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**Asia Regional
Agribusiness
Project:**

**Annual Work Plan,
1995**



**Regional Agribusiness Project
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INTRODUCTION

The Regional Agribusiness Project (RAP) is working in an environment that is different from that which existed when the Project Paper was prepared. This new environment is the result of changes in RAP countries — rapid economic growth, economic liberalization, high population growth, success in development projects — as well as rapid growth in the markets for products from RAP countries. Concurrently, the U.S. Agency for International Development (USAID) is going through a realignment and refocusing of its efforts. Missions are being closed, most RAP beneficiary countries face reduced budgets, and agriculture/agribusiness will apparently be de-emphasized. This is increasing the value of RAP to Mission activities as Missions seek to leverage their available finances for RAP assistance through RAP core services and economical short-term technical assistance buy-ins.

Given the diminishing role of USAID agriculture and agribusiness activity in Asia, RAP must build vibrant and sustainable activities through contributions to and interaction with regional and country institutions and other centrally funded USAID projects, as well as the Missions and their agribusiness projects. Given its relatively modest budget, RAP's activities must be carefully selected and leveraged for available co-financing opportunities to maximize impact, visibility and sustainability.

The RAP consulting team developed its 1995 work plan activities and overall strategic project direction with these points in mind. The resulting work plan focuses on activities to which Missions, projects, and country and regional associations have responded positively. Some activities included in the 1994 work plan and strategies have been modified or dropped as a result of what was learned over the past year. Some new activities and directions have been added. These changes respond to client demands, the realities of USAID priorities and funding, and the underlying RAP theme of sustainability.

The RAP 1995 work plan is presented as follows:

- Changes and Foci of RAP Components
- Work Plan Activities
- Timeline of Work Plan Activities

CHANGES AND FOCI OF RAP COMPONENTS

Market Information Services

The objective of the Market Information Services component is to provide information to USAID Missions, projects, clients, and the agribusiness community which will increase regional market transparency and knowledge of regional market opportunities.

Market information and intelligence activities in Year 1 required a great deal of Thomas Klotzbach's time because of the creative and start-up nature of the activities. Subsequent work on these activities will be of a maintenance nature and can be accomplished by a lower-cost person than Mr. Klotzbach. At the same time, additional products need to be developed to meet the needs of RAP's clients. This will require a greater level of effort than envisioned in either the initial design or the negotiated contract. Therefore, we propose to focus Mr. Klotzbach's time on new products and use

Assistant Market Information Specialists for functions that require only Mr. Klotzbach's management. The effect of this will be to increase the overall level of long-term technical assistance effort.

Table 1 provides a cost and level of effort breakdown for long-term technical assistance under the Fintrac Inc. subcontract signed with Development Alternatives, Inc. (DAI). Table 2 provides the proposed alternative, by which Mr. Klotzbach's long-term technical assistance level of effort will be reduced and the budgeted amount saved taken up by Assistant Market Information Specialists. The total level of effort is thereby increased by 5.5 person-months (or 121 person-days) while continuing to work within the same allocated budget.

Table 1. Current Level of Effort under Fintrac's RAP Subcontract

	Year 2			Year 3			Year 4			Total	
	Rate	PMs	Total	Rate	PMs	Total	Rate	PMs	Total	PMs	Salaries
T. Klotzbach	4,017	6.00	24,102	4,138	6.00	24,825	4,262	6.00	25,570	18.0	74,497
Assistant Market Information Specialists	2,500	0.00	0	2,575	0.00	0	2,652	0.00	0	0.0	0
TOTAL		6.00	24,102	6,713	6.00	24,825	6,914	6.00	25,570	18.0	74,497

Note: Salaries inflated at 3 percent per year

Table 2: Proposed Level of Effort under Fintrac's RAP Subcontract

	Year 2			Year 3			Year 4			Total	
	Rate	PMs	Total	Rate	PMs	Total	Rate	PMs	Total	PMs	Salaries
T. Klotzbach	4,017	3.00	12,051	4,138	3.00	12,413	4,262	3.00	12,785	9.0	37,248
Market Information Specialists	2,500	4.82	12,051	2,575	4.82	12,413	2,652	4.82	12,785	14.5	37,248
TOTAL		7.82	24,102	6,713	7.82	24,825	6,914	7.82	25,570	23.5	74,497

Note: Salaries inflated at 3 percent per year

Mr. Klotzbach will continue to manage all activities under his control in the Market Information Services component, and the assistant market information specialists will report directly to him. Mr. Klotzbach will concentrate on the design and start-up of other information products, and, more importantly a regional market information program for industry associations. The Assistant Market Information Specialists will be responsible for preparing copy and supervising layout and printing of *Market Asia*; completing various information data products; in conjunction with RAP research assistance, answering Quick Response System information requests; assisting Mr. Klotzbach and short-term technical assistance consultants prepare market surveys; supporting Mr. Klotzbach organizing regional market information programs; and publishing and maintaining RapNet.

An association support activity has been designed to assist Missions to strengthen local industry associations. We have had contact with a number of these organizations over the past year, in both the Market Information Services and the Trade and Investment Services components. Many are weak, providing only a modest level of services to their members. The provision of information (on export markets, technology, and so forth) is a service that is easily and quickly developed and which most associations find in membership demand once it is available. By starting this activity now, we increase the chances that it will be sustainable upon RAP's completion.

RAP's decision to collaborate with the International Trade Centre (ITC) to launch the latter's Asia Market News Service (MNS) allows Dr. Merle Menegay to focus his efforts on other activities of interest to the Missions. One of Dr. Menegay's 1994 activities was an analysis of the evolution of modern urban wholesale market places for fresh fruits and vegetables in Asia. Several Missions, recognizing the importance and inadequacy of such markets in their countries, have expressed interest in a diagnostic survey followed by a workshop and observation trip for market and urban leaders. Accordingly, RAP will offer these activities on a co-financing basis (with Missions) in 1995. Dr. Menegay will also initiate activities related to agricultural commodity market reporter training. His total level of core activity may be somewhat limited by time constraints as his 1994 activities required more time than indicated by the budget guidelines.

Environmental Services

The objective of the Environmental Services component is to provide technical and informational support to USAID missions in the Asia region vis-à-vis existing agribusiness projects, new agribusiness projects involving environmental issues and regulations, and the environmental sustainability of overall project portfolios. This technical support embraces food safety, food quality, and phytosanitary issues as well as more traditional environmental issues.

Of top priority in 1995 is activation of DPRA Incorporated activities. In general, more has to be done to determine those aspects of environmental analysis important to the Missions/projects. However there is an "environmental cause" which needs to be pursued because "environment" comprises one of the four main pillars of USAID policy. Pursuit of environmental issues can be perceived as counterproductive to agribusiness, therefore discouraging buy-ins. Hence, some aspects of environmental sustainability may have to be "pushed" through an informative awareness agenda as opposed to one totally driven by requests. Our plan is to offer services to USAID and its clients in the sense of "environmental risk management" for agribusiness, in order to avoid the counterproductive notion of "environmental policing."

The Environmental Sustainability Assessment has been dropped and replaced by a review paper on environmental issues associated with agribusiness. The Food Safety Implications for Pesticide Policy analysis has been postponed indefinitely as our Food Safety/Phytosanitary Barriers to Trade analysis indicates the topic as described is not critical. The Food Safety/Phytosanitary Barriers to Trade analysis will not be split into two analyses, but will be combined into one cohesive piece including all six RAP countries. This will result in a significant delay in the delivery of the analysis for Indonesia, Nepal, Philippines, Sri Lanka, but we feel a much better product will result if the field trip lessons learned from India and Bangladesh are included in the piece at the same time.

Demand for technical assistance on food safety and food quality issues, such as hazard analysis and critical control points (HACCP), good manufacturing practices, and entry requirements are predicted to be strong in 1995, as is demand in the area of integrated pest management (IPM) and other environmentally friendly production practices. Phytosanitary issues, including a regional workshop, will be handled mostly through the RSSA with the U.S. Department of Agriculture (USDA).

The concept of an in-house Food Safety Database is financially infeasible and has been dropped. Instead, RAP will emphasize its access to existing databases through its subcontractors and partners. These databases need to be characterized and explained and promoted to the Missions/projects. Also, the method of access (through the quick-response service) needs to be clarified and a "fee for service" mechanism established.

The RAP Environmental Services component intends to collaborate heavily with and rely on the support of several other projects/agencies for 1995 activities. These groups include the Oregon Export Service Center (database expertise on entry requirements for exports into Asian markets), Project SUSTAIN (provision of volunteer, private-sector experts in food safety and quality), and the USDA Foreign Agricultural Service (FAS)/Office of International Cooperation and Development (OICD) (provision of broadbased environmental expertise from federal agencies and land-grant universities, including workshop design and implementation). All these groups have indicated an enthusiasm for participating in RAP environmental activities and have therefore been given substantial involvement in the 1995 work plan.

Engagement of the Environmental Protection Agency (EPA) in RAP activities is still tenuous. A good opportunity exists for EPA involvement in response to a Government of Indonesia request for EPA expertise in policy reform and facilitation of access to EPA pesticide databases.

Trade and Investment Services

The objective of the Trade and Investment Services component is to increase the international market participation of Asia agribusinesses, and to develop commercial linkages with U.S. agribusinesses interested in accessing foreign markets.

We have interpreted "investment" to include a broad category of business partnership options including, but not limited to, marketing agreements, technical assistance, technology sale, technology licensing, brand licensing, product licensing, private label sourcing, co-ventures, and equity investment. Our reason for this is twofold: (1) it is our experience that U.S. international business partnerships most frequently involve activities other than equity investment; and (2) U.S. government policy regarding USAID assistance in developing U.S. company investments abroad is currently under intense scrutiny regarding investments that result in loss of U.S. jobs and U.S. employment.

Trade and Investment Services did not proceed as rapidly as envisioned in 1994. This was due to three factors: (1) the Trade and Investment Specialist also serves as the Project Director and much of his time was taken up with administrative issues, including assistance to the other RAP specialists to develop their work; (2) the Research Assistant's effort, in a conscious decision, was focused on the Market Information Services component to get this most visible portion of RAP work quickly and firmly established; and (3) field work necessary to establish contacts for trade and investment promotion work was delayed until April. However, by December 1994, basic contacts had been established in all RAP beneficiary countries except Indonesia (which will be visited in February 1995), and numerous individual requests for assistance were being addressed.

We have modified certain aspects of our methodology from that presented in the Project Paper. These modifications, in our RAP country contact mechanism, information dissemination system, and RAP Advisory Group, were made to proceed in the most effective and sustainable way.

We have expanded our RAP country contact mechanism to go well beyond Missions, projects, and their clients, as specified in the Project Paper. Although it was envisioned that some contacts would be made with industry associations, we are making these contacts our major focus to give us access to a much broader range of agribusiness companies. Additionally, we seek to establish linkages between RAP and market country associations, removing individual USAID projects and RAP as information gateways. This will create a contact network extending beyond the life of individual country projects and RAP. Association strengthening is a Mission/project objective. RAP's trade, investment, and market information association initiative also play a strong supporting role.

The Project Paper and, to a greater extent, DAI's proposal envisioned an information-dissemination system (including trade and investment opportunities) utilizing a RAP electronic bulletin board and fax-back system. Since that time, numerous public and private bulletin boards and fax-back systems have been established. We have also determined that most companies still access information primarily through industry associations and trade publications. We are therefore developing our dissemination program for opportunities information around news releases to industry associations and publications supplemented with the use of available electronic systems.

We propose a modification of the composition and operation of the RAP Advisory Group. The Project Paper called for a group of 20 or more Chief Executive Officers (CEOs) from specified agribusiness and agribusiness-support industries. The Group is to meet 5 to 10 times over RAP's 5-year life. Through contacts with USAID and USDA projects having advisory groups, we learned that securing CEO participation is highly unlikely; industry association representatives will provide access to a broader range of companies and knowledge; group meetings must be highly tailored to the attendees' knowledge and needs and require virtually no preparation time; timeliness in pursuing opportunities and issues favors informal contacts rather than formal meetings, and meetings of Group subsets based on common interests and needs may be more effective than overall Group meetings. We wish to organize our Advisory Group along the lines of these lessons learned.

Analytical Support

The objective of the Analytical Support component is to provide selected analytical services to support Missions in project design, implementation, and monitoring and evaluation, and to investigate agribusiness development issues across the region.

The projects that RAP supports focus on development of high-value export crop markets. However, in response to our own observations and Mission requests, we are also working on domestic market development issues. This is important to RAP's overall objective of increasing small farmer income. Of direct relationship to export market development is the need for efficient domestic assembly and transportation channels as well as local demand for second grade and/or excess supply of products produced for export markets. In addition, the size and increasing income of domestic consumers in four of the six RAP beneficiary countries (India, Indonesia, Bangladesh, and the Philippines) offers significant opportunities for increasing small farmer income from basic food crops. In all RAP countries the lack of efficient marketing systems hinders achievement of USAID goals related to export market development, increasing small farmer income, and improving nutrition. Several RAP initiatives have been developed to respond to this deficiency.

Our initiative to establish a regional monitoring and evaluation system for Asia agribusiness projects has been hindered by USAID reorganization activities and lack of Mission response to the monitoring and evaluation framework developed by RAP in March 1994. Given the evaluation attention focused on agribusiness by the USAID Center for Development Information and Evaluation (CDIE) and the internal evaluation and strategy activities of the Global Bureau's Office of Agricultural and Food Security, we hope that the RAP-designed regional system will be reviewed and implemented in 1995. We have included it in our work plan as a contingent activity.

Budget reductions imposed upon most agribusiness projects has created considerable interest in RAP's ideas for the creation of sustainable financing mechanisms for agribusiness initiatives, particularly as related to private sector ventures. Activities for 1995 include development of one or more "how to" papers on such mechanisms, possibly in conjunction with actual development of a program with one of the Missions.

WORK PLAN ACTIVITIES

The RAP consultant team is developing a significant amount of integration between the defined RAP components and the expertise of individual RAP consultants. For example, Dr. Bowman (Environmental Services) will contribute a special supplement to *Market Asia* (Market Information Services) 3 to 4 times annually. About one-third of our activities involve cross-component collaboration. We have included these activities in the component area below where they appear most appropriate, and noted the participating consultant(s) name(s) in parentheses.

We have not included in our work plan activities expected participation in regional conferences. Although no such activities have been finalized, we are searching for appropriate venues where we can present papers, posters, and other materials related to publicizing RAP and other regional USAID activities. Current prospects include the Asian Vegetable Research and Development Center, the Association of South East Asian Nations (ASEAN) Food Handling Bureau, and the Asian Development Bank. Likewise, we will actively seek opportunities for presentations to USAID's Agribusiness Workshop.

Market Information Services

Market Asia

Publication/Editorial. (All RAP staff contributing) Six additional issues (Nos. 6-11) of *Market Asia* will be published in 1995. During 1995, we will implement changes recommended by our sustainability analysis consultant to improve *Market Asia*, making it more appealing to both its readership and potential publishers.

Environmental News Bulletin. (Dr. Bowman) A summary sheet of important environmental happenings will be distributed as an insert to *Market Asia* 3 to 4 times per year. There will be a breakdown into two topical areas: (1) environment and sustainable agricultural practices, and (2) food safety/food regulations. Articles from environmental, agricultural, and food safety journals and bulletins will be synthesized. Significant related events in other USAID projects will be presented, as will announcements and outcomes of relevant conferences and publications.

Transfer to Private Publisher. (Joseph Pietrus, Thomas Klotzbach) To achieve long-term sustainability of *Market Asia*, RAP will negotiate its transfer to a private publisher at the earliest possible date. The sooner this is achieved, the more likely it is that *Market Asia* will become a sustainable publication. RAP will continue providing editorial material for the life of the RAP project, and have the publishing house assume responsibility for layout, production, circulation, and advertising sales and the expenses of these functions.

Reader Survey. Our November 1994 survey will be repeated in 1995 to obtain feedback on product and market coverage, subscriber profiles, desired frequency, and other information to improve the receptivity and effectiveness of *Market Asia*.

RapNet (All RAP consultants contributing)

Assuming the initial issues of RapNet prove of interest to USAID staff and project employees, RapNet will be published quarterly in 1995 (issues #2-5). During the year, readers will be surveyed to determine the usefulness of the RapNet newsletter and electronic users' group. Papers summarizing discussions on the RapNet Internet Users Group will be prepared as appropriate.

Quick Response Service

Service Provision. The RAP Clearinghouse will continue to provide rapid response services to Missions and projects for market and other information needs. A promotion effort will be undertaken in early 1995 to provide Missions and projects that have not used the service with an understanding of how others are actively using the Clearinghouse.

Expansion to Associations/Firms. The Clearinghouse will offer similar services to regional industry and trade associations to strengthen their membership service offerings. Initially, the service will be provided free of charge, although more-detailed requests may require RAP to charge fees for service. See also the Association Strengthening section below.

Market Information Bulletins (Thomas Klotzbach, John Bowman)

A 4- to 8-page market information bulletin will be prepared monthly for distribution through RAP association and project counterparts in the region. The bulletins will form a complete market information packet, which can be stored in a RAP-provided three-ring binder or individually distributed to private sector exporters. Market coverage will include developed markets in Asia, the Middle East, North America and the United States. John Bowman will provide information on the food safety and phytosanitary requirements of products covered. Initial product coverage ideas include durian, mangosteen, lychee, longan, baby corn, asparagus, Asian vegetables, mango, papaya, melon, grapes, okra, orchids, roses, and carnations.

Market Opportunity Surveys

Floricultural Export Opportunities. A market feasibility survey will be conducted for floricultural products that have production potential within RAP beneficiary countries. Markets to be covered include the United States, European Community (United Kingdom, France, Germany, Holland, Italy), the Middle East (Saudi Arabia, Kuwait, United Arab Emirates), and Asia (Japan, Hong Kong, Singapore). Product coverage will vary between markets, depending on the likelihood of having a competitive advantage over existing suppliers. The market feasibility survey will include current and historic levels of domestic production and imports, competitor profiles, price and volume trends, seasonality of demand and supply, consumer preferences and grades/standards, admissibility criteria, and lists of importers. The short-term technical assistance Floriculture Specialist will visit two Asian markets and two RAP beneficiary countries. RAP beneficiary country visits will include a one-day workshop on the world market for floricultural products.

Intra-Regional Agribusiness Trade Among RAP Beneficiary Countries. This report will analyze current agribusiness trade of the RAP beneficiary countries, selecting up to 40 products that present potential expansion of intra-regional trade. For imports, the report will detail current import market shares, import market size, historical trends, import regulations, specifications, domestic production, and

importer contacts. Export information will include current export markets, volume exported, and external contacts. The report will include recommendations for future project activities, if any, to promote intra-RAP trade.

Association Strengthening (Thomas Klotzbach, Joseph Pietrus)

Identification of Counterparts. The RAP team will identify institutional counterparts to be part of a RAP-initiated market information and trade and investment development network. Counterparts may include export promotion organizations and private sector industry and trade associations. Some counterpart organizations have already been identified through RAP's varied in-country contacts.

Establish and Maintain Network. RAP will create a network, possibly electronic, to enable communication between the RAP Clearinghouse and the institutional counterparts in each RAP country, and between the counterparts themselves. RAP will act as an overseas market information repository for the organizations, assisting them in expanding their market information availability and capabilities. The network will also be used by RAP's Environmental Services and Trade and Investment Services components.

Service Provision and Training. RAP will provide hands-on training in market information systems installation, analysis, and dissemination to counterpart organizations, strengthening their service delivery to members. This training will be provided on-demand, and will require buy-ins from local missions.

International Trade Centre and Market News Service Assistance (all RAP consultants)

Implementation. RAP will offer ITC assistance in the establishment and operation of the Asia MNS. We have already provided recommendations of small- and medium-sized broker contacts to ITC. As the service unfolds, we will offer to use our frequent field visits (by all team members) to inquire into the validity of the information provided and other issues of interest to ITC.

Promotion. RAP will promote the Asia MNS to potential subscribers by: (1) providing a complimentary subscription to all existing USAID Asia agribusiness projects; (2) publicizing the Asia MNS in *Market Asia*, including feature articles presenting and analyzing information from the MNS; and (3) handing out and promoting the service with current and new contacts in Asia.

Market Reporter Training

Early in 1995 Merle Menegay will meet with USDA officials responsible for market reporter training to: (1) review the training programs they present, (2) find out which RAP beneficiary countries have sent participants to these program, and (3) obtain a list of persons trained from the RAP beneficiary countries. During their 1995 field travel, Dr. Menegay and Mr. Klotzbach will document the general nature of each RAP country's agricultural price information system and its compatibility with USDA's approach. Using the aforementioned information and contacts, they will identify potential trainees and provide USDA with recommendations regarding training experiences that will be relevant to the trainees in their market reporting systems.

Environmental Services

The list of work plan activities for the Environmental Services component is tentative and admittedly overloaded. It is anticipated that some activities will be replaced by others as Mission interests are better understood, and other activities will drop out and not be replaced at all. Because of the many collaborating organizations involved in Environmental Services, we have noted which organizations will be involved in each activity.

Environmental Issues Associated with Agribusiness (DPRA)

This will be a "generic" paper reviewing the advantage of long-term, environmental sustainability of agribusiness projects. Possible problem areas will be highlighted. Ways to achieve early recognition of problem areas to reduce environmental risk will be discussed. Ways to develop environmental profiles for agribusiness projects will be presented, possibly including a checklist approach to environmental compliance that can help companies and projects go through a self-review exercise. Sources of assistance, through RAP or other environmental projects, will be identified. The paper will position environmental interventions as beneficial to the long-term "bottom line," as opposed to short-term obstacles to business success. The paper will be used as an informative piece and as a marketing tool to pique interest in the environmental services accessible through RAP. It will serve as a basis for discussion during RAP fact-finding trips in the region.

Case Studies of Private Sector-Led Integrated Pest Management (J. Bowman, DPRA)

Successes in IPM throughout South and South East Asia are spreading but the participation of the private agribusiness sector, especially that of export-oriented food-processing companies, needs to be accelerated. This collection of case studies from the United States and other parts of the world (primarily Asia) will help USAID-supported agribusinesses realize the importance of investing in internal IPM programs to ensure the sustainability of their agricultural sourcing operations and to instill consumer confidence. Eight to 10 companies with a demonstrated record of IPM promotion will be profiled. Recommendations for Asian agribusiness clients of USAID will be made, with an emphasis on the lessons learned, how to, and importance of private sector-sponsored IPM.

Technical Assistance in Cocoa IPM (USDA with Chocolate Manufacturers Association of America)

Regional technical assistance will be provided through a U.S. export entomologist in environmentally sound ways to control the cocoa pod borer (CPB) and other pests threatening Asian cocoa production. A review of current production and pest-control strategies being utilized or researched in Malaysia, Indonesia, and the Philippines will be carried out, with focus on a regional approach to CPB control.

Analysis of Food Quality, Safety, and Phytosanitary Issues Affecting Trade in India and Bangladesh (J. Bowman; Technical Assistance Systems, Inc. (TAS); DPRA; USDA)

This will be a continuation of the analysis initiated in Indonesia, Nepal, Philippines, and Sri Lanka to assess the major issues behind the failure of food exports to Asian markets such as Japan, Singapore, Korea and Hong Kong. An environmental team visit to India and Bangladesh will gather information that will be added to existing information from the initial visit to the other four countries. One analysis embracing all six countries and the export markets will be published in February or March.

Import Detention Summary (TAS)

A review of the reasons for the detention of imported food and agriculture products is a useful tool to assess production problems in exporting countries. An initial summary based on the limited information obtained during the first RAP environmental trip to Asia has been prepared for RAP exports to the United States, Japan, South Korea, Hong Kong, and Singapore. A more extensive analysis of the causes of import product failure of RAP products based on more current and complete information would be beneficial. Emphasis will be on product failure into the United States, based on 1992 and 1993 FDA data. Trade statistics will be employed to relate the number and frequency of violations with actual weight and volume of total imported product. RAP country violations at U.S. ports will be compared to those from select countries such as Australia, Malaysia, and Taiwan.

Food Plant Sanitation Audit Workshop (DPRA)

This traveling workshop will stop in two or three RAP countries. Certified food sanitarians will cover good manufacturing practices and plant sanitation procedures. Missions/projects can invite their agribusiness clients to attend. Importantly, the processors will be taught how to conduct their own internal sanitation audits in order to maintain high export quality standards, or simply to comply with existing local regulations. Emphasis will be on topics such as equipment breakdown and cleaning, disinfestation of surfaces, pest and rodent control, personal worker hygiene, and safety. After the general sessions, the sanitarians will be available to inspect the facilities of one or more local companies, provide an evaluation of their sanitation procedures, and make recommendations for improvements.

Regional Phytosanitary Workshop (USDA)

A regional workshop on phytosanitary policies and their relationship to Asian agribusiness will be held at a central Asian site in the mid-1995. High-level USAID and Asian government officials will discuss phytosanitary policy reforms needed to create a more suitable environment for expanded regional agribusiness trade and investment.

Postharvest Handling Workshop (ASEAN Food Handling Bureau, USDA, SUSTAIN)

A postharvest handling workshop, tentatively on Packaging Technologies for the Asian Fresh Fruit and Vegetable Industry, is planned to be held in Kuala Lumpur in association with the ASEAN Food Handling Bureau (AFHB). RAP and AFHB will jointly organize the event, all local arrangements are to be made by AFHB. RAP will recruit speakers and industry representatives and support travel costs

of several of the speakers through the USDA PSSA. Participants are expected to fund their attendance. Mission projects may wish to fund the attendance of selected project clients.

Food Laboratory Strengthening Project (TAS, SUSTAIN, USDA)

Successful export of food and agricultural goods requires these products to meet the safety and quality requirements of importing countries. Many of these requirements include analytical testing for pesticide residues, food additives, filth and extraneous materials, microbial hazards, heavy metals, and so forth. Developing countries seeking to export food need this analytical capability to identify and detain lots that do not meet import requirements. This regional project will (1) identify the key laboratories to be assessed; (2) carry out on-site evaluations of existing capabilities; (3) make specific recommendations for training and technical assistance to improve capabilities; (4) carry out a limited amount of training and technical assistance on a follow-up basis; and (5) develop an overall regional strategy or proposal to remediate deficiencies and enhance export success of Asian products.

Case Studies of Export Quality and "Seal of Approval" Certification Programs (Oregon Export Service Center)

Providing assurance that export products meet the food laws and quality standards of importing countries can be of valuable assistance in enhancing food export programs of RAP beneficiary countries. Programs that actually certify the quality of export products are of even greater value, as long as the importing country clients recognize the validity of the certification. Model programs exist within developed and developing countries that may be of value to USAID agribusiness initiatives in Asia. Key export and quality certification programs will be identified internationally. Mechanisms of operation will be explained, including key lessons learned. Requirements and documentation of the programs will be obtained. Cross program comparisons will lead to the provision of general recommendations (guidelines) for export service centers in the RAP countries. The undertaking of this analysis is contingent upon the flexible use of USAID funds given to the implementor.

Analysis of the Philippine Food Regulatory System with Respect to the General Agreement on Tariffs and Trade — GATT (TAS)

This analysis will assist the Philippine government in determine whether its current food regulations and standards meet the requirements of GATT. Consistency of these standards with CODEX standards will be determined, with an emphasis on pesticide residue levels, food additive tolerances, microbiological standards, and product-labeling specifications. Animal and plant health standards will be analyzed as to their consistency with the GATT SPS. Recommendations for strengthening Philippine food safety and plant and animal regulations in order to agree with the GATT sanitary/phytosanitary requirements will be included. This analysis will be undertaken only on a cost-shared basis or as a Mission/Agribusiness Systems Assistance Program (ASAP) buy-in and will be extended to other RAP countries depending on interest level of the Missions.

Export Quality Control Technical Assistance (J. Bowman, RAP subcontractors, and collaborators)

RAP will assist Missions/projects develop scopes of work and identify expertise for technical assistance in such areas as food processing, good manufacturing practices, assessment of laboratory capabilities, HACCP, ISO 9000, wastestream management, IPM, and other environmentally friendly agricultural practices. There will be a new emphasis, however, in trying to promote RAP services in the area of environmental sustainability for agribusiness. Assessment of environmental impact and environmental compliance will be emphasized through the promotion of DPRA activities.

Comparison of Seafood HACCP Programs (TAS)

The U.S. Food and Drug Administration (FDA) has initiated an international, element-by-element comparison of seafood HACCP programs. The comparison includes countries such as the United States, European Union countries, New Zealand, and Iceland. Currently, the comparison does not include Japan. In collaboration with FDA, RAP will extend the comparison to Japan, and attempt to summarize the existing country comparisons done by the FDA for RAP agribusiness clients. This study is contingent upon approval and cooperation from FDA.

Seafood Market Readiness Workshop (SUSTAIN, USDA)

This is to be a regional, traveling workshop that will aim to improve the transparency of and accessibility into the U.S. market for Asian seafood exporters. Seafood HACCP prerequisites will be discussed, as will the key issues behind the dynamics of the U.S. market. Such items for discussion include: (1) the species most in demand and why, (2) the advantages and disadvantages of Asian exporters to the United States versus other exporters, and (3) the key factors in demand by the U.S. exporters in addition to HACCP compliance. This event is expected to be led by representatives largely from the private sector. The main objective will be to increase Asian export competitiveness in the U.S. market.

FDA Seafood HACCP Workshop (USDA, SUSTAIN)

FDA's Office of Seafood has agreed to participate in a RAP-organized, traveling regional workshop on seafood HACCP. It is anticipated that three, two-day workshops will be held. The workshops will explain the new FDA regulations (scheduled to become official in June 1995) and the HACCP guidance document, and the workshop will provide time for one-on-one consultation for processors and exporters. FDA will provide the workshop trainers; RAP will organize the events and support the travel costs of the FDA staff.

Trade and Investment Development

Opportunity Identification and Promotion (J. Pietrus, J. Bowman)

In 1994 we established contacts with key industry and government trade/investment development promotion agencies in Nepal, Bangladesh, India, Sri Lanka, and the Philippines. In 1995 we will add

Indonesian organizations to our network and strengthen our network in each country. Strengthening will take the form of a broader range of contacts and a more extensive relationship through our associations initiative.

We have established contacts with a broad range of U.S. agribusiness associations for the dissemination of trade and investment leads. In 1995, we will broaden these contacts to other target market countries. We will also promote direct contacts between these organizations and our RAP country association contacts as specific trade and investment opportunities arise. Late in the year we will publish a directory of RAP and market country industry association contacts for dissemination throughout the RAP association contact network.

Through our contact with ITC, we learned that it offers a wide range of services assisting developing countries promote export trade. Early in 1995, the Trade and Investment Specialist will visit ITC to determine how its activities can be incorporated into the RAP services package. Similar collaboration will be explored with the Government of the Netherlands-USAID initiative promoting imports from developing countries.

Within the overall trade and investment development activity, a special initiative will be undertaken to identify target market country wholesale and retail private label opportunities for RAP country food processors. Establishment of such links may involve assistance from the Environmental Services component in establishing the food quality and safety required in buying organization markets.

RAP's trade and investment development activities include the identification and promotion of opportunities related to the transfer of U.S. environmental technology to RAP beneficiary countries. In 1995, we will promote to Missions/projects the opportunities available through the U.S.-Asia Environmental Partnership. We also will seek to interest companies and associations in specific technology transfer opportunities (for example, Dr. Bowman's initial work with the Chocolate Manufacturers Association of America).

Environmental Trade and Investment Opportunities (John Bowman, Joseph Pietrus)

A concerted effort will be made to promote the demonstration of U.S. environmental technologies to prospective agribusiness clients in Asia. This effort will be pursued through the establishment of a working relationship with the Asian Environmental Partnership (AEP), and in particular, AEP's Technology Cooperation component.

Advisory Group

RAP's Advisory Group will be formed in the first quarter following the aforementioned lessons learned. An initial meeting is targeted for early May. The objectives of the initial meeting will be to provide Group members key commercial findings from RAP's work to date, obtain their input on industry interests and issues regarding trade and investment development activity with RAP countries, and encourage promotion of RAP country interest among their association members and personal contacts.

Trade Development Association Meeting

We plan to initiate with IMCC short-term technical assistance and the Missions' development of a meeting of RAP country trade development associations in the second half of the year. The objective of the meeting is to bring together selected associations with which we are working to exchange views on their activities, present ideas on new fee-generating activities (sustainability), and encourage collaboration between the organizations. We may invite participation of ITC's trade and association development staff. It is hoped this meeting will lead to formation of a regional trade promotion group. Prior to staging the meeting we need to gain sufficient credibility with the associations to warrant their interest. We also need to obtain Mission support as we expect it will be necessary for them to cover at least some participant expenses to ensure attendance.

Analytical Support

Competitive Export Positions Analysis/GATT-Uruguay Round Analysis

These analyses have aroused significant interest in several Missions and will be continued. A second set of products, as well as several special products identified by individual Missions, will be added to the initial competitive position analysis. We expect this analysis will be ongoing throughout 1995, however it is contingent upon Mission co-financing. RAP core funds will cover part of these analyses, however; Missions will be expected to cover the costs of our in-country analytical staff as well as extraordinary travel costs of U.S.-based RAP consultants. We are seeking ASAP's approval to publish the GATT analysis in which RAP participated.

Urban Terminal Markets for Fresh Produce (Merle Menegay)

The prevalent deteriorating condition and inefficient management practices of RAP country urban terminal market facilities for fresh fruits and vegetables contributed to the inefficiency of domestic marketing and impeded efforts to accelerate exports. Several Missions have recognized the critical role of such facilities and the need for their improvement and expressed interest in RAP's activities in this area. Accordingly, RAP will offer diagnostic surveys, workshops, and observation trips to familiarize urban leaders with the nature of the problem and illustrate benefits from improvements within those facilities. Likewise, various types of commodity system assessments may be warranted. These activities are contingent on Mission co-financing.

Comparative Environmental Analysis of Wholesale Markets in Asia (Merle Menegay, John Bowman)

This study will provide environmental support to the RAP Analytical Support component on urban wholesale markets for fruits and vegetables. Some environmental issues to be considered are pesticide residue testing; recycling of solid wastes; handling of intra-market food safety issues; groundwater contamination; worker hygiene; and in-site sanitation issues such as filth, rodents, flies, and surface disinfestation procedures. A case study approach in environmental management will be used, including analysis of (1) a major U.S. wholesale market, (2) several Asian-developed wholesale markets, and (3) emerging markets in RAP countries. The focus will be on offering to the RAP country markets lessons learned from the developed country markets. Options at different cost levels will be described to the

RAP country wholesale markets with some concomitant cost/benefit analysis. RAP core funds will be used to prepare items (1) and (2); item (3) will be provided on a buy-in basis.

Integrated Distribution Systems

As RAP countries become more urbanized, more food must be moved to urban centers. Because many of the commodities in the market basket of food products are perishable, refrigeration and/or processing are required to extend shelf life. In addition, as incomes increase in urban areas, demand develops for more exotic and higher quality foods. New distribution systems are required to accommodate these changes and have begun to develop at the retail level in some RAP countries. Evidence from other countries suggests that the next step is the evolution of integrated assembly-wholesale-retail chains. An analysis of the potential for establishing chain systems complete with wholesale distribution centers, assembly market points, and private label brands will be conducted in one or two RAP countries, probably as a joint RAP-Agribusiness and Marketing Improvement Strategies (AMIS) Project core funds effort. These analyses as well as more definitive feasibility studies can be extended on a buy-in basis with AMIS and/or RAP.

Market Channel Analyses (Kenneth Swanberg, Merle Menegay)

The thrust of these analyses is to determine where and how USAID can introduce intervention activities using the private sector to significantly improve the existing marketing system to the benefit of both producers and consumers. Conduct of these studies will take advantage of the market channel analyses in the ongoing competitive position study. Where appropriate, demand analysis is incorporated into the study. The India Mission has expressed interest in a market channel analysis for dairy products in one or more major regions of the country. Market channel analyses may also be pertinent to the needs of other Missions and will be offered to them. Conduct of these analyses is contingent upon Mission co-financing.

Sustainable Agribusiness Project Financing

Emerging agribusinesses in most developing countries are desperately in need of medium- to long-term financing. Several novel ideas have been experimented with, including USAID-initiated programs. In India, establishment of exotic timber plantations has been financed by selling fixed-rate bonds based on the future expected value of the trees. Also in India, three USAID projects (including the Agribusiness Commercialization and Enterprise Project) have established sustainable programs to finance catalytic new enterprises. Along similar lines, a mutual fund can be established through donor-private sector collaboration. A how-to report will be developed for one or more of these financing vehicles during the year. It is possible that this will be accomplished through development of an actual program as the Nepal Mission has expressed interest in a sustainable financing mechanism initially targeted at the dairy industry.

Regional Monitoring and Evaluation (Joseph Pietrus, Kenneth Swanberg)

As previously mentioned, we wish to proceed with implementation of the regional agribusiness monitoring and evaluation program designed in early 1994. This is contingent upon Global Bureau action to implement the proposed system with the Missions.

Separately, the Agro-Enterprise Project (AgEnt) in Sri Lanka is interested in co-financing with RAP the development of a monitoring and evaluation system for its agribusiness efforts. Its expressed timetable is the first quarter of 1995. We recommend that the Global Bureau take action on the aforementioned regional agribusiness monitoring and evaluation plan in time to incorporate its rationale into the AgEnt plan.

Analysis of the Constraints to the Import of Genetic Materials

One Mission is interested in the identification of legislated and regulatory constraints to imports of genetic material and an analysis of their impact on domestic and export markets. RAP has identified an experienced seed industry consultant to design and coordinate the analysis. Implementation is contingent upon a buy-in by the interested Mission, or wider regional support.

TIMELINE OF 1995 WORK PLAN ACTIVITIES

Presented on the following pages is a timeline of 1995 work plan activities.

RAP Year 2 Workplan Project Activities	LTTA Coordinator	Subcontractor/ Collaborator-STTA	Short Term Technical Assistance 1995												
			NEW LOE PM	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
MARKET INFORMATION															
Market Asia															
Publication/Editorial	TK, AMKS			#6	#7	#8	#9	#10	#11						
Sustainability Study		Fintrac	0.68	xxxxx	xxxxxx										
Transfer to Private Publisher	TK/JP	Fintrac	0.23	xxxxxx											
Reader Survey	TK														
ITC MNS Assistance (continuing)	MRM			xxxxxx											
RapNet															
Publication	TK, AMKS					#2	#3	#4							
Maintenance of User BBS (continuing)	AMKS			xxxxxx											
Summary Papers (Contingent on user response)	TK,AMKS						X								x
Quick Response Service															
Service Provision (continuing)	TK, AMKS			xxxxxx											
Market Information Bulletins	TK,AMKS			x	x	x	x	x	x	x	x	x	x	x	x
Market Opportunity Surveys															
Floriculture	TK	Fintrac	1.36			xx	xxxxx	xx							
Intra-RAP Trade Opportunities	TK	Fintrac	1.36					xxxxxx	xxxxxx						
Association Strengthening															
Identification of Counterparts (continuing)	Team			xxxxxx											
Establish/Maintain Network (continuing)	TK,JTP					xxxxx	xxxxxx								
Service Provision/Training (on demand)	TK			xxxxxx											
Identify Market Reporter Training Candidates (on trips)	MRM					xx	xxxxx		xx	xx			xx	xx	
ENVIRONMENTAL ANALYSES & INTEGRATION															
Agribusiness Environment Paper	JB	DPRA	0.50			xxxxx									
Environmental News Bulletin (Market Asia)	JB	DPRA	0.5				#8				#10		#11		
Private Sector IPM Case Studies (continuing)	JB	DPRA	0.50	xxxxxx											
Cocoa IPM Project	JB	USDA		xxxxxx	xxxxxx	x									
Food Quality/ Safety/Phyto Paper	JB	TAS,DPRA	1.3, 1.25	xxxxxx	xxxxxx	xxxxxx	x								
Import Detention Summary	JB	TAS	0.75	xx	xxxxxx	xxx									
Food Plant Sanitation Workshop	JB	DPRA, SUSTAIN	1.00										xxx	x	
Regional Phytosanitary Workshop	JB	USDA									xx				
Post Harvest (Packaging) Workshop	JB	AFHB/USDA/SUSTAIN											X		
Food Laboratory Strengthening Study	JB	TAS/SUSTAIN/USDA	0.50				X	X	X	X					
Export Quality Case Studies (contingent on ESC funding)	JB	ESC									xxxxxx	xx			
Philippine GATT Study (contingent on Mission support)	JB	TAS	1.50				xxxxxx	xx							
Export Quality TA (on demand)	JB	DPRA, TAS	0.5, 0.5	xxxxxx											
Comparison of Seafood HACCP Programs	JB	TAS	0.50				xxxxx								

RAP Year 2 Workplan Project Activities	LTTA Coordinator	Subcontractor/ Collaborator-STTA	Short Term Technical Assistance 1995													
			NEW LOE PM	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	
Quarterly Reports				X				X				X			X	
Semi Annual Review								X							X	
Year 3 Work Plan								X							X	
RAP Internal M & E	JTP	DAI	1.50	xx				xx	xx							X

NOTE: This plan does not reflect the RAP Conference. In addition to the activities noted the RAP core team will participate in the RAP Conference being organized by the USAID Project Officer.