

# SUSTAIN

**BARBADOS**

**FEBRUARY 8 - 18, 1993**

**BUSINESS ASSESSMENT**

**S**haring  
**U**nited  
**S**tates  
**T**echnology to  
**A**id in the  
**I**mprovement of  
**N**utrition

A U.S. Private Food Industry initiative  
in collaboration with the U.S. Agency for International Development  
through a Cooperative Agreement with the National Cooperative Business Association

Upgrading the Food Processing Industries in Developing Countries.

## ***Why SUSTAIN?***

SUSTAIN represents a successful collaborative effort between the U.S. food industry and the Agency for International Development (A.I.D.) to upgrade food processing in developing countries. It provides an excellent model for similar private-public sector joint ventures in health, agriculture and other areas of concern to developing countries.

Food processing is a major contributor to development. It serves multiple roles. Food processing can increase the available food supply by extending the life of perishable food products. It can improve the nutritional quality of the diet by making nutritious foods available the year round. It can lead to the growth of related enterprises in transportation, storage, distribution and marketing. And, it can produce much needed foreign exchange by creating value added products both for export and for internal substitution of imported processed foods.

The U.S. food industry has embraced the concept that freely sharing its expertise and knowledge is of mutual benefit to recipient and donor - to the recipient by improving current operations - to the donor by contributing to a healthier global future.

## ***How SUSTAIN Works***

A.I.D. missions and trade associations in developing countries publicize SUSTAIN's goals and activities. Executives of U.S. food companies with technical expertise and overall knowledge of the food industry serve as the SUSTAIN Steering Committee, providing guidance and overseeing activities.

Food related companies in developing countries submit their requests to SUSTAIN through the A.I.D. mission or a designated organization in their country. SUSTAIN screens all incoming requests and if necessary asks for additional information. Appropriate U.S. companies are then invited to respond.

Some problems can be readily resolved by providing information. Others require that consultants be sent. When a consultant is sent, the usual assignment is for one to three weeks. Upon completion of the assignment, the consultant prepares a report describing findings and making recommendations. Depending on need, some consultants may return for follow-up visits to ensure that recommendations have been appropriately implemented.

## ***SUSTAIN Helps***

Requests are diverse. Help may be needed to solve processing problems, to identify equipment needs and sources of new and used equipment, to train personnel in the use of new equipment and new technologies, to find new uses for indigenous commodities, to establish or improve quality assurance procedures, to control insects and rodents in food processing plants and to improve plant layouts and materials handling.

In the past, U.S. food companies, large and small, have provided technical assistance in the form of information, consultants and training to food processors in Africa, Asia, Latin American and the Caribbean.

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**SUSTAIN PROGRAM**

**BUSINESS ASSESSMENT**

**Barbados**

**February 8 - 18, 1993**

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**Barbados Cooperative Credit Union League**

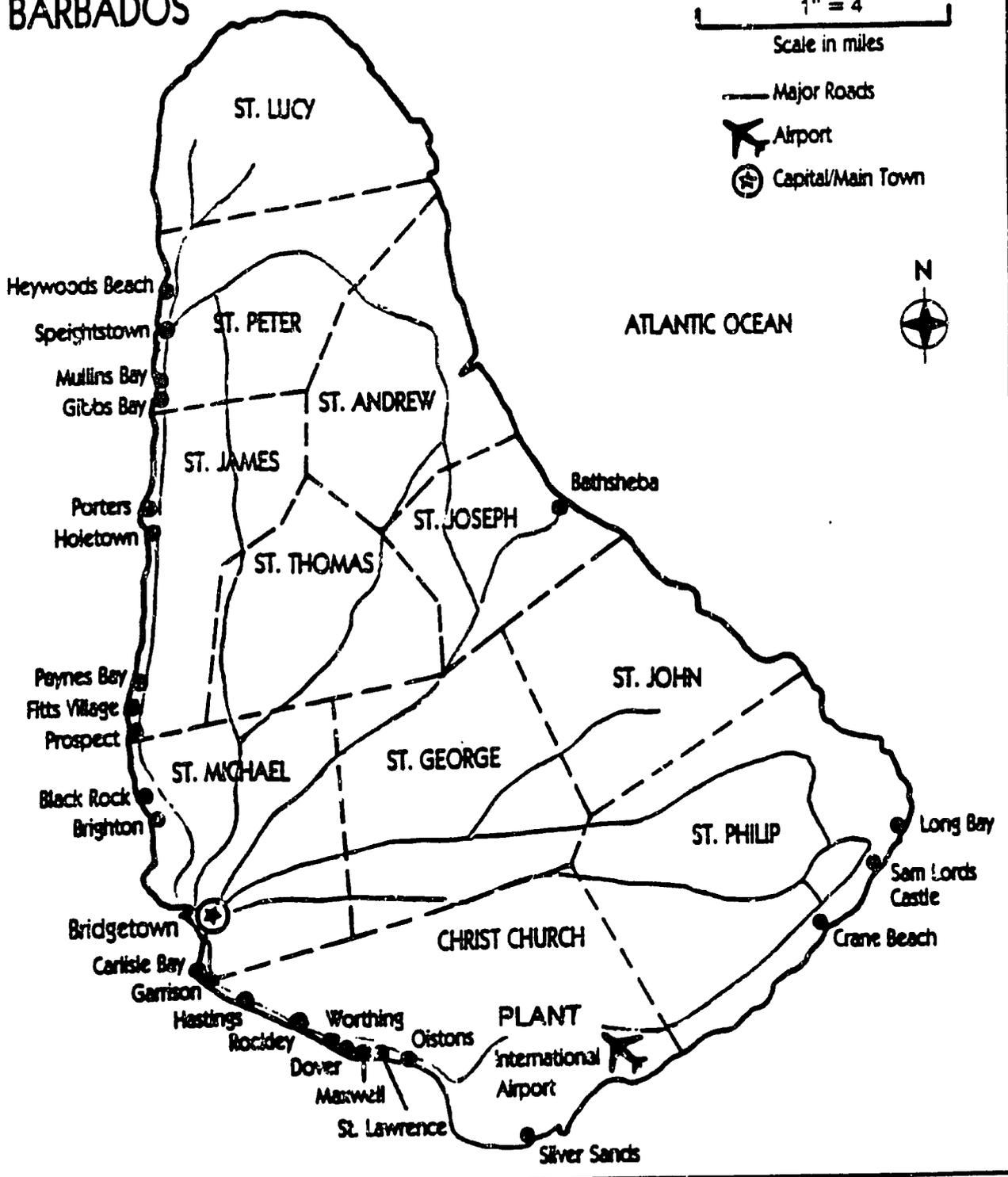
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# BARBADOS

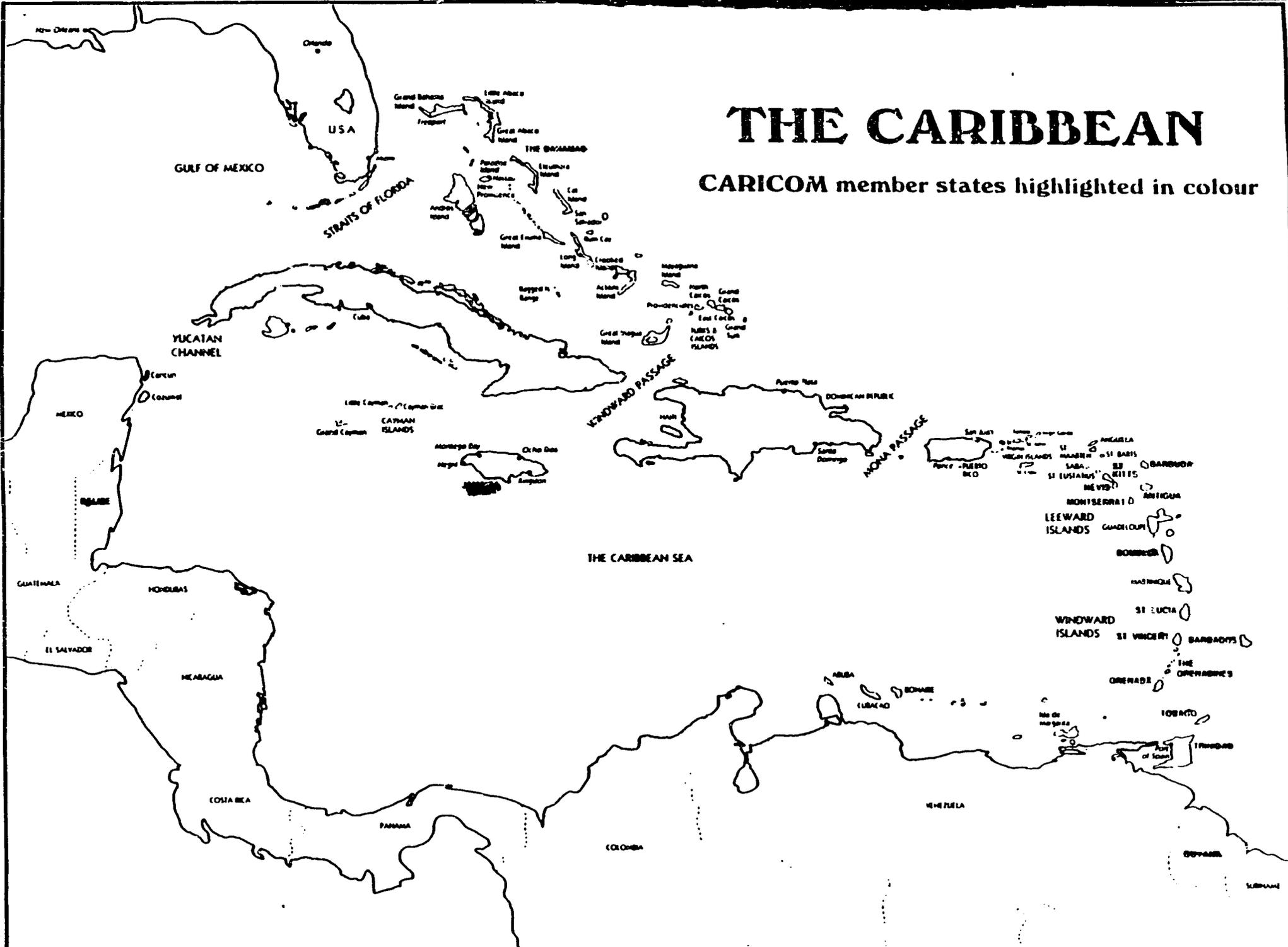
1" = 4  
Scale in miles

- Major Roads
- ✈ Airport
- ⊙ Capital/Main Town



# THE CARIBBEAN

CARICOM member states highlighted in colour



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# **BARBADOS AGRO PROCESSING COMPANY LIMITED**

## **EXECUTIVE SUMMARY**

### **Background**

The Barbados Cooperative Credit Union League Ltd. is seriously considering investing in the operation of the local agro processing facility, the Barbados Agro Processing Company, Limited, and needed assistance in conducting a business review of the Company. This is the final report of a technical assistance mission to Barbados from February 8 - 18, 1993 at the request of, and in cooperation with, the National Cooperative Business Association, the US Overseas Cooperative Development Council, and the Barbados Cooperative Credit Union League.

### **Current Situation**

The Barbados Agro Processing Company was shut down by its Board of Directors in December 1992 due to lack of funds. The Company currently owes approximately BD\$ 4 million (including interest) to their bankers, the Barbados National Bank. It has nominal shareholders' equity of approximately BD\$ 1.8 million and stated fixed assets of about BD\$ 2.8 million. (One US\$ is equivalent to approximately two BD\$.) The liquidation value of the equipment is between BD\$ 280,000 and 560,000 (10 to 20 percent of its purchase price). The Bank is prepared to take the Company into receivership, but has granted the Government of Barbados, the single largest shareholder in the Company, a stay of execution until the end of March 1993 to come up with a different solution. Minister of State, Senator Harcourt Lewis, asked the Credit Union League to explore getting involved in the Company. The Credit Union League is considering making an investment in the Company to preserve the facility for the benefit of local and Caribbean region farmers and to encourage agricultural cooperative formation in Barbados and the Region.

The Company was incorporated as a joint venture commercial enterprise involving the Government of Barbados and the local private sector in July 1989. It was given fiscal incentives which exempted it from certain duties and income taxes for a period of ten years. The Company experienced problems from its inception because it lacked strong management and direction. Formal sourcing arrangements were not made before the plant began operation, so the distributors had no product to sell. There was no coordinated marketing effort; distribution was left to two members of the Board of Directors, one of whom manufactured competing products. Several members of the Board of Directors were either major suppliers or customers, with business interests in potential conflict with those of the Company. There was no one person responsible for the direction and focus of the Company. By the time the Company started

commercial production in March 1991, they were unable to make their interest payments.

The Company has gone through several part- and full-time managers since its start-up. It has produced a variety of products on a sporadic basis. It has never established reliable long-term sources of raw material, stable production schedules, or organized distribution channels. It operated in fits and starts, trying a number of different approaches. In the process, it has lost a great deal of money.

With the start-up expenses, operating losses, and a low liquidation value on the installed equipment, both the equity and most of the debt would be wiped out in a bankruptcy.

### **Evaluation and Future Potential**

The Barbados Agro Processing Company still has tremendous support throughout the agricultural and agro industrial community in Barbados. The Government of Barbados would like to protect the small shareholders who invested in the Company at the urging of the Government and the Directors of the Company. There is a general feeling that the public has been misled. The Government is determined not to let this company fail. Failure would be an embarrassment to the Government and set back the privatization of industry in Barbados.

Three key related issues must be resolved before the Company can reasonably start up again. The first is the financial condition. It would be foolish for new investors or new lenders to put money into the Company before the current financial condition is acknowledged through a restructuring of both the debt and equity. The second, closely related issue, is ownership. In addition to providing ownership to attract new investment and participants, the issue of existing small shareholders must be addressed. Finally, the Company cannot succeed without experienced agro processing management and an organizational structure enabling that management to organize sources of raw material and process, market and distribute it in a way that makes profit.

The raw product is not currently available in processing quantities, but sources could be organized. This might be done on a cooperative basis, both locally and regionally. There are potential markets for some of the products already produced. These markets could be developed with good marketing and reliable supplies of quality product at a reasonable price. The equipment in the plant is workable with some repair and maintenance. A distribution operation could be organized.

If all these conditions were in place, would the Company be profitable? Financial projections were prepared for a fully operational company based on existing products and equipment. Given the latest production and sales levels at the Company, it is

projected that sales for the first year of full production will be approximately BD\$ 3.6 million provided raw product sourcing is secured. However, it will take approximately nine months before full production starts due to the lack of raw product. These sales projections are based on products that the Company has successfully produced in the past and do not reflect potential new products. Earnings before interest, taxes and depreciation is projected to be approximately BD\$ 758,000. The conclusion is that the Company can be a viable entity if the right management and organization structure is put in place and debt and ownership issues resolved.

## **Recommendations**

The Barbados Cooperative Credit Union League has been asked to invest in the Company by the Government. The idea of cooperative involvement in this project is appealing from the cooperative development point of view both from the Credit Union League's perspective and that of the Government. However, the Credit Union League has no experience and no interest in running a food processing company. Neither does the Government or the Barbados National Bank. And, there is little desire to give the current members of the Board of Directors another chance. The Company must be reorganized so that the present Board of Directors is no longer in control of the direction and focus of the Company, the debt must be eliminated, and a management partner must be brought in to run the Company as a business, and not a development project. If the Government, the Bank, the existing shareholders, the Credit Union League, and an experienced management partner are willing to participate in such a reorganization, then the agro processing company can operate successfully. Otherwise, receivership is clearly appropriate.

If a decision is made to go forward, a summary of recommendations are:

1. Prepare and present a concept paper and draft letter of intent for restructuring management, ownership, debt and future operations.
2. Obtain preliminary agreement on intent for ownership and debt restructuring pending results of a full feasibility study. Obtain a 2 month delay on planned March foreclosure.
3. Prepare a full feasibility study and preliminary business plan.
4. Form a private, for-profit processing company, restructuring debt and existing ownership and including new ownership.
5. Coordinate raw product sourcing with agricultural and cooperative development and assistance.

The Company must be reorganized and the debt burden wiped out before the Company can become profitable. It is clear that the status quo cannot be maintained. Given the assumptions for the financial projections described in the above section, it can be estimated that net income would be approximately BD\$ 300,000 for a year of full production. That will support an initial equity of between BD\$ 1 and 1.5 million as a start-up going concern. The Credit Union League must bring in a management partner (which will want an equity share) to run the Company during the first few years of start-up operation. The management partner would provide strategic direction and run the day-to-day operation of the Company, as well as providing much needed technical and development support. All parties involved must also decide whether or not to maintain the existing shareholders' stake in one form or another.

Normally, in a bankruptcy, the shareholders equity is lost first. However, there is a concern for the small shareholders in this transaction. The debt holders and larger equity owners would need to be included in any effort to protect the small shareholders. If all existing shareholders were to keep their first 1,000 shares of existing equity, this would be worth approximately BD\$ 260, 000, or about 25 percent of the justifiable equity for the reorganized, debt free going concern company. The Credit Union League could take 50 percent equity for a cash investment, and the management partner the other 25 percent (partly in options based on performance).

The first step in going forward must be to flesh out the concept, and have the interested parties agree to that concept with a formal letter of intent. This needs to happen quickly if it is to proceed.

## **INTRODUCTION**

### **Background**

The Barbados Cooperative Credit Union League Ltd. (CUL) is seriously considering investing in the operation of the local agro processing facility, the Barbados Agro Processing Company, Limited (the Company), and has asked for assistance in conducting a business review of the Company. The Barbados Cooperative Credit Union League has a membership of 46 credit unions, with a combined membership of over 40,000. The Credit Union League is a member of the Caribbean Confederation of Credit Unions, and an affiliate of the World Council of Credit Unions. The Credit Union League has been in the forefront of cooperative development in Barbados for the last 10 years, providing support mainly to credit unions, but would like to encourage and assist in the growth and development of agricultural cooperatives in Barbados and in the Eastern Caribbean. They believe that the Barbados Agro Processing Company could provide linkages between the agricultural community and local and regional markets. The Credit Union League has been asked to consider investing in the Company by the Minister of State, Harcourt Lewis. This is the final report of a technical assistance mission to Barbados from February 8 - 18, 1993 at the request of, and in cooperation with, the National Cooperative Business Association (NCBA), the US Overseas Cooperative Development Council (OCDC), and the Barbados Cooperative Credit Union League.

### **Methodology**

Interviews were conducted with the former and acting General Managers of the Company, as well as certain members of the Board of Directors, other shareholders, and customers. Unfortunately, key members of the Board of Directors (particularly the Chairman) were out of the island. Production schedules, price lists, and other plant records could not be obtained because the Marketing Manager and Accountant for the Company were not available at the time of the study. Financial projections were made using information gathered from a business plan and financial projections prepared for the Company. A list of references and a complete list of contacts is attached in Appendix 1 and 2, respectively.

## **CURRENT SITUATION**

The Barbados Agro Processing Company was shut down by its Board of Directors in December 1992 due to lack of funds. The Company currently owes approximately BD\$ 4 million (including interest) to their bankers, the Barbados National Bank (the Bank), and approximately BD\$ 66,000 to some of its largest shareholders. It has nominal shareholders' equity of approximately BD\$ 1.8 million and stated fixed assets of about BD\$ 2.8 million. (One US\$ is equivalent to approximately two BD\$.) The

liquidation value of the equipment is between BD\$ 280,000 and 560,000 (10 to 20 percent of the purchase price of the equipment). The Bank is prepared to take the Company into receivership, but has granted the Government of Barbados, the single largest shareholder in the Company, a stay of execution until the end of March 1993 to come up with a different solution. This is the third stay of execution granted by the Bank. The Bank has attempted to begin foreclosure proceedings since the Fall of 1992. Minister of State, Senator Harcourt Lewis, has asked the Credit Union League to look at getting involved in the Company. The Credit Union League is considering making an investment in the Company to preserve the facility for the benefit of local and Caribbean region (the Region) farmers and to encourage agricultural cooperative formation in Barbados and the Region. The Credit Union League has not defined their level of interest or projected participation in the Company.

## **HISTORY**

The Barbados Agro Processing Company was started by the Barbados Agricultural Development Corporation (ADC), an agency of the Government of Barbados, to commercialize some of the products that were being developed in their research and development laboratory. The concept embraced some of the basic tenants of the Government of Barbados:

- agricultural diversification from sugar cane,
- stimulus of small farm production,
- employment generation,
- import substitution,
- export promotion,
- promotion of agro industry, and
- facilitation of private sector involvement in industry.

The plant was built on ADC lands at Fairy Valley, Christ Church, five minutes from the Grantley Adams International Airport and twenty minutes from the Deep Water Harbor in Bridgetown, the capitol of Barbados. (See front page for a map of Barbados and the Caribbean region.) Ken Mullin, a Food Technologist at ADC, was appointed General Manager of the Company. The plant was to process local and Caribbean regional products for sale in the local and export markets, thereby providing linkages between the farmers and markets. The Company was incorporated as a joint venture commercial enterprise involving the Government of Barbados and the local private sector in July 1989. It was designated as an approved enterprise under the Barbados Fiscal Incentives Act and is exempt from certain duties and income taxes for a period of ten years from March 1, 1990.

Support for the Company was widespread. Most of the leading industrialists in Barbados made substantial investments in the Company, and gained seats on the

Board of Directors. (See Chronology of Events, below, for a list of the members of the Board of Directors.) This was also the first time that a broad spectrum of the Barbadian public invested in a company, a giant step forward for the privatization of industry in Barbados. The two public offerings were extremely successful, especially for a company with no history, with the first offering oversubscribed by 40 percent.

The Company was beset by problems from its inception, all of which stemmed from the lack of a strong management team and lack of direction. The processing facility was built by the Government without a business plan, and by the time the Board of Directors were selected, the equipment had been selected and purchased. The General Manager was a respected Food Technologist, but he did not have the skills to run a food processing company. While the Government had done some work on a variety of sweet potato to be processed at the plant, and had a program to develop orchards, there was no coordinated effort to procure raw materials or to organize the necessary farmers. Distribution was left in the hands of two of the Board members who had their own companies to manage. There were also problems with the equipment that had been purchased. By the time the Company started commercial production of fruit pulps, french fries and vinegar in March 1991, they were unable to make their interest payments.

### **Chronology of Events**

- The Barbados Agro Processing Company was incorporated on **July 5, 1989** as a joint venture commercial enterprise involving the Government and the local private sector. The Company was incorporated under the Companies Act Cap. 308 of the Laws of Barbados, and receives fiscal incentives such as the duty-free importation of equipment and raw materials and exemption from corporate income taxes for ten years until the year 2000. Ken Mullin, a Food Technologist at ADC, was appointed General Manager. The Directors were leading industrialists and agriculturalists in Barbados:
  - C.O. Williams, C.O. Williams Construction Limited (Chairman)
  - Edward Cumberbatch, representing ADC
  - Rupert (Carl) Sylvester, representing the Barbados Dairy Industries Limited (Pine Hill Dairy (PHD))
  - Anthony Pickering, LACH Limited (Hotel Food Supplies)
  - Haynesley Benn, representing the Barbados Agricultural Society (BAS)
  - William Ince, National Fisheries Ltd.
  - W. Peter Douglas, Peat Marwick (Company Secretary)
- The initial public offering of one million shares (at BD\$1 per share) in **December 1989** was oversubscribed by approximately 40 percent.
- Operations began on **January 1, 1990**.

- A second offering of 750 thousand shares in **May 1990** was also well subscribed.
- As of **September 30, 1990** (fiscal year end), the Company had a net loss of BD\$14,126 on sales of BD\$12,661.

Three directors were added to the Board of Directors:

- Patrick Mayers, Director of Hanschell Innis,
  - Attlee Brathwaite, General Manager of ADC (Edward Cumberbatch remains on the Board as a representative of the National Conservation Council), and
  - Ken Mullin, General Manager, Barbados Agro Processing Company.
- Commercial production began in **March 1991**.
  - In **September 1991**, Ken Mullin was dismissed as General Manager, leaving a management vacuum. (He is still on the Board of Directors, however.) William Ince, a Director, was put in charge as a Custodian for a few weeks.

Mullin has a legal suit pending against the company for wrongful termination.

- As of **September 30, 1991** (the last year for which audited financial statements are available), the Company had a net loss of BD\$1,242,189 on sales of BD\$157,096.

The Company had acquired a long-term loan of BD\$1 million from the Barbados National Bank (the Bank). They had a Bank overdraft of BD\$1.6 million. Total Bank debt was BD\$2.6 million plus interest. Shareholder equity was valued at BD\$1,805,725.

- In **October 1991**, George Arlow, a mechanical engineer with the British Executive Service Overseas (BESO), was asked to complete the installation of the sauce line and review the existing equipment. (At the time Mullin was dismissed, the sauce line was not yet completed.)

Ramon L. Marks, a representative of the Industrial Credit Fund of the World Bank, in Barbados to promote the Fund, prepared a proposed business plan for the Company. The proposed plan sought to:

- 1) *Seek the commitment of shareholders for an equity injection of \$1.0 million equivalent to two new shares for every three held, thereby increasing share capital from \$1.8 million to \$2.8 million*

*This equity may also be injected from the Agricultural Venture Trust, Commonwealth Development Corporation, or the Barbados Development Bank and equivalent to 35.7% shareholding*

- 2) *Attract a joint venture partner experienced in the field of Food Processing, contributing equity capital as desirable, but more importantly, marketing and technical know-how in the management of APC, and*
- 3) *Seek the assistance of the Company's bankers, Barbados National Bank (BNB) by re-scheduling its term loan of \$1.0 million over ten years (including a 24-month grace period on principal) and an overdraft line of credit of \$1.0 million for working capital.<sup>1</sup>*

*Marks found that: "Based on the existing product mix - tropical fruit pulp, potato snacks, condiments and vinegar within the context of available raw materials, sales are forecast to increase from \$2.2 million in 1992 to \$5.1 million by 2000 equally distributed across the three product groups. It is estimated that approximately 20 per cent or \$1.0 million/year will be exported to regional markets from 1993."<sup>2</sup> The plan was not implemented.*

- **In January 1992**, W. Peter Douglas, Corporate Secretary, and Partner at Peat Marwick, prepared new financial projections for the Company for the years ending September 30, 1992 and 1993 for Agricultural Venture Trust (AVT), which had an interest in investing in the Company. The overview of the financial projections finds that *"Barbados Agro Processing Company Ltd. can be a profitable operation"*.<sup>3</sup> Sales were forecast to increase to BD\$3.4 million in the most likely case scenario for 1992, and to BD\$5.5 million in 1993.
- **In May 1992**, Neville Taylor, Factory Manager of Pine Hill Dairy, was asked to assume the management of the Company on secondment from the Dairy. Taylor ran the plant for eight months on a part-time basis until the plant was closed in December, 1992.
- **In September 1992**, the Barbados National Bank began proceedings to install a receiver/manager at the Company. That action was postponed because the Credit Union League was said to have expressed an interest in investing in the

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<sup>1</sup>Marks, Ramon. 1991. *Barbados Agro Processing Company Limited Business Plan*, p.3

<sup>2</sup>Ibid p. 6

<sup>3</sup>Douglas, W. Peter. 1992. *Barbados Agro Processing Company Ltd. Financial Projections* p.1

Company.

An International Executive Service Corps (IESC) volunteer executive, Edwin Carlson, was asked to assess the viability of the company, give an assessment of the facility and provide technical assistance in producing tomato ketchup from locally grown, low solids tomatoes. Carlson was the third consultant brought in by the Company. Carlson's conclusions were *"that the probability of this factory operating at a satisfactory profit level is doubtful"*.<sup>4</sup>

- The Board of Directors closed the plant in **December 1992**. The Bank was ready to place the company in receivership, but again, was asked for a stay of execution by the Minister of State, Senator Harcourt Lewis. Again, the Credit Union League was said to be interested. The Bank was told to expect a proposal by the end of January, 1993.
- Senator Lewis has promised the Bank that there would be some resolution for the Company by the end of **March 1993**.

## MANAGEMENT EVALUATION

By all accounts, the Barbados Agro Processing Company was understaffed and unprepared for commercial production. There was no **business plan** from which to work, and no formal sourcing contracts on which to base production schedules. The Government and the Board of Directors of the Company made their decisions based on the concept of local sourcing and captive markets. The Government had a program to fund tree fruit production. They had also done some experiments with a high solids, low sugar sweet potato variety called the *toquecita*. The general consensus was that farmers would produce once they had a place to sell their products. However, there were no formal arrangements (no organizations of farmers or cooperatives) to supply the plant. There was also no **marketing plan**. Marketing was left to two Board members, neither of whom had an interest in promoting the entire product line.

The Board members of the Company were some of the most powerful people in Barbados, all of whom either ran their own companies or managed government and non-government organizations. Because of the make-up of the Board of Directors, the Government, the Bank, and the other shareholders assumed that the Board members would "make things work". However, none of the Directors had experience running a public company. Haynesley Benn, of the Barbados Agricultural Society was to help source product, as was the Barbados Agricultural Development Corporation, as was

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<sup>4</sup>Carlson, Edwin. 1992. *Barbados Agro Processing Company Ltd. Volunteer Executive Report* p.3

Coleridge Pilgrim of the Agricultural Venture Trust. C.O. Williams, the Chairman of the Board of Directors, reputed to be the largest landholder in Barbados outside of the Government, delivered fruit (cherry and guava) and experimented with sweet potatoes. Hotel Food Supplies ( a distributor to hotels and restaurants) and Hanschell Innis Ltd. (a producer and distributor of some of the same products that the Company manufactured) were responsible for the marketing and distribution of the Company's branded products. (The Marketing Manager was more of a salesman than a marketing manager.) Most of the time, these companies did not have product to sell, nor did they have product in the form that they wanted.

Each of these Directors, as well as some of the major shareholders of the Company, had his own idea about the direction of the Company. Several were either major suppliers or customers with business interest potentially in conflict with those of the Company. Goddards Enterprises Ltd. (West India Rum Refinery), with 250,000 shares, recommended the vinegar line. Pine Hill Dairy had an interest in making sure that the fruit pulp line was operational. Hanschell Inniss produced and packaged sauces and vinegar, as did DaCosta, another major shareholder. In the end, there was no single entity responsible for running the entire operation. As a result, there was no management direction or focus, no concerted marketing effort and no controls on costs.

After Ken Mullin was dismissed, there was a management vacuum at the Company. The only other staff members were a marketing manager and an accountant. Two or three interim managers were brought in on a part-time basis until the plant was closed in December 1992. The Board of Directors also brought in outside technical help to attempt to solve some of the problems at the Company.

A mechanical engineer was secured through the British Executive Overseas Service (BESO) in October of 1991 to complete the installation of the sauce line and do a complete review of the existing equipment. Apparently, he was not successful in fine-tuning the sauce line.

A representative of the Industrial Credit Fund of the World Bank, in Barbados to promote the Fund, spent about a year working with the various interim managers of the Company from mid 1991 to mid 1992, attempting to standardize procedures and set up some controls. However, there was no one there to put any of his recommendations into practice. He also developed a business plan for the Company in order to help the Board of Directors raise additional capital and secure a joint venture partner to provide the Company with marketing and technical assistance. It is not known whether the plan was adopted by the Company, but no additional capital was raised.

A Volunteer Executive with the International Executive Service Corps (IESC) was asked to assess the viability of the Company and to review the facility in

September of 1992. He recommended the sale of two of the processing lines (vinegar and potato) and concluded that *"the probability of this factory operating at a satisfactory profit level is doubtful"*.

The work of these consultants did not provide the missing strategies or solve the basic problem of an ineffective management structure and lack of direction. At this point, the company had insurmountable debt.

At a minimum, an operation of the size of the Barbados Agro Processing Company would need management with the following skills:

- General Management
- Production Management
- Plant Engineering
- Food Technology
- Quality Control
- Field Representation
- Marketing
- Distribution
- Management and Cost Accounting

Ideally, one person would be able to perform more than one function, but no one could be expected to perform six, as Mullin was. A recommended organization chart is outlined in Appendix 3.

## **PRODUCT EVALUATION**

The Barbados Agro Processing Company has four major processing lines for fruit pulp, sauces, vinegar and french fries. There were also plans to produce fruit cocktail; jams, jellies, and preserves; hot pepper sauce; vegetable pickles; dehydrated fruit; and soups, among other things. Plant production information was not available at the time of this study, but interviews with former plant personnel indicate that the following products were produced on a one shift production schedule:

- Barbadian cherry pulp,
- guava pulp,
- ketchup,
- vinegar,
- white potato french fries, and
- sweet potato ("Bajan") french fries.

Appendix 4 gives a complete review of the products and markets for the Barbados Agro Processing Company.

## **Tropical Fruit Pulp**

The Company produced single strength guava and Barbadian (or West Indian) cherry pulp in 55-gallon steel drums, all for the use of Pine Hill Dairy. (The fruit pulp line was said to be profitable for the Company.) The Dairy produces fruit juice drinks from these and other fruit juice concentrates in chilled and Tetrapak cartons. The Company produced all the requirements of the Dairy for guava pulp in 1992, but was unable to fulfill the Dairy's requirements for cherry pulp for lack of raw product. Even with the purchase of frozen cherries from Brazil, the Company was only able to produce half of the Dairy's demand. The Company could produce single strength pulp from other fruits, but the raw product is not currently available in Barbados. The Dairy purchases other fruit juice concentrates from Latin and South America to complete its line of fruit drinks.

Tropical fruit pulp seems to be a natural product for the Company, especially since there is a captive market for the product. Also, Pine Hill Dairy is not the only juice drink manufacturer in Barbados. There are at least two others that have expressed an interest in purchasing fruit pulp from the Company. There are few producers of fruit pulp in the region. (Dominica has a very small facility that produces passion fruit juice for the local market.) If the Company could secure the raw product, locally or regionally, there seems to be a ready market for the fruit pulp. This is especially true for the cherry, which is reputed to be a unique product (in that it is extraordinarily high in vitamin C) and is very well accepted locally. (A market study is necessary to assess whether there is regional and export demand for the product as well.)

## **Sauces**

The only product produced on the sauce line was ketchup in 12 and 28 oz. glass bottles and 1 gallon plastic jugs. It is said to have been a high quality product. There were plans to produce other products such as hot pepper sauce, but there was no one to formulate the product. Ketchup is widely used in Barbados, especially with french fries, but the consumer does not differentiate between the reputed lower quality product coming in from Trinidad and the higher quality product made by the Company. The Company had hoped to work with the Barbados National Standards Institute (BNSI) to develop standards for the ketchup sold in Barbados, thereby eliminating some of the cheap product coming in from Trinidad. However, most of the product on the grocery shelves is from Trinidad.

The ketchup from Trinidad is said to have had color and flavor problems. Color problems are caused by overheating the product, or the by the use of poor quality raw product. Low quality ketchup is made with the use of cheap ingredients such as sugar and starch as a substitute for tomato paste. Sodium benzoate is used as a preservative. (Tri Valley Growers, a US manufacturer of tomato paste and paste-based products, does not use starch or sodium benzoate in its ketchup.)

The Company imported tomato paste from the US and glass bottles and caps from Trinidad and Jamaica. Sugar had to be purchased from the Barbados Marketing Corporation (BMC), an agency of the Government. The Company paid a higher cost for sugar through the BMC than it would on the world market. These factors, as well as the relatively high cost of labor in Barbados makes it difficult for the Company to compete with Trinidad on a cost basis. A full cost analysis of the product needs to be done before a decision can be made whether or not to continue to manufacture ketchup. However, it seems that if a higher quality ketchup becomes the standard, or the consumer choice, ketchup would be a good product for the Company. (See Table 1, Appendix 4 for a comparison of prices of ketchup found at J.B.'s Master Mart in Christ Church.)

There may be opportunities to produce other tomato paste based products such as spaghetti sauces, pizza sauces and tomato juice. A market study is needed to determine local and regional demand for these products.

Several sources have claimed that there have been inquiries out of the UK for pepper sauce. There are at least 5 local manufacturers of pepper sauce that have product on the grocery shelves. (See Table 1, Appendix 4 for a cost comparison among the brands.) Again, a market study is needed to determine local and export demand for pepper sauce.

### **Vinegar**

The vinegar produced at the Company was also said to be superior to the competing product from Trinidad. It is a white distilled vinegar manufactured by a continuous process of fermentation, where ethanol in alcohol is converted to acetic acid, rather than by the dilution of acetic acid. Again, the Barbados National Standards Institute was to set the standard for the vinegar sold in Barbados. Fairy Valley vinegar is produced in 2 retail sizes (545 and 1,055 ml) and in 1 gallon jugs for the institutional market. It is the cheapest product on the market. (See Table 1, Appendix 4 for a cost comparison among the retail brands.) Raw product costs for the vinegar are very low, however, packaging costs for plastic bottles and caps are more than three times the raw product cost for the imported (duty-free) alcohol. The vinegar produced at the Company is used as an ingredient in the ketchup manufactured at the Company. However, the usage at the plant and the level of retail and institutional sales may not justify continued operation of the line. A full market and cost analysis of the product needs to be done before a decision can be made whether or not to continue the line.

### **French Fries**

The company produced blanched, straight-cut french fries made from white Russet potatoes and a low sugar, high solids sweet potato variety called the *toquecita* in chilled, vacuum-packed plastic bags which had a shelf life of about 10 days. The

french fries were well-accepted by the Company's primary buyer, Kentucky Fried Chicken (KFC). The problem was supply. The Company ran out of money to import the white potatoes, and could not get a continuous local or regional supply of the *toquecita*. The importation of frozen french fries has been banned in Barbados to protect domestic production. With the number of hotels and restaurants catering to the tourist trade, and the fast food outlets, all of whom offer french fries, there is a large demand for pre-processed french fries in Barbados. The process and product have been criticized by the two distributors for the Company, who wanted a frozen product. However, KFC did not have a problem with the quality of the product.

## **SOURCING**

Sourcing was one of the major problems at the Company. The plant was built and operations started without any delivery contracts in place. Fruit and *toquecita* sweet potato production must be organized by the Company. Although the Government has a program in place to fund the development of orchards, and to turn over government owned land to private farmers, very little orchard development or land privatization has taken place. Other regional governments also have programs for agricultural diversification from sugar cane or bananas into fruit. This effort must be taken over by the private sector. The Government has pledged their support for the Company in any way they can, including the development of raw product production and the use of extension agents to work with small farmers. The Government can play a significant role in this development, but it must be directed by the Company. The Barbados Agricultural Society can be of tremendous help in advertising the need and organizing farmers to plant specific crops. The Company can also get development funding from sources such as the Agricultural Venture Trust (AVT) (funded by USAID) and other Caribbean development funds for the development and organization of local and regional agricultural production.

Delivery contracts could be negotiated with each of the farmers that will supply the Company, however, it will benefit the farmers and the Company to have the farmers organized into cooperatives. Most of the farmers that the Government is seeking to help are small farmers who may not have the means or the access to acquire new planting materials, learn how to grow them, and market and distribute them on their own. Cooperative formation will allow members to bargain with the Company as a group on such things as raw product prices and field assistance. The cooperatives can also facilitate crop cultivation, harvesting and collection through the use of shared equipment and means of transportation and distribution. The Company can deal with one or two groups that represent their members rather than several hundred individual growers.

See Appendix 4, Products and Markets, for a full discussion of the raw product used by the Company.

## **Fruit**

Apparently, there is enough guava on the island to supply the Company at current production levels. Guava is available twice a year, in April/May and August/September. A study of the availability of guava would need to be done in order to determine local and regional supply for future production needs.

Barbadian cherry is in short supply. (The cherry season is the same as the season for guava.) Growers will need to be contracted to plant cherry trees. There is funding available through the Government for the development of orchards. The Company will need to be actively involved in helping growers access these funds and organizing planting and delivery schedules. The Barbados Agricultural Society has expressed an interest in working with the Company to organize the local farmers. With cherries, it may be necessary to develop production regionally in order to get the necessary supply. The Company can work with development funding agencies such as USAID, which has a project in the Organization of Eastern Caribbean States (OECS) to promote non-traditional agriculture ("TROPRO" project) and with funded non-governmental organizations (NGOs) such as Agricultural Venture Trust, which has developed agricultural production and small agro industrial projects in the Caribbean. The development of tree crops is a long-term project. It will take three to five years before fruit is harvested.

Passion fruit is said to be available in the region. There is not much passion fruit available locally. A study is necessary to determine the availability and the cost effectiveness of bringing the fruit to Barbados. If fruit is not currently available regionally, the Company can work with the development agencies to start projects specifically to supply the Company. Agricultural Venture Trust has put in approximately 275 acres of passion fruit in Dominica to supply a small local juice processing facility. That acreage could be expanded if the farmers had a place for the crop. Climactically, passion fruit can be made available on a year-round basis and the growing season is approximately eight to nine months. The Company has the ability to process passion fruit pulp and the market for it in Pine Hill Dairy.

## **Hot Pepper**

Hot pepper sauce is said to be a product with export potential that can be produced at the plant. Hot peppers are widely available in Barbados, but production would have to be organized in order to get processing quantities. If the decision to produce hot pepper sauce were made, peppers could be available in three to four months on a year-round basis.

## **Toquecita**

The Government has worked on the development of the *toquecita* variety sweet potato and has provided a small amount of planting material to farmers. However, a processing facility cannot operate without a contracted delivery schedule. The Company should, with the help of the Barbados Agricultural Society (BAS) and the Government, set up a nursery to provide enough planting material to supply the farmers who will supply the Company.

Sweet potatoes are harvested about four to five months after they are planted. If the plantings are staggered, the Company can have delivery of raw product year-round. It will take approximately two months to get planting material once the nursery has been set up. Production of *toquecita* french fries can begin nine months after the raw material sourcing has been organized. The raw product for the sweet potato fries can be sourced locally. Sweet potatoes, yams and other root crops are grown in quantity in Barbados and are exported. Root crops are rotated with sugar cane, so there is plenty of land available for production on a large scale. Should the need arise, *toquecita* can also be sourced regionally. Again, development funds and organizations can be tapped to work with the Company on regional sourcing.

## **MARKETING**

One of the problems for the Company was that the management of the Company did not have complete control of the marketing responsibilities of the plant. The responsibilities for the distribution of the Company's branded products were given to two corporate members of the Board of Directors who are major distributors on the island: Hotel Food Supplies and Hanschell Inniss. Hanschell Inniss also manufactures competing products (vinegar and sauces) under the "Eve" brand. The fruit pulp was sold directly to another member of the Board, Pine Hill Dairy. These companies had no interest in promoting products that they do not already carry, or that are packaged in a format that they did not want to handle.

See Appendix 4 for a full description of the markets for the Company's products.

### **Fruit Pulp**

The Company did not have the personnel to develop products for potential customers other than Pine Hill Dairy. There were experiments done to put the Barbadian cherry pit through a second extraction for jam, but there was no information on whether the tests were successful and there was no commercial production of jams, jellies or preserves. BICO Ltd. is interested in a continuous supply of quality fruit bases for use in their ice cream products. They had to shelve a line of sherbets based on tropical flavors because they could not get the fruit bases. Fruit juice concentrate is traded on

the world market. These products are higher value-added products than the fruit pulp being sold to the Dairy. There seems to be a potential for Barbadian cherry concentrate, but the Company is not currently equipped to make juice concentrate on a large scale. Any additional investment in equipment for new product lines could not be justified until the Company has demonstrated its management and marketing ability by making a profit with the existing equipment and products. A market study is recommended to determine demand for the fruit products the Company could produce.

### **Sauces**

The Company had three sales channels for ketchup: branded retail, retail private label, and institutional. Branded retail and bulk sales were distributed by Hotel Foods and Hanschell Innis. The Company at one time packed ketchup for three grocery store chains. If the Company can produce a good product at a competitive price, local institutions have expressed interest in buy it. Regional export does not seem likely given the higher costs of production in Barbados and the fact that the packaging materials (glass bottles and caps) are coming from some of the target markets.

Kentucky Fried Chicken has expressed an interest in ketchup in single-serving packages. They currently use the sachets manufactured by Heinz in the US. Most of the hotels on the island also use the Heinz sachets. A feasibility study would need to be done to determine the profitability of installing such a packaging line.

### **Vinegar**

Apparently, vinegar was not a product that the distributors wanted to promote. Demand is low, as is the turnover. Total demand for vinegar in Barbados was estimated by the Company to be about 75,000 litres. Fairy Valley brand vinegar is the cheapest brand on the market. If the Company were to capture the whole market, sales would average about BD\$ 170,000. The competing vinegars come from Trinidad and the US. Hanschell Inniss carries a vinegar packed for them in Trinidad. Most of the US brands are flavored vinegars such as tarragon vinegar or wine vinegar.

There have been recommendations to sell the vinegar plant and to buy the vinegar used as an ingredient in ketchup. However, the process of making vinegar is a continuous, self-contained process which should require little attention, and the raw material costs are very low. A full feasibility study is needed to determine the profitability and marketing requirements of vinegar.

### **French Fries**

The Company's distributors did not want to handle the chill-packed french fries. They wanted a frozen product that they could distribute along with their other frozen lines. The word on the street was that the french fries were not a good product; that there

were quality problems. That was not the reaction of the main customer of the product, Kentucky Fried Chicken. They liked the product, they just could not get a continuous supply. The Company eventually went to direct distribution on the french fries to Kentucky Fried Chicken. Had the Company been able to supply the product on a continuous basis, the Operations Manager at KFC was of the opinion that they could have captured the hotels and other restaurants as well.

The rationale for the vacuum packed product was that it would be a higher quality product. It would require less oil to fry and less frying time, since it was not frozen. Company management (Ken Mullin) saw no reason why in a country like Barbados, where the most of the potential customers are located within a half hour of the plant, there would be a need to invest in expensive freezing equipment and storage capacity. Direct distribution seems appropriate locally. The Company already has one truck, which it used to distribute product to KFC. Should they capture other markets, additional investment would need to be made to support distribution.

Most of the islands in the region import potatoes and very few import frozen french fries. A market study for french fries in the region is recommended. If there is a sizable market, an investment in sterilized packaging or freezing may be warranted.

## **PLANT EVALUATION**

The scope of this study did not include an in-depth evaluation of the plant and equipment. Consultants from BESO and IESC have both done full evaluations of the equipment and plant layout. There is no report available from the engineer from BESO. The IESC Volunteer Executive suggested that the vinegar plant and the potato line be sold. The plant and equipment appear to be in good condition and usable. Additional equipment and equipment modifications will not solve the basic problems of raw product supply, the lack of organized marketing and poor management. If a full feasibility study is performed, another review of the production capacities and equipment for each product is recommended after the management, market and source of raw materials studies are undertaken.

## **FINANCIAL PROJECTIONS**

The pro forma earnings statement presented in Appendix 5 is an attempt to estimate a **year of full production** given the following conditions:

- The Company is restructured and the debt burden wiped out.

- A full management team is in place at least 6 months before production begins. **This management team must be responsible for the entire operation of the company, from sourcing to marketing and distribution.** The management team consists of the following (see Appendix 3 for an organization chart):

General Manager	Production Manager
Marketing Manager	Plant Engineer
Controller	Food Technologist

- Sourcing for raw product begins immediately upon the reorganization of the Company. It will take approximately 2 months to set up a nursery to provide enough planting material for the *toquecita*. It will take another 4-5 months before the first raw product is harvested. It will be 3-5 years before any newly contracted cherry acreage will bear fruit. **It is expected that plant production will begin about 9 months after the reorganization of APC.**
- Former marketing relationships with customers are reestablished.

Given the latest production and sales levels at the Company, it is projected that sales for the first year of full production will be approximately BD\$ 3.6 million. These sales projections are based on products that the Company has successfully produced in the past; they do not reflect any new products. Fruit pulp is projected to account for approximately 32 percent of total sales, ketchup for approximately 40 percent, french fries for about 24 percent, and vinegar for only 4 percent of total sales. The average raw product and packaging cost is projected to be 46 percent of total sales. Earnings before interest, taxes and depreciation is projected to be approximately BD\$ 758,000.

See Appendix 6 for notes to the financial projections presented in Appendix 5.

## RECOMMENDATIONS

1. **Prepare and present a concept paper and draft letter of Intent for restructuring management, ownership, debt, and future operations.**

The Company must be reorganized and the debt burden wiped out before the Company can become profitable. The existing management and debt level has crippled the Company and brought operations to a standstill. Senator Harcourt Lewis has offered a solution to the debt problem. The Government could assume the debt from the Bank and place the debt in an agricultural trust. It is not clear what stake the Government would have in the Company, however, the Government would get a seat on the Board of Directors to oversee the direction of the Company. The Bank would receive low interest bonds maturing in 10 years in exchange for the debt. They would no longer have an interest in the Company.

The Credit Union League must find a management partner to run the Company. The Company must have a strong management team that has full responsibility for the company, from day-to-day management to strategic direction. This team must take care of everything from sourcing raw material to distributing the finished product. A management team can be hired on a consultancy basis until locals are hired and trained, or brought in as a joint-venture partner. Individuals with experience in management of food processing facilities are not readily available in Barbados. Short-term solutions such as bringing in consultants from different organizations to do pieces of work have not worked in the past. Consultants do not have a long-term view and no vested interest in the Company. The Company needs a management team with a full range of skills that it cannot support, given its current condition and size. (It cannot pay for such things as product development, agricultural research, and export marketing research.) A joint venture partner that is already in the business, with an established international marketing network, can provide these services on an as-needed basis. This joint-venture partner would take full control of running the business.

Once the management partner has been identified, the Credit Union League must determine an ownership structure. Given the assumptions for the financial projections presented above, it is estimated that net income would be approximately BD\$ 300,000 for a year of full production. That level of income will support net worth of BD\$ 3 million once the operation is in full production, and an initial equity of between BD\$ 1 and 1.5 million as a beginning going concern. A decision must be made as to the status of the existing shareholders. They can be bought out at some level, or given a stake in the new company. If the existing shareholders were given a one-for-one share in the new company for up to 1,000 shares in the existing company, their equity would be about BD\$ 260,000. The Company could justify bringing in up to BD\$ 1 million in additional equity. Assuming the Credit Union League raises approximately 50 percent of the total equity, this would leave about 25 percent for the management partner, or others. Whatever role the management partner takes in the ownership of the Company, they would not be bringing in much cash. The Credit Union League would need to secure a line of credit for working capital. Other variations on ownership and management could be explored, but agreement in principle on a restructuring concept is the first step.

- 2. Obtain a preliminary agreement on intent for ownership and debt restructuring pending results of a full feasibility study. Obtain a 2 month delay on planned March foreclosure.**

Once the management partner has been identified, and the ownership structure formulated, a preliminary agreement must be reached with the Government of Barbados, the Barbados National Bank, the existing shareholders of the Company and the intended management partner as to the ownership structure, debt, and future operations of the plant, pending the results of a full feasibility study. A 2 month delay

on the planned March foreclosure must also be obtained from the Bank.

**3. Prepare a full feasibility study and preliminary business plan.**

A complete feasibility study and preliminary business plan must be done before any further investment in the Company is made. A scope of work for a feasibility study is presented in Appendix 7.

**4. Form a private, for-profit processing company, restructuring debt and existing ownership and including new ownership.**

The Barbados Agro Processing Company cannot be run as a development project if it is to succeed as a profitable enterprise. The Company must be approached as a business, and run that way. The purpose of the business must be to make money, and not just to provide a home for the excess fruit and vegetables grown in Barbados.

The owners of the business can be:

- the Credit Union League,
- the Government of Barbados,
- the management partner,
- other new investors, and
- former shareholders of the Company, in some form.

The Company currently owes the Barbados National Bank about BD\$ 4 million in principal and interest. (The BNB has stopped counting.) The Bank is prepared to put in a receiver to liquidate the assets of the Company, if necessary. Minister of State, Senator Harcourt Lewis is willing to ask the Government to assume the debt from the Bank and place it in an agricultural trust, much in the same way they have dealt with the debt of the sugar industry. They will issue the Bank bonds in exchange for the debt, paying a low interest rate (4 percent) and with a maturity date of ten years. In exchange, Government would be given a stake in the Company, and a seat on the Board. It is not clear what form the Government stake will take.

The present ownership structure must be reorganized. One way to do this would be to reissue shares in the new company to the present shareholders. If current shareholders are given a one-for-one exchange up to 1,000 shares, that would preserve the shareholdings of 300 shareholders. An interim Board would be named to direct the Company until elections can be held one or two years after the Company has been able to establish itself. This leaves room for new investors such as the Credit Union League, the joint venture management partner, Agricultural Venture Trust, and others.

**5. Coordinate raw product sourcing with agricultural and cooperative development and assistance.**

The Company must have a consistent supply of raw material that is suited for processing. Raw material sourcing must be coordinated locally and regionally by the management of the Company. In addition to making a direct investment in the company the Credit Union League would be responsible for helping organize farmers into cooperatives that would deliver the desired raw product to the Company. The Company can work with the Government of Barbados, development agencies such as USAID and the Caribbean Development Bank, NGOs such as Agricultural Venture Trust, the Barbados Agricultural Society, and farmer cooperatives in Barbados and the region to develop production.

## **CONCLUSIONS**

The Barbados Agro Processing Company still has tremendous support throughout the agricultural and agro industrial community in Barbados. There are a number of individuals and organizations that say that they would still invest in the Company, if only someone could make it work. The Government of Barbados would like to protect the small shareholders who invested in the Company at the urging of the Government and Directors of the Company. There are approximately 300 shareholders out of 461 (65 percent) with 1,000 shares or less. There is a general feeling that the public has been misled. The Government is determined not to let this company fail. Failure would be an embarrassment to the Government and set back the privatization of industry in Barbados.

Clearly, there is no way to revive the company in its present state. That would be throwing good money after bad. The question is: **"How can we make this work."** The Barbados Cooperative Credit Union League has been approached twice about investing in the Company, once by Peat Marwick, the audit firm for the Company, and the second time by the Government. The idea of cooperative involvement in this project is appealing from the cooperative development point of view both from the Credit Union League's perspective and that of the Government. Farmers would benefit from cooperative formation, as would the cooperative movement in Barbados. The Government would have encouraged private investment and stimulated small farm production and agricultural diversification. However, the Credit Union League has no experience and no interest in running a food processing company. Neither does the Government or the Barbados National Bank. And, there is little desire to give the current members of the Board of Directors another chance. The Company must be reorganized so that the present Board of Directors are no longer in control of the direction and focus of the Company, and a management partner must be brought in to run the Company as a business rather than a development project.

With the right management and ownership structure, it seems the Company can be viable. The Credit Union League must determine their desired level of participation and obtain a preliminary agreement on the intent to ownership and debt restructuring pending results of a feasibility study.

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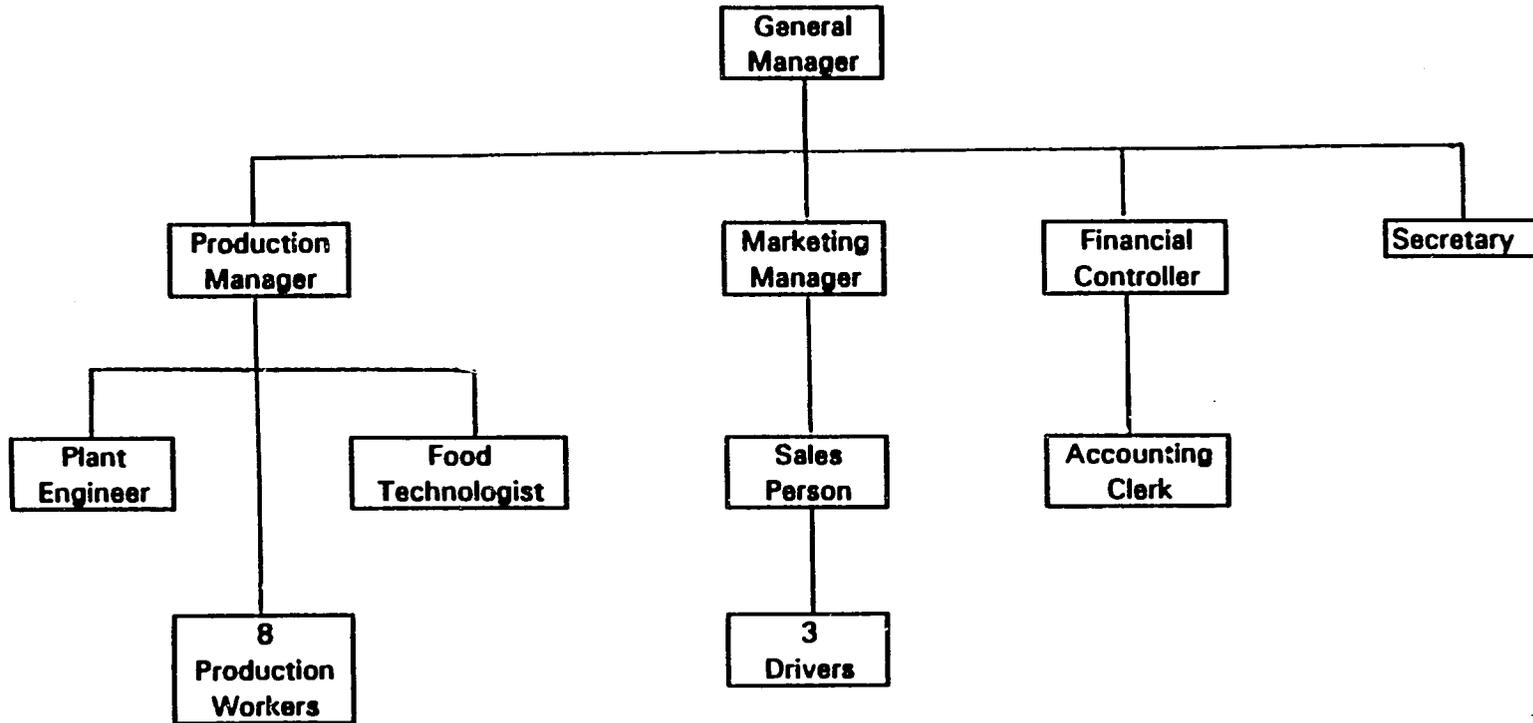
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**ORGANIZATION CHART  
BARBADOS AGRO PROCESSING COMPANY LTD**



**BARBADOS AGRO PROCESSING COMPANY, LIMITED  
PRODUCTS AND MARKETS**

**TROPICAL FRUIT PULP**

Barbados Agro Processing Company is said to have produced guava, cherry and passion fruit pulp. However, there is no indication that passion fruit pulp was produced in any meaningful amount. This can be substantiated by plant production records, which were not available at the time of this study. All pulp was packed in 55-gallon steel drums that had been recycled by Pine Hill Dairy from other fruit concentrate purchases, and frozen.

Guava

The guava pulp produced by the Company is a single strength (6-9 Brix) hot break product with a recovery rate of 98 percent. The fruit is chopped into small pieces, mixed with a small amount of water and cooked in a kettle before being put through the pulper, where the seeds are removed.

Barbadian (West Indian) Cherry

The cherry pulp produced by the Company is a single strength (7-9 Brix) cold break product with recoveries of 75 - 78 percent. The fruit is put directly through the pulper, where the seeds are removed.

**Raw Product**

Guava and some cherry is available in Barbados. They are both harvested around the same time, twice a year, April/May and August/September. The season runs between 6 weeks to 3 months, depending on the size of the crop. There is little passion fruit in Barbados. Climactically, passion fruit could be available regionally throughout the year, although it is heavier in the wet season.

Guava

There are no statistics available on the production of guava in Barbados. Guava is not cultivated widely, and most guava production on Barbados is from "wild" trees. However, Pine Hill Dairy has been able to fill their needs for guava pulp from the production at the Company. The Dairy uses approximately 136,800 kilograms (kg) of single strength guava pulp a year. Given a 95 percent recovery for guava, it is estimated that the Company processed

approximately 144,000 kg of guava last year. This can be substantiated by examining plant production records, which were not available at the time of this study. Most of the guava that was processed at the Company is said to have come from C.O. Williams, the Chairman of the Company and ADC.

When guava pulp was not available from the Company, the Dairy bought all their pulp from South America. Guava is said to be available in the region, but no statistics have been found to substantiate this.

### Barbadian Cherry

Again, there are no statistics available on the production of cherry in Barbados. The *Agriview 1991*, published by the Agricultural Planning Unit of the Ministry of Agriculture, Food and Fisheries (MAFF), mentions that of the 9 hectares of commercial fruit orchards established in the period, Barbados cherry accounted for 0.8 hectares.<sup>1</sup> There does not seem to be any meaningful production of cherry in the region, although this would have to be substantiated in a feasibility study. At one point, Philip Pilgrim, the Company's Marketing Manager, was sent to Guyana to look at sourcing possibilities. It was concluded that cherries from Guyana were too expensive.

The Company produced about half of the Dairy's requirement for cherry pulp, even though they purchased frozen cherries from Brazil to supplement local production. The frozen cherries are said to be inferior in quality to the local product. The Dairy uses approximately 288,000 kg of cherry pulp a year. The Dairy supplements the Company's production with imported single strength product from Brazil. Given a 60 percent recovery for cherry, it can be assumed that 240,000 kg of raw product was processed. How much of that was imported frozen product will have to be determined upon examination of plant records. Most of the local cherry processed came from C.O. Williams and ADC.

### Passion Fruit

In 1991, 0.8 hectares of passion fruit was established in Barbados.<sup>2</sup> Passion fruit is being cultivated in some of the other islands in the Caribbean, but only Dominica produces it in commercial quantities. Agricultural Venture Trust has worked to put in 275 acres of passion fruit to supply a small processing facility in Dominica. That acreage may be expanded to 400 under a Government

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<sup>1</sup>Agricultural Planning Unit, Ministry of Agriculture, Food and Fisheries, Barbados. August 1992. *Agriview 1991* p. 16

<sup>2</sup>Ibid

sponsored program. USAID is sponsoring a program for agricultural diversification in the Organization of Eastern Caribbean States (OECS) in order to identify and promote non-traditional export crops with potential for joint export marketing. Passion fruit was identified in that project as a crop with good potential for commercial production in the medium term.<sup>3</sup>

Pine Hill Dairy currently purchases all its requirements for passion fruit in concentrate form (50 Brix) from Columbia and Brazil.

## **Marketing**

### Local

Pine Hill Dairy takes all the fruit pulp that the Company produces. The Dairy makes fruit drinks in chilled cartons and has recently begun packaging drinks in shelf-stable, Tetrapak cartons. The Dairy's sales are local, but they have exported some tropical juices in Tetrapak (cherry, guava, pine/passion, etc.) to Canada on a trial basis, and are seeking FDA approval to ship to the US. Some of the Dairy's fruit pulp and concentrate needs are as follows:

Guava pulp	136,800 kg/year
Cherry pulp	288,000 kg/year
Passion fruit juice concentrate	42,000 kg/year
Pineapple juice concentrate	96,000 kg/year
Grapefruit juice concentrate	48,000 kg/year

The Dairy has paid the Company world market prices for the guava (US\$0.80/lb) and cherry (US\$1.16/lb plus \$0.26 duty) pulp.

BICO Limited had invested in the Company with the hopes of securing a continuous supply of quality tropical flavors for their ice cream lines. However, they have never received any product from the Company despite repeated requests. BICO has had to shelve a line of sherbets they had developed based on West Indian fruit because of the lack of supply. BICO currently imports approximately BD\$1 million worth of fruit bases. (The Dairy also imports tropical fruit flavors for their yogurt.)

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<sup>3</sup>USAID. November 1988. *A Programme for Agricultural Diversification in the OECS: Identification and Promotion of Non-Traditional Export Crops with Potential for Joint Export Marketing* p. 11

In order to supply BICO with their needs, the Company would have to do some product formulation and perhaps, acquire additional equipment. The Company did not have the time or the manpower to do that product formulation while the plant was in operation.

There are other juice drink manufacturers in Barbados (L.G. Miller & Sons is one), some of whom have asked for pulp from the Company. Their current needs have not been determined.

### Regional

Regional demand for fruit pulp has not been quantified, but given that few islands have fruit processing facilities, there would seem to be a market. However, it does not seem likely that Barbados, given its comparative high costs, could produce a competitive product, even with the duty-free status of regional trade.

### Export Potential

The Netherlands is the primary clearing house for most of the fruit juices and juice concentrates going to Europe. The majority of the trade is in imports of concentrates as opposed to single strength juices and pulp. Passion fruit juice is the single most important juice of the "exotic" juices on the European market. Most of the passion fruit juice concentrates come from Latin and South America. Guava is also traded in significant volumes. Guava usage is increasing, but the market is well supplied by existing suppliers.<sup>4</sup> These juices are rarely drunk on their own, but are usually mixed with cheaper and more readily abundant juices like apple and orange to produce multi-flavored "exotic" drinks where the content of these exotic juices can be as little as 10 percent. However, multi-flavored exotic juice drinks are showing strong growth and the use of tropical products in fruit juice drinks is predicted to increase steadily throughout the 1990s.<sup>5</sup>

Juice and juice concentrates are traded on a commodity basis, with wild fluctuations in price based on supply/demand. Passion fruit juice concentrate prices have fallen from over US\$4,000/metric tonne free on truck Europe for 50 Brix concentrate early last year to about US\$2,200 in January of 1993. According to *Foodnews*, the break-even price for passion fruit juice is said to be US\$2,600-2,700.<sup>6</sup>

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<sup>4</sup>CASSE Consultants Ltd. 1991. *Agro-Processed Foods and Beverages: Export Market Study*. Product Category Fruit Juices and Concentrates p.4

<sup>5</sup>Ibid p.3

<sup>6</sup>January 22, 1992. *Foodnews* p. 7.

Given the size of the Company's fruit pulp line and the relatively high cost of production in Barbados, it would be difficult for their products to compete on the world market. The one exception may be the development of a market for Barbadian cherry. The Barbadian cherry is said to have exceptionally high vitamin C content and the cherry pulp commands a relatively high price. There may be a possibility of producing fruit juice concentrate in the future.

## **SAUCES**

Ketchup was the only item produced on the sauce line. At one point, Ken Mullin made some hot pepper puree, but it was never used, and his successors threw it away.

### **Raw Product**

The bulk of the ketchup produced by the Company was made with imported tomato paste (30-32 Brix) from the United States, purchased for US\$0.39/lb including freight. When fresh tomatoes were plentiful, low solids tomatoes (8-10 percent solids) were purchased for US\$0.20/lb and processed. Ketchup made from fresh tomatoes cost more than the ketchup made from imported paste.

### **Other Ingredients and Packaging**

Sugar was purchased through the Barbados Marketing Corporation (BMC) at US\$0.50/lb, US\$0.20/lb higher than world market prices. Vinegar was produced in-house. Glass bottles and caps were imported from Trinidad/Tobago and Jamaica. Plastic bottles and caps for those bottles are available locally. Fibre is also available locally.

### **Marketing**

#### Local

The ketchup produced at the Company was said to be a superior product compared to the imports coming in from Trinidad. The Company was to work with the Barbados National Standards Institute (BNSI) to come up with a standard for the ketchup to be sold in Barbados. Apparently, that has not taken place. The product from Trinidad is mostly sugar and starch and lists sodium benzoate as an ingredient. The imported product has had color and flavor problems, but the Barbadian consumer seems to be indifferent to the problems. At J.B.'s Master Mart in Christ Church, there were at least eight different brands of ketchup in the popular 28 oz (750 ml) bottles imported from Trinidad. Among the labels were: Eve, Maggi (Nestle), Golden Delight, Catelli, Swiss, MP, Kane, and Cuisine. Of these brands, Golden Delight seemed to be the most

popular, and it was the second cheapest product on the shelves. (See Table 1 for a price comparison.)

Most retail sales are of cases of 12/28oz bottles. The Company had its own Fairy Valley label, and also did some private labelling for several distributors. Neville Taylor, the interim General Manager, estimated that the Company had a reasonable share of the market, selling 3-4,000 cases a month out of a total market of 8,000 cases a month. Tony Pickering, one of the distributors for the Company, estimated that at its peak, the Company was selling 1,000 cases a month to Julian supermarket under the First Class label.

The Company also packed 4/1 gallon plastic bottles for the hotels and restaurants, distributed by Hotel Foods and Hanschell Inniss. Sales were from 6 to 800 cases a month.

The management of Kentucky Fried Chicken (KFC) has indicated that they would purchase the Company's ketchup if it were packaged in individual serving packages. KFC and most of the major hotels on the island use the Heinz single-portion packages. Chefette, the other major fast food chain, uses larger-sized (about three times the size of Heinz's) single-portion packages packed for them in Trinidad. These portion-packs are preferred by restaurant managers because they are portion-controlled.

### Regional

The Company cannot compete with the other regional manufacturers of ketchup on a price basis. Barbados has a relatively high cost of production, and imports bottles and caps from some of the target markets. Most islands have facilities that make condiments. Unless there is a regional advertising campaign to educate the consumer, the Company will not be able to differentiate their reputed superior product from the others.

### **VINEGAR**

The vinegar produced by the Company is packaged under the Fairy Valley label in two sizes for retail sales in plastic bottles (1,055 ml and 545 ml). It is a distilled spirit vinegar produced by a continuous process of fermentation where ethanol is converted to acetic acid. The product for retail sales is 5 percent acetic acid. The Company also packages a 10 percent acetic acid vinegar in 4/1 gallon bottles for the institutional market.

## **Raw Product**

The spirit alcohol used in the production of vinegar is imported duty (200 percent) free. The cost of the alcohol per litre of vinegar is approximately BD\$0.15.

## **Marketing**

### Local

The Company estimated that the retail and institutional demand for vinegar would be about 75,000 litres annually. (50,000 litres are imported every year.) 10 percent of the output was to be used in the plant as an ingredient for ketchup and other sauces. There were plans to pack for distributors such as Hanschell Innis. However, Hanschell Innis has co-packing arrangements elsewhere. Retail sales figures for the Company were not available at the time of this study. According to Tony Pickering, the Company sold 2-300 4/1 gallon cases a month.

Competitors on the retail level include brands from the US (Heinz, Flav O Rite, and Hyde Park) and Trinidad (Mabels and Matouks). Fairy Valley is the cheapest product on the shelves. (See Table i for a price comparison.) As with ketchup, APC was to work with BNSI to set standards for vinegar so that regional competitors who make vinegar by simply diluting acetic acid would be driven out of the market.

Kentucky Fried Chicken uses Heinz tarragon vinegar in gallon jugs for their salad bars. They use approximately 33 gallons every month. KFC would use local product if it were available. The Company only makes white vinegar.

### Regional

The Company had plans to export vinegar within the region when the line was put in place. The vinegar produced at the Company was reputed to be of a high quality, and the Company had the capacity to produce the quantity required. However, there was no effort made to market the vinegar. There may be an institutional market for flavored vinegar for the fast food chains, hotels and restaurants in the region.

## **FRENCH FRIES**

The Company produced two different types of products. One was a straight-cut french fry made from imported Russet potatoes (mostly from Canada), and the other was a straight-cut french fry made from locally developed *toquecita* variety sweet potatoes. The potatoes are washed, peeled, cut and blanched before they are vacuum-packed in 3 kg bags. They are not pre-fried or frozen. Shelf-life for these potatoes is said to be approximately 10 days, chilled.

## Raw Product

### White Potatoes

Barbados imported over 9.6 million kg of white potatoes in 1991 at an average cost of BD\$0.73/kg CIF.<sup>7</sup> Most of the imports (over 90 percent) come in from Canada and are charged duty and other taxes of almost 100 percent. There are no white potatoes produced in Barbados. The Company was able to import potatoes duty free, but ran out of cash towards the end to do so.

### Toquecita

Barbados produced over 2 million kg of sweet potatoes on 241 hectares in 1991 and exported over 200,000 kg.<sup>8</sup> However, there are no statistics on the *toquecita* variety used by the Company. This variety is a high solid, low sugar, white skinned, white flesh sweet potato that was developed at the Barbados Agricultural Development Corporation. ADC was to supply small farmers with planting material to encourage production. There was very little planting material available.

Sweet potatoes and other root crops are grown in rotation with sugar cane, so the potential to produce commercial quantities is there. Sweet potatoes used to be planted in the Fall and Spring, but can be made available throughout the year with proper planning. They are harvested in four to five months. Average yields are 6 tons/acre.

## Marketing

### Local

#### White Potatoes

There is a sizable market for french fried potatoes in Barbados. Frozen french fries are not allowed to be imported, so most fast food chains, hotels and restaurants have to hand peel and fry potatoes. The Company estimated that the market for white french fried potatoes is about 700,000 kg a year. Kentucky Fried Chicken supplied 2 of their 5 restaurants with white potato fries from APC at BD\$1.20/lb. They took 2,000 lbs of white potato fries a day, delivered 6 days a week, with a double shipment on Saturdays. This works out to be over 300,000 kg a year. KFC took delivery of this product in cold water in plastic

<sup>7</sup>Agricultural Planning Unit, MAFF. 1992. *Agriview 1991* p.

<sup>8</sup>Ibid p. 30

pails. Upon delivery, they bagged the product into 5-lb bags. KFC liked the product and had no problems with quality or spoilage. KFC has said that if they could get the price down to BD\$1.00/lb, they would supply all five of their restaurants. If this were the case, KFC's demand alone would be over 700,000 kg. a year. (KFC has since purchased about US\$67,000 worth of equipment to peel and cut potatoes, but would purchase ready-to-cook product if it were available at a cost-effective price - they are still paying twice what the Company would pay for the potatoes.) Chefette had also been interested in the product. Chefette's demand would be about the same as KFC's. Hotels and other restaurants were also said to be interested in the product

The Company's distributors, who handle frozen food, were not interested in marketing the french fries because they were not frozen. The Company eventually distributed to KFC directly.

### Toquecita

Kentucky Fried Chicken was so interested in the "Bajan" fries that they did all the marketing for it. White potato fries get soggy in about 10 minutes. The Bajan fries remained firm for up to three hours. KFC introduced the fries in three of their five outlets, and they were well accepted, even at a higher price than the white potato fries. The problem was that they could not get the supply. Customers would ask for the product, only to be told that it was not available that day, or the next. When the product was available, KFC took about 900 lbs/week. That equates to over 43,000 lbs (close to 20,000 kg) a year for the three outlets. If the product were available in all five outlets, that would be 72,000 lbs or about 33,000 kg a year.

### Regional

Most of the Caribbean islands import potatoes. Trinidad, for instance, imported close to 22 million kg of potatoes in 1990. Very few of the countries in the region import frozen french fries. There could be a large regional market demand for french fries. However, for the Company to consider that, they would have to invest in IQF or sterilized packaging equipment.

Appendix 4

Table 1

**Price Comparisons at J.B.'s Master Mart 12/2/93  
Barbados**

**White Distilled Vinegar, 5%**

Brand	Origin	Size (ml)	Price BD\$	Price/ 500 ml
Mabels	Trinidad	500	\$1.30	\$1.30
Fairy Valley	Barbados	1,055	\$2.29	\$1.09
Fairy Valley	Barbados	545	\$1.35	\$1.24
Matouks	Trinidad	4,000	\$8.59	\$1.07
Matouks	Trinidad	2,000	\$4.95	\$1.24
Matouks	Trinidad	1,000	\$2.65	\$1.33
Matouks	Trinidad	500	\$1.45	\$1.45
Hyde Park	USA	1,000	\$3.75	\$1.88
Hyde Park	USA	500	\$2.09	\$2.09
Heinz	USA	4,000	\$9.99	\$1.25
Heinz	USA	1,000	\$3.69	\$1.85
Flav O Rite	USA	1,000	\$3.48	\$1.74
Flav O Rite	USA	500	\$2.02	\$2.02

**Tomato Ketchup**

Brand	Origin	Size (ml)	Price BD\$	Price/ 500 ml
Eve	Trinidad	750	\$2.89	\$1.93
Maggi (Nestle)	Trinidad	750	\$3.25	\$2.17
Golden Delight	Trinidad	750	\$2.50	\$1.67
Catelli	Trinidad	750	\$2.80	\$1.87
Swiss	Trinidad	750	\$2.75	\$1.83
MP	Trinidad	750	\$2.75	\$1.83
Kane	Trinidad	750	\$1.99	\$1.33
Cuisine	Trinidad	750	\$2.89	\$1.93
Windmill	Barbados	750	\$2.99	\$1.99

**Pepper Sauce**

Brand	Origin	Size (ml)	Price BD\$	Price/ 500 ml
Eve (Inniss)	Barbados	738	\$6.00	\$4.07
Neville A. Edwards	Barbados	750	\$6.00	\$4.00
The S Bend (E. Parris & Son)	Barbados	750	\$5.75	\$3.83
Home (DaCosta)	Barbados	750	\$5.90	\$3.93
Windmill (L.G. Miller & Sons Ltd.)	Barbados	750	\$6.99	\$4.66

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## Appendix 5

**BARBADOS AGRO PROCESSING COMPANY LTD.****Pro Forma Statement of Earnings****Year 1 of Full Production**

	Guava Pulp (kg)	Cherry Pulp (kg)	Ketchup (kg)	Vinegar (ltr)	White Fries (kg)	Bajan Fries (kg)	Total	% of Sales
# of Units	136,800	144,000	250,000	55,000	300,000	20,000		
Price per Unit (BD\$)	\$1.80	\$6.30	\$5.66	\$2.26	\$2.65	\$3.25		
Sales	\$246,240	\$907,200	\$1,415,000	\$124,300	\$795,000	\$65,000	\$3,552,740	100.00%
% of Total Sales	6.93%	25.54%	39.83%	3.50%	22.38%	1.83%	100.00%	
Raw Product Costs	\$108,000	\$360,000	\$222,500	\$14,500	\$448,000	\$25,142	\$1,178,142	33.16%
Packaging Costs			\$375,000	\$45,650	\$36,000	\$2,400	\$459,050	12.92%
	\$108,000	\$360,000	\$597,500	\$60,150	\$484,000	\$27,542	\$1,637,192	46.08%
% of Sales	43.86%	39.68%	42.23%	48.39%	60.88%	42.37%	46.08%	
Labor							\$294,216	8.28%
Electricity							\$40,000	1.13%
Other							\$50,000	1.41%
Total							\$384,216	10.81%
Total Cost of Product							\$2,021,408	56.90%
Gross Profit							\$1,531,332	43.10%
SG&A								
Salaries							\$388,700	10.94%
Advertising (5% of Sales)							\$177,637	5.00%
Insurance							\$23,000	0.65%
Vehicle Expense							\$73,800	2.08%
Audit & Acct. Fees							\$25,000	0.70%
Legal & Other Fees							\$29,000	0.82%
Other Office Exp							\$56,000	1.58%
Total SG&A							\$773,137	21.76%
Earnings before Interest, Taxes and Depreciation							\$758,195	21.34%

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## NOTES TO PRO FORMA STATEMENT OF EARNINGS

### Sales

Sales figures are based on expected sales of products that have been successfully produced by APC. It does not include forecasts of sales of products such as hot pepper sauce and passion fruit pulp. Sales for a full year of production are expected to be over BD\$3.5 million.

#### FRUIT PULP

The sales levels for guava and cherry are levels that were achieved by APC last year for PHD.

#### KETCHUP

Without actual sales figures for 1992, it was difficult to estimate a realistic sales level for ketchup. The figure given here is a best guess based on interviews with Neville Taylor and Tony Pickering.

#### VINEGAR

The sales level for vinegar is based on stated institutional sales.

#### FRENCH FRIES

Sales for both white and Bajan french fries are based on Kentucky Fried Chicken's prior consumption.

### Cost of Sales

Cost of Sales does not include depreciation, and is expected to be approximately BD\$2 million.

#### RAW PRODUCT

Raw product costs are based on recovery rates for the various products. For example, in order to produce 136,800 kg of guava pulp, you would need to start with 144,000 kg of raw product given a 95 percent recovery rate.

## **PACKAGING**

Fruit pulp is packed in 55-gallon steel drums recycled by PHD, so there is no cost. Packaging costs per unit of product for the other products were taken from the financial projections prepared by Peat Marwick in January 1992.

## **LABOR**

Labor costs are based on wages for 8 workers on one shift working a 6-day week at an average cost of BD\$5.75 an hour and salaries and benefits (at 15 percent of salaries) for three management employees: Production Manager, Plant Engineer and Food Technologist.

## **ELECTRICITY AND OTHER**

Electricity and costs such as repair and maintenance have been taken from the financial projections prepared by Peat Marwick in January 1992.

## **Gross Profit**

Gross profit is expected to be approximately BD\$1.5 million for a full year of production.

## **SG&A**

Total SG&A is expected to be approximately BD\$770,000, not including depreciation and amortization.

## **SALARIES**

Salaries include salary and benefits (at 15 percent of salary) for a General Manager, Marketing Manager, Controller, Salesperson, Accounting Clerk, Secretary and three drivers.

## **ADVERTISING**

Advertising expenses are estimated to be 5 percent of sales.

## **INSURANCE**

Insurance expense was taken from the financial projections prepared by Peat Marwick in January 1992.

## VEHICLE EXPENSE

Vehicle expense is triple the vehicle expense used by Peat Marwick in their financial projections prepared in January 1992. This takes into account additional trucks for direct distribution.

## AUDIT, ACCOUNTING, LEGAL AND OTHER OFFICE EXPENSES

These figures were taken from the financial projections prepared by Peat Marwick in January 1992.

## **Earnings before Interest, Taxes and Depreciation**

Earnings before interest, taxes and depreciation are expected to be approximately BD\$750,000.

**SCOPE OF WORK FOR FEASIBILITY STUDY  
BARBADOS AGRO PROCESSING COMPANY LIMITED**

**Background**

The Barbados Cooperative Credit Union League Ltd. is seriously considering investing in the operation of the local agro processing facility, the Barbados Agro Processing Company, Limited. The Company has the capability of producing fruit pulp, ketchup and other sauces, vinegar, and french fries. The Company was incorporated as a joint venture commercial enterprise involving the Government of Barbados and the local private sector in July 1989. It was shut down by its Board of Directors in December 1992 due to lack of funds. The Company currently owes approximately BD\$ 4 million (including interest) to their bankers, the Barbados National Bank. It has nominal shareholders' equity of approximately BD\$ 1.8 million and stated fixed assets of about BD\$ 2.8 million. The liquidation value of the equipment is between BD\$ 280,000 and 560,000 (10 to 20 percent of the purchase price of the equipment). The Bank is prepared to take the Company into receivership, but has granted the Government of Barbados, the single largest shareholder in the Company, a stay of execution until the end of March 1993 to come up with a different solution. Minister of State, Senator Harcourt Lewis, has asked the Credit Union League to look at getting involved in the Company. The Credit Union League is considering making an investment in the Company to preserve the facility for the benefit of local and Caribbean region farmers and to encourage agricultural cooperative formation in Barbados and the Region.

A prefeasibility study indicates that the Company can be viable if a strong management team, and sourcing and marketing arrangements are put in place. A full feasibility study must be undertaken before an investment is made.

1. Perform market evaluation for existing and potential products. Explore local, regional and export market potential.
2. Analyze profitability and appropriateness of product lines.
3. Analyze raw material requirements and availability locally and regionally.
4. Analyze sales and distribution methods.
5. Analyze production methods. Determine whether products are up to world standards.

6. Perform complete equipment review. Analyze plant layout and receiving and storage capacities.
7. Perform a complete analysis of the plant operations, including production capabilities and product costing. Obtain all plant records (production schedules and reports, fixed asset register, purchasing records, product ingredient and formula files, quality control records, accounting records, price lists, sales records, etc.).
8. Prepare a business plan, including financial projections and implementation plan.

Appendix 8

**ITINERARY FOR YOO-MI LEE**

**9 February 1993**

- 7:25 am Leave SFO - American Airlines #1540
- 3:27 pm Arrive Miami
- 4:35 pm Leave Miami - American Airlines #1407
- 8:57 pm Arrive Barbados

**10 February 1993**

- 9:30 am Meet with Oriel Doyle, CEO, Barbados Co-operative Credit Union League
- 1:00 pm Meeting with Tony Alleyne, Barbados National Bank - Cancelled
- 2:00 pm Meeting with Neville Taylor, Acting General Manager, Barbados Agro Processing Company; Factory Manager, Barbados Dairy Industries

**11 February 1993**

- 9:15 am Meeting with Registrar of Cooperatives
- 10:00 am Barbados Agro Processing Company plant tour with Neville Taylor and Reg Clarke, Advisor to Agri Business
- 12:00 Meeting with Attlee Brathwaite, Barbados Agricultural Development Corporation
- 2:00 pm Meeting with Ken Mullin, former General Manager, Barbados Agro Processing Company

### **12 February 1993**

- 10:00 am Meeting with Coleridge Pilgrim, Agricultural Venture Trust
- 11:15 am Meeting with Julian Dottin, farmer, President, Marie Eloise Farms
- 2:30 pm Meeting with David Millington, Partner, Peat Marwick
- 4:15 pm Trip to grocery store: J.B.'s Master Mart

### **15 February 1993**

- 10:00 am Meeting with Robert Murrell, Operations Director, Kentucky Fried Chicken
- 11:00 am Research at Statistical Department, Government of Barbados
- 2:00 pm Meeting with Chris St. John, Managing Director, BICO Ltd.
- 3:00 pm Research at CARICOM Export Development Project

### **16 February 1993**

- 9:00 am Meeting with Tony Alleyne, Barbados National Bank - Cancelled
- 10:00 am Meeting with Sen. the Hon. Harcourt Lewis, Minister of State
- 11:15 am Meeting with Haynesley Benn, Barbados Agricultural Society
- 12:30 pm Lunch with members of the Board of Directors of the Barbados Co-operative Credit Union League
- 3:30 pm Meeting with Erroll Berkley, Caribbean Development Bank

### **17 February 1993**

- 8:15 am Meeting with Tony Alleyne, Barbados National Bank
- 2:30 pm Meeting with Peter Medford, USAID/Barbados
- 4:00 pm Meeting with Tony Pickering, Hotel Food Supplies

**18 February 1993**

9:30 pm Leave Barbados - American Airlines #700

12:21 pm Arrive Miami

1:50 pm Leave Miami - American Airlines #1539

4:59 pm Arrive SFO