

PNABK677

PRIVATE SECTOR RELATIONS DIVISION

ACTIVITY REPORT

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PRIVATE SECTOR RELATIONS DIVISION
USDA/OICD

ACTIVITY REPORT

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I. INTRODUCTION

A. Office of International Cooperation and Development

The Private Sector Relations Division, an integral component of the Office of International Cooperation and Development (OICD), supports the overall mission of OICD as it relates to the Caribbean Basin Initiative (CBI). The mission of OICD is to contribute to a complementary global agricultural system capable of providing ample food and fiber for all people. This involves the mutually beneficial functions of promoting U.S. agriculture and advancing the agriculture of developing countries. To accomplish this, OICD applies USDA policies and U.S. agricultural perspectives to its programs of international agricultural cooperation and development with foreign countries, international organizations, U.S. universities, agencies of the U.S. Government, and the U.S. private sector.

OICD functions include the following: 1) directing international training and technical assistance funded by the U.S. Agency for International Development or by different countries; 2) managing USDA's international scientific exchange and research programs; 3) facilitating USDA's collaboration with the university community in international scientific cooperation programs; and 4) participating in the formulation and evaluation of food aid development projects (P.L. 480, Titles I and III).

OICD is the lead agency in the planning and review of international agricultural development policy and in the formulation and review of agricultural assistance efforts. OICD is responsible for USDA's representation to national and international organizations responsible

for food and agriculture in international development. OICD also facilitates access to U.S. scientific and institutional resources for national and international organizations.

OICD's program objectives are:

- (1) to ensure the consideration of American agricultural interest related to global food security and international agricultural development in the policy processes of the U.S. Government and the international organizations;
- (2) to allocate efficiently and creatively the resources available in USDA, universities, agribusiness and international organizations, for the implementation of international agricultural development and cooperation programs;
- (3) to assure that U.S. commodity groups, producers and agribusiness benefit from research and other activities that may result from cooperative agreements with other countries;
- (4) to initiate cooperative efforts with other countries and international organizations that lead to the sound management of natural resources; and
- (5) to enlist the resources of government, universities and agribusiness in technical assistance, training, and specific cooperation programs to improve agricultural production and related capabilities of developing countries.

B. PRIVATE SECTOR RELATIONS DIVISION

The programs of the Private Sector Relations (PSR) Division of OICD were launched in 1982 in response to the President's Caribbean Basin Initiative (CBI). In a presentation before the Organization of American States on February 24, 1982, the President outlined comprehensive initiatives aimed at creating conditions conducive to accelerated economic growth and the maintenance of political stability in countries of the Caribbean Basin. An integral part of these initiatives was the involvement of the U.S. private sector. The private sector was to be supported in this involvement by the U.S. and Caribbean governments. It is within this context that USDA began promoting agribusiness development in the Caribbean Basin.

In order to expedite involvement of the U.S. private sector the Department proceeded to establish the Agribusiness Promotion Council (APC).

1. THE AGRIBUSINESS PROMOTION COUNCIL (APC)

The Agribusiness Promotion Council, chartered in October 1982, was initially composed of 28 major U.S. agribusiness firms. The Council was formed as an Advisory Council to the Secretary of Agriculture for promoting the involvement of the U.S. private sector in agricultural and agribusiness activities in CBI beneficiary countries. As noted in President Reagan's testimony before the U.S. Congress in March 1982:

"With the government and private sectors of interested countries, we will develop private sector strategies for each country. These strategies will coordinate and focus development efforts of local business, U.S. firms, private voluntary organizations, the U.S. Government, and Puerto Rico and the Virgin Islands. The strategies will seek new investment and employment opportunities and will also seek to remove impediments to growth including lack of marketing skills, trained manpower, poor regional transport and inadequate infrastructure."

Passage of the Caribbean Basin Economic Recovery Act (P.L. 9867), in August 1983, strengthened the President's initiative by liberalizing import regulations on selected commodities originating in the Caribbean Basin beneficiary countries.

The legislation provided duty-free treatment for many commodities except textiles, leather goods, canned tuna, petroleum and watches.

The APC plays a significant role in support of the CBI. Members of the Council have been successful in helping USDA with effective efforts in support of the Caribbean Basin Initiative. This partnership with the U.S. private sector, is a model which has promising potential and considerable applicability for involvement in other developing countries.

The Council, appointed by the Secretary, consists of approximately 30 senior executives of U.S. agribusiness firms and financial institutions

representing a broad range of agricultural products and services. The APC seeks to promote the sound economic development of the countries of the Caribbean Basin and further the good will and understanding between the peoples of these countries and those of the United States.

Specifically, the Council advises and makes recommendations on the following:

- o Strategies and policies for facilitating agribusiness development and for improving the investment climate in Caribbean Basin countries.
- o Policies for stimulating two-way commerce between the United States and Caribbean Basin countries.
- o Operation of an Agribusiness Information Center to serve the interests of both the U.S. agribusiness industry and Caribbean Basin entrepreneurs.

The Council established four functional committees to promote and coordinate more effectively agribusiness development and joint ventures in the Caribbean Basin region. These committees are:

- o Transportation and Infrastructure;
- o Production, Processing and Marketing;
- o Agribusiness Investment and Trade Project Facilitation; and
- o Caribbean Basin Government Policies and Business Climate.

The APC has also established Country Coordinators from among its membership. Providing the perspective and expertise of the U.S. private sector, selected

members of the Council are assigned to specific countries or geographic regions within the Caribbean Basin and represent the Department of Agriculture in an advisory capacity. They are expected to become familiar with several aspects of their assigned countries such as the general economic situation, business climate, key policy issues, and other matters which are important to the promotion of agribusiness development in the region.

2. THE AGRIBUSINESS INFORMATION CENTER

The Agribusiness Information Center was established through an initial appropriation by Congress in FY 1986. Its purpose is to facilitate potential investments and two-way trade in the Caribbean and other developing countries, in keeping with the objectives of the President's Caribbean Basin Initiative.

The Center is housed in OICD's Private Sector Relations Division and provides, and/or identifies resource information at USDA, other Federal agencies, and the private sector on request from entrepreneurs in the United States and the Caribbean and Central America region.

A network of contacts is maintained by the Center with U.S. and Caribbean chambers of commerce, embassies, trade associations, and cooperators.

As part of its outreach activities, the Information Center maintains linkages and collaborates extensively with educational institutions and national and international organizations such as Puerto Rico's Economic Development Administration, Caribbean and Central America Action, the Produce Marketing Association, the Fresh Fruit and Vegetables Association, Jamaica's Investment Promotions Service, the Eastern Caribbean Investment Promotion Service, and others. The Center acts as a resource to these organizations by providing speakers and program information for special events.

The Center also collaborates with agricultural colleges and universities. In order to strengthen that collaboration and in support of the White House Initiative and Departmental regulations on Historically Black College and Universities (HBCUs), a special task force of HBCUs was organized on the Eastern Caribbean. The task force was organized to examine issues with respect to the Caribbean Basin Initiative that might be peculiar to the small island economies of the Eastern Caribbean, and at the same time encourage the HBCUs to become involved in international program activities in Central America and the Caribbean. The task force is comprised primarily of HBCUs but includes other universities, national organizations and a few private sector firms.

It is through these public and private networks that the Center serves as a catalyst for informing U.S. business and the public of business opportunities in Caribbean Basin beneficiary countries.

The Center also serves as a clearinghouse for processing and transmitting information on agricultural investment, trade opportunities, and responds to inquiries for technical assistance. The Center has become well known in the Caribbean and agribusiness quarters as a result of the service it provides.

The Center publishes or provides several useful publications to U.S. agribusiness and Caribbean agribusiness to facilitate promotion of agribusiness development in the Caribbean. These publications are:

a) Marketing Handbook

The Agricultural Marketing Handbook, was first published in 1983. This is a basic information book about USDA's involvement in the CBI and describes the regulatory issues, procedures, and agencies involved in the marketing of non-traditional products to the United States. A new section was included in the 1989 revision on the development of marketing orders in Caribbean Basin countries. Since the Miami Conference in 1984, this handbook has been a very popular document that the Agribusiness Information Center has provided to both U.S. entrepreneurs and Caribbean Basin exporters.

b) Tropical Products Transportation Handbook

The English edition of the "Tropical Products Transportation Handbook" was published in August 1987 by the Office of Transportation of USDA. A Spanish version of the handbook was completed in 1988 and was sent to all the Spanish speaking

Caribbean Basin countries. The handbook focuses on how to maintain quality for more than 120 tropical fruits, vegetables, plants, and flowers during transportation. It also deals with modes of transportation, packaging, loading practices, and recommended transit and storage procedures.

c) U.S. Market for Fresh Fruits and Vegetables Study

The Caribbean Basin Economic Recovery Act of August 5, 1983, created a need for market information for non-traditional agricultural products, since 23 Caribbean and Central American countries were offered duty-free access to U.S. markets for a minimum of 12 years. This report provides a 10-year annual and monthly database, beginning with 1975 for U.S. production, consumption, imports, and prices for nine fresh fruits and vegetables: avocados, cantaloupes, honeydews, limes, mangoes, broccoli, cauliflower, peppers, and cucumbers. It also provides information on annual and seasonal patterns of quantity and price trends from the data assembled for the nine commodities.

d) Agribusiness Update Newsletter

The "Agribusiness Update" is published periodically to present timely topics on new or evolving technology, and is distributed to U.S. and Caribbean industries and government offices.

II. ACTIVITY SUMMARY

The Private Sector Relations Division engages in a variety of activities in cooperation with industry, foreign governments, educational institutions and national and international organizations. The following examples highlight the various types of activities usually undertaken.

A. WORKSHOPS

1. Marketing Workshops

The PSR Division has organized four major regional Agricultural Marketing Workshops which have provided information to small and medium-size CBI producers and entrepreneurs on U.S. standards and regulations, consumer needs and interest, storage, packaging, and the transportation and marketing process. Each workshop was attended by 500 to 700 participants.

Miami - September 1983

The first of the four workshops took place in Miami and attracted more than 430 growers, shippers and investors from CBI countries and the United States. A news account in August 1983 of this marketing workshop stated:

"The Reagan administration and the U.S. Department of Agriculture are wasting no time in assisting the Caribbean Basin countries in selling fruits, vegetables, flowers and plants to the United States ... Next month in Miami, the agriculture Secretary's

Agribusiness Promotion Council and the USDA's Office of International Cooperation and Development will sponsor an international workshop and seminar that will bring together marketing specialists from 20 countries and U.S. produce buyers, executives and officials."

Workshop sessions covered trade policies, marketing for export to Europe and the United States, grading and import standards for agricultural products and information on marketing news and marketing orders.

Other subjects included; maintaining post-harvest quality of agricultural products, plant, animal and food safety, the marketing of flowers, plants and spices, and the potential for growing non traditional crops in the tropics.

The last day of the workshop provided a special opportunity for producers from Caribbean Basin countries to meet with buyers from U.S. retail food chains, wholesale firms and food processors to discuss possible business opportunities.

Miami ... September 1984

With total attendance approaching 700, over 150 U.S. private sector and 80 U.S. public sector officials combined forces to assist USDA and the Agribusiness Promotion Council in sponsoring the second successful agricultural marketing workshop for the Caribbean. A.I.D. co-sponsored the event. The workshop was designed to extend critically needed

agricultural information to these nations in their efforts to take advantage of the benefits of the President's Caribbean Basin Initiative. The workshop was highlighted by over 80 exhibit booths, including six Basin country exhibits; there were also nine field trips in the Miami area.

As a result, a substantial number of business deals were consummated, joint ventures arranged, and business associations made. Preliminary reports from exhibitors showed that over \$108 million in contracts were signed on site with an estimated \$300 million in contracts signed subsequent to the workshop.

The workshop highlights as reported by the participants were:

- o The opportunity to meet other business people to exchange ideas, make contacts and meet potential buyers.
- o Obtaining information through sessions, field trips or informal conversations.

New Orleans ... September 1985

This workshop was designed to promote agriculture in the Caribbean Basin and increase trade and private sector involvement.

The diffusion of information on agricultural marketing was a primary goal of the workshop. Also, emphasized was the development of mutually beneficial trade and exchange relations between the United States and the Caribbean nations.

The three-day conference attracted many U.S. and Caribbean national delegates.

There were 100 exhibits displaying agricultural and commercial products, with an additional 30 booths dedicated to participating U.S. Government agencies and Caribbean nations.

As a result of the needs identified in the 1984 Miami conference the New Orleans conference program featured experts on the following topics:

- * Financing
- * Demonstration on hydroponics
- * Packaging
- * Import Regulations
- * Transport of Perishables
- * Processing
- * Aquaculture
- * Alternatives to EDB

2. AGRIBUSINESS DEVELOPMENT WORKSHOP

Puerto Rico ... September 1986

This workshop combined two programs - one on agribusiness development and one on financing opportunities. The conference included two days of speaker presentations and case studies on agribusiness policies, opportunities and success models, and a special workshop of briefings and panel discussions on Puerto Rico's "936" program, the U.S.

Government's CBI policy, related U.S. and foreign trade policies, and case studies of successful manufacturing operations involving complementary projects with Puerto Rico.

3. TRANSPORTATION WORKSHOPS

a) C/CAA and Transportation Workshop

This workshop was designed to meet the needs of CBI exporters. It was scheduled concurrently with a Caribbean/Central American Action (C/CAA) program in Miami in November 1986.

PSR designed and implemented a workshop around transportation issues such as surface, air, and ocean transportation. Other issues were pre-clearance procedures, fumigation and quarantine regulations, insurance claims, cargo handling, packaging and labeling techniques, ocean and air containerization, palletization, pre-cooling units, temperature control, preventive maintenance and training. Speakers and transportation experts participated in a field trip to local warehousing, retail and marketing facilities. Included in the program was a meeting with various transportation companies under the auspices of the Port of Miami. Several APC members participated in the program, which was very well received.

b) Seaports Connection Conference

The Transportation and Infrastructure Committee of the APC and PSR organized a Seaports Connection Conference that was held in Atlanta,

Georgia in May 1988. The purpose of the conference was to provide a forum where exporters from Caribbean Basin and Latin American countries could learn about facilities and services available at the various U.S. Gulf Coast and Atlantic seaports. The conference was designed to increase the ability of exporters to select and evaluate ports which best meet their needs. Also, the conference was designed to provide information which would improve the cargo handling efficiency of agricultural products shipped from Latin America and Caribbean Basin countries to the United States.

Participation from the region was less than expected. The Chairman of the APC Transportation and Infrastructure Committee played an active role in the organization of the conference and shared his observations on issues regarding the cut-flower business, anti-dumping laws, and drug smuggling.

Speakers included USDA's Acting Under Secretary for International Affairs and Commodity Programs, the Mayor of Atlanta, representatives of U.S. regulatory agencies dealing with the entry of perishable products into the United States, (APHIS, Plant Protection and Quarantine, Food and Drug Administration), and university experts on the use of intermodal transport.

Several business opportunities were reported as a result of the conference. Among others, a major supermarket chain decided to use a certain port, and a major shipping line negotiated regular services with one of the minor ports represented at the meeting. All

participants responding to the evaluation stated that the conference increased their ability to better evaluate a seaport regarding entry into the U.S. of their product of interest. Several participants gave consideration to using new ports as a result of the conference. Several requests for port training and information were made to PSR by Jamaica, Brazil, and Argentina.

The conference was a useful beginning for addressing several port-related issues of importance to CB shippers and exporters.

4. REGIONAL AND COUNTRY SPECIFIC WORKSHOPS

The regional and country specific workshops differ significantly from the general marketing workshops. These workshops are more specific and are designed to provide technical assistance to a specific region or country. Though some of the regional and country specific workshops have been attended by large groups of people, such as the 1984 Costa Rica marketing workshop, most are attended by a limited number of specialists who work on the specific needs of a CB country.

Some examples of regional and country specific workshops follow:

Costa Rica

Private sector agricultural representatives from Costa Rica asked USDA to put on an Agricultural Marketing Workshop tailored for that country. A.I.D. paid for transportation of USDA experts to Costa Rica; Costa Rica paid their in-country costs. Costa Ricans, the U.S. Agricultural Attache, and the

A.I.D. mission all had input into the agenda developed by USDA/OICD. The 300 hundred participants (90% Costa Rican; 10% U.S.) were enthusiastic and positive in their response to the workshop, and the field trip. USDA's Deputy Under Secretary for International Affairs and Costa Rica's President concluded the successful conference on May 11, 1984.

Eastern Caribbean

A regional workshop for the Eastern Caribbean was conducted in May 1985. It was attended by approximately 150 persons with an interest in developing agricultural trade and investment in the Eastern Caribbean region. These persons represented both private and public sectors from the U.S. and 19 other countries. The workshop was designed to promote two major objectives within the broad CBI goal of developing agriculture in the Caribbean through increased trade and private sector involvement. These objectives were: (1) the diffusion of information on agricultural marketing and related subjects between U.S. and Eastern Caribbean private and public sectors, and (2) the development of mutually beneficial trade and exchange relations between the countries represented at the workshop. To reach these objectives this workshop utilized seminars, networking sessions, field trips, lectures, written materials and product displays.

El Salvador

In May of 1987 a team of U.S. agricultural specialists conducted a workshop in El Salvador at the request of the private sector there. The purpose of the workshop was to focus on improving a developing herb and spice industry in El Salvador.

Trinidad and Tobago

A four member agribusiness team visited Trinidad and Tobago to assist Trinidadian farmers who desire to export tropical and unusual floriculture and fresh herbs and spices to the U.S. market. The team visited farmers and exporters of herbs and horticultural products sharing information about the production and marketing of those products in the U.S. A workshop which dealt specifically with recommendations to the private sector agricultural exporters was also scheduled. Identifying market niches for Trinidadian products in the U.S. was a goal of the workshop. A joint Ministry of Food Production/technical team report was submitted to the Minister of Food Production and the OICD Administrator addressing the implementation of the recommendations.

Mexico- Latin America

In 1989 PSR conducted a highly successful seminar on "Treatments for Fresh Tropical Fruits entering the U.S. Market" in Mazatlan, Mexico. The seminar, sponsored by A.I.D.'s Regional Office for Central America and Panama, was well attended. Represented were 19 countries in Latin America and the Caribbean. The highly technical program focused on mangoes and included presentations by various Grower Associations in Mexico, the Food and Drug Administration, APHIS and ARS of USDA, and private companies such as the Dole Fruit Company. In addition to detailed discussions of the various aspects of production and post-harvest treatment, participants were treated to a tour of four hot water treatment facilities and packing sheds for mangoes. The facilities have been approved by APHIS to replace the

formerly used Ethylene Dibromide (EDB) fumigation method that was suspended by the Environmental Protection Agency in 1986. Since the ban on EDB, Mexico has established 43 "Hot Water Dip" Treatment plants that have been certified by APHIS. Others are still being constructed. The new treatment requires that mangoes be submerged in water at 115 degrees for 90 minutes. There are approximately 50,000 hectares of mangoes under commercial cultivation in the 22 countries represented at the Conference. About 30,000 hectares are in Mexico. It is expected that Mexico will export around 3.5 million boxes of mangoes to the United States annually.

B. BUSINESS OPPORTUNITY MISSIONS

In-country business opportunity missions in the Dominican Republic, Guatemala, Costa Rica, and the Eastern Caribbean, brought together U.S. entrepreneurs with counterparts from those countries to explore joint business ventures which would benefit host country as well as U.S. participants.

Eastern Caribbean

In July and August 1987, the OICD Administrator led a delegation of four Agribusiness Promotion Council members and three private sector representatives of U.S. agribusiness firms to six Eastern Caribbean countries; Antigua and Barbuda, Barbados, St. Vincent and the Grenadines, Dominica, Grenada and St. Lucia. The mission focused on tropical and exotic floriculture, poultry, pepper sauces and condiments, tropical fruits, root crops, processed foods, fresh herbs and spices, seafood, and cocoa.

As a result of this mission several deals were consummated. Among the accomplishments are: 1) the purchase agreements for fresh herbs and tropical fruits such as grapefruits and passion fruit from Dominica, and 2) purchase agreements for root crops from St. Vincent to the U.S. Virgin Islands.

Dominican Republic

This mission, organized during the second week of October 1988 was complimented by both the participants and the Joint Agricultural Coinvestment Consultative Group (JACC) which served as hosts. Five American companies participated. These companies were interested in identifying opportunities in production and export of; 1) hot peppers for processing, melons, honeydew and other fruits, cut flowers, tropical fruit juices and coconut cream. Because of the business relationships developed, most of the mission members returned to the Dominican Republic to continue the dialogue started during the visit.

Guatemala

This mission was organized for November 30 to December 4, 1988 under the auspices of A.I.D.'s/Guatemala Agricultural Development Office. It included representatives of six supermarket chains.

The focus was on processed non-traditional agricultural commodities, in particular frozen products, selected fresh vegetables for off-season supply to U.S. markets, and typical handicraft products. Guatemala is

increasing its vegetable production and frozen food processing capacity and is seeking new markets.

Bahamas

In January 1989, an investment mission was organized for the Bahamas. Members of the team investigated opportunities in floral products, pork production and aquaculture.

Grenada

An investment mission was organized for Grenada in June 1989. The four-member investment team focused on business opportunities in floral products, nutmeg by-products and processed foods. At the same time members conducted a "niche marketing" seminar for Grenada producers where participants discussed labeling requirements, quality control and marketing strategies.

A. COUNTRY COORDINATOR VISITS

Members of the Agribusiness Promotion Council serve as "Country Coordinators." PSR provides staff support. On invitation of the FAS agricultural attache, the A.I.D. mission, or government officials, the APC country coordinators and PSR staff members visit the host countries to assess the agribusiness needs and investment or trade opportunities which the U.S. private sector can help to resolve. Some examples of country coordinator visits follow.

DOMINICAN REPUBLIC

A team visited the Dominican Republic (D.R.) in September 1987. The purpose of the visit was to assess the potential for increased two-way trade between the United States and the Dominican Republic, particularly in high value products. In addition, the members of the team made an effort to identify agribusiness needs and problems of technical and/or policy nature which could be addressed by the U.S. private sector agribusiness associations, companies, and other organizations. Meetings were held with the Agricultural Counselor and with personnel of the U.S.A.I.D.'s Private Enterprise and Agriculture and Rural Development Offices.

The findings and recommendations of the team are the following:

- o There is a potential for increase in U.S. agricultural exports to the D.R. particularly for U.S. wood products and tourism related food products, provided certain policy and program changes are forthcoming in the United States.
- o Sugar policies and the debt burden are two major factors affecting the overall economy of the Dominican Republic. In general, diversification out of sugar should be continued. It will not replace the lost income from reduced sugar sales. The impact on U.S. agriculture of diversification in the Dominican Republic is not expected to be substantial.
- o A team of technical experts should be assembled under the auspices of the APC to review the feasibility of creating a mechanism, similar to

the OPIC/U.S.A.I.D. Tourism Funds, which would facilitate the repayment of arrearages to the U.S. Government, particularly to USDA's Commodity Credit Corporation.

GUATEMALA

A team visited Guatemala in November 1987 and reviewed U.S.A.I.D.'s agricultural export marketing projects, and evaluated the agribusiness trade and investment climate in Guatemala. The members of the team met with private sector representatives and visited several agricultural projects.

The findings and recommendations of the team are the following:

- o Non-Traditional Products Exporter Guild (GREMIAL) is doing an excellent job of providing guidance to the private sector. Also, the Agricultural Development Office of U.S.A.I.D. supports several valuable agricultural development projects aimed at assisting the small farmer to improve production and introduce new crops with market potential.
- o The export production sector, which is quite sophisticated, is facing various constraints which include insufficient credit, uncertain government policies, lack of market information, inexperienced middle management, transportation and distribution problems, and lack of contact with potential U.S. buyers.
- o Establish a committee in Guatemala, similar to the APC, to promote strong collaboration between the public and private sector. The

committee would address constraints, identify export opportunities, and attract investments in export-oriented activities.

JAMAICA

This team visited Jamaica in January 1988 and assessed the country's business climate for foreign investment. The team established dialogue with the agribusiness community and government officials, and explored ways to increase two-way trade with Jamaica.

The findings and recommendations of the team are as follows:

- o The business climate in Jamaica is good and there are many opportunities in aquaculture, vegetable farming, and in ornamental and tropical flowers. Jamaica has a well organized program to attract foreign investments through the Jamaican National Investment Promotion Council and the U.S.A.I.D. supported Agro 21 Corporation. Bureaucratic redtape and unexpected changes in import restrictions seem to slow down or deter some foreign businesses.

GRENADA

The Country Coordinator visit to Grenada, was completed in May 1988.

The findings and recommendations are as follows:

- o Many business opportunities exist in the country, and the private sector organizations are able to lead Grenada's economy in creating new opportunities for its citizens. However, more technical assistance is required in developing non-traditional products for export.

- o U.S.A.I.D.'s High Impact Agricultural Marketing and Production Project (HIAMP) promotes diversification in agribusiness and investments in projects such as mariculture, cut flowers, and small-scale fruit and vegetable exports. Many U.S. business people, however, doubt the viability of that program and question its resolve to carry out program goals and objectives.

- o Organize technical team visits to assist with export development for the mango and cut flower industries. Grenada's fruit-fly-free status and the availability of a wide variety of tropical flowers, indoor and outdoor plants and foliages, create good export potential for mangoes and cut flowers.

COSTA RICA

This country coordinator visit was completed in May 1988. The purpose of the visit was: 1) to familiarize the team with current and potential trade and investment opportunities between the U.S. and Costa Rica, 2) to identify how the APC could assist in trade and investment opportunities; 3) to meet with national and regional private sector groups, and 4) to establish the role of the country coordinator as a conduit for promoting USDA agribusiness efforts in Costa Rica.

The findings and recommendations of the team are the following:

- o The private sector organizations in Costa Rica are numerous and sophisticated. Many have U.S., Canadian, and European contacts. The

large producers have solid contacts and are expected to continue to do well. The small producers, however, are not benefitting from the experience of the larger businesses.

- o The team recommended matching producers/exporters with market opportunities in the U.S. particularly small to medium-size producers of processed pineapples, papaya and fruit sections with the food service industry.

EL SALVADOR

This visit, in August 1988, was designed to make contact with key Salvadorean organizations. The team members wanted to identify viable business opportunities which could subsequently be paired with interested private sector entrepreneurs from the United States. In-country discussions took place with high level Salvadorean Government officials at the ministerial level. Discussions with officials of the Central Bank, private sector leaders, U.S. personnel representing U.S.A.I.D., State, Agriculture and Commerce Departments, and several Salvadorean entrepreneurs who had specifically expressed interest in exploring possible joint ventures with U.S. entrepreneurs also ensued. The mission was sponsored by FUSADES, the Salvadoran Foundation for Economic and Social Development, which is a private sector producer/exporter promotion organization.

- o There is a strong potential for increasing exports to the U.S. in ethnic foods and specialty crops. As the U.S. demand for such crops as plantains, dasheens, yucca, mangoes, peppers and christophene is

growing, the export potential will increase. Hot water treatment research of mangoes is underway. Also, a full-time USDA/Plant Protection and Quarantine inspector has been requested to handle preclearance of fruits and vegetables.

- o Recent legislation passed by the Salvadorean Government entitles foreign investors in "productive" sectors to unrestricted remittance of net profits. A one-stop documentation center is being established where the exporter can meet all of the paperwork requirements within a short period of time. Total exemption from import duties on machinery, equipment, tools, spare parts, raw materials, and many other ingredients necessary to export production are also in effect.
- o Substantial funding through U.S.A.I.D. for the prospective entrepreneurs is available in El Salvador. U.S.A.I.D. will also assume much of the potential risk. Technical assistance is also available.

D. LEGISLATIVE AFFAIRS

The division has been working within the Department and with the Office of the U.S. Trade Representative to include language in proposed legislation for enhancing the effectiveness of CBI. In September 1988, Ambassador Yeutter's testimony on H.R. 3101 included a recommendation that would emphasize the importance of agribusiness production and development in the economies of CB countries. The proposed "Sense of Congress" language would encourage USDA, the APC and U.S.A.I.D. to develop programs which improve the infrastructure, transportation, quarantine and phytosanitary capabilities of CB countries in

order to facilitate two-way trade between the U.S. and the countries of the region. This language will strengthen APC/PSR programs which are designed to help CB countries overcome constraints which impede their ability to trade or attract U.S. investment. The proposed changes in the legislation will also enhance the ability of CB countries to benefit fully from preferential provisions of the Caribbean Basin Economic Recovery Act of 1983. The bill, H.R. 1233, was reintroduced in 1989 session of Congress with some modifications. The proposed "Sense of Congress" on agricultural infrastructure was not included because of jurisdictional problems. Efforts are being made to include the language on infrastructure in the Foreign Assistance Act.



Private Sector Relations
Activities
March, 1990

BELIZE QUARANTINE ISSUES. At the request of the Belizean Permanent Secretary of Agriculture, PSR is working with the Ministry of Agriculture of Belize and APHIS on strengthening the quarantine system, the development of a work plan for the survey, eradication/control of fruit flies, and procedures for certification programs for fruit fly host commodities, primarily mangoes and papayas. OICD will assist in coordinating these activities and training for quarantine personnel at the Ministry of Agriculture of Belize. A business opportunity mission is also planned to go to Belize in early 1991. Contact: Maria Nemeth-Ek

AGRIBUSINESS MISSION TO THE DOMINICAN REPUBLIC SET FOR THE SUMMER. PSR has been invited to organize a business opportunity/investment mission to the D.R. in 1990. An advance visit by PSR staff has been made with the assistance of the Dominican Joint Agribusiness Consultative Coinvestment Council (JACC), the co-sponsor of the business opportunity mission. Ten Dominican companies were identified who are looking for American partners and produce the following products: oregano, natural rubber and adhesives, tropical fruits (mangoes, papaya, guava, citrus), tubers, chinese vegetables, cut flowers, semi-processed hot peppers, canteloupes, and processed fruit juices. Contact: Maria Nemeth-Ek

ORGANIC PRODUCTION AND MARKETING. Resource materials on low input agriculture, the market for organically grown produce and the debate on labeling and certification of "organic" are being compiled by PSR. U.S.A.I.D. mission and Inter-America Institute for Cooperation have requested support in this area, in response to consumer concerns about food safety and changing FDA regulations. Contact: Jerry Brown or Mary Quinlan

JAPANESE MARKET STUDY. The Japanese market is considered one of the best potential markets for fruits, nuts and certain produce from CBI countries, but is structured and accessed in a different manner than the U.S. or even European markets. PSR is compiling information and meeting with trade representatives to facilitate entry to that market of products from Central America which do not compete with U.S. products. A report on findings will be available in December from PSR or the PROEXAG office in ROCAP. Contact:

PACKAGING SEMINAR FOR THE OECS AND BARBADOS. The U.S. Business and Commercial Center, Caribbean Association of Industry and Commerce and the Private Sector Relations Division will host a packaging seminar for producer/exporter of perishables and local souvenirs for tourism producers for representative of the Organization of Eastern Caribbean States. The seminar will be during the first week of March, in Castries, St. Lucia. About 50 packaging manufacturers, shippers and distributors are expected to attend. Contact: Jerry Brown

CARIBBEAN AND CENTRAL AMERICAN COUNTRIES TO EXHIBIT AND THE WASHINGTON INTERNATIONAL FLOWER AND GARDEN SHOW The organizers of the Washington International Flower and Garden Show has solicited the participation of the CBI countries again this year. Five Central American and four Caribbean countries have committed to exhibiting tropical and exotics floriculture from March 7-11 at the Washington Convention Center. The Director of Gardens, David Tag will coordinate the exhibition. Contact: Jerry Brown

BUSINESS OPPORTUNITY MISSION TO IRELAND, FALL OF 1990 A business opportunity mission is planned to Ireland for the fall of 1990. In response to a congressional mandate, USDA is to develop joint ventures and trade with Ireland. In March, an advance visit will be made by PSR staff to identify companies interested in developing ties with U.S. businesses. Advertising and recruitment for the mission will start in May. PSR will target American companies who have interest in sharing advanced production and processing technology and who have an interest in entering the EC market before 1992. Contact: Maria Nemeth-Ek

OICD TO ADVISE AZOLCA ON FREE TRADE ZONE PILOTS IN LATIN AMERICA AND THE CARIBBEAN The President of the Association of Latin American and the Caribbean Free Trade Zones, Mr. Hector Trujillo Velez is to receive \$800,000 from the Inter-American Development Bank to develop two pilot free trade zones in Latin American region. Interested in attracting U.S. companies and soliciting USDA regulatory information phytosanitary and animal health issues, Mr. Trujillo discussed the potential affiliation of the free trade zones with either the CBI or the Andean Trade Initiative. PSR will assist AZOLCA to identify relevant U.S. trade associations, interested state departments of international trade and appropriate USDA contacts. Contact: Jerry Brown