

January 1995
(Updated February 1995)



HELPING SRI LANKA TO GROW !

AgEnt is a dynamic USAID funded private sector agro-enterprise development initiative successfully assisting companies and entrepreneurs with viable business/marketing plans to expand existing operations or start-up new ventures targeted at both domestic and export markets.

**AgEnt's 1995 INTERNATIONAL TRADE
FAIRS, COMPETITIVE COUNTRIES/EXPORTERS AND
UPGRADED/NEW EQUIPMENT AND TECHNOLOGIES ASSESSMENT
AND ACQUISITION STRATEGIES
(Including Selected Achievements Todate)**

To: Richard Hurelbrink
Managing Director

Copy: RH/PM/RC/SHC/CM/GA/SE/DK
General & Training Files

From: Tony Dalglish
International Marketing/
Agro-Processing Advisor

Lionel Jayaratne/USAID
(3 copies)

1. SECTOR OBJECTIVES

Among AgEnt's core delivery objectives are the key requirements to increase sales of existing client products and/or develop and launch new products (particularly targeted at export markets) which -

- a. Possess a distinct, sustainable marketing edge
- b. With a. achieved (in the main) through the introduction of upgraded/new equipment and technologies, supported by the introduction/application of far more sophisticated/result oriented marketing and promotional strategies.

Successful achievement of these objectives throughout the life of the project should lead to the creation of a substantial increase in new jobs, which in turn is the No. 1. AgEnt core delivery objective.

There are also many other important indirect benefits which will accrue to Sri Lanka if the above AgEnt objectives are achieved, particularly the building of a much stronger export markets image as a country which can now produce/deliver a wide range of quality/higher added value agro-enterprise sector products etc.

contd/2

2. **ILLUSTRATIVE 1993/1994 ACHIEVEMENTS TODATE**

In both the export sales development and competitive countries/exporters and upgraded/new equipment and technologies assessment and acquisition sectors, AgEnt's achievements todate have been particularly impressive, typified by the following illustrations -

A. **INCREASING EXPORT SALES/PENETRATING NEW EXPORT MARKETS**

• **1993 GERMAN ANUGA WORLD FOOD FAIR**

4 Clients were assisted by the project to directly participate and promote/sell their product lines at the largest event of its kind in the world.

AgEnt's " shared investment grant " contributions/spread across all four clients constituted only 2.5% of US\$234,000 in orders taken.

• **1994 GERMAN INTERZOO TRADE FAIR (REFER APPENDICES B/C PRESS COVERAGE ETC)**

10 Ornamental fish clients were assisted by the project to participate and promote/sell their product lines at this major event.

AgEnt's " shared investment grant " contributions spread across all participating clients constituted only .34% of US\$3.8M in orders taken and projected.

At this event AgEnt joined forces with the EDB/Export Development Board to maximise both Sri Lanka's/participating exporters promotional and sales impact.

• **1994 FRENCH SIAL INTERNATIONAL FOOD PRODUCTS EXHIBITION (REFER APPENDIX D PRESS COVERAGE)**

7 clients were directly and 4 indirectly assisted by the project to participate and promote/sell their product lines at this event, the most prestigious international food fair in the world.

AgEnt's " shared investment grant " contributions spread across all participating clients constituted only 2.0% of US\$816,3236 in orders taken.

AgEnt again successfully joined forces with the EDB/Export Development Board to maximise both Sri Lanka's/participating exporters promotional and sales impact.

- **1994 NETHERLANDS INTERNATIONAL FLOWER EXHIBITION (REFER APPENDICES E/F/G/H/I PRESS COVERAGE ETC)**

The attached Asian Cuttings press coverage further illustrates how AgEnt is successfully assisting clients at an individual (as opposed to a group) trade fairs participation level ; and a client with a substantial small outgrower program.

B. UPGRADED/NEW EQUIPMENT AND TECHNOLOGIES ASSESSMENT AND ACQUISITION MISSIONS (REFER APPENDICES J/K/L PRESS COVERAGE)

The highlight in this sector has been AgEnt's development/leading of a highly successful assessment/acquisition mission of 7 clients to the 47th Atlanta Poultry Exposition (January 1994) , which resulted in the project making available a number of major grants to -

- Assist selected poultry processing clients to significantly increase frozen broiler chicken production etc based on large scale " small/grass roots farmer " outgrower production etc i.e. 3 AgEnt clients alone in this sector will put-on another 800 " small/grass roots farmer " outgrowers ! (Refer Appendices M/N/O/P).
- Open-up major new U.S. poultry equipment/technology export sales at a Phase I level of around US\$300,000 !; with AgEnt's " shared investment grants " contributions running well below 50% of all clients U.S. new poultry equipment/technology purchases !

AgEnt has also opened-up new markets/achieved significant export sales for many other U.S. agro-enterprise exporters in other product sectors ; well in line with USAID's major objective in this arena (Refer page 7).

C. COMPETITIVE COUNTRIES/EXPORTERS PRODUCTS, PROCESSING TECHNOLOGIES AND MARKETS ASSESSMENT (REFER APPENDIX Q)

AgEnt has also put together one key study tour in this arena i.e. The THAILAND FOOD FAIR (1993) is a classic example where we took a small group of clients to this event to evaluate why Thailand's food exporters have become one of the most innovative/successful of Asian countries in the higher added value processed foods sector.

The net of this study tour persuaded/helped one client (Hiran International Dehydration Co (Pvt) Ltd) to commercially develop/launch their new dried fruits range successfully into the highly competitive international marketplace (refer Appendices R/S/T).

:4:

The company's forecast 1995 export sales could well break the US\$80,000 mark; and employment has already risen from 15 to 45 persons ! The company has been developed/run by a dynamic Sri Lankan woman entrepreneur, where AgEnt has assisted her business to expand through a sustained/performance oriented Phase by Phase " shared investment grants " program.

3. **SPECIFICS OF AgEnt's " SHARED INVESTMENT GRANTS " PROGRAM IN THE EXPORT DEVELOPMENT SECTOR**

Refer Appendix A i.e. which is contained within the project's Agro-Enterprise Profile Form and given out to every potential project client.

Appendix A " shared investment grants " components are buttressed by " hands on " project advisors underpinning support in the following critically important areas -

- A. Helping them to promote/sell their products at trade fairs
- B. Helping them to secure often difficult to access competitive country/exporters marketing intelligence etc
- C. Helping them to identify/assess/negotiate/acquire ideal upgraded/new equipment and technologies

etc.

4. **AgEnt's 1995 INTERNATIONAL TRADE FAIRS, COMPETITIVE COUNTRIES/EXPORTERS AND UPGRADED/NEW EQUIPMENT AND TECHNOLOGIES ASSESSMENT AND ACQUISITION STRATEGIES**

To ensure continuing attainment of AgEnt's final end five year core delivery objectives the project will place in 1995 intensified thrust/weight behind the above sectors (*) i.e.

Date/Sector/Event

Brief Objectives Comment

- Jan 1995
- Floriculture
- Tokyo Flower Show

This is an EDB/Export Development Board initiative, where the Board had already made a prior commitment to participate in the event at the time of their approach to AgEnt to join forces to maximise both Sri Lanka's/ participating exporters impact/sales opportunities at the Tokyo Flower Show (although AgEnt has reservations as to whether this is the most suitable Japanese floriculture show via which Sri Lankan exporters should seek to sell their product lines into the Japanese market).

<u>Date/Sector/Event</u>	<u>Brief Objectives Comment</u>
<ul style="list-style-type: none">• May 1995• Ornamental fish/aquatic plants• Singapore Aquarama - International Aquarium Fish/Accessories Conference	<p>This will be another EDB/Export Development Board and AgEnt promotional association where both organisations will assist a large number of exporters/small breeders to participate in this important trade and industry trends/educational conference; and constitutes AgEnt's continuing/successful support to the ornamental fish export sector.</p>
<ul style="list-style-type: none">• May 1995• Food Processing/Packaging• Thailand 5th Asian International Food Processing and Packaging Technology Show	<p>AgEnt will select/send 5-8 food processing clients to this show to assess the latest equipment/technologies of likely benefit to Sri Lanka at both a domestic/export marketing level i.e. AgEnt is seeking to persuade appropriate clients to introduce new, higher added value food products through the introduction of upgraded/new equipment and technologies with a marketing edge which will create increased sales, open-up new markets, improve profitability etc.</p>
<ul style="list-style-type: none">• June 1995• Processed Foods/Commodities etc• Thailand Food Fair	<p>AgEnt will select/send 5-8 existing/potential exporters to this key competitive country/exporters trade fair to identify new, higher added value processed food products which Sri Lanka should be seeking to develop/launch into the international marketplace.</p>
<ul style="list-style-type: none">• September 1995• Processed Foods• UAE/Sharjah International Food Fair	<p>Sri Lanka's higher added value food products penetration of the United Arab Emirates market is insignificant. AgEnt will select 5/6 complimentary exporters with the capability to penetrate the UAE market and launch their promotional/sales initiative through participation in this key trade fair which AgEnt will manage 100%.</p>

Date/Sector/Event

Brief Objectives Comment

- October 1995
- Processed Food Products
- Australian Fine Food Fair

Sri Lanka's higher added value food products penetration of the large/ rapidly expanding Australasian (Australia/New Zealand) market is likewise insignificant (and notwithstanding a large Sri Lankan ethnic community). AgEnt will select 5/6 complimentary exporters with the capability to penetrate the Australasian market and launch their promotional/sales initiative through participation in this key trade fair which AgEnt will manage 100%.

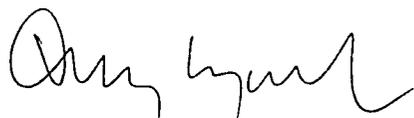
(*) Line-up of events could change (up/down in number) dependent on AgEnt funding availability or whether more appropriate events are identified for existing and/or new product sectors; doesn't take into account that we may assist individual exporters in other product sectors to participate in trade fairs etc more aligned with their specific needs.

5. **SUMMARY**

AgEnt has been able to clearly demonstrate that the project has been able to -

- A. Successfully assist many Sri Lankan agro-enterprise exporters on a " phase by phase " basis to increase export sales, penetrate new export markets and develop/launch new products into the highly competitive international marketplace for the first time, utilising a very low cost/ high rate-of-return " shared investment grants " program.
- B. Achieve significant United States exporter equipment/technology sales in line with USAID's key objective in this sector i.e. refer page 7., boxed photocopy of the International Herald Tribune newspaper article dated 24/12/94; and where the impact/benefits at a grass roots " small farmer " increased employment/incomes level have been equally significant.

Appendices



The Well of Foreign Aid Is Drying Up

By Reginald Dale
International Herald Tribune

WASHINGTON — Why should First World governments still dole out aid to the Third World? Despite the Mexican shock, developing countries' prospects look brighter than ever — thanks largely to private enterprise.

By 2020, according to one estimate, nine of the world's top 15 economies will be from today's Third World. In education and health, the gap between rich and poor countries continues to close.

"One might fairly conclude that today's developing world will be tomorrow's engine of economic growth," said Susan Raymond of the New York Academy of Sciences at a recent conference organized by the American Enterprise Institute.

So why should American taxpayers' money go to help the Third World when infant mortality is higher in Washington than it is in many developing countries? Why should Europeans help when their own countries are wracked by devastating unemployment, and post-colonial guilt — like post-slavery guilt in America — is on the wane?

These are not new questions. It has always been hard to make a popular case for foreign aid. Many people believe, with good reason, that much aid tends to be wasted, spent on arms or siphoned off into Swiss bank accounts.

But it is harder than ever to make the case in a global economy where workers

in industrial countries often see developing countries as threats to their livelihood rather than objects of compassion.

And the results are beginning to show. This month, the Organization for Economic Cooperation and Development reported a fall in official development finance in 1993 to the lowest level in 20 years. The new Republican majority in the U.S. Congress wants to prune over-

Workers in industrial countries often see developing countries as threats to their livelihood rather than objects of compassion.

seas aid, just as it wants to trim welfare payments at home. The European Union is being unusually tight-fisted in negotiations with its African, Caribbean and Pacific associates.

With Western budgets under pressure, some senior officials are talking about "the end of aid," at least in the sense of official aid to development. That's going too far. The OECD countries' development aid still totaled \$56 billion in 1993. It is not about to disappear.

But even many of those most concerned for the welfare of poorer countries admit that official aid may have done disappointingly little to raise living standards, except for those of the rich.

On the contrary, aid has often helped to entrench dictatorships and has a poor record in promoting democracy, free markets and economic growth.

Anyway, with the end of the Cold War, the strategic priorities underlying aid policies have shifted. Europe is more concerned with its neighbors in the Mediterranean and Central Europe than with its far-flung former colonies. The United States feels less need to prop up unsavory Third World clients to stop them from falling into the enemy camp.

Now, says J. Brian Atwood, administrator of the U.S. Agency for International Development, the strategic aim of American aid is to prevent "the breakdown of international order and the failure of nations." The second main purpose is to create markets for U.S. exports.

All this is leading donor governments to set much tighter conditions on their largesse and to be much harder-nosed about their own interests.

Thus, Mr. Atwood says, Washington will take account of "persistent repression, unabating poverty, unsustainable rates of population growth and environmental damage."

The EU is insisting that aid recipients pay much more attention to European priorities, such as health, education and training, in spending the money. Inevitably, the EU's associates are complaining that the EU is trying to dictate aid policy.

They are wrong to make a fuss. If conditions are not noticeably tightened, political support for continued aid may dry up altogether.



**AgEnt IS A DYNAMIC USAID FUNDED PRIVATE SECTOR AGRO-
ENTERPRISE DEVELOPMENT INITIATIVE SUCCESSFULLY
ASSISTING COMPANIES AND ENTREPRENEURS WITH VIABLE
BUSINESS/MARKETING PLANS TO EXPAND EXISTING
OPERATIONS OR START-UP NEW VENTURES TARGETED AT
BOTH DOMESTIC/EXPORT MARKETS!**

Over the past 20 months AgEnt has assisted many Sri Lankan agro-enterprises and entrepreneurs through the project's unique "50% SHARED INVESTMENT GRANTS" program in the following export sectors -

1. To visit overseas markets to assess/acquire new higher added value processing and packaging technologies.
2. To conduct "first hand" export markets research to determine whether existing or new concepts/products have the potential to achieve success, linked to the development/implementation of export marketing strategies which are most likely to work in the highly competitive international market place.
3. To participate in trade fairs to help them promote their products and find new buyers.
4. To produce "on target" export promotional material such as product information/sales brochures.
5. To send samples to potential buyers for initial evaluation.
6. To develop new export manufacturing processes.

- and much, much more.

Next, AgEnt's freely accessible Business Information Center maintains an up-to-date collection of hard back publications, international trade magazines, product sector trend/price reports, linked to an international network capable of accessing a wide range of production, post harvest handling, processing, marketing and agri-business topics.

For more information on how AgEnt can possibly assist your agro-enterprise in the export marketing development arena, please send a brief one page letter outlining the nature of your business and possible assistance sought to-

Richard Hurelbrink,
Managing Director - AgEnt Project,
5th Floor, Deutsche Bank, P.O. Box 389,
86 Galle Road, Colombo 3, Sri Lanka.
Tel: 94-1-446447, 446420 Fax: 94-1-446428

We will then send to you our AgEnt information brochure and an agro-enterprise profile form which needs to be completed to form the basis for holding our first exploratory meeting with a potential client.

The English Daily with the largest circulation in Sri Lanka.

MONDAY JUNE 20, 1994



The Export Development Board's ornamental fish exporters stall at the INTERZOO '94 world pet trade fair held recently at Nuremberg, Germany, was designed and built with assistance from USAID's AgEnt Project. Eight local breeders/exporters of endemic tank and pond-reared ornamental fish were overwhelmed by the advance orders they received at the four-day exhibition. (Picture by courtesy of AgEnt)

Boost for Lanka's aquarium fish export

Sri Lanka's aquarium fish display at the Interzoo '94 pet trade fair held recently in Nuremberg, Germany, has provided a major boost for the country's aquarium fish exports, according to the Export Development Board (EDB) and U.S.AID's private sector agro-enterprise development project AgEnt.

Both the EDB and AgEnt, assisted eight Sri Lankan aquarium fish exporters to participate in Interzoo, the world's largest fair for the pet trade with aquarium fish being one of the major product groups.

Tank and pond-reared ornamental fish from Sri Lanka was one of the high-lighted and sales success stories of the show, accord-

ing to AgEnt. Some of the exhibitors were considering returning to Sri Lanka before the show was even over as a result of advance orders for their anticipated production.

AgEnt also collaborated with the EDB in organising the Lankan stall and international market promotion. Other assistance given to exporters included free stall space with basic fixtures and fittings, aquaria with complete accessories for exhibiting the live fish, products and the provision subsidised air fare and fully subsidised allowance to the eight breeders/exporters who participated.

These were: Marine Ocean Tropical Fish Exports, Nainidia, Aquari-

Fish Gate (Pvt) Ltd., Wet Pets, Aquapets, Aquarium Sea Horse, CDE Aquariums, Golden Sealare Business Enterprises, and Ruwini Aquatics.

AgEnt has been providing technical assistance for the expansion and breeding of freshwater aquarium fish and marketing assistance for export to selected local aquarium fish breeders exported under an EDB/IC-UNDP funded project. As a result of this program, those who were predominantly exporting marine tropical aquarium fish have commenced captive breeding of freshwater tank-reared fish for the export trade.

One of the catalysts re-

has been the lobbying by various international and conservationists' organisations for the preservation of the natural environment.

For Interzoo '94, AgEnt created and provided two colourful endemic fish posters to create an identity for Lankan tank and pond raised fish. Fourteen aquariums with fish ranging from puppies to goldfish were placed at the back of the Lankan stall, so that one had to really walk in to view. This promotional strategy had an outstanding impact in that the stall was patronised by over 1,000 visitors during the four-day exhibition.

As a result, the representatives of the eight participating companies had

combined total of nearly 500 sit-down discussions with existing and potential new buyers during the show.

According to AgEnt, the main producer of ornamental fish in the Asian region is Singapore, whose export market last year neared US\$ 50 million.

While Sri Lanka has a long way to go to reach such a figure, given the strength and talent of the local industry, the marketing and promotional approaches introduced at Interzoo, any land availability for breeding, both the EDB and AgEnt are confident the foreign exchange earnings should progressively improve in the near future.

**AgEnt CONTINUES TO ASSIST THE ORNAMENTAL FISH EXPORTS SECTOR
TO DYNAMICALLY INCREASE EXISTING SALES AND
OPEN-UP NEW MARKETS**

- CLIENTS: - 10 exporters
- PRODUCT SECTOR: - Ornamental fish
- TARGET MARKET: - Export - major German INTERZOO '94 trade fair
- BACKGROUND: - Toward the end of 1994 AgEnt approached the SLEDB (Sri Lankan Export Development Board) to see whether the project and the SLEDB could join forces to maximize both sector and individual ornamental fish exporter impact/sales at the largest international European pets and allied products trade fair.

As a direct result of AgEnt's very strong marketing strategy and on-stand promotional support in particular, significant sales results were achieved i.e.

- a) A record (for the Sri Lankan ornamental fish export sector) of 471 sit down discussions with existing/potential buyers were held.
- b) Projected annual sales from orders placed by existing buyers totalled US \$ 1,776,000.
- c) Projected annual sales from orders placed by potential new buyers totalled US \$ 2,036,000.

AgEnt's "shared investment grant " placed behind Interzoo totalled only US \$ 12,961, after deduction of on-stand Wildlife marine/fish educational poster sales of US \$ 5,782. Based on taken/potential exporter orders (b. + c. above) of US \$ 3.8 million, AgEnt's ENTERZOO investment represented only .34% of taken/projected export sales !

- SRI LANKA BENEFITS: - This "multi clients sector success story "again illustrates that with well exported marketing/promotional strategies significant results can often be achieved for marginal investment.

The Island

Thursday 24th November, 1994 Registered in Sri Lanka as a Newspaper Vol. 14 No. 280 PRICE Rs. 8.00

Lanka at SIAL '94 gains entry to ten new markets

The Agent Initiative to develop a highly competitive agricultural export sector in the country has resulted in seven selected exporters being assisted to exhibit their products

at the French SIAL '94 international food products exhibition.

The exhibition held in Paris between the 23rd through 27th October is said to have attracted

around 100,000 buyers visiting 3500 exhibitors from 77 countries displaying more than 35,000 products.

The seven Sri Lankan exporters had been selected under the director of EDB and were given display booths at the exhibition.

Five other exporters had their products — gherkins, pickles, cashew, dehydrated fruits and confectionary displayed within the EDB booth area.

These exporters were assisted by USAID funded AgEnt with airfreight of samples and assistance towards air travel.

Exporters who participated at SIAL '94 covered the following product sectors: fresh produce ● spices ● herbal products ● fine foods ● essential oils ● oleoresins ● desiccated coconut and coconut products and food ingredients.

Orders taken/potential orders on a consolidated basis among participating exporters have already been confirmed as topping the RPS 40 million mark linked to 10 (ten) new export markets being opened by exporters on a consolidated basis.

Extensive interest was also raised by potential buyers from many countries relating to a number of new export products displayed for the first time by Sri

Lankan exporters at the trade fair or "in the pipeline for planned launch in 1995".

Sri Lanka's stand was manned by EDB's Deputy Director of Export Agriculture and AgEnt's Agri-Business and International Marketing/Agro-Processing Advisors.

The impact of Sri Lanka's stand at SIAL '94 scored very highly versus the majority of other developing country stands as a result of —

- Development of a Sri Lankan country image positioning based around a "Sri Lanka — Isle of Paradise" concept and strong use of an environmentally friendly colour at the

pavilion and individual exporter name/product mix signage level.

- A strong "on stand" promotion offering existing/potential buyers the opportunity to win daily a number of collector's "devil mask" (which in turn had been promoted in pre-trade fair catalogue advertising).

Both the EDB and AgEnt team also spent considerable time at SIAL '94 visiting competitive country and individual exporter stand to identify new export marketing opportunities for Sri Lanka. In early 1995 the EDB/AgEnt plan to run a number of major export marketing development

workshops based on experiences gained through participation at trade fairs such as SIAL '94 to illustrate the wide range of Sri Lankan export marketing opportunities which the private agro-enterprise sector should be aware of and seek (where appropriate) to seriously evaluate and test market.

Sri Lanka's new export development initiatives in the high value "hill country" export vegetables sector secured very wide coverage in the October SIAL '94 edition of Eurofruit magazine. This publication is the leading European fresh produce journal covering the import/wholesale/retail distribution trade in European Community and Nordic markets.

BEST AVAILABLE DOCUMENT

ECONOMY AND BUSINESS



ASIAN CUTTINGS LANKA (PTE) LTD

KANDAWALA,
KATANA,
SRI LANKA.
PHONE & FAX NO: 031 - 421

AgENT
INTERNATIONAL MARKETING/AGRI BUSINESS ADVISOR
86 GALLE ROAD
COLOMBO 3
15.11.94

ATTEN.MR.A.DALGISH/MR.G.KUMARAGE

DEAR SIR,

WE ARE PLEASED TO INFORM YOU THAT THE AALSMEER FLOWER TRADE FAIR CONCLUDED ON 6TH NOV.1994 IN THE NETHERLANDS, PROVED TO BE A SUCCESS FOR OUR COMPANY. WE ARE EXTREMELY GRATEFUL FOR ALL THE ADVICE,ENCOURAGEMENT AND GUIDANCE SET OUT BY YOU TO PROMOTE OURSELVES.

THE DIRECT INVOLVEMENT OF AgENT IN THE FORM OF 50% 'SHARED INVESTMENT GRANTS' HELPED US PRESENT A BETTER IMAGE.

IT IS WITH PRIDE THAT WE LIKE TO INFORM YOU,THAT OUR STALL WAS ADJUDGED THE SECOND BEST FOR QUALITY AND PRESENTATION AT THE SHOW ,WE WERE PRESENTED THE SILVER MEDAL..WE LIKE TO SHARE THIS WITH YOU.

WE SUGGEST:

A NEWSPAPER WRITE UP ABOUT ASIAN CUTTINGS (B.O.I. Co) AND AgENT WORKING JOINTLY TOWARDS DEVELOPMENT OF AGROBASED INDUSTRY IN SRI LANKA AND THE SWEET TASTE OF SUCCESS!! WE WILL COLLECT MORE SPECIFIC INFORMATION FOR THAT STORY.

SINCERELY HOPE YOU WILL ENDORSE THIS SUGGESTION WHICH CAN BE FOLLOWED BY FURTHER DISCUSSIONS. REGARDING CONTENTS AND IMPLEMENTATION WHICH WE BELIEVE SHOULD BE FORTHCOMING FROM YOURSELVES.

AWAIT YOUR EARLIEST RESPONSE

THANKING YOU
BEST REGARDS

YOURS SINCERELY

PER CRAMBORN
MANAGING DIRECTOR
ASIAN CUTTINGS LANKA P LTD



De Vaste Keurings Commissie
heeft deze bekroning toegekend aan:



8.70 Punten



Inzender: **Asian Cuttings**

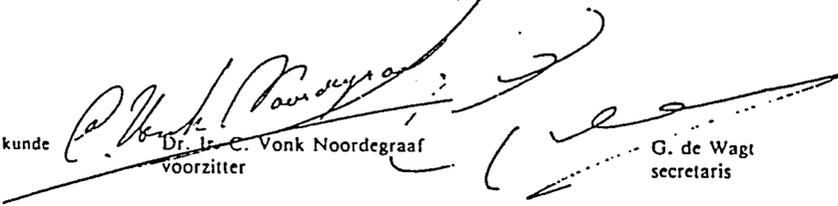
Woonplaats: **Jarfalla, Zweden**

Inzending: **Presentatie verhandelen eindprodukten**

Voor deelname aan: **Int. Bloemenvaktoonstelling – grooth. te Aalsmeer, 02 november**



Koninklijke Maatschappij Tuinbouw en Plantkunde
Beschermvrouwe H.M. de koningin.


Dr. J. C. Vonk Noordegraaf
voorzitter

G. de Wagt
secretaris

THE SUNDAY LEADER

REGISTERED IN SRI LANKA AS A NEWSPAPER VOL. 1 NO. 25

FEBRUARY 12 1995

CITY EDITION

PRICE Rs. 10

Asian Cuttings wins silver

ASIAN Cuttings Lanka (Pte) Ltd pulled off a big win for both themselves and Sri Lanka at a prestigious flower exhibition in Netherlands last November.

The International Aalsmeer Flower Exhibition and Trade Show, with over 800 participants from Europe, South and Central America, Asia, Israel, USA, Australasia etc promotes a wide range of floriculture and supporting sector products/services.

Asian Cuttings an exporter of ornamental greens, cut foliage and decorative materials, won the coveted silver Medal (the second highest honour) for their outstanding, high impact stand design and products display.

Asian Cuttings Managing Director Per Cramborn, said "When Sri Lanka is judged

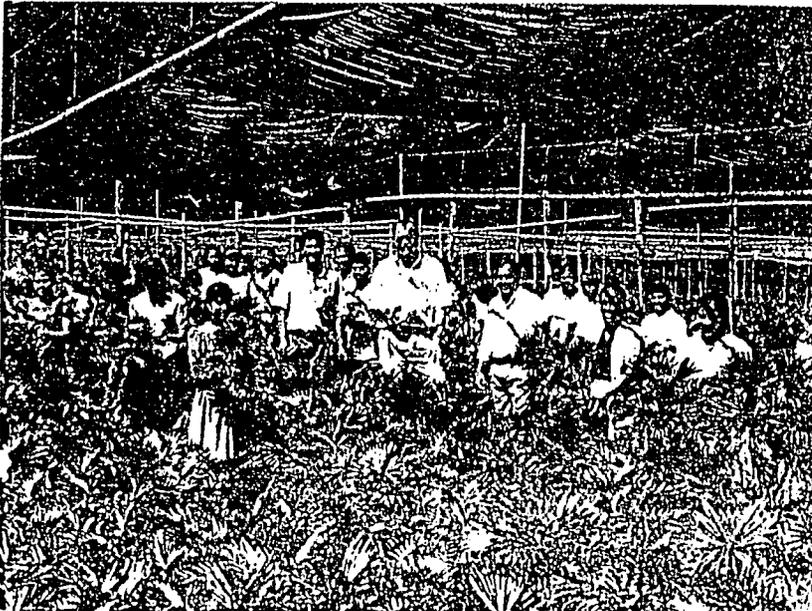
No. 2 out of 800 competing stand designs/product displays (where many competitors have an unlimited resource to spend in this arena) it shows that we can still beat the best in the world!" Per Cramborn was full of praise of USAID's agro-enterprise sector project agent which assisted the company through an "integrated" shared investment grants" package to cover stand space/design, produce an export promotional brochure, ship samples to the exhibition etc.

As Richard Hurelbrink (AgEnt's Managing Director) stated, "We saw in Asian Cuttings a highly creative, determined floriculture sector client who needed that extra level of support to help enter a new export growth phase in their business; and we are

indeed pleased to have been able to help the company in this small way, which also illustrates the project's commitment to assist the Sri Lankan floriculture export sector realise its true potential".

Asian Cuttings high quality export production is in the main produced at their Katana nursery and export pack house by a 100 per cent Sri Lankan workforce, which in turn is supported by a very large outgrower programme comprising 25 suppliers and nearly 500 small outgrowers (with the majority of the latter being the women in the family).

The company also offers "grass roots" training to a number of Peradeniya University second year diploma students each year.



Managing Director of Asia Cuttings Limited, Per Cramborn and his production staff won a silver medal at the Aalsmeer International Flower Exhibition and Trade Show in the Netherlands

The Island

Monday 6th February, 1995 Registered in Sri Lanka as a Newspaper Vol. 15 No. 31 PRICE Rs. 8.00

Lankan exporter wins silver medal

Asian Cuttings Lanka (Pte) Ltd. large scale exporter of plants and foliage from Sri Lanka has won the silver medal at the International Aalsmeer flower exhibition held in the Netherlands recently.

The International Aalsmeer Flower Exhibition and Trade Show, with over 800 participants from Europe, South & Central America, Asia, Israel, USA, Australasia etc. promoting a very wide range of floriculture produce and supporting sector products/services, has long been recognised as the finest event of its kind in the world.

It was within this highly competitive environment that Asian Cutting (al-

ready a leading exporter of ornamental greens, cut foliage and decorative material) pulled off tremendous coup by winning the coveted Silver Medal (the second highest honour) for their outstanding, high impact stand design and products display.

Per Cramborn, Asian Cuttings Managing Director, is obviously truly elated with this superb win. As he said "When Sri Lanka is judged NO. 2 out of 800 competing stand designs/product displays (where many competitors have an unlimited resource to spend in this arena) it shows that we can still beat the best in the world!

Per Cramborn was full of praise for USAID's dynamic Agent private agro enterprise sector project, which assisted the company through an integrated "shared investment grants" package to cover stand space/design, produce an export promotional brochure, ship samples to the exhibition etc.

As Richard Hurelbrink (AgEnt's Managing Director) stated "We saw in Asian Cutting a highly creative, determined floriculture sector client who needed that extra level of support to help enter a new export growth phase in their business; and we are indeed pleased to have been able to help the company in this small way, which also illustrates the project's commitment to assist the Sri Lankan floriculture export sector realise its true potential."

Asian Cuttings high quality export production is in the main produced at their Katana nursery and export pack house by a 100% Sri Lankan staff/workforce, which in turn is supported by very large outgrower programme comprising 25 suppliers and nearly 500 small outgrowers (with the majority of the latter being the women in the family).

The company also offers "grass roots" training to a number of University of Peradeniya 2nd year diploma students each year.

Per Cramborn spoke with confidence of the high hopes he has for a new, unique range of "higher added value" decorative floriculture sector products which have already achieved success at an initial European export test marketing level.

Bringing U.S. Agro-enterprises to Lanka

The Island

Thursday 13th January, 1994 Registered in Sri Lanka as a Newspaper Vol. 14 No. 11 PRICE Rs. 7.

Agent, which is dynamic five year USAID private agro-enterprise sector initiative has now completed its first year of operation. Richard Hurelbrink, AgEnt's Chief of Party, stated that in 1993 the project got off to a highly successful start, awarding well over 100 "shared investment grants" covering the agro enterprise new equipment/technology acquisition, export market-

ing development and training sectors. AgEnt is presently working with clients in over 12 different agro-enterprise sectors and the project will expand its advice/assistance services into many new areas in 1994: AgEnt "kicks off" its 1994 sector by sector and clients support activities; linked to the determination to attract increased United States joint investment, etc. into the Sri Lankan private agro-enterprise sector, with the following program — 46th Atlanta International Poultry Exposition

try Technology organised by the University of Georgia, designed to update industry breeders/processors on the latest poultry practices and innovations. b. Travel after the event throughout the United States to have discussions with potential suppliers poultry processing equipment, disease management laboratory technology, grand parent stock, etc.

Co-ordinated by AgEnt's international marketing/agro-processing advisor - Anthony Dalgleish - the project is assisting on a "shared investment grants" basis, representatives from the following agro-enterprises to attend above event -

- Pussela Farm
 - Crystal Springs (Pvt) Ltd
 - Maxie House
 - M I M Naleem Hajjar & Co Ltd
 - Ravi Farm complex
- to evaluate the latest poultry sector developments covering production/quality control/disease management/processing/marketing etc, as Sri Lanka's present per capita consumption of broiler meat is still very low, and the potential firmly exists to significantly increase the number of small broiler farmers at an outgrower level.

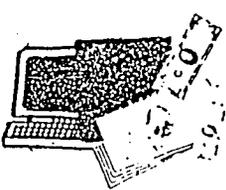
Anthony Dalgleish AgEnt's international marketing/agro-processing advisor will also travel after Atlanta to Portland (Oregon) and Sacramento (California) to make presentations to United States businessmen (organised by Oregon State University and the USAID outreach program) to:

- a. Profile the dynamics of the Sri Lankan agro-enterprise sector, in terms of potential joint venture investment and marketing opportunities, including the identification of new processing equipment technologies which can offer Sri Lankan companies either increased production efficiency or a distinct "marketing edge".
- b. How AgEnt can assist as the midpoint facilitator to bring interested Sri Lankan and United States agro-enterprise identities together to explore mutual investment and marketing possibilities.

A number of Sri Lankan representatives visiting the exposition will also:

- a. Participate in the 1994 Georgia 3 day short course in Poul-

Hurelbrink, believes that a number of United States agro enterprise processors and marketers could well be interested in the opportunities which the project has identified in this arena.



ECONOMY AND BUSINESS

Business Editor: Eriq Dewanarayana

Independent, Waverly, Iowa, February 8, 1994

—Independent, Waverly, Iowa, February 8, 1994

Hawkeye Steel lands major contract

In August one of Sri Lanka's leading poultry processors and feedstock dealers—MAXIE HOUSE—visited the Brower Processing Company in Houghton (Iowa) to-

1. Assess first hand the level of poultry equipment and processing technology which the company could offer this prominent Sri Lankan broiler processor with a large network of outgrowers.
2. Negotiate and conclude the sale of an equipment/new technology poultry processing package won against fierce competition from a number of leading European poultry processing equipment suppliers.
3. The Sri Lankan MAXIE HOUSE evaluation/processing team comprised-
 - > Mr. Maxie Perera (Managing Director) and Mr. Joseph Fernando (Technical Consultant to Maxie House)
 - > Anthony Dalglish, Marketing/Agro-Processing Advisor from Project AgEnt, a major USAID (United States Agency for International Development) private sector agro-enterprises project in Sri Lanka

Brower's efforts to win this important order in the fast expanding Sri Lankan poultry processing sector included-

1. Arranging a tour for the MAXIE HOUSE team of the

mini poultry processing plant which Brower recently installed at the University of Maryland's poultry science department

2. A visit to an Iowa poultry processor to see a typical poultry processing plant in operation.
3. Produce an equipment/technology package modified to the client's specific needs.

USAID'S Project AgEnt Marketing/Agro-Processing Advisor Anthony Dalglish stated that he was particularly impressed with the "professionalism and speed with which Brower Processing's Keith Perron set out to satisfy this client's needs and win this important US export order at the end of the day".

Dalglish believes that Brower Processing could find a number of other skin poultry sector export marketing opportunities in Sri Lanka.

Brower Processing will also send a 2 man technical processing equipment/technology package installation team to Sri Lanka once it has arrived in Sri Lanka in a few months time.

Not only should MAXIE HOUSE be able to double their broiler production in Sri Lanka with this new equipment/technology package, but poultry processing hygiene standards in this country will see a market improvement, linked to the availability of a more competitively priced consumer product.

Official touts Sri Lanka business opportunities

By MELODY MILLS
Daily Journal of Commerce

Despite the current tensions in Sri Lanka, the tiny island off the southeastern tip of India is becoming a hot market that could benefit Oregon industries adventurous enough to take advantage.

"Sri Lanka is not without a few problems, and there is a war going on in the eastern part of the state," noted Tony Dalgleish, marketing specialist for the U.S. Agency for International Development's Agro-Enterprise project.

But there are opportunities in the agribusiness sector, and a project overseen by Oregon State University is charged with maximizing those opportunities, he said.

Dalgleish was in Portland Friday to discuss the AgEnt project, overseen by OSU to support agribusiness development in Sri Lanka. Daglish spoke about the project and opportunities for Oregon companies in Sri Lanka during a luncheon at the World Trade Center.

Funded by a \$11 million OSU contract from USAID, the AgEnt program is developing production, processing, business management and financing aspects of agribusinesses in Sri Lanka, Dalgleish said.

However, he was quick to add the AgEnt project does not support businesses that would put U.S. export companies out of business. "We can do a great number of things to put money behind Sri Lankan companies without competing against U.S. export companies," he said.

AgEnt has targeted a five-year time line to create 13,000 sustainable jobs and promote \$50 million in sales and \$20 million in investments by working with Sri Lanka's private sector, Dalgleish said.

With OSU as the contractor supported by a consortium of U.S. businesses and consultants serving as advisers, the project links Sri Lankan agricultural producers with American companies that can provide equipment and supplies, fee-based consultancies and training in a range of sectors including food processing, livestock and irrigation technology.

Specific opportunities for Oregon food processors lie in fruit drying, poultry, mushrooms, oil extraction, strawberries and nuts, Dalgleish said.

Other opportunities exist in processing

equipment and production technologies, market research, trade missions and joint-venture partnerships, he said.

With Japan, the Middle East and Europe just hours away by airplane, the Sri Lanka's location makes it a favorable place to do business, Dalgleish added.

However, ignorance about Sri Lanka keeps many U.S. companies from taking part in the opportunities there. A common misperception is the island's strife is discouraging banks from investing in joint-venture partnerships, he said.

OSU is one of the largest recipients of USAID development contracts of all land grant colleges and universities. The university's Office of International Research and Development has worked in more than 75 countries around the world.

BEST AVAILABLE DOCUMENT

THURSDAY, OCTOBER 27, 1994



Mr. Terrence Liercke, acting director of the USAID unveils a plaque to open the automated broiler plant. On his left is Mr. Maxie Perera of Maxie House. — (Picture by Bandula Alakhoon)

Modern poultry processing plant opened at Wennapuwa

By A. B. Mendis

USAID acting director Terrence Liercke said he has not seen anywhere else in the world an establishment like Maxie House, where the energies of ordinary rural families are utilised to give them rich rewards by a large industry.

"In the process, it also offers employment to hundreds of young persons" he said. Mr. Liercke deputised for U.S. Ambassador, Ms. Teresita C. Schaffer at the opening of an automated broiler processing plant in Wennappuwa recently.

He said a sudden illness had prevented the ambassador from attending the function.

Mr. Liercke said: "We at USAID share your pride at the inauguration of this modern poultry processing plant, not only because of our involvement through the agro-enterprises project, but because it will benefit a lot of people directly in this country.

"These include the 800 outgrowers, as well as consumers and others who are involved in this sector, including the farmers who grow maize to feed the chickens.

"We are also pleased that our assistance program can share the advances in the technology of food processing with developing countries, such as Sri Lanka. This improved processing technology can become more widely utilised in the industry, and will help to raise overall standards for the industry.

"The introduction of this modern processing plant will help to improve the quality of the product and also improve public health. It should reduce processing costs and help make poultry more affordable to the consumer.

"Furthermore, the new system helps to improve the waste disposal and hygiene without polluting the environment. I was very interested to learn how Mr. Perera started his business in a small way with 100 chickens a month in his backyard and grew to the present size.

"We are pleased to see that he is growing more with the assistance of the USAID AgEnt project. USAID has contributed only a small portion of the cost for this factory expansion and that contribution covers equipment new to Sri Lanka.

"Most of the costs and risks are borne by Mr. Perera. We applaud this effort for its benefits of increased employment. This business development may improve the livelihood of over 3,000 family members at the grass roots level. This is a major goal of our program in Sri Lanka, to have an impact on people at grass-roots level."

Mr. Richard Hurelbrink, managing director of the USAID AgEnt project congratulated the proprietor, whose initiative and drive had made him build an establishment of this nature with a very small beginning.

Mr. Tony Dalreish, marketing and agro-processing director of USAID said "Maxie is a great band of Sri Lankan entrepreneurs who have shown that they can compete with the best in Sri Lanka and overseas AgEnt is proud to be associated with you in this event."

He said they believe that Maxie's buy-back growers are poised to move successfully ahead again, and that the "Maxie House family team" will continue to be one of the leading producers of broiler chickens throughout the country.

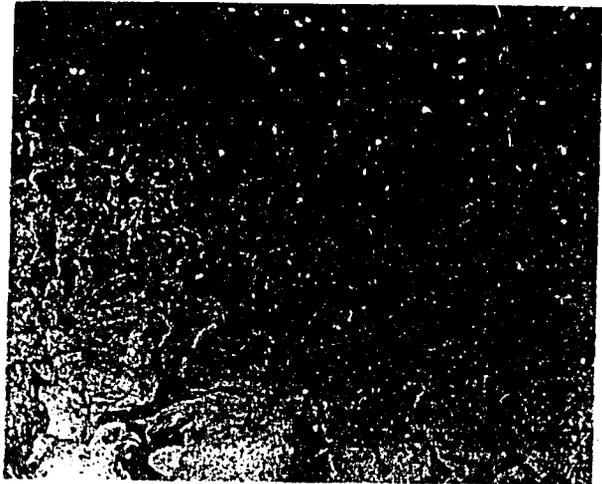
Daily News

The English Daily with the largest circulation in Sri Lanka

FRIDAY, DECEMBER 01, 1994

There's a fortune to be tapped in chicks

by A. B. Mendis



When an enterprising young man discovered that it was a difficult task to get a job, he decided to give himself a lucrative job. He obtained 100 chicks through the good offices of his parents and some friends, and opened a poultry farm in his backyard. That was in 1978 after he had just left school.

Today that venture is a source of lucrative employment for himself and for young people in a few hundred families in Wennappuwa and the surrounding villages. Maxie Perera says his advice to young people is that they should not keep looking for jobs in the government or private sector. They must create the jobs for themselves, or "grow" their own jobs as he has done.

One qualification to become a poultry farmer is economic need. Another is the availability of young persons in families wanting to become poultry or broiler growers. Maxie supplies these grower units with day-old chicks; the number of chicks supplied depends on the capacity of the unit to care for them. He also supplies these units with feed, medication and, at the right time, purchases the broilers. The right time is usually 42 days.

He says if a broiler is removed from the farm before this time, it will not yield its best. Also, quality will suffer if birds are allowed to grow or languish wish beyond 42 days. He buys the birds at the market price which leaves a clear margin of profit for the grower. An enterprising unit can earn anything from Rs. 3,000 to Rs. 15,000 or more per month.

This scheme has triggered a revolution in poultry farming in the area. Families who have been idling in the past are now prosperous growers.

Maxie's enterprise has attracted the attention of USAID. It also gave the young man the opportunity to visit the US and speak to growers and marketing people there. USAID has said that they have not seen the like of this organisation in other countries. Consequently, they assisted the Maxie organisation to acquire modern machinery to run an efficient poultry industry.

Maxie's organisation handles thousands of broilers each month but without polluting the environment. The birds are cleaned and packed with clock-work efficiency. He employs over 200 persons, in addition

to people in the growers' units doing their own work.

Maxie Perera declared his policy in these terms: "I am not avaricious. I do not want to count my profits by millions of rupees, though my turnover at the end of the year may be impressive. This is something like a co-operative enterprise. We all work and we all share the profits. I do not also want to have a poultry empire of my own. But it is a satisfying thing to imagine that so many people are able to earn their living as a result of this project."

He pointed to a young mother who had tried to go for the "pot of gold" in the Middle East and "retired hurt". She had pawned her jewellery and a piece of land to find the money to pay her agent and buy the air ticket. But at the end of the journey there was only despair for her. The promised job was not there. She said, "Maxie mahathmaya's poultry projects then became my salvation". She organised a grower's unit for her family and was soon able to redeem her pawned jewellery and her piece of land too.

A young man in the area told a similar story and he is today a successful broiler grower.

One thing foreign visitors to this Wennappuwa poultry industry have admired is the bond of loyalty which binds the outgrowers to the organiser and the organiser to the outgrowers. The outgrowers are given the necessary know-how by getting them together for an exchange of views and having them instructed on the finer points of poultry keeping by experts. One result is that the growers are able to detect an ailment well in time and to administer medication at once. If the illness is something they cannot deal with, they inform the head office and expert assistance is sent promptly.

Maxie says the authorities could give poultry producers a big helping hand by making available chicks or breeding facilities to growers through state farms, or by making available to them the state farms which are not functioning.

He says the development of this industry has a great employment potential as well as foreign exchange earning capacity. There are now enquiries from many countries for supply of broilers from Sri Lanka. A small export trade, for the first time, has already commenced and Maxie hopes to develop it.



MAXIES Grow with U.S. Technology!

Grand Opening by
Her Excellency Teresita C. Chaffer
 Ambassador of the United States to Sri Lanka
 of MAXIE'S automated poultry processing plant
 at 9.30 a.m. on 15th October 1994.



Thank you
 Today we open our ultra modern processing plant with capacity to produce 12,000 superior quality chickens per day.

I wish to take the opportunity to remember my parents and all others who have helped me to transform a 1000 chicken farm to the full fledged establishment of today. An exceptional banking service, so important for a young entrepreneur, came to me from the People's Bank, the Commercial Bank and their staffs. The Agricultural Development Authority, the Department of Animal Production and Health, the USAID and all their staffs came up to my highest expectations. I am grateful to all of them for the help I came that MAXIE HOUSE is one large family. I commend my business partners, the business institutions and the ever increasing number of consumers for their support. Finally, a special word of thanks to my own staff at all levels for the cooperation they have given me to make this venture the great success that it is today as a supplier of quality broilers and layer parents.

20th 08th 1994,
 Managing Director
 Maxie Perera



LITTLE ACORNS, TALL OAKS GROW: THE MAXIE HOUSE soon became the largest broiler grower in Sri Lanka. It grew up from a few 1000 chickens farm which the young entrepreneur Maxie Perera started after leaving school. Whilst brook capital was lacking, he already had one superb asset on his side: his intelligence and determination to work at the end.

EMPLOYS OVER 700 WORKERS AND OUT GROWERS: Maxie's encouraged brooding up an industry which produces quality food products at a competitive price. The results would be shared by adding job-walkers. He set to build a very strong family based grower system. Today there are between 1000-2000 smaller grower units which involve 25% of the houses. 500 brooding units, 1000 sub-units. With MAXIE'S business, his contacts are not limited to the very high requirement of the 3-4 chicks feed made in a second and an extension to help maintain the broiler's health conditions.

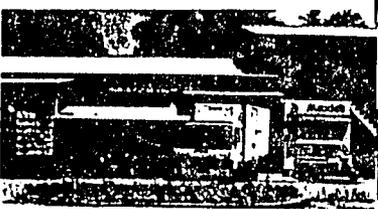
Maxie's MAXIE uses full grown broiler chickens from his central growers who can earn between 10-15% per month depending on the number of birds sold in one unit. These birds are sold to the main island and outside. The successful sell-out into production will lead family units to expand to the point to improve their broiler feed supply. This was the first step to a reality.

GERMINAL GENIUS PROCESSING TECHNOLOGY: Once USAID's livestock program was completed, a pilot project was the first project to be established. MAXIE could create an all sustainable farmers employment and income earning base. There was also an integrated broiler production program which was led through a direct United States funding program. This led to the construction of selected 7 new acres of equipment and technology including 100% broiler assessment plant to make MAXIE to double the size of his operation. This growing factors, farm control in Westmeppa Valley, the chickens at one end and delivery to the end and final slaughter. Inspection also followed, cleaned and packaged to satisfy the highest demands of his major local institutional retail and consumer buyers. And all at a price that is best!

LEADING PRIMA LIVESTOCK FEED DISTRIBUTOR: MAXIE'S business drive has led to his winning the accolade as the leading agent in the country for PRIMA'S range of broiler feed.

THE FRESHEST CHICKENS ARE SOLD BY MAXIE'S: Maxie's MAXIE does not hold large stocks of frozen chicken which result in high production and quality. Maxie's MAXIE's broilers ensure straight from the production line into the all his hand-picked dealers who ensure speedy distribution to customers throughout the long chain.

PERSONAL SERVICE WITH CARE AND HEART:



HELPING SRI LANKA AND MAXIE HOUSE TO GROW!



As Director in charge of operations at the Maxie's Export/Import Division of Maxie House, you are now in a position to help Sri Lanka's poultry processing plant at Westmeppa, which will produce a high quality broiler, in response to demands for both processing and consumption. Local broiler production is a major industry, but currently has very low productivity. The production of broiler feed is a major challenge for the industry.



AgEnt is a leading international business development and investment promotion agency. We are currently offering a unique opportunity for a highly motivated and experienced professional to join our team in Sri Lanka. The role involves identifying and promoting investment opportunities in the poultry processing sector, particularly in the area of broiler feed production. The successful candidate will be responsible for conducting market research, identifying potential investors, and providing technical and financial assistance to local entrepreneurs. The position offers a competitive salary and benefits package, and the opportunity to work with a leading international organization. If you are interested in this exciting role, please send your resume and cover letter to: AgEnt, P.O. Box 1234, Colombo 03, Sri Lanka.



Maxie's HEAD OFFICE
MAXIE HOUSE (Pvt.) Ltd.
 110/111, GALLE ROAD, WESTMEPPA, SRI LANKA

- GUNESINGHEPITIA
 P.O. Box 1234, Galle Road, Westmeppa, Sri Lanka
- WELLAWATTE
 P.O. Box 1234, Galle Road, Westmeppa, Sri Lanka
- DHARMALANNA
 P.O. Box 1234, Galle Road, Westmeppa, Sri Lanka

Fresh is Best



HELPING SRI LANKA AND MAXIE HOUSE TO GROW!

AgEnt offers warm congratulations to Mr. Maxie Perera (Managing Director of Maxie House) on the inauguration of his modern United States equipped poultry processing plant at Wennappuwa which will result in a substantial increase in employment numbers at both a processing and outgrowers level, linked to the production of a high quality, hygienically packaged and competitively priced range of whole frozen/fresh broiler chickens and parts.



Pictured left/right at the commencement of the installation of the turnkey J.S. supplied Broiler poultry processing plant are: Broiler installation engineers Keith Perron and Tony Hunting, Maxie House Managing Director Maxie Perera, Deputy Director of Animal Production and Health Dr. Sam Daniel, AgEnt's Agri-Business Advisor Gamini Kumaraage and International Marketing/Agro-Processing Advisor Anthony Dalgleish.

AgEnt (which is a dynamic USAID funded private agro-enterprise sector initiative) assisted Maxie House with a "50% shared investment grant" to acquire selected equipment/technology components of his new plant; and AgEnt is likewise assisting many other identities (with viable business/marketting plans who meet the necessary criteria) in the poultry sector to introduce upgraded and/or new pieces of equipment/technologies covering the environmental (effluent discharge), breeding (state-of-the-art incubators), parent stock, climate controlled "heat stress reduction" poultry sheds, higher added value packaging/presentation equipment, improved production/output facilities, etc.

In addition to the above shared investment grants program, AgEnt's International Marketing/Agro-Processing Advisor Anthony Dalgleish, developed and led a major Sri Lankan poultry sector assessment/acquisition mission to the 47th Atlanta Poultry Exposition (Georgia, U.S.A.) in January 1994, which is the largest trade fair of its kind in the world. In mid 1993 AgEnt also completed a proactive strengths/weaknesses review of the Sri Lankan poultry sector to enable this fast developing arena to become more aware of the opportunities/problems most likely to be created over the next few years.

Outside of the poultry sector, AgEnt is assisting a great many more Sri Lankan agro-enterprises and clients to successfully develop and expand their businesses at both a domestic and export markets level. For more information on how AgEnt may be able to help your agro-enterprise please send a brief letter explaining the nature of your business and future marketing developing strategy/needs to -

Richard Hurelbank,
Managing Director - AgEnt Project,
5th Floor, Deutsche Bank, P.O. Box 389, 86 Galle Road, Colombo 3.
Tel: 94-1-446447, 446420 Fax 94-1-446428

- and we will send to you more information about AgEnt and our Agro-Enterprise Profile form which each potential client needs to complete as the basis for holding an exploratory possible assistance discussion.

Daily News

The English Daily with the largest circulation in Sri Lanka

WEDNESDAY May 12, 1993

PRICE Rupees 6.00

FRONT PAGE

Huge market for Lankan line in processed foods

By Daryl de Silva

An USAID-funded agro-enterprise has found a huge processed food market awaiting Lankan exporters.

AgEnt, a private sector advice and assistance service to stimulate agro-products, enterprises and export markets for Sri Lanka, recently sent a four-member team to the Exporters' Food Fair in Bangkok, and has identified opportunities for fresh, frozen, canned, dehydrated, concentrated and reconstituted food products.

The team comprised Mr. B.E. Pereira of Junson Marketing (Pvt) Ltd., Mr. S. Wickramasekara of Forbes Agricultural Services (Pvt) Ltd., and Mr. and Mrs. H. Fernando of Hiran Cordials Company. They were accompanied by AgEnt's marketing and agro-processing advisors, Anton Wijeratne and Anthony Dalgleish.

The fair, the largest of its kind in the region, covered an enormous range of food sectors. The team explored the possibilities of a two-way Lankan-Thai processed food trade, including domestic and export joint ventures in investment, technology transfer and marketing.

Thailand is reported to have built an enviable reputation as one of the most imaginative and successful exporters of processed foods, such as microwave meals, ready-to-serve snacks,

oriental sauces, seasonings, health foods, fruits, fruit drinks, preserves and the like.

Lankan food manufacturers were also given the opportunity of studying at first hand, the latest developments in food packaging and marketing in agro-production sectors akin to Lanka's own.

The Lankan team also visited a number of Thai export companies processing canned fruits, vegetables, dehydrated fruit and poultry.

(Contd on page 10)

Huge ... (Contd from page 1)

Mission members realised that Sri Lanka has considerable resources of untapped agriculture, horticulture, fisheries and aquaculture production. They report that for existing and intending food manufacturers to succeed in the highly competitive export arena, considerable new investments will have to be made.

These investment areas include the latest processing and packaging technology (including lightweight 'rip-top' aluminium cans, lightweight high impact glass bottles and jars, long-life sterile packaging etc), improved product formulae, correct brand and product positioning, development of processed food in line with ever changing import buyer and consumer dictates, international bar coding, and the upgrading of processing plants to meet the specific import country's standards of hygiene.

According to AgEnt, one of Thailand's strengths is its ability to utilise a skilled, low-cost labour force to add higher value to export food products - such as deboning chicken to produce Yak-

Uori (barbecue sticks for the Japanese market). The larger plants in the sector employ over 300 line workers per cell and process more than 300,000 broiler chickens in one eight-hour shift.

AgEnt believes Sri Lanka could well offer similar, highly skilled, low-cost labour input.

In 1977, Thailand's processed food industry netted only US \$5 million. Today, export earnings have increased to over US \$1.2 billion with canned fruit juices, baby corn, baby shoots, vegetable and dehydrated fruit doing particularly well.

Against this background, AgEnt's chief for Sri Lanka, Richard Hurelbrink believes that AgEnt's major five-year private sector agro-enterprise assistance project is particularly well placed to offer processed food export companies the necessary support to help them develop and launch a wide range of new added value products.

Entrepreneurs needing AgEnt free assistance may contact its temporary office at the Lanka Oberoi Hotel.

The Island

Wednesday 24th November, 1993 Registered in Sri Lanka as a Newspaper Vol. 13 No. 278 PRICE Rs. 7



ECONOMY AND BUSINESS

Business Editor: Eriq Dewanarayana

A dynamic company wins export orders

The Hiran Cordials Co., of Moratuwa, a small privately owned foods manufacturer and distributor, has recently secured its first export orders valued in excess of Rs. 350,000 for their "all natural" tropical dried fruits range, supported by a substantial number of export enquiries following overseas promotional trips in recent months.

The company, which is jointly owned by Mr. & Mrs. Henricus and Helen Fernando, strongly believed a few years back that Sri Lanka's abundance of quality tropical fruits could represent an outstanding dried fruits export marketing opportunity.

Mrs. Fernando, who heads the company's research and development department, was specifically responsible for developing the company's quality dried fruits range via small scale/low risk batch production, to en-

sure that the company's products could firstly beat competitors from Thailand at a quality/price performance level, as this country is widely recognized as the No. 1 producer/exporter of many tropical dried fruits. The company then sent its samples and pricing to overseas buyers in target export markets to establish "whether they truly had a quality, price competitive product range".

As a result of highly favourable overseas buyer responses, USAID's private sector Agent agro-enterprise project assisted the company to identify and purchase via a "shared technology investment grant", an ultra modern overseas fruit dryer capable of producing a volume, uniform quality export product.

Agent's international marketing/

agro-processing advisor — Anthony Dalglish — has also assisted the company at a marketing/promotional advice level, and to travel overseas to study competitive fruit drying technology and make sales at the recent major German Anuga World Food Fair.

Richard Hurelbrink, Agent's Chief of Party, stated that the Hiran Cordials Co's dynamic husband and wife busi-

ness partnership, illustrates that even a small Sri Lankan company can "make it happen" in the highly competitive international export arena, by adopting from the outset a professional and determined export marketing development approach.

USAID's Agent project is working alongside many other Sri Lankan private sector agro-enterprises in a similar manner to help them to develop and successfully launch export products.

BEST AVAILABLE DOCUMENT

The spirit of enterprise helped Hiran to innovate

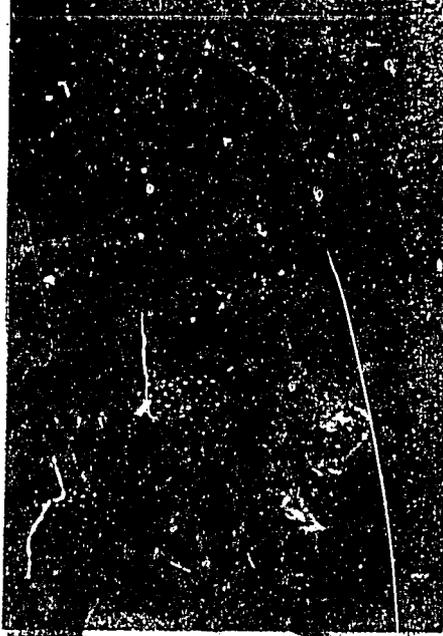
If you think, that spirit of enterprise needed to create great corporations is lacking among Sri Lankan entrepreneurs your thinking is proved wrong. They do have. All it needs is assistance that is now being proffered by organisations such as the EDB, the banks and others, to fire the imagination of local entrepreneurs.

Consider for instance the husband and wife duo Mr. and Mrs. J. V. H. Fernando who started the Hiran Cordials Company in 1979. Today, they are on to greater things helped by the Hatton National Bank, Moratuwa and trading as Hiran International Dehydration Co. (Pvt.) Ltd.

"We have begun to innovate and develop better products for the world market", says Mr. Fernando. Indeed they have. For the new company in addition to the Fernandos have two other directors on the board producing dehydrated local fruits to titillate the palate of food faddists in the outside world.

"It was a hard way up" Mr. Fernando says. "After years of experimentation and study of the markets outside, we are able to export this product effectively." In addition the experimentation had been unique to the Hiran company and they have been able to obtain patent rights for the dehydration process.

At first the Hiran Cordials Company made cordials and jams. Mr. Fernando



Mrs. Helen Fernando, Production Director of Hiran Cordial Co with a bulk export pack of natural/ dried pineapple slices.

was the expert in producing them while her husband looked after the marketing side. These items were distributed among the leading hotels in the country. Mr. Fernando says they supplied over 75 per cent of the hotels.

In 1983 they diversified into other products. They made yoghurts and ice-creams. In addition they produced Gold Crest vinegar that had been accepted very well by housewives.

But then Mrs. Fernando was banking of going further and particularly into exports. So they had thought of dehydrated fruits from Sri Lanka. The Industrial Development Board quipped them in their experimentations.

They attended workshops and seminars conducted by the IDB and finally they were able to produce a quality product acceptable to all standards.

Their first foray into international markets was their participation in the New Delhi Fair organised by the EDB. Next they took part in Expo 92.

In a little over a decade of their starting business the Fernandos strode into a new path with a new product. And then they were in the export business.

But then they had further obstacles to clear. They had to find newer markets and produce dehy-

drated fruits that excelled. So they sought other assistance to grow. This came in the form of USAID and Agent."

Since the Hiran company was making an innovative product the two organisations came up to help the company to improve the product and find markets. With this help the Fernandos were able to visit several factories in Thailand to learn methods of commercial production. "We did learn many things" they say.

Last year they made it to the ANUGA Fair in Germany. They were selected by the Ministry of Industries and while Agent helped to defray 50 per cent of their expenses, the

balance was provided by the EDB.

After this, they were on to big business. Today, they export to Germany, Japan, Austria and Holland. To do this, they had to incorporate the new company taking in more capital and increasing the directorate.

In November 1993 the company imported a sophisticated drier from Taiwan with the help of Agent on a 65 per cent 35% share investment basis. They are now preparing to go into a new factory, larger and better suited to produce dehydrated fruits on a commercial basis.

Hiran with a pioneering status has proved that Sri Lankans to have what it takes to create great corporations, out of small beginnings. All that is needed is the spirit of enterprise.

The Island

Hiran sees good future for dried fruits

Mohan Samarasinghe

Hiran International Dehydration Co. (Pvt) Ltd., a wholly-owned subsidiary of Hiran Cordials Company of Moratuwa, has been granted patent rights for the manufacturing process of naturally dehydrated fruit.

The company, which pioneered the technology for this process in Sri Lanka, currently exports dehydrated fruits to lucrative markets in Germany, Japan, Austria and the Netherlands.

"There is a good future for this industry. Countries like Thailand and Philippines are into dehydration in a big way, but our fruits are tastier than their's and therefore has a better demand abroad," says Henricus Fernando, Chairman of Hiran.

He, along with his wife Helen, set up Hiran Cordials in 1979 to manufacture cordials and jams. While jam and cordial were being bought up by leading Colombo hotels, the company diversified into the manufacture of yoghurts, ice cream and vinegar.

Presently, Hiran products are distributed for sale along the west coastal belt of Sri Lanka. The company is also the sole manufacturer of Gold Crest brand vinegar for the Ceylon Tobacco Trading Co. Ltd.

"In 1989, we began to experiment with dehydrating fruit, with guidance from the Industrial Development Board," Helen Fernando recalls.

While the IDB assisted the company to reach



Workers at Hiran International Dehydration Co., Sri Lanka's only manufacturer and exporter of dehydrated fruits.

quality standards, USAID's associate agency 'Agent' provided them with funding to grow. With IDB and Agent support, the Fernandos attended several international fairs and promoted their novel product to the world.

In 1993, they set up the Hiran International Dehydration Company and purchased a sophisticated electric dryer from Japan with financial assistance from Agent.

"Our first export consignment went out last November. Since then, we've exported over 5 tons of dehydrated fruit," Mr. Fernando says.

According to him, dehydrated fruit is the next best thing to fresh fruit, which is not always available. Technology developed by Hiran makes it possible to remove 70 to 80% of the moisture from fruit, while reportedly maintaining every bit of its natural taste and food value.

Dehydrated fruit has the advantage of keeping for as much as five to six years. Packaging makes it easy to carry around, even in your pocket. Imagine carrying a pineapple in your pocket!

Hiran's own technology has enabled the company to dehydrate bananas (whole and slices), mango, pineapple (slices and centres), papaya, jack and lime. The company can perfect technology to dehydrate other fruits and even vegetables, on demand.

"We now have an inquiry for jack seeds. We're doing trials these days for it," Mrs. Fernando says.

Most of the dehydrated stuff are used for direct consumption, while some are used for food and table decoration.

"We have not introduced dehydrated fruits to Sri Lanka, because here we have plenty of fresh fruit. But we can certainly create a market for seasonal fruits and vegetables like onions and mangoes," she explains.

Dehydrated onions are presently used heavily by the East food industry overseas.

"We have already launched an expansion programme. Then we can meet the demand as well as introduce new dehydrated foods into the market," Mr. Fernando adds.

Directors of the company are Mr. Henricus Fernando, Chairman, Mrs. Helen Fernando, Mr. Harshana Fernando, and Mrs. Harshana Fernando.

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