

# Policy Options to Address Challenges Faced by SIDS in Relation to Agriculture & Rural Development

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# NATURE & CHARACTERISTICS OF AGRICULTURE IN SIDS



- Predominance of small-scale farmers characterized by:
  - Small holdings
  - Lack of security of tenure
  - Low levels of education
  - Low level of technology
- Vulnerability to natural hazards and lack of crop insurance
- Focus on primary production, with huge acreages devoted to a single crop.

# NATURE & CHARACTERISTICS OF AGRICULTURE IN SIDS



- Large proportion of population engaged in agriculture, with high multiplier effect
- Major economic activity in rural areas, making rural development synonymous to rural development
- Generally, low levels of productivity hence relatively small contribution to GDP despite large labour force

# EMERGING CHALLENGES



- Low productivity, vulnerability to natural hazards and lack of diversification exacerbated by:
  - Loss of preferential trade arrangements due to globalization
  - Climate change
  - High input cost and the global financial crisis, which will tighten credit and dump displaced workers into the sector



# OPPORTUNITIES

- Prevailing high food prices should provide stimulus for production.
- Agriculture provides the best option for recovery in the current recession because of its quick response to stimulus.
- Investment in agriculture provides the best option for social stabilization because of the multiplier effect, and its critical link to rural development.
- Development of agriculture arrests and reverses rural-urban migration and hence urban decay.



# POLICY OPTIONS

- The predominance of small farmers with limited access to education and technology necessitates strong support from the State in terms of extension services and research.
- Sustainable agriculture in SIDS is not possible without appropriate crop insurance, as one disaster can wipe out the entire sector particularly given mono-cropping in many countries.
- Research and extension must focus on adaptation, in terms of cropping systems etc.



# POLICY OPTIONS

- Promotion of appropriate technology to increase productivity, such as the use of protected agriculture, biotechnology and the use of more modern tools and small-scale irrigation.
- In most SIDS, there is a developed tourist sector, and deliberate attempts must be made by the State to link producers with the hotel sector, through appropriate marketing, logistics and post-harvest support.



# POLICY OPTIONS

- Policies to promote diversification and the development of value-added, since the commodities are susceptible to externalities.
- SIDS lack the scale of production to compete on price and volume hence deliberate effort must be made to develop niche products.
- In the current world food crisis, deliberate attempts must be made to build capacity for local production to enhance food security.





# POLICY OPTIONS

- Laws must be reviewed and enacted where necessary or deliberate attempts made to increase land tenure and release economic potential of land assets held by the myriad of small farmers



Thank You