

ABSTRACT

The main objective of this study was to examine the nature of the farm output and income problems in the food-crop industry in Jamaica. Food-crop production and productivity and the average incomes of food-crop operators were found to be relatively and absolutely low.

Low production and productivity were essentially due to low levels of investment in farm resources -- particularly the quantity and quality of land resources, chemical inputs such as fertilizers, pesticides, etc., operating capital and management. Income levels were also partly constrained by the small-scale of operations; however, the low land/man ratio precluded the type of land distribution necessary to increase farm sizes adequately. Moreover, because of the complexity of the farm income problem, there was no guarantee that satisfactory income levels could be maintained even if the scale of operations were adequately increased.

It was therefore suggested that large-scale cooperative production coupled with a direct income payments program were

likely to be more efficient and effective than widely-dispersed small-scale farms for promoting rapid progress in agricultural growth and development, and guaranteeing the attainment of basic income targets. The benefits of such a program were also likely to exceed the costs; however, even if the costs were to exceed the benefits, policy-makers must decide on the net costs which the economy is prepared to accept in order to achieve the benefits outlined.

The following considerations were thought to be very important in making cost/benefit decisions for the agricultural sector: (i) that the ultimate objective of government's policy is to balance the economy -- not the budget; and (ii) in the long-run, it might be more productive and less costly to support the bulk of the farming population in the rural areas than to service the problems associated with rural-urban migration.