

# AGRICULTURE INVESTMENT FORUM

(Guyana, 6-7 June 2008)



Presented at Workshop on Caribbean Private Sector Response to Chronic Diseases (Port-of-Spain, Trinidad & Tobago, 8-9 May 2008), jointly sponsored by the Caribbean Association of Industry and Commerce (CAIC)



# Regional Agriculture Investment Forum *Guyana*



INVE\$TORS

# JUNE 6-7

Sound Investment Opportunities  
Business Dialogue, Networking

see web link at [www.caricom.org](http://www.caricom.org)

*Agri Business is Good Business...*

# OBJECTIVES OF INVESTMENT FORUM

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- Provide potential investors and financial institutions with information on the changes in global and regional markets and in agro industry systems which could mean business opportunities for the Caribbean
- Furnish Investors with screened, solid, pre-feasibility projects which have good potential.
- Provide space for Investors, Promoters and other stakeholders to dialogue and network on investment proposals

# BACKGROUND TO THE FORUM

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- Heads of Government, headed by President Jagdeo, with Lead responsibility for agriculture development, were concerned about the declining levels of investment into agriculture and its effect on productivity and competitiveness, food security and the food import bill.
- Agriculture's contribution to GDP has declined from more than 20% a few decades ago to less than 7% in most CARICOM Countries. (Employs 15% of workers)
- Commercial banks that used to have more than 50% of their portfolio in agriculture no longer see bankable projects
- Research and development remains minimal, limiting the value of regionally-produced products.

# Why So Little Investments?

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- At Policy-level the CARICOM islands do not see agriculture as a priority sector for development. Agricultural commodities are produced and exported more cheaply from larger countries. The competitive advantage of CARICOM is in tourism and other services.
- Extension services have not kept up with production and business trends
- At the company level, it is easier to meet needs from more organised producers abroad
- At the personal level agriculture is not perceived as sexy or “cool”.
- Development banks in the region are limited in their operations and commercial banks shy away from the risks involved. The rewards are not worth it.

# Opening the Minds to the New Realities

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- The current demand/supply situation has provided an opportunity to review past assumptions.
- There are a range of segments (some not fully explored) in which the Caribbean is/can be competitive – Success Stories
- There are a significant number of entrepreneurs making good money from agriculture
- Current higher prices for food will mean increased interest in investments.
- Exploring cross-border investment: even smaller entrepreneurs are now looking at raw material sourcing/strategic alliances with other businesses across CARICOM
- Governments are reviewing the priority given to the sector.

# The Food Security Issue: Opportunities for the Private Sector

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- Aware of the possible political fall out, governments are seeking to meet the basic food needs of consumers by expanding production of staples. (Sweet Potato, yams, cassava)
- “Complex carbohydrates has been recommended as a preventive measure in the fight against coronary heart disease and non-insulin-dependent diabetes” (United Nations Food & Agriculture Organization / FAO). Great potential for expanding primary and processed production.
- Governments seeking private investors who can quickly expand production and increase productivity across the region.
- Offering special conditions to Investors
- Nutrition has become an issue in the wheat versus root crops debate

# The Challenge with Staples

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- For Consumers –old habits die hard even when the pocket is weak. Bread and rice are still the most popular staples.
- Young people eat what they see on TV and on their travels. It must be “cool” to eat it. Need to “reinvent” staples
- Value added foods from locally grown staples must be not only cheaper convenient, tasty, nutritious and acceptable for today’s modern lifestyle.
- An integrated approach complete with marketing programmes must be key to changing consumption patterns

# Role of the Investment Forum

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- To open eyes of Investors and Entrepreneurs to new profit possibilities
- To demonstrate clear opportunities and success stories
- To discuss with Financiers balancing the risks with the rewards through innovative approaches
- To collate, review and disseminate a set of bankable projects that would interest Investors
- To facilitate business/assets matching through one-on one dialogue
- To promote region-wide networks for expanding production and distribution, including in strategic areas such as rice, feedstock, root crops and agro fuels

# INVESTMENT-READY PROJECTS

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- CARICOM is requesting sustainable, bankable projects
- Financially and technically feasible
- Important to economic development, including employment.
- Food security a supplementary criterion.
- Projects range from primary food and non-food products to agro energy
- Consultant will present “Best Bets” for future investments
- Opportunity to demonstrate the results of innovation through the mini exhibition.

# Expected Participants

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- Investors and Fund Managers seeking solid investment projects
- Banking Executives
- Other Financiers
- Agri business Entrepreneurs wishing to network with potential partners
- Producers and Investors who want to hear about new opportunities in the agribusiness sector
- Regional and International Agency Officials involved in developing and financing agricultural projects
- Business Journalists interested in investment trends in agriculture
- Ministers of Development, Agriculture, Industry
- Researchers are also welcome.

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