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# GUYANA TRADE AND INVESTMENT SUPPORT II

Quarterly Report

June 1, 2010 – August 31, 2010



**August 2010**

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### DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Cover Photo: Butternut squash is cultivated at Hauraruni Village using drip irrigation technology

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## **Executive Summary**

Guyana's challenge is to competitively offer higher value, differentiated goods and services in international markets, generating more wealth for its people, especially workers and the poor. Now well into the second year of implementation, USAID/Guyana's Guyana Trade and Investment Support (GTIS) II Project has generated strong consensus and momentum around a market-led strategy for promoting investment and exports.

From June to August, GTIS has succeeded in reaching out to dynamic external markets in which Guyana has the potential to compete with unique products and services, and has identified the critical bottlenecks in sub-sector value chains that are current constraints to competitiveness. By exhibiting at international trade shows and connecting with investors and buyers, GTIS II and its Guyanese partners have found continuous opportunities to improve and expand sustainable value-added forest products, export-oriented agribusiness, aquaculture, and ecotourism.

The key to this success has been the use of a market-led approach to value chain strengthening, which works with foreign investors, strategic buyers, and "anchor firms" in Guyana to invest in new capacity, technology, and standards, while strengthening overall sub-sectors. Through their interactions with GTIS II, international firms have defined the market demand for Guyanese products and the upgrading required in order to satisfy those needs.

Project efforts this quarter have continued this approach with a particular focus on increasing the quality and availability of products available in Guyana ranging from intense biodiversity, to value-added produce, to innovative applications for sustainable wood products. In the wood products sector, the project placed emphasis on increasing understanding of and taking steps to undertake a legality verification system in Guyana, and to increase partners' understanding of the implications of the amendment to the Lacey Act. Activities in the aquaculture sub-sector this quarter focused on establishing aquaculture legislation in the country, increasing access to high quality inputs (seed and feed), and continuing to reach out to international buyers and investors to stimulate further industry growth. Project efforts in non-traditional agriculture focused on increasing production from project farms and streamlining export procedures and addressing transport and logistics issues to facilitate the export of this produce in the upcoming winter market. With hotels and resorts booking birding tours years in advance as a result of the GTIS project's birding tourism campaign, project implementation focused on the development of additional ecotourism niches to attract visitors throughout the low tourist season, increase the number of Amerindian and rural beneficiaries, and develop new revenue streams for the entire tourism value chain.

## **Donor Harmonization**

The GTIS II project continues to build its reputation as a critical counterpart for government or donor programs addressing competitiveness issues in Guyana. The project has worked hand-in-hand with these projects and has advocated for cooperation toward common goals. Related activities this quarter are as follows:

### **Cooperation with ADP**

GTIS II continues to work with representatives from the IDB's Agricultural Diversification Programme (ADP). As a result the implementers of ADP are convinced that the best way forward for the program's aquaculture and agriculture components is to build on the momentum generated by GTIS II and to work hand-in-hand on matching goals. GTIS II sub-sector partners will form the majority of the program's working groups and it is likely that GTIS II will have a seat on the technical approval panel.

### **Cooperation with Farmer to Farmer**

GTIS II coordinated with the USAID-funded Partners of Americas Farmer to Farmer program to utilize assistance from drip irrigation and greenhouse experts from the United States. The volunteer drip irrigation consultant is the former Chief Agronomist for Netafim Irrigation Inc., one of the principle firms responsible for the popularization of drip irrigation in the United States and throughout the world. The consultant analyzed drip irrigation systems in use at Greenfield Farms and Bounty Farm Limited and assisted in oversight of the installation of drip irrigation at Hauraruni Village. The volunteer greenhouse consultant has over 18 years of experience working in agricultural improvement in developing countries around the world. This consultant analyzed the greenhouses in use at Bounty Farm Limited, Hauraruni Village, Greenfield Farms, and at the St. Francis Community Development Center in Berbice. The consultant contributed project ideas, recommendations for design and cost effective building materials.

### **Partner Meetings with the Ministry of Agriculture**

GTIS II continues conducting regular meetings with the Ministry of Agriculture's Fisheries Department, the Forest Products Development Marketing Council, the Guyana Forestry Commission, the New Guyana Marketing Corporation, and the Rural Enterprise and Agriculture Development (READ) program. The General Manager of the New GMC briefs the Minister of Agriculture on the topics discussed and recommendations made at the meetings.

Topics of discussion this quarter included working with Ministry of Agriculture officials collecting pest sample data and other information to address pending paperwork from

Plant Quarantine owed to the United States Department of Agriculture (USDA) Animal and Public Health Information System (APHIS) office for the next revision of the APHIS manual allowing additional target products to be



Through regular meetings with officials from the various branches of the Ministry of Agriculture, GTIS II has identified critical bottlenecks in the process of exporting fresh fruits and vegetables from Guyana, like the project pineapples and melons exported from the New GMC pack house above

imported from Guyana, and the necessary steps to streamline the export process for fresh product.

## **Wood Products**

Efforts in the wood products sector this quarter focused on taking steps to undertake a legality verification system in Guyana and to increase understanding of Lacey Act compliance (see additional information on the Lacey Act below). These initiatives are expected to increase the GoG's and private sector's understanding of the benefits of establishing internationally recognized sustainable forestry standards, the steps necessary to achieve this goal, and the host of high-value markets available to compliant stakeholders.

### **The Path to Legality Verification**

The GTIS II team continues to participate in meetings to increase understanding of the importance of establishing an internationally recognized legality verification system. The GoG is working with documents created by ProForest in collaboration with the GTIS II program. These documents include an audit of the Guyana's timber harvesting legislation, practices, and enforcement and provide recommendations on the necessary steps for compliance with international legality verification standards at the time (early 2008). The Guyana National Bureau of Standards is now charged with using the ProForest documents to create the Guyana Legality Assurance System (GLAS). While members from GFC, FPDMC, FPA, and the private sector are charged with reviewing the draft GLAS created by the Guyana National Bureau of Standards, these requirements have changed since ProForest provided feedback in early 2008. GTIS II is working with the GFC to request and review proposals for a consultancy to teach stakeholders the changes in international requirements for certification and review the proposed draft standards to ensure that they are practical and implementable.

### **Lacey Act Compliance Workshop**

GTIS II contracted an expert to come to Guyana to educate and advise industry stakeholders on the implications and compliance requirements of the latest version of the Lacey Act. The Lacey Act is the United States' oldest national wildlife protection statute and serves as an anti-trafficking statute protecting a broad range of wildlife and wild plants. A recent amendment applies the enforcement of this act to all international traffickers of plants, including timber or associated wood products<sup>1</sup>.

The consultant, Ms. Elizabeth Baldwin, and Mr. Gary Lougee, an APHIS representative, made presentations to stakeholders in the forestry sector. In addition to Ms. Baldwin's expertise on the Lacey Act, she is also an importer of tropical hardwoods and provided information on the Lacey Act from a buyer's point of view. She detailed what would make an international buyer feel comfortable regarding purchases from Guyana. An estimated 50 to 60 industry stakeholders benefited from their interactions with Ms. Baldwin. GTIS II will contribute copies of Ms. Baldwin's book on the Lacey Act to the GFC and FPA libraries.

### **Participation in the International Wood Products Association Annual Conference**

Last quarter the GTIS II team accompanied a delegation of 8 private sector stakeholders from Forest Products Association of Guyana, the Guyana Manufacturers and Services Association, Toolsie Persaud, Guyana Timber Products, Durable Hardwoods, Guiana Shield Forestry

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<sup>1</sup> *New Lacey Act Provisions Covering Illegal Timber.*  
[www.fs.fed.us/.../Lacey\\_Act\\_amendments\\_public\\_summary.doc](http://www.fs.fed.us/.../Lacey_Act_amendments_public_summary.doc)

Resources, Bulkan Timber Works Inc., Sustainable Forest Inc., Superior Shingles and Wood Products Inc., and Roopan Ramotar Investments to the International Wood Products Association (IWPA) World of Wood Conference in Miami.

To capitalize on the interest generated at this year's conference, GTIS II finalized and submitted an advertisement that will appear in *International Wood*. This publication includes a complete sourcing directory for the industry along with editorial articles on new and innovative applications and trends for imported wood products. The ad includes the FPA, Barama and Guyana Timber Products.

## **Planned Activities**

### **Institutional Strengthening of the FPA**

GTIS is facilitating a linkage between the Canadian Executive Service Organization (CESO) and the Forest Products Association of Guyana (FPA). CESO is planning to collaborate with the FPA for institutional strengthening and will bring in a volunteer for a short term consultancy to assess needs and improve the organization's operations.

## **Aquaculture**

Activities in the aquaculture sub-sector this quarter focused on establishing aquaculture legislation in the country, increasing access to high quality inputs (seed and feed), and continuing to reach out to international buyers and investors to stimulate further industry growth.

### **Aquaculture Legislation and Regulations**

Guyana's nascent aquaculture industry suffers from a lack of appropriate legislation and regulations governing aquaculture practices; a setback that the GTIS II program is working diligently to resolve. In collaboration with the Ministry of Agriculture and the ADP project, GTIS II discovered previously unknown draft legislation for post harvest handling of fishery products and drafted legislation for aquaculture best practices last quarter. This legislation is still under review by the Minister of Agriculture and the Ministry's lawyer before it is submitted to Parliament. If approved, this legislation will be a major breakthrough for governance of the industry and a catalyst for growth.

Aquaculture technical lead Igal Magen is also working closely with a representative of the EU to complete draft regulations on every aspect of fish health and aquaculture in Guyana, from hatcheries to export. They expect to complete the report by the end of this month.

### **Developing Inputs**

The GTIS II staff continues to provide technical assistance to the supermale hatchery at Maharaja Oil Mills. Thanks to a donation of 1,700 breeding sets of supermale tilapia from DFID, the hatchery is now producing all-male brood stock for local farmers, a key input to globally competitive tilapia production. This brood stock has the potential to produce approximately \$65 million dollars in aquaculture sales and create up to 1,700 new jobs.

The project facilitated the arrival of the third batch of 300 sets of supermales from Fishgen. These fish will join the existing 600 sets at the Maharaja Oil Mill Fish Hatchery which will produce millions of male fingerlings for the growing industry. Poonai 20K Tony 16K Trafalgar 3K Tony 2K To date the hatchery has filled orders for over 40,000 male fingerlings to project

partners and has received a long-term order to supply a batch of up to 720,000 male fingerlings to supply a NAAG farmers and numerous small-scale farmers in the country. Project partner Ronald Arjune grew out the first stock of all-male tilapia produced from these brooding sets, processed them through the facility at Noble House and is currently selling them on the local market.

### **Generating a Local Market**

This quarter the GTIS project distributed 1,000 lbs of fresh fish to local businesses through the fish processing plant Noble House. This activity generated interest with the company's management board as they look for additional product to fill their facility's processing capacity and expect to further stimulate a market for non-export grade Tilapia. The Tilapia was distributed to Bounty supermarkets and sold out quickly. The GTIS II team is currently gathering data to analyze the demand for Tilapia on the local market based on Bounty's sales. The team plans to expand to more stores on the local market, beginning with an additional 300 pounds to be sold in Bounty stores. These initial sales are important to generate interest in the local market for product that does not meet export standards and to generate capital for expansion in to export-ready operations.

### **Engineered Farm Designs and Feasibility Studies**

Last quarter the project invited an Aquaculture Engineer to provide technical assistance to aid in the startup of leading partner farms. Working together with GTIS II's Aquaculture Technical Lead, the consultant provided each farm with a feasibility study, an engineered farm design, and equipment list with all the necessary inputs for project startup. These critical inputs will allow partner firms to expand into larger-scale commercial production for export to markets in the North America and the Caribbean. This quarter the GTIS II team monitored progress on the implementation of these designs at project partner farms.

### **Working with Additional Stakeholders**

GTIS II is working with a new investor in Guyanese aquaculture; Tony Mootoosammy, a member of the Guyanese Diaspora in the United States is filling 15-20 acres of his land with new fish ponds. This month, Mr. Mootoosammy completed the first 5 acres (Phase 1) of his project.

Project staff is now also working with the Trafalgar Union, a cooperative of about 150 women, to improve their existing aquaculture ponds. They had been improperly designed and were too shallow for ideal production.

The GTIS II team will continue to work with the women of the cooperative to design a feasible small-scale production model (approximately 5 acres) that can be readily duplicated with additional interested partners.



The GTIS II team has engaged a number of new stakeholders interested in investing in aquaculture, such as a women's cooperative at Trafalgar Union and Mr. Tony Mootoosammy, an investor from the Guyanese Diaspora in the United States.

## **Planned Activities**

GTIS II is facilitating a sole distributor relationship with a feed producer in the United States. The team has completed the first order, which should be delivered within two weeks.

## **Agribusiness**

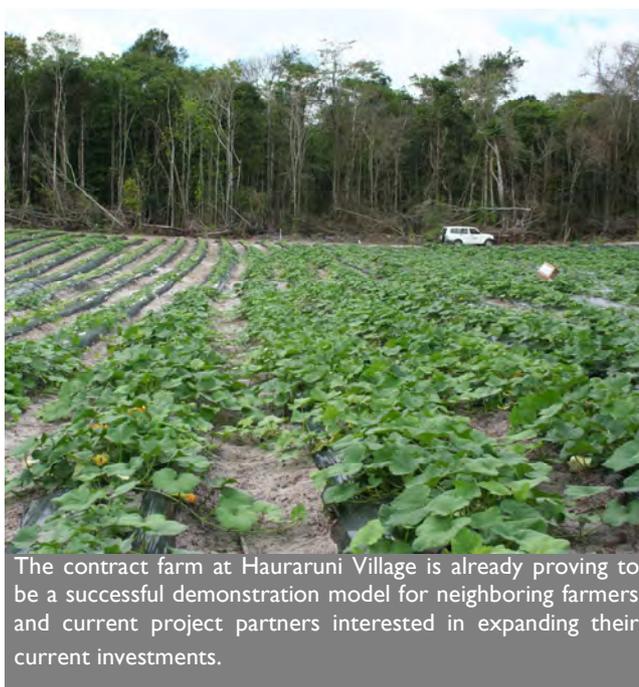
Project efforts focused on increasing production from project farms and streamlining export procedures and addressing transport and logistics issues to facilitate the export of this produce in the upcoming winter market.

### **Initial Sales Strengthen Transport and Logistics Chain**

GTIS II and project partner Shigam Inc. have identified markets in Antigua and Martinique for fresh pineapple and melons and have made 24 such air shipments ranging between 1,000 to 2,000 lbs each. Within the next few months the project expects to increase volumes to 20 ft container loads. These shipments have also allowed GTIS II and Shigam to identify and work with the GoG on critical bottlenecks in the country's export procedures

### **Establishment of a Demonstration Community for Contract Farming**

The Hauraruni Friendly Farmers Society (HFFS) has demonstrated its continued enthusiasm as a project partner for GTIS II. The Friendly Farmers Society has benefitted from technical assistance from IICA in hydroponics cultivation and has enthusiastically cooperated with GTIS II in order to demonstrate how drip irrigation technology can be used to cultivate fruits and vegetables on the sandy soil along the Linden Highway. This project is already proving to be a successful demonstration model for neighboring farmers interested in seeing the benefits of sandy soil cultivation. At the time of this report, HFFS has planted 5 acres of butternut squash which are already beginning to develop green fruits. GTIS will use the partnership with HFFS to show Guyana's farmers the benefits of contract farming and gauge the effort required to set up such a system before implementing it on a larger scale in Guyana.



The contract farm at Hauraruni Village is already proving to be a successful demonstration model for neighboring farmers and current project partners interested in expanding their current investments.

### **Greenhouse Cultivation at Bounty Farm Ltd.**

The second round of crop cultivation utilizing greenhouse technology at Bounty Farm Ltd. is proving to be a resounding success. With technical assistance from GTIS II, the firm cultivated nearly an acre of Galia melons this quarter. All export-quality produce is being exported to Antigua and the firm is selling non-export quality to the local market with ease. The government

has responded enthusiastically, allowing Bounty to use a private facility as a pack house for some of these shipments. This is good news for the firm's stakeholders, who are seeking to dollarize more of their revenues through export. GTIS II will continue to work with Bounty on exporting sweet bell peppers that are currently under cultivation, planning future crops at the firm's farm at Timehri, and working with Bounty's interested contract farmers in order to expand production.

## **Planned Activities**

### **Long-term Technical Assistance**

With a number of new farms coming online in Year 2, the GTIS II project predicts that there will be a great need for an experienced long-term farm manager to work hand-in-hand with these firms to teach production best practices, assure quality control, and train the first generation of extension officers in modern farming methods. This expert will work directly with project beneficiary farm managers, teaching them such production best practices. This expert will also tailor protocols for best practices to the environment in Guyana, assuring that counterparts are fully engaged in every aspect of running a farm. GTIS has selected a suitable candidate for this position and has submitted a request for his long-term employment to USAID for approval.

### **Ecotourism**

With hotels and resorts booking birding tours years in advance, as a result of the GTIS project's birding tourism campaign, project implementation focused on the development of additional ecotourism niches to attract visitors throughout the low tourist season, increase the number of Amerindian and rural beneficiaries, and develop new revenue streams for the entire tourism value chain.

### **Support for Research Tourism**

The team has been in contact with a professor at the University of Delaware who read an article in Birdwatcher's digest about Guyana. He is the director of UD's Entomology and Ecology program, which takes a group of 12 students to Costa Rica each year on a month-long study trip. Based on what he has learned so far, he is considering moving the trip to Guyana. The trip would visit 2-3 communities in the interior and work with local guides. This could lead to broader connections in university and research community in the Ecology and Entomology fields.

Tourism Coordinator Kirk Smock has finished working with Iwokrama on a press release talking about their science committee and work that they are doing. The release will be sent out next week with a goal of generating interest in Guyana as a destination for research tourism.

### **Familiarization Tour**

Utilizing contacts and information gained at such trade shows, the project organized a familiarization tour to Guyana so that international tour operators, representatives from global media, and other key partners could witness the country's wealth of biodiversity and unspoiled beauty firsthand. Participants included the editor of Bird Watcher's Digest, the Director of International Sustainable Conservation for the American Birding Convention, the coordinator of the San Diego Bird Festival, the originator and co-organizer of the British Birdwatching Fair, and several birding and nature travel tour companies. Participants inspected local tourism facilities and advised firms on the required changes they had to make in order to host international tour

groups. Feedback from the tour confirmed that guides and lodges were well equipped to handle birding tours but would need some additional investments and training in order to compete with other such international destinations.

### **Participation in the British Birdwatching Fair**

A group of representatives from Guyana attended the British Birdwatching Fair for the fifth consecutive year. The Guyana stand was staffed by Indranauth Haralsingh, Director of the Guyana Tourism Authority (GTA); Avalon Jagnandan, Coordinator of National Events and Projects for Guyana's Ministry of Tourism, Industry & Commerce; Paul Waldron, Operations Manager at Iwokrama International Centre for Rainforest



Conservation and Development; Kirk Smock, with the Guyana Sustainable Tourism Initiative, a joint International Development GTIS initiative; Tony Thorne and Claire Antell of the Guyana-based tour operator Wilderness Explorers; and birding guide Waldyke (Wally) Prince.

A delegation of Guyana tourism representatives attended The British Birdwatching Fair for the fifth consecutive year. Thanks to active trade show participation and a robust marketing campaign, more than 15 international tour operators advertised and sold Guyana as a tourist destination this year; up from only one or two companies five years ago.

At Birdfair, the team promoted Guyana to international tour operators, hundreds of potential visitors, and media. In addition to handing out materials and talking to visitors at the Guyana stand, Mr. Thorne and Mr. Prince presented a lecture titled, "Where to See the Specialty Birds of Guyana." There were more than 15 international tour operators advertising and selling Guyana trips at this year's Birdfair; that number is up from only one or two companies that were selling Guyana at Birdfair just five years ago. The operators all reported strong interest in the country and many praised Guyana's strategy of working to support them while also generating the necessary media coverage to help drive consumer demand.

Building on the success of last year's promotional event for Guyana in London, the GTIS team will also support a similar promotional event. Every year on the Tuesday after Birdfair ends, Wilderness Explorers hosts A Guyanese Summer's Evening. GTIS II will be a sponsor along with the Ministry of Tourism, Iwokrama and El Dorado Rum. An estimated 100 people will attend, including tour operators. It reaches capacity each year and has led to many media connections in the past. Speakers will include Chris Parrott, the Co-founder of Journey Latin America; Indranauth Haralsingh, the director of Guyana's Tourism Authority; and GTIS II's Kirk Smock; among others.

### **Planned Activities**

#### **Product Development**

GTIS II will work with partners to implement additional improvements to destinations based on the feedback received from the most recent familiarization tours. This includes additional

hospitality awareness, further upgrading of accommodations, and encouraging investment in additional vehicles for transportation between lodges.

### **Guide Training**

As a result of GTIS II's work in the ecotourism sub-sector, local guide Eggbert Fredericks has been invited to participate in the American Birding Association's-Mass Audubon birding guide training program. Eggbert has worked at the Iwokrama International Centre ([www.iwokrama.org](http://www.iwokrama.org)) as a naturalist interpreter and tour guide for two years and has also worked as a tour guide for Maipaima Ecolodge in the village of Nappi for one year. Beginning in August, he will spend a month at Massachusetts Audubon's Joppa Flats Education Center on Plum Island Turnpike as part of Mass. Audubon's International Intern Program, the same program in which local guide on Allcock participated. Ron is now a top birding guide in Guyana, trusted by international tour operators and equipped with top-of-the-line equipment.

The team has also been meeting with Peace Corps to discuss future collaboration in guide training. As a result of the FAM tours, it has become clear that guides are expected to have high levels of knowledge not only on birds, but on identification of plants, mammals and insects. The project will likely provide training and develop materials to use in various regions. This activity is anticipated to begin in early 2011.

### **Ecotourism Certification**

The GTIS II is currently researching eco-certification schemes for lodges, which will help them to become more sustainable and can be used as a marketing tool. The team is discussing options with various providers so that a plan may be implemented later this year.