill (Memorandum of Associations). They are formed for various reasons, among them: the need for the expansion and development of production and for marketing convenience; to influence the pricing policy of the buyers; to diffuse technical and other research information, and mostly, for the general co-operation among the individual producers.

The Agricultural Societies comprise the national agricultural and livestock societies and special agricultural organizations

associated with education and training of young farmers like the 4-H Clubs.

The main objectives of those societies are of two types:

- a) "to promote, facilitate and protect the economic production and marketing of agricultural products" of their members; and
- b) "to disseminate agricultural knowledge, to consider, encourage and advance all the branches of agriculture and all matters and things incidental or appertaining to the society".

With regard to Agricultural Co-operatives, although the individual co-operative functions as a private group most of the time, its activities are governed by government laws relating to co-operatives in the respective country. However, membership is decided in most cases by pre-determined areas of production and marketing.

The countries in which Co-operatives operate are: Bahamas, Dominica, Dominican Republic, Guyana, Haiti, St. Lucia, Suriname, and Trinidad and Tobago.

The main objectives of the co-operatives are:

- 1) The purchasing, ~~processing and marketing~~ of agricultural products.
- 2) The assistance in educational programmes and research information.
- 3) The provision of financial assistance to members.
- 4) The bulk purchasing of agricultural inputs for the benefit of members.
- 5) The retention of the marketing margin that is usually passed on to intermediaries.

Generally speaking, as far as the private sector associations are concerned, it is difficult to formulate their broad objectives because of their divergent nature. However, briefly, the Private Associations seek:

- 1) To promote, protect the industry and the general welfare of the producer.
- 2) To carry out research and other work on all aspects of the specific industry.



- 3) To disseminate information on the particular crop.
- 4) To assist members financially and commercially.
- 5) To assist in the marketing of the produce.
- 6) To carry bulk purchasing or acquisition of planting material, pesticides, fertilizers, etc.
- 7) To co-ordinate the views of producers for representation to official channels (in respect of price supports, subsidies, special duty exemptions, etc.).

However, there are a few groups that operate at a sub-regional level. The main ones are the Windward Islands Banana Growers' Association (WINBAN) and the Sugar Associations of the Caribbean (SAC) of the English-speaking Caribbean, whose functions include the promotion of the industry, collection and dissemination of information on the industry, research into the problems faced by the crop or industry, provision for financial assistance, etc.....

#### 4. Selection and basis for the choice of commodities appropriate for the formation of a Regional Producers/Exporters Association

The circumstances of the Caribbean require treatments that go beyond the realm of commodities that compete in the world market.

The CDCC area is a deficit zone in domestically consumed food items while its traditional crops fight for remunerative and stable prices in the world market. To comply with the CDCC mandates it is necessary that attention should be brought simultaneously on two categories of actions: the promotion of Caribbean Associations of selected traditional export crops and the bringing together of associations of producers/exporters of food items that could encourage the development of production, consumption and intra-regional trade.

Another aspect that must be borne in mind is that while State participation in the associations is likely to be encountered among associations of the traditional export crops, private ones are the rule in the case of regionally consumed or traded agricultural commodities. However, the most important private organizations in one way or another are connected to or supported, for credit purposes, by State-sponsored lending institutions (e.g. Dominican Republic, Haiti, and some English-speaking countries).

There are national producers/exporters associations in all the Caribbean countries for the following products:

- a) Bananas : Belize, Dominica, Dominican Republic, Grenada, Jamaica, St. Lucia and St. Vincent.
- b) Citrus : Belize, Dominica, Jamaica, Trinidad and Tobago.
- c) Cocoa : Dominican Republic, Grenada, Jamaica, Trinidad and Tobago.
- d) Coffee : Dominican Republic, Haiti, Jamaica, Trinidad and Tobago.
- e) Rice : Belize, Dominican Republic, Guyana, Haiti, Suriname, Trinidad and Tobago.
- f) Sugar : Antigua, Barbados, Belize, Cuba, Dominica, Dominican Republic, Guyana, Haiti, Jamaica, Trinidad and Tobago.
- g) Livestock : Antigua, Bahamas, Barbados, Dominica, Dominican Republic, Haiti, Jamaica, St. Lucia, Suriname.
- h) Fish Products : Belize, Cuba, Dominican Republic, Haiti, Jamaica, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago.

Moreover, there are few basic raw material crops in this sub-region - cotton, coconuts, copra and timber. Cotton producing countries with associations are Antigua, Barbados, Montserrat and St. Kitts-Nevis-Anguilla. Main coconuts and copra producers' associations exist in Dominica, Jamaica, St. Lucia, St. Vincent and Trinidad and Tobago.

On the basis of an evaluation and an analysis of their relative importance the preliminary selection of the following two categories of agricultural commodities has been made:

Crops Exported to  
the World Market

Sugar  
Banana  
Citrus  
Coffee-Cocoa\*

Commodities for  
Intra-regional Market

Rice  
Meat (beef)  
Fish and Crustaceans  
Timber (tentatively)

\* As usual the associations dealing in both commodities are linked.

The first group represents the traditional export crops for which actions would be directed towards improvement of their trading relations and patterns within the framework of the broader international trade activities of the third world countries. The second group, however, is intended to create the institutional frame, presently non-existent, with the aim of enabling them to improve conditions nationally and regionally for the ultimate objective of reduction of the area's dependence on external sources, and in some cases, to achieve a measure of self-sufficiency.

#### 5. A Strategy for the Development of Caribbean Producers' Associations

As it was explained in the previous sections, the CDCC region has gained experience in the organization and management of producers' associations at country levels, both at the public and private sector levels. A strategy for the future development should take advantage of this experience and give emphasis in the co-ordination of national efforts within the regional context.

The co-ordination of existing associations and their further development, should be focused on two main lines of work. First, some associations will deal with commodities that are mainly exported to non-Caribbean areas, like the United Kingdom, the United States of America, Canada and other third countries. Secondly, other associations will deal mainly with intra-Caribbean traded commodities.

##### a) Action for the development of associations dealing with extra-Caribbean trade

The main objectives of the strategy of associations that will be concerned with extra-Caribbean trade could be the following:

- Defend the prices and foreign exchange return of the commodity trade.
- Promote joint bulk exports where feasible.
- Promote the processing of the commodities in the CDCC Region.
- Exchange information on trade factors among member countries and on marketing procedures and practices.

- Stimulate exchange of research information already available.
- Encourage new efforts in research and development of the commodity in order to increase the competitiveness in the international market.
- Promote long-term international agreements and participate in the discussions with other producers on commodity agreements.

Concrete actions and measures should be adopted by CDCC countries in order to achieve these objectives:

i) Organize governmental, regional producers-exporters' associations for selected commodities

The existence of a number of producers' associations at country level and Statutory Boards at governmental levels, facilitate the establishment of regional producers' associations for specific priority commodities in which public sector organizations and the private sector will join efforts for common export policies. They will develop, when necessary and advisable, some common operative services like centres for information, research, trade intelligence, training, etc. Whenever feasible they should also attempt to conceive ventures or actions aimed at joint processing, marketing and export of the respective products so that a larger portion of the final market price would be retained within the region.

The following producers-exporters' associations could be organized in the immediate future:

- The Caribbean Sugar Producers' Association\*
- Caribbean Banana Producers' Association\*
- Caribbean Coffee-Cocoa Producers' Association
- Caribbean Timber Producers' Association
- Caribbean Citrus Producers' Association

This list could be expanded in the future to include other commodities.

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\* Those regional associations will tend to integrate existing sub-regional organizations and establish links with GEPLACEA and UDEC.

ii) Provide mutual technical services for the functioning of these new organizations

This will consider aspects like technical and legal support for the preparation of draft statutes, internal regulations, organization of a small secretariat, and when necessary organization of centres for research, training, information, etc.

b) Action for the development of intra-Caribbean Producers/Exporters Associations

Some commodities are essential for feeding the growing population of the CDCC region. Therefore strong action is needed for better use of land and other resources that provide foodstuff for regional consumption. Since the majority of the CDCC countries have mixed economies it is necessary to envisage a close co-operation among private producers and government agencies, seeking a common effort for the increase of foodstuff production for the region.

The following associations could be organized for the promotion of production and exports within the CDCC region and also abroad:

- Caribbean Meat Producers' Association
- Caribbean Grain (rice and corn) Producers' Association

The main aim of these associations will be:

- Substitute imports to the CDCC region
- Bulk purchase of the commodity if necessary
- Distribute the commodity in the CDCC region at a fair price.
- Promote long-term agreements between producers and consumers.

Also, mutual technical assistance should be provided to these new associations as envisaged for the others in previous paragraphs.

c) Organization of a regional co-ordination mechanism

In order to co-ordinate the action of the producers-exporters' associations with the overall CDCC development strategy, an institutional mechanism could be created for the establishment of the

appropriate linkages with the proposed Council for Social and Economic Development and the Caribbean Development and Co-operation Committee. To achieve such co-ordination it is suggested that a Council or Congress of Caribbean Producers-Exporters' Association be created, whose aims and objectives would emanate from the experiences of the suggested regional producers-exporters' associations.

#### 6. Tentative Work Programme 1978-1979

For the implementation of the above strategy a concrete work programme is outlined here. This work programme should be started in the first quarter of 1978 and continue through 1979, paving during these two years the way for a Third Development Decade strategy with respect to the CDCC region.

##### Activities

The work programme includes the following actions to be implemented jointly by the member countries of the CDCC region with the assistance of the Secretariat and United Nations agencies:

- (a) Prepare preliminary studies for the establishment of regional producers-exporters' associations. Studies will be made for the organization and functioning of associations dealing with sugar, bananas, coffee-cocoa, timber, citrus, meats and grains. These reports should be ready by the end of 1978;
- (b) Prepare action programmes for the establishment of regional producers-exporters' associations. This report will recommend measures for the negotiation process in the establishment of these associations. These actions will include:
  - i. representatives of international organizations who will visit the leading countries that could form a regional producers-exporters' association;
  - ii. preparation of draft statutes for the establishment of each association, using the model on the elements of the agreement that will be prepared;
  - iii. discussion of the draft statutes, at expert level with representatives of the leading countries that will start each association. International organizations will sponsor meetings with this purpose;

- iv. circulate the draft statutes discussed at expert level for consideration by the respective interested governments;
- v. convene a conference for the final approval of the agreement that will establish the regional producers-exporters' association.

This action programme should be prepared in the course of 1978. Since there are a number of different interests to be accommodated during the negotiations, the progress in each action programme will depend largely on the political will of the countries involved. It is hoped that by 1979 most of the agreements will be completed, and that some regional producers-exporters' associations could start their activities;

- (c) Prepare the draft statutes of a Council of Caribbean Producers-Exporters' Associations. This draft statute should be prepared by an expert working group and be submitted to the governments of the CDCC region and to the existing producers-exporters' associations. It is suggested that this draft statute be prepared in 1979.

#### Coordination

The Secretariat of the CDCC will be responsible for the coordination of this work programme, working in co-operation with international organizations like, SELA, UNCTAD, UNDP, FAO and UNAPEC and with the active participation of governments and private organizations of the countries of the region. An initial step would be the designation of liaison officers in the CDCC countries who could act as a working group and provide advice on a continuing basis to the Secretariat of the CDCC.

CDCC Member Governments at Belize Meeting may wish to request UNDP and/or other donors to finance a technical assistance project to help CDCC Secretariat implementing proposed Producers/Exporters' Associations Strategy.

