



# AGRI-ENERGY ROUNDTABLE

## TRIP REPORT

Agri-Energy Roundtable Association Development  
Kingston, Jamaica July 1-3, 1991

### Summary

AER's exploratory mission to Jamaica provided an opportunity to determine current interest in the model agribusiness association project initiated in April 1989. AER received excellent back-up support from indigenous Jamaican organizations - and USAID. The TDY revealed considerable potential for AER in Jamaica, including USAID project interest - which was not evident earlier ( i.e. - Agricultural Export Services project was initiated shortly after AER's visit and signed with GOJ in August 1989)

### TDY Outline

N.E. Hollis, AER's Executive Director, arrived in Kingston on Sunday, June 30, met with USAID officials Stephen A. Szadek-chief ARDO, Mark Smith and consultant Joyce Cacho in a.m. July 1 briefing on AER's network sparked mission interest, particularly with follow-on to ATDM (Agricultural Trade Development Mission) program and a USAID/USDA-OICD agricultural export workshop conducted in Kingston (November 1990). USAID is supportive of agricultural association coalition-building efforts which would contribute to enhanced agricultural export performance from Jamaica's agricultural sector (particularly non-traditional crops). There may be scope for further work with USAID/Jamaica within the Agricultural Export Services Project (AES).

After determining positive interest linked to the ongoing AES project, AER spent remainder of short visit in discussions with indigenous Jamaican agro-industry leaders and organization professionals. The objectives of these discussions: to (1) determine current state of interest in AER concept remaining from two years earlier - and (2) to determine the state of Jamaica's indigenous agricultural organizations; with particular regard to identifying potential linkage group and/or local leaders who might help AER to form an indigenous counterpart non-profit association linked to AER's international network.

The TDY succeeded in its aims beyond expectations - largely due to the strong residual interest held over from 1989, and the timeliness of AER's message in Jamaica where chronic economic problems and lack of positive action/ineffectiveness among existing groups has reached a stage where ad hoc groups are forming - particularly within the agricultural sector. AER noted rising ag-producer concerns with interest rates' negative impact on agricultural lending, the increased importation cost of certain agricultural inputs due to the slide in Jamaica's currency value against freely-convertible currencies, and the increasing frustration over agricultural trading which is locally regarded as exploitative by Jamaican farmers, since, it is argued, little foreign exchange earned is retained in Jamaica or re-invested in

local agriculture.

Among the local groups visited by NEH, including the Jamaican Agricultural Society ( Senator Courtney Fletcher); the Farm Leaders Lobby, Jamaican Citrus Growers Association; Jamaican Agricultural Development Foundation (JADF) and Caribbean Agricultural Communications Services (CACS): all showed considerable interest in organizing a discussion workshop for the purposes of launching a local organizing effort toward establishing a counterpart agro-industry association (NOTE: The JADF has acted as a de facto coordinator for this initiative to date). Hollis also spoke with leading businessmen, including Dr. Bryan Davidson ( Grace-Kennedy); Erol Beckford (Jamaican Citizens Bank). Ron Sasso, Trafalgar Bank; and Ivan Tomlinson (Citrus Association), Basil Stewart/Patrick Maitland (Caribbean Agricultural Communications Services) and others. In each case local contacts expressed hope that AER could return for a more extensive TDY - during which time the necessary arrangements could be made for a group briefing for interested parties.

Following up on earlier discussions with Mrs. Jeanette Grant-Woodham President of the Jamaican Senate in 1989, AER was referred to Senator Courtney Fletcher (current deputy president of the Senate, and chairman of the Jamaica Agriculture Society). Senator Fletcher received Hollis on short notice and expressed interest in AER/JAS linkages. It was agreed to foreword additional information for JAS consideration. (Note: JAS is a producer oriented association with a rich history founded in 1895 - but little financial support. As this support is provided by the Jamaican government there is some question on how independent a voice JAS can provide.) Mrs. Jeanette Grant Woodham is no longer in public office.

Discussions with Ivan Tomlinson of the Citrus Growers Association revealed considerable potential for AER association development/technical assistance channelled into the Farm Leaders Lobby (FLL), - a six month old informal group of producer associations - directed at forging a more results-oriented dialogue with the Jamaican Government on agricultural policy issues. FLL is interested in broadening its scope and progressing toward a self-sufficient umbrella association. FLL is currently funded modestly with membership subscriptions from a number of producer associations receiving no support from government. FLL is interested in AER's "Food Systems" model including energy and environmental concerns.

AER will follow-up with respective contacts made, as well as USAID, to determine the most effective, timely follow-up visit - which should include a more formal briefing workshop with interested association and agribusiness executives.

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ABC/AER Model Agribusiness Association Project

In late 1988, following positive AID participation in a successful agro-enterprise workshop and symposia series conducted by the Agri-Energy Roundtable (AER) which encompassed conference programs in Manila, Hong Kong, Bombay and Geneva, Switzerland, and a special conference organized by the Agribusiness Council (ABC) in St. Louis, Missouri (October 1988), AID/FHA/PPM and AID SET/Office of Bioenergy Systems provided two modest pilot grants which enabled the ABC/AER to begin exploratory follow-up visits with a number of USAID missions and indigenous agro-industry entities in fifteen developing countries for the purpose of forming and strengthening the emerging AER/ABC network of agribusiness trade associations.

In Africa, this model received considerable high-level attention through AER's participation and presentations before the UNIDO/ECA Ninth African Minister's of Industry Conference (Harare, June 1989) and the African Leadership Forum (Lagos, August 1989). In both instances, AER's proposal received enthusiastic response and formation committees composed of a mix of government and private sector leaders sprung up in a number of African countries (Kenya, Nigeria, Ghana, Senegal, Zambia, Zimbabwe, Lesotho, Uganda, Cameroon, and Gambia). By the end of 1989, several AER counterpart associations had already incorporated and registered as non-governmental organizations with their governments (Uganda, Nigeria, Kenya).

In June 1990, African participation at the Agribusiness Council conference in Washington (which received partial support from AF/MDI and several missions) sparked additional interest and momentum among indigenous African entrepreneurial groups. Following several panel sessions on the program, African delegates met with ABC and AID at a special breakfast workshop and were encouraged to accelerate their organizational efforts toward building sustainable association/advocacy groups.

AER's exploratory grant was renewed in 1990, and four follow-up missions were extended to East Africa during which AER/ABC provided modest technical assistance and support services<sup>2</sup> for AER counterparts in Kenya, Tanzania, and Uganda. Meanwhile, in West Africa, AER counterpart groups formed in Gambia and Nigeria.

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<sup>2</sup> Includes briefings, consultations on bylaws/articles of incorporation, governance process, developing a business/membership development strategy, organizing initial events, and preparation of promotional literature.

AER/ABC provided these programming services based upon a ten year track record of successful activities, and the broader foundations of a quarter century of professional experience - which includes dozens of major conferences and seminars, along with over forty trade missions, numerous publications and special written reports (including agribusiness marketing profiles for twenty countries). ABC, through its extensive grassroots network of U.S. state/local agribusiness councils and associations, also sparked considerable interest in Africa.

This unique, inter-linked agribusiness association network could produce U.S. trade and development dividends along with indigenous African organizational/institution-building assistance if appropriately nurtured. The pilot project results have been encouraging. (see attachment)

#### Work Plan

The principal activities of ABC/AER under the grant agreement would include the following, in cooperation with AID/W:

- (1) to schedule regular promotional visits to a minimum of six Africa Bureau missions to counsel with Mission management on potentials for the Agribusiness Association Development project and offer to assist USAIDs and indigenous agribusiness leaders interested in developing an operational action approach toward the early establishment of agribusiness associations. These indigenous associations would be designed around the AER/ABC model as advocacy business trade associations.
- (2) To report on progress to AID/W.
- (3) To provide small seed grants to forming and formed associations enabling them to communicate and organize more effectively (up to \$10,000). Such grant awards would be used by the indigenous groups for basic start-up costs such as telefax equipment, printing stationery, etc.

In response to AFR missions' interest and funding to implement more extensive activities envisaged and critical to the association development process, ABC/AER would prepare country agribusiness profiles and introduce USAID to local agribusiness leaders utilizing workshop and in-country briefings (sponsored by either ABC/AER or the local counterpart organization).

ABC/AER would serve as a facilitator for AFR Bureau and Mission access to U.S. agribusiness companies and groups interested in African agribusiness potentials.

#### Management Plan

ABC/AER will utilize a combination of fulltime coordinating staff, consultants, research interns, and corporate advisor/volunteers to execute this project. This approach has generated successful results with minimal financial support for four years - a testament to the strength of the idea, its acceptance in Africa and the effectiveness of AER/ABC management

against considerable obstacles. The approach is tested and only lacks resources to prove itself more fully. Furthermore, it is built on a structure which can be easily and quickly augmented to handle the larger, long-term potentials which would arise as the entire process gains momentum.

ABC, as the U.S. association counterpart of the AER, would assume overall management responsibility for the program. ABC's track record of successful projects with AID extends back to the early 1970s. The ABC President has himself worked in AID as a senior official and has considerable experience managing trade associations. He has also founded several successful trade associations involved in international business development, trade information and GATT negotiation advisory functions. In addition, the ABC will utilize the resources of AER's international advisory committee and the AER/African coordination committee (which is comprised of key agribusiness professional and government officials interested in assisting the development of the indigenous association network) to fulfill tasks of the scope of work.

An excellent network linking the U.S. agribusiness community at the grassroots, and the nascent agribusiness sector in selected African countries exists as a direct result of the pilot project and some fortuitous outreach through the United Nations and the USAID network in Africa.<sup>3</sup> This network resource is fragile, and will diminish in value and effectiveness if not utilized within a constructive, association development process. The network will ensure continuity and the cost-effective and nationally tailored accumulation of positive results as the program expands.

#### Program Benefits

AID/AFR Bureau could enhance its leadership in utilizing non-governmental organizations within its development strategy for African private enterprise by providing modest resources to the ABC/AER agribusiness association model development project. Africa Bureau could also strengthen its understanding of the private sector role in African development by investing in the relatively low-cost association approach, an approach which would also multiply its benefits to the local agribusiness communities and its entrepreneurs, who as emerging leaders would be attracted to the indigenous association. Moreover, since the project encompasses the direct provision of organizational technical assistance and office equipment to facilitate communications, AID/W and USAIDs involved would benefit by establishing a private sector focal point for agribusiness contact in the host countries. Over the duration of this grant process, AID's interaction with ABC/AER would also assist the Agency's working understanding of agribusiness and its many players and fragmented associations -by focusing on the strengthening of a "development friendly" umbrella association.

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<sup>3</sup> See Keith Sherper memo Dec. 3, 1987 to African mission directors on AER potentials and UNCLAS state 266780 (August 18, 1989), describing AER/ABC activities to missions.

Relationship to Regional Africa Strategy

The proposal program supports Africa Bureau's focus as described in the policy paper "Beyond Policy Reform in Africa: Sustaining Development Through Strengthening Entrepreneurship and the Non-Governmental Sector." This proposal recognizes agribusiness development as a multi-disciplinary concept that can be nurtured effectively through associations, PVO's, and other types of NGO's. ABC/AER also have a unique feature which provides an important component to the program's acceptance and long-term success. Namely, since 1985 the international AER has enjoyed United Nations accreditation as a non-governmental organization with special status before the UN Secretary General, the UN World Food Council and UNIDO. ABC, as the U.S. affiliated association, is a registered 501(c)(3) tax exempt organization incorporated in Delaware and can benefit through its indirect management link with the AER program while passing information benefits back to AID and the U.S. state and local agribusiness council network.

As Africa Bureau pursues its strategy of maximizing economic growth through a strengthened private sector and democratic institution building, the ABC/AER program focus on sustainable agriculture, technology transfer, trade generation and self-sufficient membership service driven associations can contribute substantially to helping Africans help themselves. Africans have already demonstrated their commitment to the establishment of ABC/AER model associations using their own resources in most cases and AID/Africa could make an important difference with timely encouragement of this process.