

USAID GEO

Guyana Economic Opportunities

End of Assignment Report SME Export Manager

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Submitted by:
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In association with:
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To:
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I. Assignment Scope of Work

Ms. Marialyce Mutchler joined the GEO Project as the SME Export Manager on March 29, 2003 and completed her assignment on April 5 2004. The SME Export Manager position was created to support activities for the 2001 GEO Project SME Sector Assistance Program that focused on stimulating and supporting the development of the SME sector in Guyana. Subsequently, GEO developed a Near-Term SME Export Action Plan to operationalize the SME Program by focusing on identifying export market opportunities and creating market linkages. This Action Plan included components to develop market linkages, market information, and export-related policy and regulatory reform. Initial efforts under this action plan included a survey of Guyanese SME firms and their products, and a market survey targeting the Guyanese expatriate communities in Toronto and New York City. These surveys confirmed that while the domestic market for SME's is small and highly competitive, offering little to no scope for expanding domestic sales, there may be considerable opportunity for SME exporters to sell more specialty 'Guyanese' products to the niche Guyanese markets in North America. The SME Action Plan harnessed the potential and promoted the development of a supportive export environment that will enable Guyanese exporters to respond to these opportunities. The SME Export Manager was challenged to create the momentum necessary to overcome, as one individual noted, apathy and establish a "spirit of export" in Guyana.

The central principles upon which the SME Export Action Plan is based reflect SME Development best practices, including:

- Market-driven approach (start with the market and work back to SME's).
- Focus on listening to the market: exporters, buyers, and agents who create the market
- Necessary self-selection of participating SME's in order to ensure commitment
- Dedication to widespread outreach and promotion throughout Guyana
- Flexibility and evolution with the market

Based on these principles, the SME Export Action Plan is composed of three main components: market linkages, market information and policy and regulatory reform. The Market Linkages component is designed to enhance SME knowledge of export markets and opportunities, and to stimulate market linkages between SME exporters and local, regional, and international buyers and agents. The objective of the Market Information component is to develop and disseminate quality, up-to-date information resources on market opportunities for SME exporters. Specific technical assistance will focus on market studies, the development of databases for market information and the creation of market fact sheets. The Policy and Regulatory Reform aspect has as its objective improvements in export-related policies and regulations. Most of the activities described below focused on creating and improving market linkages and market information.

II. Review of Components and Activities

A. Regional Market Studies

The GEO Project collaborated with the New Guyana Marketing Corporation (NGMC) and Go-Invest, to develop rapid reconnaissance market surveys in Toronto, New York City, London and seven Caribbean countries. The market assessments for North America and London identified possible market niches, listed problems and constraints to enter the respective markets and provided contacts for buyers, wholesalers and retailers who were either currently or potentially interested in handling products from Guyana. The Caribbean market reports identified current and potential exports for existing and potential demand for Guyanese products, as well as past constraints and provided contacts for buyers. The seven Caribbean countries surveyed were St. Lucia, St. Maarten, Martinique, Guadeloupe, Trinidad and Tobago, Barbados, and Antigua. Proximity and less stringent import requirements offer opportunities for Guyanese small market exporters (SMEs) to increase the exports of lower-cost goods delivered with fewer complications.

The results had previously been presented in seminars held in Georgetown and Linden (2002). In early May and June 2003, the Project collaborated with Go-Invest and NGMC and presented the results of the rapid market assessments in seminars held in Essequibo and New Amsterdam. Market surveys are sold by Go-Invest and NGMC at the price of G\$500 to recover reproduction cost, or are available by e-mail for free.

A.1. Miami

A survey of the Greater Miami market was conducted in January 2004. The survey was undertaken by Ms. Bettina Blamer. Ms. Blamer also conducted market surveys of Northern Brazil and for the organic sector in European markets.

A significant amount of preparation was necessary for the Miami market survey due to the size and diversity of the market. Initial contacts were made with chambers of commerce, city and state agencies that support international trade and other private sector organizations (PSOs). Distance, lack of local, on-the-ground knowledge and business holiday schedules made early contacts difficult. As a result, a locally-based consultant was hired to assist with making contacts and logistical arrangements.

There were notable differences in the Miami survey from the previous North American (Toronto and NYC) and Caribbean market surveys. As a primary entry point into the US market, Miami has a wide range of products from Caribbean markets already meeting demand. There is no distinct expatriate Guyanese community in Miami. The identification of niche markets was difficult due to the dispersion of persons of Latin American and Caribbean origin throughout the greater Miami area.

Both the GEO Project office and the consultant did considerable research and preparation for the survey. The combination of not having much experience with certain sectors (for

example wood and wood products) and the lack of reliable information for the State of Florida added considerable time to coordinate and locate appropriate market actors. The size of the geographic area also added to time constraints.

The Miami market survey was completed in February 2004. Potential buyers, wholesalers and retailers in the wood and wood products sector, fresh produce sector, and fish and seafood sector requested and were sent contact information and lists of exporters. In addition the market survey is available for sale through Go-Invest and NGMC.

B. Packaging and Labeling

Labeling and packaging are areas for improvement as identified in the rapid market surveys in both the fresh produce and agro-processors market. Examples of constraints identified by the GEO Project are provided below:

- The cardboard boxes that are available for exporting fresh produce are not the correct design or strength. The boxes are made from recycled material, affecting the strength and do not have air/filtration holes. As a result, exporters cut hole in the boxes, decreasing their already inadequate strength capacity. Inadequate packing of fresh produce export leads to increased spoilage and loss during transit. In some cases, exporters have reported up to 30% loss due to poor packaging materials and techniques during international transit.
- Limited supplies of domestically manufactured bags and bottles have led to the use of inappropriate containers. Glass soft drink bottles are used for sauces. Reused plastic bottles are used for honey. To complicate matters, three manufacturers of containers (two bottle manufacturers and one synthetic bag manufacturer) ended production between April 2003 and April 2004. In all cases, lack of profit was identified as the primary cause for stopping production. In addition, cans are not a viable option in Guyana due to a lack of equipment and technology.
- Due to the limited number of domestic resources for packaging, it is not uncommon to see re-used or recycled bottles or multiple use products with packaging that does not re-seal or close after one use. The packaging does meet the market standards for the goods being sold. Honey, sauces, and oils are sold in the same plastic bottles that are used for bottled water. Glass bottles are often too large for the product or beverage bottles, which are also not acceptable.
- About 50% of the labels of manufactured goods are sourced from Trinidad or other markets. Label content and design are done mostly in house. The GOG Food and Drug Department provides basic label requirements. Labels for agro-processed goods do not contain accurate or complete information for the US and Canadian markets. In all cases identified, labels did not present information in the correct format. Few have accurate and complete nutrition information. Three major food processors use correct and valid UPC bar codes. A few companies use fictional bar codes.

The GEO Project addressed these constraints in three approaches:

- An assessment of packaging currently used and available in Guyana
- The development and delivery of a workshop on *Labeling for Export*
- Research market and product information for alternative sources of packaging.

B.1. Packaging

In April 2003, Mr. Bob Cirrito conducted an assessment of Packaging Materials and Technology for Export of Fresh and Processed Foods in Guyana. The purpose of the assessment was to conduct a rapid evaluation of the quality of packaging being produced in Guyana. Mr. Cirrito also worked with a local cardboard box manufacturer, Caribbean Containers, Ltd. (CCL) and local exporters to seek ways of improving container quality. Mr. Cirrito met with Go-Invest, NGMC, the Guyana National Bureau of Standards (GNBS), and the Food and Drug Department, in addition to CCL and 9 food processors.

CCL, as sole local cardboard box manufacturer in Guyana, does not produce boxes of the correct strength or design to ensure the quality of shipped produce. The limited size of the domestic market and demand, limits the capital available to make investments for production changes. To meet the specifications required by the international market, CCL would have to sell the product at a cost that exporters cannot and are not willing to meet.

The lack of packaging standards and quality control, combined with limited resources provide few options for exporters. Many of the agro-processors that are exporting, must import packing materials from Trinidad and other countries. As fresh produce exports increase, exporters are looking for better quality and cheaper packaging materials.

Mr. Cirrito's recommendation, while relevant to improving the production capacity of CCL and quality standards for agro-processes, did not address limits of the Guyana market and obstacles to long-term sustainability. However, Mr. Cirrito's assessment was valuable in identifying the concerns of the agro-processor exporters, specifically related to market accessibility and compliance for food labels. Mr. Cirrito identified a lack of nutritional information, and correct uses of UPC bars as potential barriers. Specifically, the *ESHA* Research Genesis R&D software was identified as having the potential to help provide nutritional labeling information without the burden of expensive laboratory analysis. The GEO Project developed a labeling program based on this assessment.

B.2 Labeling for Export

The quality of packaging and labeling represents an important element for penetrating regional and international markets and for expanding SME exports. A one day course was developed to teach basic label requirement for the US and Canada, how to use UPC bar codes, and the basic requirements of nutritional labeling. The GEO Project used this opportunity to provide information on the new US Food and Drug Administration registration requirements in the Bioterrorism Act. In addition a demonstration of the

ESHA Research Genesis R&D software was provided to participants from government agencies.

The focus of the workshop was to provide information to food processors and government agencies responsible for the development of standards for basic food labeling and nutritional panels. The GEO Project provided sample labels of various agro-processed goods to the consultant which was used to develop the course outline. In addition, the GEO Project requested input and suggestions on the course content and presentation from experienced agro-processors, Go-Invest and NGMC.

To ensure the widest possible participation, the GEO Project contacted agro-processors and businesses that had previously participated in GEO programs, specifically Export 101/102 participants. PSOs and government agencies also provided networking support. The course was open to the public and free of charge to ensure the widest possible participation. Participants were also given the opportunity to arrange individual meetings to have labels reviewed individually with the Label specialist.

The consultant also conducted specialized training in the use of *ESHA* Research Genesis R&D software for selected representatives of the Food and Drug Department, the GNBS and NGMC. Banks DIH (already owns the software)

Number of workshop participants: 70+

Number of individual meetings: 11

Number of Genesis participants: 13

Additional information on Bioterrorism Act and FDA registration were made available and distributed to participants.

B.2.a What worked well

Ms. Judy Quick, US Label Specialist was identified as the best candidate and through her expertise was able to provide a targeted, well organized, and thorough training based on the market realities of Guyana and logistical constraints. Ms. Quick represented the high standard of consultants recruited for work with the GEO Project. An expert in US labeling requirements, Ms Quick also researched and prepared material on Canadian label requirements. As a result of her flexibility and expertise, she was able to customize a 5 day technical training program on food product labeling into a one day workshop.

The success of the Label for Export workshop also can be attributed to the high degree of recruiting and advertising done for the program.

And finally, in accordance with our practice on other activities, multiple participants, including experienced Guyanese agro-processors, reviewed the workshop content and objectives. Their input was valuable to determine the overall course parameters and the best method of delivery.

B.3 Alternative Packaging

The GEO Project requested samples and cost information from various packaging companies outside of Guyana. Some suppliers expressed frustrations with the Guyanese market, having previously worked with Guyanese exporters. However, there was a lack of responses from packaging manufacturers contacted. The most viable cardboard box manufacturer was completely unresponsive. Samples and costing information collected has been reported to Go-Invest and NGMC.

C. Business Skills Development

C.1. An Introduction to Exporting: Export 101/102

An Introduction to Exporting: Export 101/102 was designed and developed by Chemonics International and international business expert Jim Krigbaum and Chemonics HO International Education and Training experts. The course provided small and medium Guyanese firms with the essential tools needed to overcome some of the immediate constraints to exporting identified in the rapid market surveys conducted. The course helped participants gain a better understanding of the requirements for accessing regional and international markets and how to prepare their business for exporting. Direct follow-up and hands-on assistance with the implementation of the course objectives was offered to participants.

The course had two components delivered over two days. Component One, Export 101, was first delivered in Georgetown in fall 2002. In April 2003, the GEO Project conducted a training of trainer sessions with a representative from both Go-Invest and NGMC. All subsequent course presentations in Essequibo, Berbice and Linden were conducted by the new trainers and Jim Krigbaum.

All participants were required to complete a basic survey regarding their business experience. The cost of the course was G\$1500. The survey combined with the course's flexibility helped the presenters to tailor the presentation to the experiences of the participants.

- Total number of persons trained in 2003 and 2004: 119
- Total number of persons for follow-up sessions: 33

C.1.a What worked well

Export 101/102 was one of the most successful activities of the SME Export Action Plan and provided models for development, implementation and follow-up for other training activities.

Export 101/102 was developed through a participatory approach, based on the realities of the SME sector in Guyana and focused on action-oriented objectives. At the end of each course, participants were able to readily apply the skills and techniques that were taught.

The participants were self-selected and paid a small fee. This helped reinforce the commitment of the participants. By spacing the course segments over the course of 3-6 months, participants were able to implement new practices and methods. At the end of each course, participants completed course evaluation forms. The evaluations were critical to the long-term development of the course and allowed the instructor to provide better and more relevant assistance.

Training local trainers provided for long-term local capacity and helped to provide a local context for activities and examples.

The best indication of the programs success was improved business. All participants that were available for follow-up sessions could provide a context for using skills and knowledge they received from Export 101/ 102. Several report growth in sales between 20 and 90 per cent.

C.1.b Recommendations – Export 103/4

The follow-up sessions indicated that while many businesses have begun to apply the basic skills taught, Guyanese entrepreneurs and businesses have limited experience and working knowledge of how to develop and implement marketing and business plans. Further training and skills development are needed to address product pricing and marketing.

Progress began on the development of a new course on Business Planning for Export. It is recommended that the course include two components: marketing and accounting for the non-accountant. Participants should be selected based on their knowledge and experience of managing, owning and operating a small business. While the course is not intended to be a direct follow-up to the Export 101/102, likely participants will be individuals that took part and have applied lessons from this course.

At the conclusion of the course, participants should have the tools to develop and present a personalized business plan. Where possible, the course should use practical examples and exercises based on the types of businesses of the participants. Course assignments should focus on real world problems such as calculating product costs and developing marketing plans. In addition, examples and templates should be provided to assist in developing marketing plans and basic financial analysis.

C.2 Business Writing

A primary objective of the GEO Project was to foster an enabling environment that supports greater investment in Guyana. To this end, the GEO Project worked closely with government agencies working to promote investment in Guyana indirectly or directly, specifically Go-Invest, New Guyana Marketing Corporation (NGMC) and the Guyana National Bureau of Standards (GNBS). In response to requests for assistance, the project prepared and delivered a weeklong training course in business writing for pre-selected agency employees.

The course was developed from a variety of inputs. Writing samples of the various agencies were collected and analyzed to help determine the parameters of the course. The managers of Go-Invest, NGMC and GNBS reviewed the course outline to help ensure that individual organizational needs were being met. Finally, participants took a pre-course questionnaire to determine the participants overall writing ability and knowledge of basic grammar. The questionnaires were completed in a controlled environment to ensure that all participants completed the information within the time limit provided, without external assistance.

The course was designed to fit into the work schedules of the participants, delivered over 4 half-day sessions. The delivery helped provide time for the immediate application of lessons and 'homework' assignments. Twenty-five persons from Go-Invest, NGMC and GNBS attended the weeklong workshop. Four other agencies were invited to send observers for training of trainers: Guyana Training Agency (GTA), EMPRETEC Guyana Centre, Entrepreneurial Development and Training Centre (EDTC). GTA sent representatives and scheduled to meet the trainer for a follow-up session.

The course was drafted and delivered with an Editing/Business writing specialist and a training specialist.

C. 3 Internet as a business tool

The GEO Project developed a short course to introduce small entrepreneurs to the Internet as a business tool. The Internet is relatively new to Guyana, and many entrepreneurs—in particular small firms—have never been exposed to its operation. The Internet can provide a wealth of information and opportunity, and when used effectively will assist SMEs to make market linkages, to identify input suppliers, and access a wealth of business tools aimed at helping small businesses.

To develop the program, the GEO Project first took an assessment of interest among small and medium sized businesses in the Georgetown area. Initially, businesses that participated in Export 101/102 were contacted. While some interest was expressed, it was found that Georgetown area businesses have a basic understanding of the Internet. The assessment was extended to small and medium sized businesses through the network of regional Chambers of Commerce.

The result of the assessment showed there was significant interest from the Linden, Essequibo and Berbice areas. NGMC, Go-Invest and staff member from PSOs, specifically Chamber of Commerce, also expressed interest.

To ensure the best design and delivery of the course, interested participants were asked to complete a questionnaire on their computer experience and comfort level.

The parameters of the course included the expectation that participants had some basic knowledge of computers, that they could turn a computer on and off and knew how to use

the keyboard and a mouse. In addition, it was determined that the course should not take more than one half-day. This was important as it allowed participants to travel from locations outside of Georgetown and not lose an entire business day.

Based on the parameters and the questionnaire, the training specialist worked in collaboration with the GEO project to develop a course and practical exercises that included the following components: an introduction to the internet, how to use search engines, and creating and using e-mail accounts. In addition, the training/business specialist developed a list of internet resources and websites that could be of interest/use to entrepreneurs that included, business tools and aids (developing business and marketing plans); input suppliers, products prices, interested importers and product and business associations relevant to Guyana. At the end of the course all participants registered for a free-e-mail account.

A separate training for trainers course was given to several staff members from PSOs, NGMC and Go-Invest so that they would be able to assist their own members and clients in effectively using the Internet.

- Number of Agencies/businesses trained: 6
- Number of people trained: 25
- Number of agencies/people trained to trained: 5

C.3.b What worked well

Internet as a Business Tool Activities provides excellent examples of the best methods used in the development, implementation and follow-up of SME export promotion activities. Demand for the activity and its components were thoroughly assessed. The course focused on teaching skills that would be most commonly used by businesses and government agencies. Additional technical information on the Internet and computers was not necessary for the application of the skill, so this was not stressed in the course. The program scheduled classes based on the levels of experience for maximum results in each course. The training of trainers activity lead to success for future programs. And finally, the course provided direct skills that were implemented immediately.

C.3.a Follow-up

- NGMC developed and delivered the Introduction to the Internet as a Business tool in conjunction with an introduction to computers to the NGMC site in Charity. An introduction to computers course was developed by the NGMC staff trainer, with input from the SME Manager. A total of 5 people were trained.
- The Linden Chamber of Commerce and Industry (LCCI) intends to offer individual training sessions at their office location. The LCCI was one of the

PSOs that received IT equipment from the GEO Project as part of capacity building efforts.

- There is significant evidence that several of the participants from the training have been actively using the skills and knowledge gained from the course. One of the very inexperienced participants from the training, Carl Alexander Bryan has been using his new e-mail account to contact International Trade Specialist, Jim Krigbaum, for assistance with business plan development.

D. Fresh Produce Sector

One of the groups of products that are currently exported and for which potential for expansion was identified is fresh produce. Early assessments conducted by the GEO Project indicated the quality of fresh produce currently exported is inconsistent and in some instance very poor. All stages along the export chain from harvest and pre-harvest to transportation and final export needed improvements. Pre-harvest practices, sanitation at the packing house, packaging, bacterial and fungal problems, and transportation were all identified as areas where improvements could benefit the quality and increase the shelf life of Guyana's fresh produce exports.

Assistance to the fresh produce sector included work with farmers, agricultural extension agents, NGMC technical advisors, exporters and transporters. Specific activities included:

- Addressing packaging concerns
- Developing technical bulletins for use by extension agents and farmers
- Post-harvest handling techniques demonstrations for farmers and exporters
- Upgrade and implement the hot water bath treatment,
- Plantain and banana bunch covers
- Waxing of fresh produce
- Transportation

D.1. Post-harvest Handling Technical Bulletin and Short Pamphlets Series.

Dr. David Picha, postharvest specialist, developed the series of bulletins on 33 different fruits and vegetables commonly grown in and exported from Guyana. Two types of bulletins were developed: technical bulletins for extension agents and agricultural project personnel and a basic one to two page pamphlet for farmers and exporters on proper post-harvest handling techniques. The series also includes an additional report on *Use of Bunch Covers for Improving Plantain and Banana Peel Quality*.

The bulletin series, developed in collaboration with the NGMC, the National Agricultural Research Institute and the Ministry of Fisheries, Crops and Livestock, was presented for distribution in the second quarter of 2004.

The development and production of the technical bulletins was not completed in a timely or efficient manner.

- There were delays in receiving quality samples from the printer. The printer had difficulty with formatting and timely delivery.
- The process of editing and formatting required more attention and diligence by the SME Manager.
- Three draft reports were lost in computer crashes or corrupted files.

D.2. Demonstrations on post-harvest handling techniques

In July and August 2003, Dr. Picha returned to Guyana to conduct a series of training workshops on post harvest practices and review previous activities. The workshop target audiences were farmers and exporters. One session was dedicated to the training of trainers attended by 26 agricultural extension agents and other professionals from agricultural projects. A total of 5 training workshops were held (two in Georgetown and one each in Parika, Charity, and Berbice).

The activities were coordinated by NGMC with oversight by the GEO SME Manager. Timelines and activity trackers were developed in coordination with NGMC to assist with implementation. The GEO Project Office contacted and confirmed participants for Georgetown, Berbice and Charity, made logistical arrangements for the Georgetown training site, and liaised with Dr. Picha and NGMC technical advisors regarding demonstration sites and technical preparations.

Sessions included harvesting techniques, maintaining a “cool” chain, proper washing, waxing to preserve shelf life and the use of plastic sleeves or bunch covers to improve banana and plantain production and quality. NGMC coordinated demonstration sites for plantain and banana bunch cover and root crop curing demonstrations, constructed curing pits, prepared examples of waxed fruits and vegetables, cured root crops and de-greened citrus and maintaining controls. In addition, NGMC was responsible for: all logistical arrangements; the purchase of necessary samples of product, ethyl (for de-greening), and other basic equipment; and to provide hands-on assistance during demonstrations.

D.2.a. Lessons Learned:

The training coordination provided an opportunity for monitoring and capacity-building with the NGMC on the development and execution of training activities. This was achieved with mixed success. Below are observations and lessons learned from the activity:

- *Plantain Bunch Covers.* Despite preparations, basic logistical needs were not met. The GEO Project chaired weekly preparatory meetings beginning 6 weeks prior to the scheduled training with NGMC to ensure that plantain bunch covers were in place for removal during the training. NGMC set a schedule and distributed bags to no less than 4 locations based on their proximity to the planned training sites.

A week before the trainings, preparatory visits to the demonstration sites showed that farmers harvested the demonstration plantains early, and therefore would not be available for the training use. The demonstration sites would have been difficult logistically to get to, adding cost and time, and in some cases, would have resulted in cancellation. For future demonstrations NGMC should work more closely with farmers so they understand their role, find farm locations that are conveniently located to training sites that require minimal time and effort to reach.

Parika. Logistical arrangements and identifying interested participants was difficult in Parika. Travel to and from the demonstration sites required both buses and boats. It was stressed in meetings and included on “to do” lists that advance arrangements for transportation was required. In addition safety requirements were outlined and discussed. However travel logistics were not pre-arranged, but planned on site. It was not done in advance.

- *Charity.* A lack of pre-arranged transportation and poor logistical planning at demonstration sites also caused delays and cancellation in Charity. Bunch cover sites were too far to be visited in the time required and during daylight hours.
- *Training of trainers* Since the GEO sponsored training, technical officers from NGMC who took the training-of-trainers course, have presented the same training to a group of 35 farmers in Cottontree, Berbice. Technical officers continue to make field visits and received requests for post-harvest training. Similar training has been presented in Essequibo and East Berbice.

D.2.b. What worked well

All post-harvest handling activities were designed to help build local capacity for individual farmers, exporters and government agencies. A participatory approach was used in the development of the training, relying heavily on NGMC staff. The NGMC staff was essential to the success of the training, and furthermore, retained lessons learned and have applied them to new and additional activities.

D.3. Hot Water Bath Treatment

A hot water bath treatment was built at the NGMC in August 2002 specifically for the treatment of mangoes. Attaining and maintaining the required water temperature was identified as a critical challenge. Changes were made to improve the hot bath treatment equipment. Specifically, styrofoam was added around the plastic container and enclosed in wood and a cover was built to provide insulation. Also, a timer was added to the pump to improve water circulation.

While the insulation reduces the time necessary to heat the water, it is recommended that the hot water heater be turned on 4-6 hours before use to ensure the correct water temperature.

D.3.a Recommendations

The following recommendations have been made to NGMC.

- Designate one technical advisor from NGMC to be trained in the operation and use of the hot bath treatment.
- Train packing house staff in the proper use of the equipment.
- Conduct additional experiments in preparation for Barbadian Plant Health Department.
- Plant Health and NGMC should arrange for a demonstration of the treatment with the Barbadian Plant Health Department. The primary purpose of the demonstration is to gain approval for use of the treatment for the export of mangos. A protocol should be established and implemented.

D.4 Plantain and banana bunch covers

In 2002, plantain and banana sleeves/bunch covers were introduced to farmers and exporters as a means to improve the quality of fruit for export. In May of 2003, NGMC received 5000 covers for use and sale to farmers. A cost analysis of similar bunch covers in other Caribbean locations was used to help determine the most realistic and affordable cost. To promote the use of the bunch covers, several activities were undertaken: Post-harvest handling training workshops (see comments above) and a promotional video for agricultural extension agents and farmers, discussed below.

The development of the training video took more resources and time than planned. The Guyana Information and News Agency (GINA) agreed to coordinate and complete the production of the video at no cost. As a result, GINA accompanied the post-harvest training workshop in Parika and later visits to videotape the demonstration sites. Unfortunately, staff changes at GINA contributed to delays in the development of the video.

After reviewing the raw footage, it was determined that in order to create a training video that will encourage farmers to use the technology, a more professional service was needed.

The GEO Project worked with NGMC to set up new site demonstrations, requested quotations from local video service providers and selected a firm based on availability and cost. This took place in late December 2003. Since that time, the contracted video production company has completed all video and audio recordings. The SME Manager reviewed the draft prior to departure.

D.5 Waxing of fresh produce

Two types of wax treatment were demonstrated during the post-harvest workshops, root crop wax (paraffin) and fruit and vegetable wax (carnauba or shellac wax). These waxes are available for import from the US. Research indicates that while there are a variety of waxes available, the sale quantities are too large for the Guyanese market. The GEO project researched and sourced sample waxes in 5 gallon pails.

D.4.a. Recommendations

The following recommendations have been made to NGMC.

- Determine the market demand for fruit and vegetable wax in Guyana.
- Designate one technical advisor from NGMC to be trained in applying and use of wax.
- Assess the need and demand for having an automated roller brush application system. Specifications are provided in written handouts from the postharvest workshops.
- Contact businesses that may be interested in the importation and sale of the wax.

D.5. Transportation and the Guyana Horticultural Exporters Associations

Transportation Specialist, Mr. Steven Humphries met with SME exporters and transporters in October 2003. He recommended the formation of an exporters association in an effort to address transportation constraints. Private and group discussions with a range of fresh produce exporters confirmed discontent and a lack of cooperation in the industry. However, as fresh produce exports have increased, the fresh produce sector is facing more constraints, including decreasing space on airlines and difficulties in finding sufficient local produce.

Mr. Humphries met with 20 fresh produce exporters on October 10. Mr. Humphries discussed his findings with the exporters. Topics discussed included freight quotations, shipping and air freight routes, inefficiency in transport to Temeri airport, and the constraints resulting from a lack of a cold storage chain. Mr. Humphrey emphasized how these constraints could be better managed and overcome through industry cooperation. He provided detailed examples of association development work in Uganda and Zambia, including a draft association charter. It was agreed among the meeting participants that there was enough interest and support to establish a steering committee and begin organizing a loose association of fresh produce exporters.

The next meeting was held one week later with 14 people attending and chaired by Mr. Humphries. The proposed first draft of the Guyana Horticultural Exporters Association was discussed and second draft agreed upon. The participants discussed issues from the previous meeting and agreed that the next step was to establish a steering committee for the association and agree on a Chairperson. The eight members of the steering

committee agreed that all future meetings would be on the first Thursday of every month. The subcommittees and their priorities are as follows:

- Input procurement: Packaging standards, consolidated orders
- Finance
- Ministry of Agriculture liaison: sanitary phyto-sanitary and Plant Health Unit farm certification
- Airfreight and Cargo: consolidated cargo

The next meeting took place in late November, due to schedule conflicts for the chairperson. Only five persons attended the meeting, of which two attendees were steering committee members. Discussions focused on a working proposal to improve the efficiency of customs and inspection at Timeri Airport. Other agenda items included organization development, registering as an association and identifying ways that exporters can work with farmers to gain Plant Health Unit (PHU) certification.

The next meeting took place in December 2003 and was scheduled so that association member could meet with a representative from AmeriJet. This meeting was productive for exchanging information, however, dialogue was not well organized by the chairperson, and no real progress was made on the logistical and organizational development of the association.

No meetings or progress have taken place in 2004.

D.5.a Lessons Learned

There is interest in forming an association, however, there remains to be serious and committed leadership, demonstrated organization and cohesiveness and direction in establishing objectives. The group was advised that they would stand a better chance of getting the ear of donors and lending institutions, if they were seen to be well organized and helping themselves first, in an effort to become self sustaining. In too many cases, associations have emerged, just because funding has been available, rather than a genuine commitment from the industry to work together and take responsibility for their own future.

In the case of the GHEA, in spite of the interest expressed and campaigning of selected steering committee members, the group lacked consistent non-partisan leadership and failed to follow through with its first commitments. As a result they did not establish their sincerity or garner the required respect from exporters and related government agencies. Several internal and external factors contributed to the group's lack of success.

- *Weak and inexperienced leadership.* The GHEA chairperson was selected by the group. While she was an experienced exporter, she was not currently exporting and indicated that she would take the time required to provide leadership and organization. Mr. Humphery's also pointed out that in the long term, having a woman in a leadership role would help gain the attention of international donors.

The chairperson lacked an understanding and the basic skills to chair a meeting, take effective notes, prepare agendas and identify immediate priorities. The GEO SME Manager worked extensively with the chairperson to develop meeting presentation skills, identify and work toward priorities, and develop a solid internal operating structure. Due to health troubles and what seemed to be a decrease in interest, meetings were not well organized or planned. Several meetings were changed or canceled at the last minute. In addition, favoritism among the exporters in the group was evident in her communications, recommendations, and relationship within the group.

Lack of interest from the sector leaders. The top three fresh produce exporters were not active participants in the organizations development or promotion. Their experiences could have provided much needed leadership and guidance. Their interest would have also lent credibility to the organizations purpose and development..

- *External pressure.* During the organization's earliest stage, government agencies that work with the export promotion and support services expressed concern at not being invited to participate in the groups initial meetings. While Go-Invest and NGMC expressed public support for the organization, pressuring for inclusion in the organization's early development was counter productive. The GHEA was not in a position to invite external actors into meetings because it was still working toward establishing a legitimate base among exporters. As a result, undue attention was given to defining GHEA relationships with government agencies before the members were able to clearly define and agree on priorities for the association.
- *A decrease in demand for air freight.* Fresh produce exporters expanded their international markets and began to use refrigerated 20 and 40 foot containers, reducing the demand for small air freight shipments. This shift was in part a response to continued difficulties securing airfreight space and increased rates.
- *Lack of exporter support* While a small group of exporters continues to remain committed to the idea of creating an exporters association, there is not enough support or cooperation. Problems continue to arise because of the attitude of exporters in wanting to work in a very individual way, rather than cooperate as a group where they could enjoy the benefits of economies of scale.

The failure of the GHEA is extremely unfortunate. The next attempt at creating an association may be more difficult to organize and gain legitimacy.

III. General Recommendations and Conclusions

Future activities to promote exports for SMEs in Guyana should continue to address the constraints identified in inputs and packaging, generating market information and market contacts and develop practical business skills.

Post harvest Bunch Covers and Wax

In the short term, GEO should continue to work with NGMC through the completion of the bunch cover video, promotion and sale of the fruit and vegetable wax. The bunch cover promotion and training video is in the final stages of development and will be ready for distribution to extension agents at the end of May 2004. Also, NGMC should be encouraged to use the video in television spots, specifically in plantain growing regions such as Parika and Essequibo.

NGMC should be receiving samples of fruit and vegetable wax in the next month. The GEO project should work with NGMC to ensure the proper costing and advertising of the service.

Fresh Produce Packing House Study Tour

Several farmers, exporters and private sector organization expressed interest in participating in a study tour of packing house facilities in the region. The current packing house is located in Sophia, Georgetown and is managed by the NGMC. Privately owned packaging facilities would offer exporters a variety of locations for processing fresh produce exports. In addition, facilities that are readily accessible to air and sea transport would decrease transportation costs and reduce post harvest handling.

Business Skill Development

The market surveys completed for the North American, London and Caribbean markets provided detailed follow-up recommendation for improving the business skills of Guyanese SMEs. While some recommendations were addressed, others were not due to a lack of demand from SMEs, a lack of product and business readiness, and overall project priorities.

Health, Safety and Environmental Standards

As Guyana increases exports of food and food products, they will come under increasing pressure to ensure international health, safety and environmental standards. Guyana's largest fresh produce market, Barbados, currently requires all farms exporting produce to be certified by the Guyana Plant Health Unit. The implementation of this protocol has not been without its complications. The PHU lacks resources to correctly and completely implement the required procedure. This has led to skepticism and reluctance for farmers to request certification. Inconsistent enforcement and implementation has created a lax environment among exporters for adherence to the protocol.

While there is general knowledge of HACCP standard among seafood exporters, few others sectors have exposure to or have experience in international operations standards. Education and implementation need to be private sector driven to ensure success. To help generate demand, it is important to show SMEs the added value, particularly with working in niche markets, of implementing health, safety and environmental standards. Public support for the creation and oversight of standards is another important component and could be met with targeted technical assistance, following on the work of Jim Scott and ISO training.

Guyana's exports will benefit in the long term from developing and implementing better quality health, safety and environmental standards.