

MINISTRY OF LOCAL GOVERNMENT

RESPONSES TO THE
FIRST REPORT
OF THE
JOINT SELECT COMMITTEE ON
MINISTRIES, STATUTORY AUTHORITIES
AND STATE ENTERPRISES
(GROUP 2)

ON

PALO SECO AGRICULTURAL ENTERPRISES
LIMITED (PSAEL)

RECOMMENDATIONS

Recommendations with regard to the operation of Palo Seco Agricultural Enterprises Limited:

- 1) that a Chairman be appointed as soon as possible, to provide the Board with its legal complement and to spearhead the resolution of outstanding issues on behalf of PSAEL that negotiations with PETROTRIN for a new RAMC be speedily settled to remove the uncertainty that exists in present month to month financial arrangements.
- 2) that the Ministry of Local Government consider and approve initiatives relating to the Large Farm Project and the Strategic plans for the revitalization of the Forestry Industry as proposed by PSAEL, by June 2011.
- 3) that the Ministry of Finance give the necessary authorization, as soon as possible, for the sale of the Pasteurization plant at Chatham to Trinidad and Tobago Agri-Business Association (TTABA).
- 4) that the Ministry of Finance reconsider its decision to transfer viable agricultural holdings to PETROTRIN, in light of the potential for improving agricultural production at a time when the economy needs such diversification.
- 5) that a committee be established to address/develop strategies with regard to:
 - i. settling all outstanding regularization claims by June 2011.
 - ii. monitoring lands to prevent recurring instances of 'squatter-creep'
- 6) that the Board make efforts to ensure that its Annual Administrative Report is submitted in accordance with Section 66A of the Constitution as well as its Audited Financial Statements.
- 7) that the Ministry of Local Government should note the transformation of the activities of PSAEL and make efforts to rationalize the projects of the PSAEL and to re-brand in keeping with the redefined mandate and operations.
- 8) that careful re-consideration should be given by the Government to the matter of assigning major assets of PSAEL to the University of Trinidad and Tobago.

RESPONSES

1. A Chairman was installed at PSAEL on April 4th, 2011. In addition, PSAEL is currently concluding negotiations with respect to signing a new Management Contract Agreement.
2. A draft proposal for the Large Farm Project is to be submitted to the Board of Directors for consideration.
3. By letter dated August 30, 2010 an offer was made by Trinidad and Tobago Agri Business Association (TABBA) to purchase the Chatham Farm Facility and Pasteurization Plant, which was accepted by PSAEL. On the recommendation of the then Board of Directors, management was instructed to inform the Ministry of Finance (MOF) and the Ministry of Local Government (MOLG) of the impending sale. PSAEL was subsequently informed by the MOF that sale of the Plant '*must be conducted through the Tenders Committee as stated in the Standard Procurement Procedures Manual*'. The decision to sell to TTABA was rescinded.
4. The matter is currently being addressed by the Ministry of Local Government
5. A Land Policy and Squatter Containment Procedure were submitted to the MOLG on June 26, 2009 for approval. The MOLG subsequently responded outlining the strategies to be employed. Discussions are continuing in this regard. Additionally, a committee consisting of members of the Board of Directors of PSAEL was established to review the matter in consultation with management.
6. A draft of the 2010/2011 Administrative Report is being finalized by PSAEL for submission by the July deadline.
7. A request was made to the MOLG with respect to the re-branding of PSAEL. However, following discussions held with the Board of Directors a decision was taken to withdraw the request.
8. PSAEL received no formal instruction from the Government with respect to the matter of assigning major assets of PSAEL to the University of Trinidad and Tobago (UTT). However, by letter dated March 6, 2008 PSAEL was informed by Professor Emeritus Ken S. Julien of a decision by Cabinet that '*lands owned by the Palo Seco Agricultural Enterprises Limited be leased to the UTT as required*'. The matter is to be addressed by the Board of Directors.