

OPENING SESSION
INTER-AMERICAN INSTITUTE FOR COOPERATION (IICA)
REGIONAL AGRI-VALUE CHAIN FINANCING FORUM
COURTLEIGH HOTEL & SUITES
SEPTEMBER 26, 2016

Salutations:

- Mr. Stefano Cilli; Project Manager, European Union
- Dr. Elizabeth Johnson, Representative IICA Delegation, Jamaica
- Dr. Joaquin Arias Segura, Inter-American institute for Cooperation on Agriculture
- Mr. Robert Reid; Senior Consultant, Agribusiness, IICA
- Mr. Julio Ortiz; Finance Alliance for Sustainable Trade
- Mr. Napolioni Batimala; Merchant Finance Limited, Fiji
- Distinguished Guests
- Members of the Media
- Ladies and Gentlemen,

Let me take this opportunity to extend a very warm welcome to all of you here today, both locally and from overseas.

The Ministry of Industry, Commerce, Agriculture and Fisheries welcomes this important forum focusing, substantially, on regional agri-value chain financing.

We commend also the efforts of the Inter-American Institute for Cooperation (IICA) in staging this forum, in partnership with the Caribbean Research & Development Institute (CARDI) and the CARICOM Secretariat (CCS).

An overriding theme throughout the region is that of access to finance. In this particular situation, the main focus is on addressing the needs of smallholder producers and enterprises. However, for most micro, small and medium sized enterprises in the region, the situation is similar.

Smallholders

As you know, the perceptions of serious lending risks and high costs of service delivery, among other limitations, are well-known barriers to the financing of smallholders. These barriers make it difficult and sometimes impossible for farmers to get a loan, therefore denying them a chance to grow their businesses and incomes.

Clearly, traditional banking is not meeting the needs of the smallholder.

Value chain finance is arguably one of the most sustainable and effective ways of reaching smallholder farmers. To a large extent, that is why we are here today. Like our counterparts in other parts of the region, we must look at innovative ways to secure financing, attract investors in agriculture, and seek to reduce the high levels of risk associated with MSME financing.

We want, in particular, to see more of our women and youth being involved in agriculture. And, if we are to see more young men and women being involved, then we must make it more attractive for them to get involved.

Our youth, in general, will have few resources and little experience. However, in most cases they have lots of ideas and loads of enthusiasm. Even so, enthusiasm and hard work are sometimes diminished by inexperience, unsophisticated business models, inability to scale up a business, poor understanding of trade opportunities, and poor understanding of finance.

Our response is not to push people further away from the formal banking sector, or from the doors of our micro financing institutions. Rather, it is about being more inclusive, having a clearer understanding of the needs of our MSMEs, and finding new ways to invest with low risk, and get big results.

As such, the role of the Agricultural Policy Programme (APP) is critical in (CARIFORUM) addressing the development needs and increasing the opportunities for smallholder agriculture.

Initiatives under the APP that will help in all of this - both from the perspective of the borrower and lender - include:

- Electronic tools to capture and manage agricultural development initiatives and business-related information in CARIFORUM
- Contract farming for onions and Irish potatoes
- Strengthening the capacities of small producers so that they can utilize appropriate sustainable production systems and technological (R & D) packages for certain commodities

- Promoting linkages between primary and value-added technologies and complementing on-going value-added MSME initiatives. This also involves training in value-added processes and product development
- Strengthening the capacity of MSMEs to increase the volume, quality, standards and differentiation of local value-added products, with particular focus on utilizing local or regional root crops and ruminants
- Expanding the product base of value-added products among member countries, and of course, cassava bread and cassava value added products
- Strengthening and facilitating regional dialogue, which is what is happening here this morning

So, we are encouraged by the role being played by IICA and certainly appreciate the fact that this Forum will be exploring innovative risk-mitigating practices, as well as the more specific opportunities involved in the agri-value chain financing of MSMEs.

If we are really serious about facilitating access to credit, then the time has surely come for us to put our money where our hearts are. In plain language, as they say ladies and gentlemen – talk is not good enough.

We talk about growth.

Let's give people the tools, the mechanisms, and the opportunities so that they can set up and grow their businesses.

We talk about fostering greater engagement with MSMEs and sustained development of commodity value chains.

We talk about knowledge management products and innovative agricultural value chain financing schemes.

Ladies and gentlemen, we need to get these things done now. Let's set the stage for an explosion of small business and smallholder activities across the region.

I am convinced, therefore, ladies and gentlemen, that this Forum will help to forge practical solutions in developing financing mechanisms that will not only increase access to credit for our MSMEs in general, but will also be deliberately concentrated on facilitating our small agricultural producers, building value-added industries, the creation of new businesses, and eventually leading to more exports from the region.

Again, I congratulate the organisers, and look forward to the successful outcomes of this Forum.