

Jamaica Dairy Development Board

Lease of Wallens Dairy Farm to the Beef and Dairy Producers Association to Launch Implementation of Cluster Dairy Model

Cabinet at its meeting of May 25, 2010, approved the lease of the Wallens Dairy Farm, located east of Linstead, St. Catherine, to the Beef and Dairy Producers Association of Jamaica (BDPAJ).

The lease, which extends over 25 years, is intended to facilitate the establishment of a Northern St. Catherine Dairy Cluster to enable the re-entry into the industry of at least sixty (60) small-scale farmers who would be invited to each lease a maximum of ten (10) cows to the farm for corporate management. Wallens Dairy will be one component of a proposed development by BDPAJ to increase local fresh milk production through the participation of small-scale farmers as equity owners, deriving greater benefits from the value chain.

The Wallens Farm, comprising 250 acres will be intensively managed as a semi-zero grazing system employing the Total Mixed ration (TMR) feeding strategy to a herd of 625 cows. Annual output is projected at approximately 2 million litres of milk.

Wallens will form one component of a vertically integrated network, in which the Century Dairy Processing operations at Old Harbor will form the hub for the processing and marketing of milk. A recent agreement between the Jamaica Dairy Farmers Federation, its owners, and BDPAJ has led to the formation of a joint venture company which will assume responsibility for the management of the Century Dairy in addition to overall responsibility for the management of the cluster farms.

BDPAJ proposes to invest in the recapitalization of the Wallens Farm; this investment to be partially offset by a write-down on the annual lease over the first ten years of the project. Project implementation is expected to commence within 4-6 months.