

ABSTRACT

In recent years, the rate of growth of Grenada's economy has been low and virtually constant, the main reason lying in the performance of Export Agriculture and particularly in that of the major crops, Cocoa, Nutmegs and Mace, and Bananas. The problem exists therefore: how can Grenada strengthen its Export Agriculture so that the crops can contribute to increased growth?

To put the problem in its proper perspective, this study examines the market and supply conditions underlying the three crops. It also examines the implications of market factors for production, and some problems limiting better performance on the supply side.

Examination of market conditions reveals that the international markets for the crops are weak and sagging, and that significant increases in Grenada's export earnings would come mainly from increased supplies of a better quality and produced at a lower cost.

On the supply side, the efficiency of production is generally low. Actual cocoa production is well below the potential of improved planting material made available to farmers. Nutmeg and Mace production is low in relation to the pre-1955 output and costs of processing the smaller quantities are higher. In the production of bananas, Grenada compares favourably with other Commonwealth West Indian producers but has not yet achieved really competitive standards. Certain problems curtail the achievement of maximum potential output of particular crops, certain others relate to Agriculture as a whole. Measures intended to help the farmer to improve his efficiency have achieved some degree of success but could be made more effective.

The prospects for Grenada's crops appear not too encouraging, not only because of poor demand conditions, but also because of the low efficiency of production. Generally, Grenada cannot affect world prices for its products but it can increase its export earnings through increased productive efficiency.