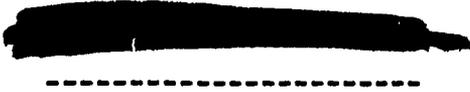


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MONTHLY PROGRESS REPORT

AGRO-INDUSTRIAL DEVELOPMENT  
UNIT

May 31, 1985

Monthly Progress Report  
for May 1985

A. Meeting

1. ADU (3)
2. Supervisory visit meeting with Mary Jane Checchi, Mr. Motta, Mr. Archibald, Mr. Morgan, and Boomer at ACB.
3. USAID including Mr. Schlotthauer, Mr. McCluskey, Mr. Buchanan, Mr. Rochester and Mary Jane Checchi.
4. Met with Mr. Archibald, Mr. Motta, Mr. Batchelor to review internal controls.

B. Field Calls

Five (5) field calls and interviews with owners of Dew Farms, Tijule, North Clarendon, Rose Hill, and Arid Meats Unlimited.

C. Administrative

Met with Project officer Cyril Buchanan and provided input to the annex to the project regarding:

1. Exchange rate date at issuance of Letter of Credit.
2. Guarantee component
3. Loan limit
4. Asset base as it relates to eligibility
5. Approval process of ADU loan requests

D. Consultants

Met with Dr. Paul Chen Young and M.J. Checchi to discuss ADU project. Met with M.S. Perena, of World Bank to review common concerns.

E. Promotion

Met with Mr. Hibbert and Mrs. Gunning of NCB, also Guy Synes of FIDCO regarding possible project. The meeting with Dr. Paul Chen Young, Edyk Merchant Bank was positive for ADU of ACB.

F. Loan Application

Rose Hill JA \$1,400,000 in ACB from Royal Bank

G. Loan Disbursals

1. Dr. Dewdney JA \$200,000
2. Mavis Bank Coffee JA \$250,000

## H. Challenges

1. Insufficient signatory authority in the ACB causing delay in Royal Bank issuance of L.C. benefit of Comfort Hall.
2. Rose Hill Farm application from Royal Bank setting at ACB waiting for approval.
3. Getting annex to project approved at Ministry of Finance to change:
  - a. Exchange rate date
  - b. Approval process on ADU Loans
  - c. Loan Limit
  - d. Asset base
4. Getting Duty Free status for all supplies and equipment coming from Jamaica under the project.

## H. Implementation for June

1. Complete final report
2. Exit conferences
3. Work with replacement

### 1. Report on May Implementation

1. The annex to this project presently with the minister of finance pending approval will: address the exchange rate date at Letter of Credit issuance date.
2. The duty free status of project commodities and equipment remains unresolved.

## J. Comments

The appointment of Edwin McKie to Managing Director of the AC Bank will, I hope, resolve the challenges that exist as outlined at paragraph H above. I feel the appointment of Mr. McKie is a very positive step in having the AC Bank function as a wholesale lender of capital to the Jamaican Agriculture sector.

MEMORANDUM

May 31, 1985

TO : Mr. M. S. Motta  
Project Manager (ADU)  
Agricultural Credit Bank of Jamaica Ltd.

FROM : Morgan, S.R.  
Production/Processing Specialist

SUBJ : Activity for the Month of May 1985

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1. Technical Assistance and Assessment of Projects Activity

- a. Field trips 6  
Meats Unlimited - Mandwille  
FIDCO  
Rose Hill - Spur Tree - New York  
Scotts Presures - St. Andrew  
Music Mountain - St. Andrew
- b. Meetings with potential sub-borrowers: 14
- c. Meetings and correspondance with new potential sub-borrowers: 9

- Mr. & Mrs. McCook - Wood products
  - Mr. Hilbert on behalf of Mr. C. Allen
  - Mrs. Olive Scott - Food Products
  - Mr. Joseph Sonurs - Food Products
  - Rose Hill, Ormanmental (?)
  - Mr. & Mrs. Nelson - Meat Products

d. Other

1. Considerable time was expended in meetings with USAID is preparing an Annex to the Agro-Industry ACB/ADU "House Rules". Essentially the corrective action required to enhance the assessment of the Program. We intend to remove limitations/flows that relate to constraints in the Project. Three lengthy meetings were held with Messrs. William McClusky, C. Buchanan, and J. Schlotthauer.

2. The writer has assisted Mr. R. Rogers (Agro 21) in an attempt to rectify a product/cash problem encountered by Mr. John Fletcher in the marketing of Banana chips.

- Samples forwarded to New England acceptable.
- Yields 20% lower than pilot fraction.
- Pricing not competitive to product from Taiwan and the Philippine Islands.
- Problems with high cost of propane and cooking oil.

I advised Agro 21 and Mr. Fletcher to contact Food Tech Dept. WPR, Rio Piedras, as the Department is noted for its work with Plantain/Banana/-coconuts finished products.

3. Exploratory discussion and technical assistance provided for new loan prospects:

St. Paul of the Cross Mandeville - Father Charles presently has 1/4 acres Arithurium under greenhouse of imported Hawaiian Arithurium. He intends to go to one acre of greenhouse. Provides work for 6-8 persons, and exports blooms to a guaranteed distributor in Miami. Est. loan range 20-25,000 US\$.

#### Meats Unlimited - Mandeville

Mrs. Nelson as of our meeting May 29th has decided to enlarge the operation requiring a:

- Smoker unit (Pork, sausage, bacon)
- grinder - Packing - Ingredient materials.
- o S/S tables
- Injector -
- Scales - racks
- Compressor for walk in chill room.
- Pick up - refrigerated truck

I have provided Mrs. Nelson with costing/suppliers and will meet early June for inventory decision. Est. could run in excess of US\$ 50,000.

#### Trinjam Products - Kingston

To date, Mr. Victor Shim has not advised the ADU regards his proposal to acquire processing equipment for cheese spreads, dressings. His response continues:

- Working out product formular
- Waiting for cost inputs.

Project est. difficult to assess at present. US\$ 130,000.

#### Island Foods - Seaforth - Bushy Park

Deficiencies were discussed with Mr. Hibbert (NCB), and a further review was advised with potential client. This was promised. (NCB had initially approved the loan request, notwithstanding numerous deficiencies in the assessment and proposal write-up. NCB initially supported a ACB/ADU loan/J\$ 200,000.

### Music Mountain - Wood Products

Progress has been very slow. The principals and Forestry consultant have been off Island, and have just returned the end of May. There is much field work to be accomplished prior to planning equipment requirement/cost/products/market. Conceivable: up to US\$ 500,000 programming.

### Fish (pond-perch) Processing

Response to date has been negative. My attempt to get Messers D. Menzies and V. Anderson to meet after hours to initiate a positive move has been unsuccessful. "One is on leave, the other is busy at his ponds, etc."

### Scotts Preserves, Twicken-ham Park

Has gone on record with the intent to apply for financing ACB/ADU viz. C. Banking. I have been advised by Mrs. Olive Gibson a projection is being prepared for our consideration/discussion. As opposed to a prior plan to improve a canning line, upgrade the factory, and install a new jam and marmalade line - New emphasis is placed on a fruit concentrate line for exporting in Bulk. The original total for equipment and upgrading amounted to US\$ 131,317 and JA\$ 86,477.

The total estimates, not including the Fish processing potential amounts to some US\$600-800,000 dollars.

AGRO - INDUSTRIAL DEVELOPMENT UNIT  
June 3, 1985

Borrower	Sub-Borrower	Loan #	Approvals		Disbursals	
			J\$	US\$	J\$	US\$
NCB	Grays Pepper Products	83005	-	150,000	-	146,327.35
NCB	Tijule	84006	103,000	45,000	103,000	41,226.47
Royal Bank	West Side Farms	84003	325,000	70,000	-	-
NCB	Island Dairies	84009	150,000	319,000	150,000	319,000
Royal Bank	Comfort Hall	850020	215,000	35,000	215,000	-
NCB	North Clarendon	850011	20,000	37,537	20,000	-
NCB	Jamaica Exotic Bloom	850012	120,000	-	120,000	-
NCB	Plant World	850017	163,400	22,000	163,400	-
NCB	Church Valley Farms	850018	110,000	-	110,000	-
TOTAL			<u>1,206,400</u>	<u>678,537</u>	<u>881,400</u>	<u>506,553</u>

\*Loans Processed for Disbursal

NCB	Dew Farms (Dewdney)	JA\$ 200,000	US\$ -
NCB	Mavis Bank - Coffee	<u>250,000</u>	-
TOTAL		JA\$ 450,000	

\*Insufficient number authorized personnel to sign disbursal documents.

Loans Processed for Approval

Royal Bank	Rose Hill	JA	US\$
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Each month delay of approving and disbursing Dew Farms, Mavis Bank and Rose Hill represents a loss of ±\$JA 16,000 to ACB.