

TERMS OF REFERENCE FOR CONSULTANCY

Identification of Market Opportunities for Fresh Agriculture and Fisheries Commodities and Value Added Products

SVGRACP-C-IC-05

BACKGROUND

Project Background

The Government of St. Vincent and the Grenadines has received a US\$4.3 million loan from the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) of the World Bank to implement the OECS Regional Agricultural Competitiveness Project.

The Project Development Objective (PDO) is to “enhance access to markets and sales for competitively selected farmers and fishermen, as well as their allied aggregators and agro-processors ...”.

The project’s approach consists of improving small-scale producers’ access to markets, using the private sector as a vehicle to align smallholder production with market demand in terms of quantity, quality, and timeliness. The main components of the proposed project are based on the need for improving linkages between demand and supply of agricultural, livestock, and fisheries products. The proposed project will support technically feasible, financially viable, economically profitable, and socially/environmentally responsible business plans through a matching grant mechanism. Furthermore, the project will support preparation of competitively selected business plans led by AAs of agriculture and fisheries products. Implementation of these business plans will be supported by intensive Technical Assistance. The 4 main components of the project are:

Component 1: Support for Preparation of Business Plans

The objectives of this component are to:

- (i) promote an understanding of the Project’s scope and objectives through outreach to potential stakeholders and beneficiaries (such as individual and organized FFs, AAs, buyers, and financing actors);
- (ii) identify potential business opportunities for prioritized value chains and their translation into viable and profitable business proposals; and
- (iii) prepare full business plans for selected proposals. Under this component, the proposed project will finance consultant and non-consultant services, goods, training, and operating costs to implement pre-investment activities.

Component 2: Implementation of Business Plans

This component provides matching grants to co-finance the implementation of technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable

business plans, which when implemented will help to provide a consistent and timely supply of sufficient quantities of quality produce to buyers, while helping to provide a reliable income to allied producers.

Component 3: General Agricultural Services and Enabling Environment

This component seeks to strengthen general agricultural services directly linked to the subprojects described in Component 2 and needed to enhance the probability of success. It will also support the strengthening of the overall enabling environment needed for the sustained development of the business enterprises with potential competitive advantages, locally and internationally.

Component 4: Project Management, Monitoring, and Evaluation

The objective of this component is to ensure effective project implementation, monitoring of activities, and evaluation of the project. Under this Component, the Project will finance the operational costs of the Project.

Current Market Situation

The performance of the SVG agriculture and fisheries is driven significantly by export performance. This is because of the relatively small size of the domestic market. However, significant declines in banana exports, coupled with moderate or flat growth in all other sectors has resulted in modest growth rates. Food imports far outstrip the export of agricultural commodities. It is essential to resolve the problems within the agricultural sector, maintaining and growing livelihoods in rural agricultural communities.

In part, poor performance is linked to closure of large-scale market-production coordinating mechanisms such as the Banana Growers Association and the St. Vincent Marketing Corporation. These entities in times past provided reliable signals that can marshal thousands of small farmers and 17,000 acres of farm lands to link into global food chains.

While there is underperformance, CARICOM countries have been importing approximately US\$4.5 billion in food items annually to meet food security needs and to supply the hospitality sector. On the latter issue, the World Bank published a report in 2015 of a study titled, “Linking Farmers and Agro-processors to the Tourism Industry in the Eastern Caribbean”. Among the findings were:

1. Estimated hotel food consumption of 16,000 hotels in the OECS was approximately US\$143 million. Of this, an estimated 38.5 percent (US\$55) is sourced externally. The report also found that the larger hotels tend to import more than smaller ones, with some instances up to 90%.
2. Close to half of all cruise ships worldwide navigate the Caribbean Basin, bringing with them around 10 million passengers annually to the region in 2009. This represents approximately 50% of tourist arrivals.
3. There is strong demand and therefore potential for opportunity for the expansion in production for tropical fruits and high-value perishable vegetables, fresh fish and seafood, meat, chicken and dairy.

Several recommendations were provided for improving the supply of locally produced commodities. These included:

- Promoting private sector-led aggregation
- ICT platform to match supply and demand
- Capacity building and vocational training program
- Program for enterprise start-up
- Improve skills for the agro-processing industry
- Promote investments and alliances for agro-processors

Since then, the Regional Agriculture Competitiveness (AGRICOM) project was developed and financed to the value of US\$4.3 million. This project goal is to “enhance access to markets and sales for competitively selected farmers and fishermen, as well as their allied aggregators and agro-processors...”. This project will provide matching grants to the competitively selected business plans from productive alliances.

Notwithstanding the acceptability of the project design, stakeholders requested the Ministry to undertake and provide information on specific market opportunities that productive alliance can capitalize on. The rationale for this request is that in their current state, small cooperatives, entrepreneurial marketers and processors do not have the capacity to undertake market research, negotiate marketing accounts. These requests are also in line with the concrete intervention proposed by the World Bank Study, which includes:

- The identification of key products that could be promoted in each country.
- A study to examine the potential for intra-regional and extra-regional markets.
- A study of logistics constraints in the OECS.
- A study of the yachting industry food supply chain.

PURPOSE & EXPECTED RESULTS

Purpose

The purpose of this consultancy is to recruit technical assistance to undertake a technical study to generate new knowledge in key aspects of competitiveness, through a market study, inclusive of value chain analysis and upgrading strategies.

Expected Results

1. Marketing opportunities for competitive supply of agriculture commodities and products clearly identified.
2. Value chain upgrading plans and supply chain management plans developed.

ASSUMPTIONS & RISKS

Assumptions underlying the project

Assumptions at a macro level are:

- i. The macro-economy remains stable, supporting economic, fiscal & social stability.
- ii. Growth in the agriculture sector will result in the reduction of poverty and improve the standard of living in rural communities in St. Vincent and the Grenadines.

Assumptions at the project level are:

- i. Commodities and products produce by productive alliances are internationally competitive.
- ii. Productive alliances remain cohesive during and post project implementation.
- iii. Productive alliances sustain an acceptable level of accountability and transparency.

Risks

The risks associated with the project relate directly to the assumptions previously presented. During project preparation, each of these assumptions were analysed, the risk assessed, and measures introduced into the project to mitigate that risk.

- i. The above assumptions will not happen as anticipated
- ii. That the growth envisaged in the agricultural sector is not realized within policy period.

SCOPE OF WORK

General

Description of the assignment

Technical assistance will be recruited to undertake a market study to identify lucrative market opportunities for agriculture and fisheries commodities and products in the domestic, Caribbean, North American and European markets.

Geographical area to be covered

Saint Vincent and the Grenadines, Caribbean, North American and European markets.

Target groups

The target groups include, *inter alia*:

- i. Fishers
- ii. Farmers
- iii. Agro-processors
- iv. Aggregators (lead farmers, supermarkets, exporters, cooperatives etc.)

Specific description of Tasks

The project will be implemented by the Ministry of Agriculture, Lands, Forestry and Fisheries (MAFFRTIL) through a Project Implementation Unit (PIU), which will have responsibility for the coordination and supervision of the Project. The PIU will be supported by the Project Coordination Unit (PCU), housed in the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology (MFEPDIT), which will be responsible for the Financial Management (FM), procurement and social and environmental safeguards. The responsibilities of consultant include, but is not be limited to:

1. Desktop review of existing literature on trade and marketing status, trends and needs with respect to Fresh Agriculture and Fisheries Commodities and Value Added Products.
2. Conduct consultations including one (1) workshop with key stakeholders, including the MAFFRT, producer organisations, agro-processors, aggregators and the MFEPDIT, as a critical part of the approach and methodology.
3. Prepare and submit an inception report to the Ministry of Agriculture and relevant stakeholders.
4. Develop a strategy and methodology for the identification of marketing opportunities for the marketing of fresh produce and value added products of tropical fruits and high-value perishable vegetables, fish and seafood, meat, chicken and dairy as well as cut flowers which can be competitively produced in SVG. Emphasis should be placed on export markets in the EU and North America, the regional yachting sector, cruise ship and hotel sectors and the local supermarkets and large hotels. This methodology should include, but not limited to the following:
 - a. Assessment of domestic, regional and global agriculture and food trends to determine medium to long term marketing opportunities. Value chains of focus will include, but not be limited to tropical fruits and high-value perishable vegetables, fish and seafood, meat, chicken and dairy as well as cut flowers;
 - b. Development of low-cost market survey instrument to identify preliminary market opportunity in diverse markets (traditional and non-traditional) by market channels;
 - c. Scoping missions to meet with potential large buyers in the domestic, regional and global markets to determine: (1) willingness to engage in long term purchasing arrangements, (2) quantification of demand and clarification of product specifications and terms of trade; and (3) willingness to collaborate with the AGRICOM project in providing market performance of aggregators and agro-processors; and
5. Conduct market surveys, interviews and data collection as outlined in strategy identified in 4 above;
6. Analyze and synthesize data/marketing information to clearly identify medium and long-term market opportunities for fishers, farmers and their allied agro-processors and aggregators in SVG. The basis for analysis will be the total value of revenue which can accrue within a value chain over the medium to long term as well as the attractiveness of profit margins for producers and marketers;

7. Meet with large buyers and regulatory authority to determine: (1) willingness to engage in long term purchasing arrangements, (2) quantification of demand and clarification of product specifications and terms of trade; and (3) willingness to collaborate with the AGRICOM project in providing market performance of aggregators and agro-processors; and relevant market regulations.
8. Develop marketing strategy, value chain upgrading and supply chain management plans for the top ten lucrative food chains as identified in 4 to 7 above;
9. Presentation of key findings for stakeholder consultation and validation, prior to the submission of a final report; and
10. Submit the Finalised report, inclusive of comments from stakeholders.

Deliverables

The consultant will deliver the following outputs:

1. Inception report
2. Framework for the analysis of marketing data and information.
3. Survey instrument for market data and information collection.
4. Profile and contact details for all key informants that were interviewed.
5. Database of major buyers, by markets, to include: contact details; agricultural items demanded; product specifications; offer prices; quantity demanded by periods; terms of trade etc.
6. Final report detailing findings, analysis and recommendations. This must include, but is not limited to: commodities in demand by markets and channels; quantity requirements by periods, quality requirements, product specifications, prices; marketing strategy, value chain upgrading plans; supply chain management plans; relevant trade and marketing procedures and regulations by country; and other pertinent information.

Project Management

Management structure

A Project Implementation Team (PIT) is responsible for the planning and management of all operations that comprise the AGRICOM project as outlined in the Project Appraisal Document and the Project Operations Manual. The Project Steering Committee is the main policy making body on the Project. The Project Coordinator is responsible for implementing the decisions of the Project Steering Committee.

Facilities for the consultancy

The provision of Office space, vehicle and equipment will be the Consultant's responsibility

LOGISTICS AND TIMING

Location

The operational base for the project will be Saint Vincent and the Grenadines.

Start date

The start date shall be the date of signature of the contract by both parties.

REPORTS

The Contractor will submit four hard copies (1 original and 3 copies) and an electronic version of the following reports in English:

Inception Report of maximum 12 pages, to be produced two (2) weeks after the start date of the contract. In the report the Consultant shall include but not be limited to initial findings, progress in collecting data, any difficulties encountered or expected in addition to the work programme and staff travel.

Interim Report to be submitted at four (4) weeks interval after the acceptance of the Inception Report providing the updated status and highlighting implementation issues/constraints.

Draft Final Report to be submitted two (2) weeks before contract completion date. The report must have the following as annexes:

- Framework for the analysis of marketing data and information.
- Survey instrument for market data and information collection.
- Profile and contact details for all key informants that have been interviewed.
- Findings of commodities in demand by markets and channels; quantity requirements by periods, quality requirements, product specifications, prices; value chain upgrading and supply chain management plans; relevant trade and marketing procedures and regulations by country; and other pertinent information.
- Database of market information and data from major buyers in identified markets, to include contact details, agricultural items demanded, product specifications, offer prices, quantity demanded by periods, terms of trade etc.

Final Report, inclusive of comments from the validation workshop, must have required annexes, recommendations and other relevant information. The deadline for sending the Final Report is one (1) week after receipt of comments on the **Draft Report**. The reports shall contain a sufficiently detailed description of objectives, budgets and timelines as well as the findings and analyses underpinning the recommendations.

Approval of reports

The reports referred to above must be submitted to the Permanent Secretary. The MAFFRTIL is responsible for approving the reports. In the absence of comments or approval by the GOSVG within the set deadline of fifteen (15) days, the reports are deemed to be approved.

MONITORING AND EVALUATION

Definition of indicators

The main indicators which will be used to measure progress in achieving the outputs of the consultancy are the deliverables and timely presentation of the reports outlined above.

SPECIAL REQUIREMENTS

There must be close collaboration between the Consultant working on this assignment and the AGRICOM Project Coordinator, Agricultural Diversification Officer, other units of the MAFFRTIL, cooperatives and other farmers' and fishers' organisations, agro-processors, marketers, including supermarkets, civil society and the PSIPMU, as well as other relevant Ministries, agencies and stakeholders.

DURATION OF CONSULTANCY

The duration of the contract is 3.5 months. The consultant must be fully available during the period earmarked for the consultancy.

REPORTING REQUIREMENTS

The successful candidate will report to the Permanent Secretary in the MAFFRTIL. The Consultant will submit progress reports to the Permanent Secretary/MAFFRTIL.

MINIMUM REQUIRED QUALIFICATIONS AND EXPERIENCE

Education:

MSc. or equivalent degree in Agricultural marketing, Agri-Business, Marketing or a related field.

Knowledge, Experience and Skills:

- 10 years working experience in conducting market research.
- At least 8 years' experience in agricultural marketing.
- Experience working in the agricultural sector in St. Vincent and the Grenadines and CARICOM will be an asset.
- Expert knowledge of the market dynamics in the Caribbean, North America and European markets.

- Experience mobilizing and working with value chain stakeholders in the agricultural sector;
- Strong written and oral communication skills.
- Strong analytical skills
- Able to work independently.

