

PROJECT STATUS REPORT

JANUARY 2018 - JUNE 2018

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Promoting High Value Agricultural Crops through a Cluster Model

Project Number: GY-M1025 - Project Num.: ATN/ME-15864-GY

Purpose: To facilitate the integration of contract farms into the cluster for non-traditional crops through the development and delivery of key agri-business support services and access to investment capital

Country Admin

GUYANA

Country Beneficiary

GUYANA

Executing Agency:

CARANA CORPORATION

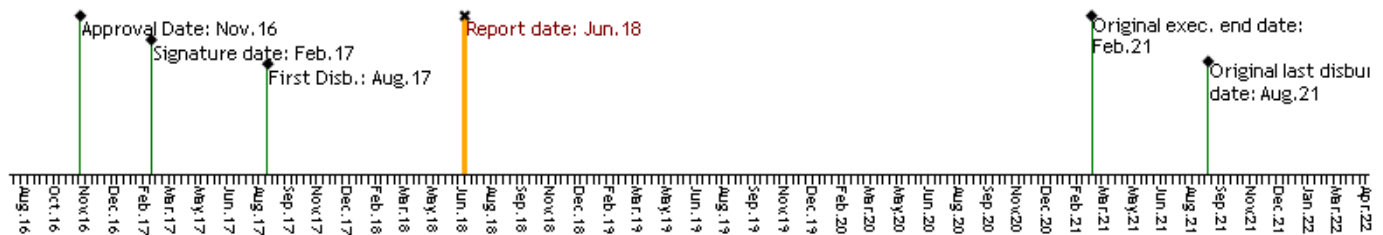
Design Team Leader:

YOLANDA STRACHAN

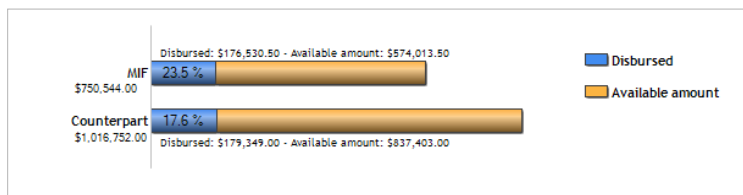
Supervision Team Leader:

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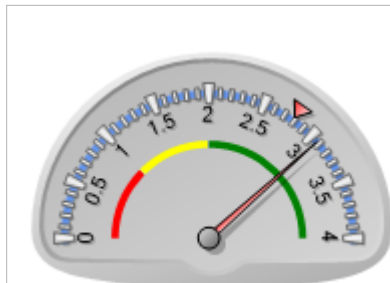
PROJECT CYCLE



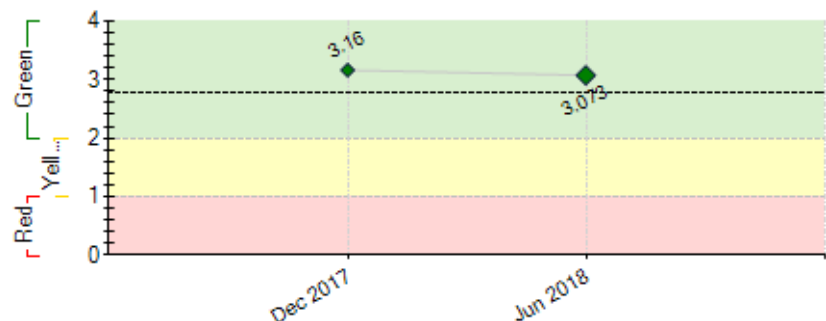
FUNDS



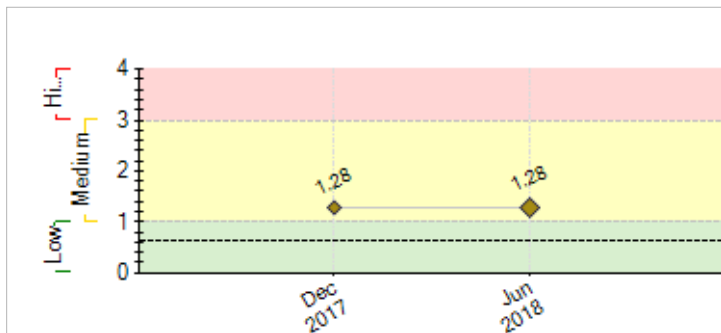
PERFORMANCE SCORE



Current score: Satisfactory: 3.073
MIF Average: 2.789



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Low

SECTION 2: PERFORMANCE

Summary of project performance since inception

Main Achievements:

- a. Significant progress in improving yield, work force training
- b. Inked agreement with University of Guyana to operationalize student training program
- c. Signed MOU with IPED to facilitate access to finance for partner farms

2. Areas of Challenge and Delay:

a. As mentioned in the previous PSR, CADP faces major hurdles in procuring and importing inputs necessary to have viable commercial production base. The major challenges to date have been the ever changing tax policy on imported agrichemicals and fertilizers. CADP is taking steps to obtain necessary permits.

b. University program can be better optimized to fit with curriculum, instead of more ad hoc visits with little planning or notification. Currently working with the Ag department to improve program for the new semester.

3. Risks - ensuring partner farm success

steps taken: balance outreach breath with farmer satisfaction. Currently very targeted recruitment process is used to identify farmers with the best fit for the program and high level of individual attention is given.

4. likelihood: high

5. Critical Actions:

a. Ensure markets - a lot of work is being done to ensure that when partner farms come online at full production, existing buyers would have the purchase capability to observe it all. Efforts have been made to co-develop products to help buyer expand market themselves (thereby increasing input needs), etc.

b. Recruit more SME partner farms

c. develop quality assurance system

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Main Achievements:

- a. Operationlized UG student training program
- b. increased number of farmers in the pipeline

2. Areas of Challenge and Delay:

a. Importation challenges is hampering CADP's ability to conduct trials and improve yield. Actions taking: working with ministry to obtain permits in house

3. Next semester's focus: meet the milestone set for Feb 2019 to have 8 partner farms in the pipeline.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: The impact objective of the project is to sustainably increase the sales of contract farmers and to provide year-round employment in the cluster for non-traditional agricultural crops.	I.1	Number of net jobs created by firms and farms (CRF 330301)	0	70			120	40
			Feb 2017	Feb 2020			Feb 2021	Dec 2017
	I.2	Average value of annual sales to new domestic or export markets by firms and farms (CRF 330600)	0	500000			1400000	0
			Feb 2017	Feb 2020			Feb 2021	
Purpose: To facilitate the integration of contract farms into the cluster for non-traditional crops through the development and delivery of key agri-business support services and access to investment capital	R.1	Number of new commercial farms established (CRF 230300)	0	10			15	0
			Feb 2017	Aug 2020			Feb 2021	
	R.2	Number of firms or farms accessing credit or other financial products (CRF 230500)	0	10			15	0
			Feb 2017	Feb 2020			Feb 2021	
	R.3	Number of firms or farms with links to strategic business partners (CRF 230200)	0	10			15	0
			Feb 2017	Feb 2020			Feb 2021	
Component 1: Strengthening the Operational Capacity of Contract Farms Weight: 60% Classification: Satisfactory	C1.1	Contract farmers in CADP pipeline	0	25			50	2
			Feb 2017	Feb 2020			Feb 2021	Dec 2017
	C1.12	Farm managers, trainees and staff trained in modern agriculture practices (sex disaggregated)	0	90			120	48
			Feb 2017	Feb 2020			Feb 2021	Dec 2017
Component 2: Facilitating Standards, Quality, and Research and Development Weight: 25% Classification: Satisfactory	C2.1	Farm managers, trainees and staff trained in quality control systems	0	30			60	5
			Feb 2017	Feb 2019			Feb 2021	Dec 2017
	C2.12	Number of new methodologies and crops tested	0	20			30	13
			Feb 2017	Feb 2020			Feb 2021	Dec 2017
Component 3: Knowledge management and strategic communication Weight: 15% Classification: Satisfactory	C2.13	Number of farmers participating in trade fairs and supplier meetings through buyers	0				6	
			Feb 2017				Feb 2021	
	C3.1	Number of institutions who access MIF knowledge products or knowledge transfer activities (CRF 150100)	0				10	
							Feb 2021	
	C3.12	One case study on the project's cluster model	0				1	
							Aug 2020	
	C3.13	one mini video	0				1	
							Aug 2020	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status	
M0	Conditions Prior	10	Aug 2017	10	Jul 2017	Achieved
M1	[*] Internship program operational	1	Mar 2018	1	Feb 2018	Achieved
M2	Quality control, farm management tool, and audit system for contract farms developed	1	Aug 2018			
M3	[*] 8 contract farms receive individual assistance in business planning and assistance in securing financing	8	Feb 2019			
M4	Participants completing CADP Training	50	Aug 2019			
M5	5 contract farms in their first crop cycle	5	Feb 2020			
M6	10 contract farms in their first or second crop cycle	10	Feb 2021			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Purchase difficulties

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

	Level	Mitigation action	Responsible
1. Market risks: Currently CADP is supplying only two products for export: hot peppers and tambaqui fish. The product concentration of exposes the company and its contract farmers to declines in prices,	Medium	CADP's produce mix was selected to include crops with an unsatisfied global demand. To further mitigate this risk, CADP has secured long term contracts with its existing buyers. CADP will proactively look to diversify its customer base as well as product mix based on market opportunities.	Project Coordinator

which may affect profitability and employment

2. Pest, diseases and weather-related events: changes in weather patterns and extreme events such as droughts may affect production.	Medium	the drip irrigation technology required for production minimizes the impact of climate events and controls diseases by delivering nutrients and fertilizers to the root of the plant. CAP's own farms have already proved the efficacy of the technology and will provide technical expertise onsite, thus shortening the contract farm's learning curve.	Project Coordinator
3. Execution risks: The success of the contract farmer model depends on the ability to generate a pipeline of qualified contract farmers	Medium	CADP has done preliminary outreach to identify farmers interested in the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.	Project Coordinator
4. Credit Risk: Contract farmers may not be able to repay loans to IPED	Medium	Contract farmers approved for financing will be carefully screened by both CADP and IPED to determine their capacity to produce and repay the loan. The credit program will be designed to reduce risk through a three-way arrangement where when farmer delivers the harvest, part of the proceeds are automatically deducted by CADP as payment of the loan. There will be careful monitoring of technical assistance by CADP to help farmers meet their production targets.	Project Coordinator

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 4 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue	Comments
[X] Relevant actor's opposition or lack of interest to continue with the project's activities or services	Commitment of contract farmers to engage with CADP is not yet proven

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

CADP's partner processing facility completed its extension construction in order to prepare for the increased output needs when partner farms come online. This is financed entirely with counterpart contribution from the partner and will benefit all entities in the project.

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Significant ground work is needed to overcome unfavorable regulatory environment . In this case, CADP faced challenges in terms of import permit policy for agrichemicals and is still in the process of obtaining permit for importation. It is a time consuming process and can dampen the impact of our field trials. In the future, CADP will seek to find out about these potential hurdles in advance in order to ample time to resolve them before it becomes an operational hindrance.		mohabir, yanni