

Address by Hon. Minister Oliver Joseph
Delivered at the Launch of MNIB Strategic Plan -17th June, 2014.

Protocol

Your Excellency Dame Cecil La Grande – Governor General
Dr. the Right Hon. Keith Mitchell – Prime Minister
Cabinet Colleagues
Chairman of the Board of Directors
Directors and Management of the MNIB
Permanent Secretaries
Stakeholders of the Industry

Good Afternoon

Fifteen (15) months ago this NNP administration as part of the agenda for a new economy listed the reorganisation of the Marketing and National Importing Board as a major reformed project. We understood as an administration that our sustainability, economic development, poverty alleviation and rural unemployment can be addressed through a strong and robust Agricultural Sector.

The changes in the international trade environment brought about by New Trading Agreements such as the World Trade Organisation, and the Economic Partnership Agreement have resulted in the removal of the preferential trade arrangements for the region. The agricultural sector has arguably; been hardest hit and up until 2010, have only contributed on average 10% to GDP down from 20% two decades ago.

Grenada is now faced with the predicament of moving from competing on the basis of preferential trade and aid to a new era involving technology, innovation and open market competition.

As you are aware Grenada's food import bill has been averaging over 125 million per year, which is a significant loss of foreign exchange and if left to continue can put further strain on our economy. Such a situation exposes all of us to rising international prices and external suppliers.

The Home Grown structural adjustment program which this Government has developed mandates that we become a lot more self-sustaining.

Tackling this problem of a high food import bill requires the efforts of all. The Private sector must join the fight and bring to bear their management expertise, investment in technology, and their networks in order to access new markets while financial institutions must do more in making credit available in the relevant industries.

In the last budget debate, you would have heard me argue that statutory co-operations were introduced to help Government execute the programs in the interest of national and social development. Over the years some of these statutory corporations have not performed as expected. In this period of Structural Adjustment it cannot be business as usual.

As Minister with responsibility for the MNIB, early in my tenure, I charged the Board with the task of restructuring its operation to become profitable and to better serve the interest of the farmers. Today I am pleased to address three thematic areas on what has the MNIB

accomplished over the last 15 months, future objectives and the tangible benefits that can be expected.

1) Over the Last 15 Months MNIB was able to:

- Conduct organisation wide training
- Implement cost savings initiatives in-line with Governments vision of reducing expenditure across all areas
- Remove Central Government as a guarantor to its overdraft facility
- Introduce same day payment to farmers
- Upgraded the accounting and inter-connectivity systems to ensure that all Outlets can effectively communicate.
- Initiated the development of a crop forecasting system
- Generated a small surplus after 9 years of losses. This surplus must therefore become sustainable before we can truly say that MNIB is on its way. The Board of Directors should therefore remain prudent in its decision making process.

Already for 2014 MNIB has purchased over 1.5 million lbs of Produce from our farmers as compared to 2.6 million lbs for 2013.

As a government we were aware of the urgent need for action, we have committed ourselves through the MNIB to play a pivotal role in this transformation agenda. The plan is to:

- Increase the amount of farmers that do business with MNIB an average of 1400 to 3000 by 2016
- Increase the amount of local produce purchase from 2.6 Million to 4 million again by 2016
- That MNIB will increase the average purchase price paid to farmers
- And that there will be an increase in the amount of extension services being offered to our farming community.

I am heartened to know that already efforts are on the way to develop and introduce a crop forecasting system. This type of farm-to-market information system will facilitate the integration, interaction and transactions between producers and Consumers thereby reducing post-harvest loses and the offering of stable prices to farmers.

2) Future Objectives

Cognisant of those commitments made to the International Community especially during this period of structural adjustment, As Minister responsible for the MNIB I am pleased to endorse the strategic objectives to be unveiled by her Excellency.

Our Economy is small and open and vulnerable to external shocks. Our high import bill for a tropical nation with fertile soil is unacceptable. Therefore, any attempt to promote international trade through exports is not only welcomed but mandatory.

This NNP administration is of the view that if done right we can see our local agro-processors grow and develop into regional companies to take advantage of the CAEICOM SINGLE MARKET AND ECONOMY. Our people have the capacity to run successful businesses and as such the necessary infrastructure will be put in place by Government to foster that enabling environment.

It is our view that farmers should see themselves as commercial operators running a business; Government through my Ministry will continue to seek out ways in which we can strengthen the environment so that you are given a good chance of success.

Efforts will be made as a Government to ensure that through our Farm School, the right technologies are introduced to attract young people and women into agriculture. This policy approach will be supported by the Small Business Development Fund currently being administered through the Grenada Development Bank.

Whilst we encourage our Agro-processors to introduce various forms of ICT into their processors where appropriate to assist with research and development, sharing of best practices and to drive innovation in their businesses. Government is committed to improving the doing business climate to ensure that our local investors are encouraged to expand their businesses and to hopefully do so with the Agricultural sector. Government remains cognisant that the cost of production primarily inputs and electricity, the latter being addressed at a national level.

3) Tangible Benefits

Grenada has the opportunity to not only feed itself but to also be a major contributor to the food security of the region. A significant opportunity exists for export, especially in the Non-traditional areas.

Our policy position as a Government through the Ministry of Trade has always been how we can increase market opportunities for Grenadian Agricultural products through our trade agreements. You would be please to know that MNIB along with the Ministry of Trade has already reviewed our bilateral and multilateral trade agreements with many countries and is actively pursuing those opportunities. As Minister of Trade I am very hopeful that this initiative will bear results in the not too distant future.

In short, fewer imports well mean savings on Foreign Exchange and increased earnings for our local producers.

As a Government, coming out of this new strategic plan, we expect to see an increase in employment, increase incomes to our commercial operators, increase contribution by Agriculture to our GDP, a reduction in our food import bill, and increase in exports. This strategic plan must also address the removal of MNIB's status as the sole importer of Bulk Rice, Sugar and powdered Milk. In short you must be able to compete on the open market.

As Government promotes investment in the Tourism and Hospitality sector, we expect to see a greater proportion of the food requirements being satisfied from local sources. I have been made aware that MNIB has already taken the step towards food safety certification a pre-requisite for transacting with some customers and certainly to maintain overseas market access. My Ministry looks forward to additional institutions tapping into the technical resources that have been made available through the Bureau of Standards to assist in this regard.

The Nation's standard of living and rural employment should be enhanced once this new strategy is implemented. Despite the risk associated with Agriculture, Government sees investment in this sector as a good investment that can yield tangible returns.

This launch today is part of an overall plan by Government to implement a strategic agriculture development plan that takes into account sector-specific needs, inter-sectorial linkages, regional integration and international obligations.

Government will concentrate on rationalizing and coordinating a focused incentive regime and investment policy to boost farm production, value added along the value chain and facilitates growth.

Reward and stimulate private sector initiatives in all aspects of agribusiness.

Today I encourage all stakeholders; agricultural experts, lending institutions, policy makers to get on Board to make their contribution to national development and to submit that Agriculture is one such vehicle that can be used to facilitate your contribution.