

A B S T R A C T

In order to augment supplies of foreign exchange and to contribute to the diversification of the Agricultural Sector an Import Substitution Policy has been applied to the Pig Industry since 1965. The objectives of the study are to critically appraise the Policy of Import Substitution in the Industry and examine its effect on the resource use in the Industry and Economy.

The analysis is based on : a review of the concept of Import Substitution; a study of the costs of production from a sample of Crown Lands and private farms; a quantitative assessment of the Policy's contribution to the Balance of Payments and growth of output and employment between 1965-69.

The study found that although output grew rapidly between 1965-69, insufficient attention was paid to the development of backward linkages. This contributed to high feed costs, a low volume of Net Import Savings and weakened the impact on diversification. Production was unprofitable on most of the Crown Lands farms, indicating the cost of the expansion on these farms. The failure to appreciate the potential for growth on private farms in 1969, and the inadequate marketing system, contributed to the decline in the rate of growth of production in 1969.

To make the Industry viable again it is concluded that emphasis should be placed on private farms and that the growth in output should be related to a rationalization of the marketing system and greater utilization of domestic ingredients for feeds.