

ABSTRACT

An Assessment of Adjustment Policies
on the Broiler Industry of
Trinidad and Tobago

Govind Seepersad

The probable experience of the 'Dutch Disease' in the 1970's followed by the downturn of the economy in Trinidad and Tobago caused the country to adjust its economic policies. Subsequently, a contraction was observed in the poultry sub-sector, specifically the broiler industry. This problem initiated the research on the impact of adjustment policies on the sub-sector.

The main objectives of this study were (i) to determine the effect of devaluation of the Trinidad and Tobago dollar and reductions in subsidies and transfers on the broiler industry during the period of adjustment, (ii) to understand how the broiler farmers adjusted their operations during the period of adjustment of the Trinidad and Tobago economy and (iii) to suggest an overall strategy that would benefit all producers in the industry.

Price data were collected from a number of sources including the Central Statistical Office and the USDA Economic Research Service. Additionally, the producers were divided into three categories - small, medium and large. A survey was then conducted to help explain the experiences of producers in the industry.

The results showed that the period of economic adjustment through removal of subsidies

and transfers, and successive devaluation of the Trinidad and Tobago dollar, increased the competitiveness of the broiler industry. Also, adjustment of the Trinidad and Tobago economy reduced the level of protection and effectively taxed the broiler industry at the contractors farm gate level during 1988, 1989 and 1993. It was also found that all three categories of farm sizes showed the same adjustment pattern due to the following factors - prices of feed, labour, capital, housing, baby chicks and reduced market demand but differed by size groups for the following adjustment variables - reuse litter, cease/reduce medication inputs and other such adjustment measures. Some farmers adjusted and remained in business, while others ceased operations to prevent further losses.