

PROJECT STATUS REPORT

JULY 2018 - DECEMBER 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

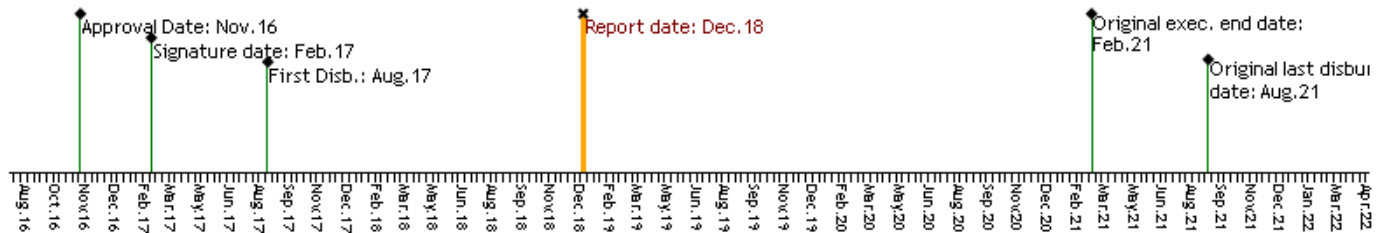
Design Team Leader:

YOLANDA STRACHAN

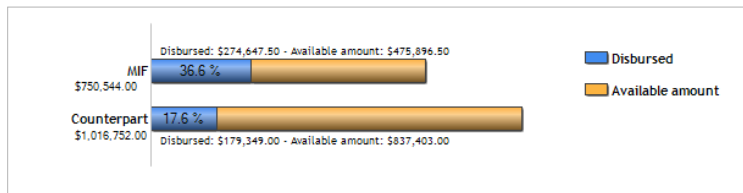
Supervision Team Leader:

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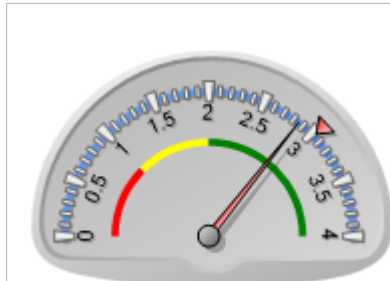
PROJECT CYCLE



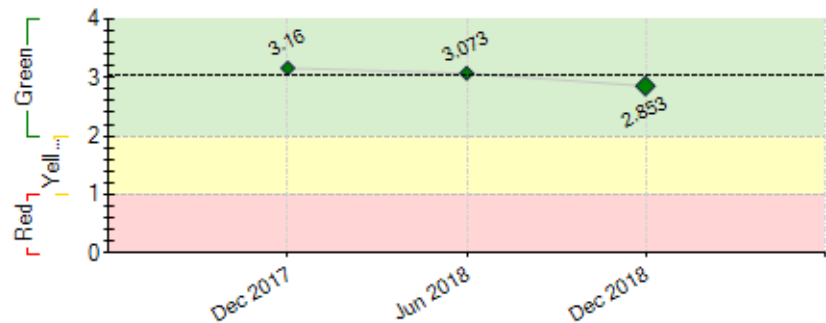
FUNDS



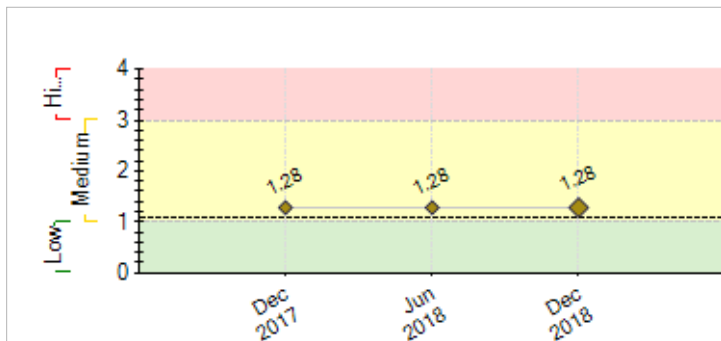
PERFORMANCE SCORE



Current score: Satisfactory: 2.853
MIF Average: 3.033



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Low

SECTION 2: PERFORMANCE

Summary of project performance since inception

1. Main results achieved thus far

a. Increased productivity and yield on infertile sandy soil through novel application of drip irrigation – an innovation that can greatly change the agriculture potential on Guyana's sandy soil, which covers over 25% of the country

b. product development and acceptance by buyers

c. increased processing capacity to accommodate partner farms

d. completed partner farm manual

2. Difficulties and challenges

a. Cost of transportation has limited the geographical span of where partner farms can be commercially viable. Actions taken: design farmer outreach program in parallel that is not focused on recruiting partner farms.

b. Pest and Disease. Actions taken: utilizing MIF funding to secure laboratory and consulting services to combat pest and disease issues.

3. Most important risk: partner farm success. Mitigation action: high level of attention and assistance given to partner farms to ensure program satisfaction and commercial success. For that reason, while we advise to the farmers the availability of loans, we have not aggressively pushed for equipment adoption and financial products offered through IPED.

4. Likelihood of the project achieving its final objectives: High

5. Efforts planned:

a. continued effort in partner farm recruitment and assistance

b. design and deliver outreach program in collaboration with partners such as IICA.

c. Ensure buyer satisfaction and expand available markets.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

1. List the main achievements of the semester.

A. Completed Partner Farm Growing Guide – a manual for partner farms to grow Caribbean pepper that gets processed and exported by CARANA

B. began discussion with IICA regarding joint outreach programming

C. Began recruitment of agriculture expert as consultant.

2. Point out the areas with significant delays and difficulties, its possible causes and actions taken to resolve them.

Reentry of Guyanese hot pepper into the US market is put in the back burner, as the trade climate in the US is less than ideal and support from the ministry of agriculture is low. The ministry did tackle the similar problem of a ban on Guyanese fish without success, which does not bode well for the entity's ability to negotiate on behalf of producers with the USDA. We believe it is a timing issue and will revisit the issue in Q3/A4 2019.

3. Finally, mention the critical for the next semester.

a. Meet milestone for partner farms under MOU

b. Deliver training program in collaboration with IICA

c. Began the initial audio visual product design.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The anchor firm needs to accelerate partner farm participation to meet the key targets

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	50
			Feb 2017	Feb 2020		Feb 2021	Dec 2018
	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	6
			Feb 2017	Feb 2020		Feb 2021	Dec 2018
	C1.12	Farm managers, trainees and staff trained in modern agriculture practices (sex disaggregated)	0	90		120	60
			Feb 2017	Feb 2020		Feb 2021	Dec 2018
Component 2: Facilitating Standards, Quality, and Research and Development Weight: 25% Classification: Unsatisfactory	C2.1	Farm managers, trainees and staff trained in quality control systems	0	30		60	8
			Feb 2017	Feb 2019		Feb 2021	Jul 2018
	C2.12	Number of new methodologies and crops tested	0	20		30	13
			Feb 2017	Feb 2020		Feb 2021	Dec 2017
	C2.13	Number of farmers participating in trade fairs and supplier meetings through buyers	0			6	
Component 3: Knowledge management and strategic communication Weight: 15% Classification: Satisfactory			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	1	Aug 2018	Achieved
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] Others, which?: Engagement of farmers is lagging expected results

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, which may affect profitability and employment	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
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] A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	The level of engagement of small farmers has not reached expected levels
[X] Relevant actor's opposition or lack of interest to continue with the project's activities or services	It is unclear whether Guyana's massive energy finds will result in a lack of interest in pursuing agriculture

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

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY
None

Actions related to sustainability which have been taken in the reporting period:
CADP began collaboration efforts with IICA to design and deliver joint outreach programming for SME farmers in regions beyond CADP's reach. This ensures greater knowledge dissemination and ensures broader knowledge transfer.

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Collaboration projects with partner entities can take time and requires persistence. After persistent calls/emails to IICA, CADP finally began initial discussions with the country office. While incentives are aligned, different institutional priorities means that collaborative projects can take extra efforts to get momentum off the ground. Ensure that there is enough time in the implementation cycle to account for potential delays.		Mohabir, Yanni