



DAIRY SUB-SECTOR REVITALIZATION PROGRAMME

Jamaica Dairy Development Board



Rationale for Programme

The Government of Jamaica has earmarked the revitalization of the dairy sub-sector as a critical element of its policy of enhanced national food security, livelihood protection and accelerated rural development.



Programme Goals

- To increase milk production from a 2007 level of 14 million litres to 31 million litres by 2013.
- To achieve an output of 55 million litres by 2018



Strategy

- Increased production and improved efficiencies through promotion of:
- Increased productivity of pastures
 - Streamlined development of the Jamaica Hope as the major contributor to herd expansion
 - Opportunities for sustained small farmer participation
 - Preservation of animal genetic resources



Initiatives for Fiscal 2008/09

- Allocation of \$140 million to Jamaica Dairy Development Board for:
 1. Concessionary loan facility for pasture and herd improvement - \$52.5M
 2. Establishment of Investment Fund to facilitate GOJ equity participation in viable commercial ventures - \$25 M
 3. Streamlining the redevelopment of the Jamaica Hope breed of dairy cattle - \$13 M



Initiatives for Fiscal 2008/09...contd.

4. Import of Jersey heifers and embryos to augment Jamaica Hope - \$20 M
5. Farmer training through RADA - \$9 M
6. Institutional support to Farmers' Organizations - \$4 M
7. Programme Coordination - \$16.5 M



Loan & Investment Portfolios

- Administered by Development Bank of Jamaica
- Loan disbursement – PC Bank Network
- Interest rate – 4%; amortized over 7 years.
- Investment – GOJ equity participation in viable, stakeholder-driven commercial projects



Accessing Loan Facility

- Applications accompanied by full farm development plan sent to Dairy Board
- Applicant must be registered farmer with RADA
- Dairy Board monitors farm development programme and authorizes disbursements



Conditions of Loan

- Interest rate – 4 per cent
- Amortization period – 7 years
- Farmer's equity – 20 percent
- Loan limit - \$1.25 M – individual
 - \$2.5 M – corporate farm
- Maximum disbursement period – 6 months
- Irrevocable deduction order to milk processor



Investment Portfolio

- Equity support to commercial initiatives by duly incorporated Farmer Organizations
- GOJ participation through redeemable preference shares
- Inquiries to Dairy Board