

PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Agricultural value chains

Project Number: BA-M1009 - Project Num.: ATN/ME-13952-BA

Purpose: To scale-up an existing sustainable value chain model which centers on partnering farmers, with a supermarket and the cruise tourism industry. Currently, a group of about 20 small farmers are already providing high-value, high-quality products to Super Centre supermarket, but there is a need to increase volumes, the range of the products and establish a consistent supply throughout the season.

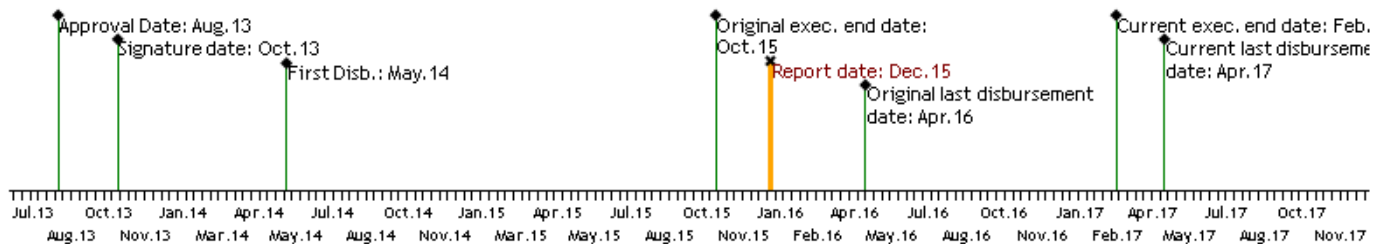
Country Admin
BARBADOS

Country Beneficiary
BARBADOS

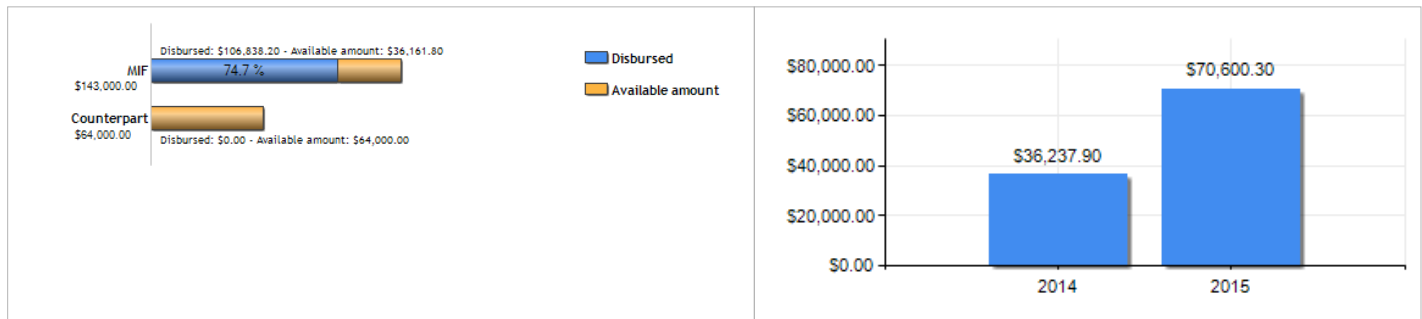
Executing Agency: Barbados National Union Farmers

Design Team Leader: ALEJANDRO ESCOBAR A.
Supervision Team Leader: VASHTIE DOOKIESINGH

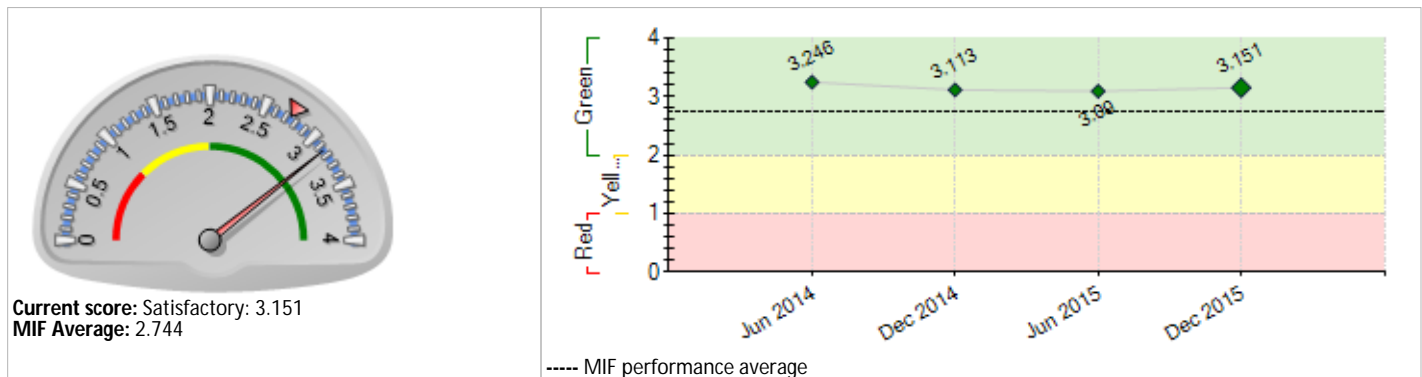
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

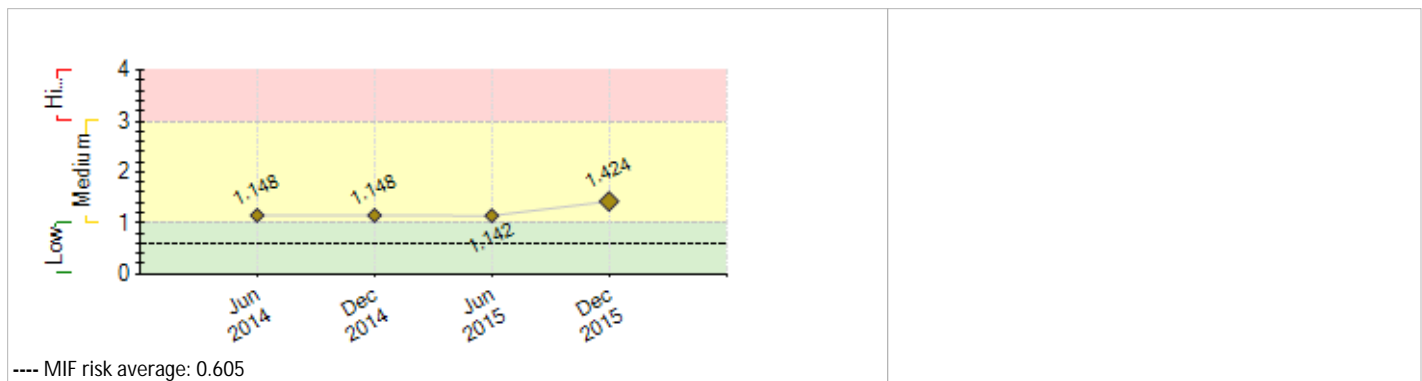
INSTITUTIONAL CAPACITY

Risk

Financial Management: High

Procurement: High

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

Results achieved:

- Code of Conduct completed (milestone)
- NGO Training completed

New code of conduct gives NUF and buyers a platform of clear rules to operate on and “soft law” that instills confidence and credibility when doing business with each other. NGO training has resulted in a large cadre of farmers now capable of effectively leading the NUF and interacting positively with key stakeholders.

There has been an ongoing 10 wk project delay. Also, MOA, a key partner, has been delayed in providing assistance in the farmer field training with the hiring of a new head (CAO) in Jan 2016. Also, NUF has been engaging the BHTA on their MIF project to get more farmers supplying the hotels. Thus, these delays affect the remaining results.

Most important risk: Massy Stores (previously SC) has discontinued its contract with the cruise ships and no produce has yet to be supplied to the cruise ships for the season Oct - April.

The likelihood of project achieving its final objectives remains moderately optimistic because International Fresh Produce Consultant, Peter Jones is now General Manager for VegCo Ltd, a new farming enterprise with a packhouse that will soon be operational to supply the cruise ships.

Critical actions: Ag. consultant to complete Farmer Training (milestone) by Feb 29 2016. The project will need a 1 year extension to achieve its purpose since the VegCo facility has not yet started to supply the cruise ships, but should be ready within a few weeks.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Changes in the market for farmer produce has delayed progress as the Executing Agency engages in negotiations with an alternative buyer. This change was due to change in management of the original anchor firm who decided to exit supply chain for cruise ships. However another buyer has been identified and National Union of Farmers is in advanced discussions with them, additionally synergies with another MIF operation to introduce small producers into the supply chain of local hotels are being developed so outlook remains positive.

Summary of project performance in the last six months

Results achieved:

- Comp I - Code of Conduct completed (milestone) on time; Revised farmer field training schedule approved by NUF
- Comp III – NGO training completed on time

Critical actions for next semester:

Comp I – Value Chain meetings and Upgrading Workshop held by April 25 2016

Comp II – Agriculture consultant to Farmer Training (milestone) by February 29 2016.

Comp IV – Case study by April 25 2016

Contractual Requirement - Sustainability Workshop to be held by February 24 2016; Final Evaluation by April 11 2016

Purpose – NUF Farmers to start Supplying Veg Co with produce for the cruise ships. NUF to continue building synergies with BHTA on their MIF project, particularly with the supplying of produce to the hotels, the collaboration on Farmer Field Training, Value Chain Dialogue & data sharing.

Critical Activity: The project will need a 1 year extension to achieve its purpose since the VegCo facility has not yet started to supply the cruise ships, but should be ready within a few weeks. This means that farmers will have only one month to supply the cruise ships before the end of the major cruise season which starts in October and ends in April 2016 which will not be enough time to achieve the projects purpose on time.

Project Coordinator has provided a letter of commitment to continue PC services necessary to complete outstanding project activities after contract end date, February 25 2016 (Letter uploaded into Products section of PSR).

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The Executing Agency's main priority going forward is to forge relationships with an alternative buyer

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: To scale-up an existing sustainable value chain model which centers on partnering farmers, with a supermarket and the cruise tourism industry. Currently, a group of about 20 small farmers are already providing high-value, high-quality products to Super Centre supermarket, but there is a need to increase volumes, the range of the products and establish a consistent supply throughout the season.	R.1 50 NUF Members are selling 100 tons of fresh produce through SuperCentre/other channels to supply cruise and/or hotel-hospitality operators	0				50 Apr 2017	0	
	R.2 At least 60% of trained farmers are applying the training principles, using BMPs, GAPs etc. in their food production systems;	0				60 Apr 2017	0	
	R.3 80 farmers have become NUF Members by the end of the project	0				80 Apr 2017	0	
Component 1: Improving Market Access through Business Partnerships Weight: 12% Classification: Satisfactory	C1.11 Six (6) bilateral Value Chain meetings and one (1) Value Chain Upgrading Workshop held between Super Centre Ltd, Input Suppliers, Farmers, Ministry of Agriculture (etc.).	0 Oct 2013				7 Jan 2017		
	C1.12 Code of Conduct developed and accepted by NUF and buyers - as the basis of transacting business for its members	0 Oct 2013				1 Aug 2015	1 Aug 2015	Finished
	C1.13 Baseline Survey & Interactive Data System	0 Oct 2013				1 Jan 2015	1 Jan 2015	Finished
	C2.11 Production Management System database - generating weekly, monthly and annual quantities and estimated	0				1	1	Finished
Component 2: Strengthened Compliance with Food Industry Standards								

Weight: 40%	acres required - completed	Oct 2013				Mar 2015	Mar 2015	
	C2.12 Minimum of 100 small farmers have attended training	0				100		
		Oct 2013				Nov 2016		
Classification: Satisfactory								
Component 3: Institutional Strengthening of the NUF	C3.11 NUF has adopted new Constitution, By-Laws, Policies and Procedures;	0				1	1	Finished
		Oct 2013				Apr 2015	Apr 2015	
	C3.12 At least 30 NUF members trained in governance and management of the organization	0				30	30	Finished
Weight: 46%								
Classification: Satisfactory								
Component 4: Knowledge Sharing & Dissemination	C4.11 One (1) Case Study developed and disseminated at one regional conference/event regarding sustainable agricultural value chain development	0				1		
		Oct 2013				Jan 2017		
Weight: 2%								
Classification: Satisfactory								

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	6	Apr 2014	6	Apr 2014	Achieved
M1 [*] Baseline Survey report & Interactive Farmers Data Base completed & approved by NUF	1	Jan 2015	1	Jan 2015	Achieved
M2 [*] Strategic Plan & Governance Standards completed & adopted by NUF	1	Apr 2015	1	Apr 2015	Achieved
M3 [*] Code of Conduct developed and accepted by NUF buyers.	1	Aug 2015	1	Aug 2015	Achieved
M4 [*] Farmer Field Training completed	100	Nov 2017			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Others, which?: Change in market conditions

SECTION 4: RISKS**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. - Super Centre (Now Massy Stores) discontinue contractual agreement to supply cruise ships.	High	- NUF negotiate with new intermediary buyer, Veg Co Ltd to purchase their farmers' produce to supply cruise ships.	Project Guest
2. - Super Centre/other buyers discontinue to source produce from local farmers	Medium	..	Project Guest
- Farmers unwilling to adopt new methods of operations in their enterprises;			
- Farmers do not support NUF as the primary organization linking farmers with buyers in the tourism and wider hospitality sector in Barbados			
3. Farmers and Fresh Produce Buyers/Retailers unwilling to endorse and operate under the parameters of the Code of Conduct	Medium	This risk will be mitigated by intensive awareness raising and stakeholder engagement during the development of the Code of Conduct so as to demonstrate value of such a methodology and allow for mitigation of stakeholder concerns.	Project Guest
4. Farmers/Buyers unwilling to participate in the project; Farmers unwilling to disclose comparative financial information;	Medium	...	Project Guest
5. Farmers do not see the value of new on-farm practices that meet food industry and production standards - and fail to apply new practices;	Medium	..	Project Guest

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 14 **IN EFFECT RISKS:** 10 **NOT IN EFFECT RISKS:** 3 **MITIGATED RISKS:** 1**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

Issue	Comments
[X] A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	The buyer originally targeted to anchor this project is no longer interested in participating following management change but the Executing Agency is in discussions with alternative buyers to get the project back on track. In recognition of this external change a 1 year extension to the project timeline has been approved.

Actions related to sustainability which have been taken in the reporting period:

30 Farmers have been trained in NGO governance and management so that they can effectively lead the organisation and interact positively with key stakeholders

long after project end.

New code of conduct gives NUF and buyers a platform of clear rules to operate on and “soft law” that instills confidence and credibility when doing business with each other. NUF is working with the fair trading commission to get the Code of Conduct accepted as a national trading agreement for fresh produce.

SECTION 6: PRACTICAL LESSONS

	Relative to Risk	Author Holder, Keeley Macaro Zoe
<p>1. Super Centre Ltd was bought by Neal and Massy and consequently rebranded as Massy Stores. This has not just been aesthetic, but as with most acquisitions, it has come with a change in the business model.</p> <p>Previously, Super Centre Ltd had a policy of buying local, then regional, then extra-regional and as a Barbadian owned business it was resolute in its support of local farmers. This was the basis of entering into a contractual arrangement with Carnival Cruise Lines.</p> <p>Massy Stores does not have the same commitment and focus. Dependency on an intermediary buyer such as Massy Stores to access the Cruise industry has many benefits, but it also comes with this peculiar risk that the intermediary buyer can withdraw from the market, leaving the suppliers stranded.</p> <p>Thankfully, NUF has pursued a strategy of working with several buyers and consequently, the new emergence of the intermediary buyer VegCo has given NUF an opportunity to recapture the lost Cruise Ship market.</p>		