Colombia's agricultural policy objectives are to increase food production for domestic consumption, and to generate foreign exchange through exports which in turn will promote overall economic development and increase the rural standard of living.

Development strategies emphasize self-sustaining growth through increased productivity and the stimulation of research, technology transfer, land adaptation and greater vertical integration.

- Closely cooperating in these efforts are a 14 government agencies including the Agricultural Credit Bank (Caja Agraria), which channels credit and inputs to small farmers and operates 600 offices throughout the country. The Colombian Agricultural Institute (ICA), is the research and technology arm serving the small and medium-size farmer through extension services. The Agricultural Marketing Institute (IDEMA), is responsible for importing and regulating the supply of certain basic foods, among them wheat, oilseeds, pulses, oil, and powdered milk.

Private farmers have formed a number of non-profit associations to provide various forms of support to their members. The most important one is the Coffee Growers Federation, representing 300,000 coffee growers, who produce more than 12 million bags of coffee per year. Other associations include those representing sugar, potatoes, grains, cotton, bananas, palm oil, flowers producers and livestock owners.

Late in 1988 the government launched a program to encourage agricultural production and eight basic products in particular to curb inflation, reduce imports, and increase employment. These products are rice, corn, soyabeans, beans, cassava, meat, dairy products and vegetables. High support prices, increased availability of credit and lower import taxes on agricultural machinery and pesticides are the basis for the program.

In March 1989, the Ministry of Agriculture underwent a major reorganization through the creation of four major branches within the Ministry: Planning, Production, Marketing and Financing. Companies of mixed (private and state) ownership will also eventually be involved in this reorganization.

Another important recent development was the abolition by Venezuela early in 1989 of a special rate of exchange which, in effect, subsidized imported agricultural commodities. These products are now more expensive in Venezuela, thus reducing the incentive to smuggle into Colombia. As a result wheat, oils, eggs, corn, purebred cattle and hogs and some processed food products should be more expensive in Colombia in the near future.