



WALKERSWOOD



CARICOM Opportunities in Agri-business

Sector Success Stories

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SECTOR SUCCESS STORIES

Introduction

It is almost impossible for small countries to play in mass markets because they do not have the resources or capabilities to compete successfully in such spaces. China and India are rapidly becoming the least cost and highest technology producers in the world in most commodity areas. They are also becoming the biggest buyers of raw material resources from other countries around the world, including agricultural commodities. But their purchasing is based on huge volumes at the cheapest possible price – not something most Caribbean countries are able to deliver.

However, because consumers are becoming far more individualistic and allocating an increasing proportion of their disposable income towards products and services that improve their personal well being and the pleasure and fascination they derive from their lifestyles, new niche opportunities are emerging which offer much higher value propositions. Such niches are not necessarily small and can include hundreds of millions of people.

Even from the agricultural sector perspective, an increasing number of specialist high value niches are opening up for innovative and entrepreneurial businesses in smaller countries. Changes in global value chains (such as Internet based businesses) are also opening up new ways of connecting more directly and efficiently with end-consumers.

Most of the Agricultural Sector Success Stories that follow are built around a truly great story – and that's the trick for marketing to the type of customers of interest to businesses operating out of small countries such as those which are members of CARICOM.

And, as you read these stories, you will pick up some common themes – for example the importance of the entrepreneur, innovation, branding, quality control, future-focused thinking, building strong value chains, and building networks.

Not all these Agricultural Sector Success Stories have been fully written yet – but they are all moving in a successful direction that is based upon strong foresight-based principles. They provide some valuable insights into how businesses can succeed in the agricultural sector – with the use of some foresight and innovation.

Business 1: The Coal Pot

Sub-sector: Health and wellness

Country: Dominica

The Story:



- Dominica is struggling to move away from a traditional agricultural commodity based economy through to one that is more in tune with where markets are heading. This is essential if the country is to advance economically and socially.
- There is a resistance to moving away from traditional practices that underpinned the economy for decades but which are no longer relevant to today's markets.
- There is also an attitude many have that if you dare to be an entrepreneur and do something different then you are 'mad' and you are bound to fail. 'You should just get a job'.
- This story is about a successful small business called 'The Coal Pot' in Dominica.
- It started as the result of a training programme run in 2000. Six young women participated in sessions which focused on building a business built around the traditional art of soap making.
- As the years went by the original group shrank for various reasons - mostly due to a lack of passion or a lack of a desire to take a risk. Around 2004 only one of the original members of the group was left – Avriel James.
- She could see that there was a real opportunity to combine the traditional soap making process with unique local ingredients - such as *bois bande*, gloricida, and native basil supplied by local growers – and create a unique market niche.
- She developed classy recycled packaging that fitted well with the growing health and wellness and nostalgia markets, both within the region and abroad.
- She developed a striking brand by herself. She developed a special way of manufacturing soap so that the plant ingredients did not discolour during the soap making process. She developed a special device for cutting the large production soap bars into precisely sized small bars for the end markets.
- Caribbean Trade helped her to develop distribution links in Caribbean markets. She now also has distributors now active in the USA, UK, France, and Germany.
- Avriel James is an entrepreneur of African descent. Her family often discouraged her as she went through the development phases of her business. But she never gave up.
- Now she has developed a business that makes a high value contribution to Dominica, she has created new employment opportunities, and she is operating in a global market space where there are no quotas and major tariff issues. Business is booming and turnover is likely to quadruple in the next several years.
- She has real foresight!

Foresight Basis:

- The trend towards greater spending on personal health and wellness.
- The trend towards nostalgia products.
- The trend towards 'experiential products'.
- The trend towards sustainable, organic, and natural solutions.

Link: <http://www.coalpot-soaps.com/home.htm>

Business 2: Bellevue Growers Coop.

Sub-sector: Food

Country: St Lucia

The Story:



- Banana growing was once an important contributor to St Lucia's economy. As time went by and quotas came in, St Lucia could not fill its quota. Every banana produced could be sold. This created a comfort zone for the country. It promoted an attitude of, 'if I grow it then it will be bought'.
- This led to many farmers living effectively in a 'dependency' situation. It removed the need to be innovative and to have a 'Plan B' if things ever changed – as they did.
- As a result many of St Lucia's farmers are small holders who still use very traditional techniques of growing and are highly supply driven, not demand driven.
- Value chains from the farm gate to end buyers are poorly developed. As a result many farmers have no idea about production scheduling and market pricing.
- The Bellevue Growers Cooperative is a great example of a group that is working to redress these challenges. It now embraces more than 200 small growers.
- The senior team has worked closely with end clients to determine their seasonal needs. These clients include many of the island's hotel groups, such as the Almond Group, and supermarkets.
- Once they have determined these demand needs, they advise growers of the amounts and types of crops they should be growing and when to grow them.
- They have also looked closely at the whole issue of pricing. St Lucia imports a large amount of fresh produce. The cooperative's team uses the imported prices paid by end customers as the basis for their pricing – something many local growers are not doing as they are not aware of them.
- For example, imported sweet yellow peppers recently cost EC\$ 18.00/kg. Bellevue set their price at EC\$ 17.90 /kg. Several small farmers operating on their own account were selling their peppers for just EC\$3.50. Bellevue's growers were benefiting from 500% higher prices than these independent growers.
- Bellevue has also developed a complete door-to-door value chain between growers and end-customers – including chilled transport. This did not exist previously.
- They have also identified an opportunity in the heritage variety and organic areas in St Lucia and are expanding protected vegetable and herb production in both. Within several years they will have 25 acres of such crops growing under cover. Organic production off 2 acres currently provides 50% of the cooperative's annual surplus.
- Bellevue is a great example of how to leverage value from the agricultural sector by understanding customer needs and then developing a strategy to supply them – most impressive!

Foresight Basis:

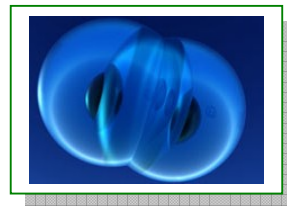
- The trend towards customised solutions.
- The trend towards consumer driven thinking rather than producer driven thinking.
- The growth in organics.

Link: No link available

Business 3: BioJoule

Sub-sector: Industrial materials

Country: New Zealand



The Story:

- Today it seems the world can't live without plastics. They are used for a huge variety of applications - for packaging, car components, household items, cable coverings, piping, and a whole lot more.
- But there is a challenge looming - peak oil – which means that the raw materials plastics are made from are becoming more expensive and less abundant.
- This is leading to innovative companies developing ways that plastic products can be made from renewable sources. Until recently many of these sources - such as potato starch or complex carbohydrates from fruit - have simply been too expensive. But now there are indications there are more economic alternatives.
- New Zealand faces rapidly dwindling gas and oil reserves - at a rate faster than most thought would happen - which has led to a great deal of innovation.
- One listed biotechnology group, Genesis Research and Development, owns a subsidiary by the name of Biojoule that has developed a process for producing ethanol from willow trees. A by-product of that process is lignin-rich waste. This can be used as a raw material for plastics manufacturing.
- Initially Biojoule is producing polyurethane foam which has a wide range of industrial applications. It has been tested in Japan and customers there are keen to buy commercial quantities at a price that makes the whole process economic.
- The Chief Executive of Genesis says a number of other types of plastic can be produced from lignin and that international interest in the company's technology and expertise is high.
- The key to all of this is that the crop used to provide the raw material - willow trees - is not a food crop and can be grown on low quality land without impacting on global food production - a critical consideration given the world's precarious food situation.
- The Caribbean is looking to revive its declining agricultural sector. But it will need to be modern agriculture - not peasant farming - if the region is to progress. Growing biomass can be mechanised and provide a raw material source, not just for fuel but also as the basis of a sustainable and renewable plastics industry.
- There is also specialist expertise in Trinidad and Tobago associated with the energy sector which could be used to develop a bio-plastics business in the region.

Foresight Basis:

- The trend towards renewable and sustainable sources of raw materials.
- Growing concerns about climate change.
- The growing interest in 'green plastics' and expanding commercial use
- The application of science to add value.

Link:

<http://www.genesis.co.nz/Press+Releases/2007/GREEN+PLASTIC+PRODUCED+FROM+BIOJOLE+MATERIAL.html>

Business 4: Tropical Farm Produce Ltd.

Sub-sector: Food

Country: Dominica

The Story:



- This is an especially interesting story because it illustrates how traditional agricultural attitudes have closed people's minds to opportunities.
- Bananas have been a major crop in Dominica for a long time. However, the way the industry was set up all the farmers had to do was grow bananas and deliver them to exporters who then did all the rest of the work.
- Then along came Darwin Telemaque, a young entrepreneur in his 30's. When quite young he went to the USA and worked in the logistics sector - for 15 years.
- In early 2006 his father died. He owned a 25 acre banana farm in the north east of Dominica – large by that country's standards. Darwin was left the farm in his father's will so he came back to Dominica to see what he could do with it.
- He discovered it had made a very significant gross profit over the preceding 5 years and so he decided he wanted to use this as the basis for developing a larger business that could turn over at least EC\$ 1,000,000 a year.
- To do this he took on another property of a similar size on the west coast north of Roseau. He contoured and drained the property and planted high quality banana planting material.
- At the same time he was doing this he discovered that nobody in Dominica had ever ripened bananas and delivered them from the farm to the door of major customers such as supermarkets, hotels and cruise ship operators. So he set up a ripening room, bought a utility, and offered a daily door to door delivery service.
- He now sells 50 – 75 boxes of properly ripened bananas each day to customers within Dominica! When certain cruise ships are in town, he supplies them with up to 200 boxes of bananas each time.
- But this is just part of the story. He is now building a substantial business around growing, packing, and delivering fruit and vegetables around the island and to export markets. He currently exports a range of produce, including dasheen and plantain, to St Maarten, St Thomas, and St Croix and plans to expand this service to a number of other Caribbean islands.
- In order to do this he has developed a franchise growing concept that expands his supply base. Franchisees are offered a guaranteed market for their production of specific crops to supply customer demands on a scheduled production basis.
- He has big ambitions, including expanding his production area to over 100 acres and running a shipping service around the islands to service customer needs. The reason he is succeeding is because he finds out what customers need – and then delivers what they want. Simple really!

Foresight Basis:

- The trend towards customised solutions.
- The trend towards consumer driven thinking rather than producer driven thinking.
- The trend towards giving customers a 'gift of time' by making things easy for them.

Link: No link available

Business 5: Baron Foods Ltd

Sub-sector: Food

Country: St Lucia

The Story:



- Many in the region talk about the difficulties faced by small Caribbean countries as traditional trading relationships with blocs such as the EU no longer provide the same levels of market and revenue security as has been the case in the past.
- A great deal of energy continues to be invested into trying to preserve the status quo but change is inevitable because traditional focuses are no longer relevant.
- There is a need to invest more time and energy into developing entrepreneurial businesses that can stand on their own two feet without supports.
- This success story is about a company in St Lucia that has broken away from tradition and developed a very successful niche focussed international business largely built around a range of innovative sauces and great branding. It is Baron Foods Ltd which started business in St Lucia in November 1991.
- The company's founder and Managing Director, Mr Ronald Ramjattan, is a trained chemist by profession, was born in Guyana, and worked for several food processing companies developing new products.
- He found he had a real talent for developing new product concepts that connected well with end customers and so he decided to start up his own business. He shifted to St. Lucia where he started his business with 25 staff and 12 initial products.
- Baron Foods Ltd. now produces and markets 150 different products, although 15 of these make up the bulk of the company's sales. All 15 are made 100% from locally sourced agricultural products, although the cost of these is now rising.
- They comply with international standards, such as HAZAT and FDA requirements, and will soon be backed by ISO certification.
- He also has a strong brand plus manufactures for 35 private labels. The company exports to North America, Europe and to selected countries in the Caribbean.
- The company has grown 1000% since the early days. The future plan is to develop several more plants on other Caribbean islands.
- He has built a rapport with his staff and raw material and service suppliers through developing mutual win-win arrangements that will underpin a programme of well considered continued growth over the next 5 - 10 years.
- This success story proves that successful businesses can be built in the Caribbean by an entrepreneurial person and by supplying innovative customer solutions rather than relying on traditional trading alliances and frameworks.

Foresight Basis:

- The trend towards ethnic foods and cultural experiences.
- The move from commodity manufacture to high value niche products.
- The trend towards networked businesses.
- The trend towards nostalgia and Diaspora-linked opportunities.

Link: <http://www.baronfoodsltd.com>

Business 6: Walkerswood

Sub-sectors: Food / Agro-tourism

Country: Jamaica

The logo for Walkerswood features the word "WALKERSWOOD" in a bold, yellow, 3D-style font with a blue outline. The letters are set against a dark blue rectangular background with a subtle grid pattern. The entire logo is enclosed in a thin green border.

The Story:

- This is a story that started with Minnie Pringle, daughter of a large land-holding colonial family in Jamaica, way back in 1930.
- It's about how she and her white descendents joined with the local black community to develop a long-term sustainable economic and social future for the small community of Walkerswood – a village with 3000 inhabitants.
- In 1976 the community started up a cottage industry producing pork jerk that was sold in eight local bars.
- The business then moved into the production and bottling of jerk seasoning – a product that became very highly regarded.
- In 2005 the company expanded dramatically, with the help of some private equity support, after investment into a new six hectare processing plant.
- The business was also renamed as Walkerswood Caribbean Foods.
- It now employs 160 people and makes a range of some 23 different high quality products that use local ingredients such as coconut, fish, guavas, mango and rum.
- It also provides a market for some 3000 small farmers and seasonal staff in various parts of Jamaica – suppliers of prime local ingredients including ginger, callaloo leaves, and a range of fruit and vegetables.
- In 2006 the company's turnover reached US\$ 6 million.
- Over 85% of the company's products are exported to markets around the world.
- The company's ownership is in the hands of twelve partners and there is also a scheme that enables employees to own shares in the business.
- But there is more to this than just the business success story. The community has also developed an arts and crafts centre that produces unique locally designed products which are then sold through the factory shop and selected gift stores throughout the Caribbean.
- The village has also become one of the West Indies top ten 'cultural immersion' tourist attractions.
- The community has developed biological wastewater treatment systems so that the water used in the processing factory can be re-used on local farms.
- The village has also established a community development foundation which supports education, HIV/AIDS programmes, and emergency relief in the aftermath of a hurricane.
- The whole project provides a wonderful example of how taking a communal approach can result in a combination of economic and social dividends that underpin a long-term sustainable future.

Foresight Basis:

- The trend towards ethnic foods and cultural experiences.
- The growing interest in immersion tourism experiences.
- The trend towards greater self-responsibility.
- The move from commodity manufacture to high value niche products.

Link: <http://www.guardian.co.uk/guardianweekly/outlook/story/0,,2065223,00.html>

Business 7: Drishtee

Sub-sector: Hi-tech farming

Country: India

The Story:



- The decline of the agricultural commodity sector has impacted significantly on smaller rural urban centres in many parts of the world. This leads to declining populations in rural areas and a loss of retail and essential services such as post offices and banks.
- The challenge is to find ways of continuing to service such centres without incurring significant overhead costs.
- On a global scale regionally based declines in population are an increasingly common phenomenon. Decreasing birth rates, ageing populations, and inter- and intra-country migration are all leading to a greater number of shrinking towns and villages.
- Declining populations lead to a decrease in infrastructure and service provision use efficiency. Being able to supply those needs effectively and efficiently requires a different way of thinking.
- This is spawning a number of specialist agencies that deal specifically with ways of catering to more extensive rural and small urban centre environments.
- An answer comes from innovations that have been developed in India to cope with relatively isolated and disadvantaged communities that have little or no infrastructure.
- One such innovator is Satyan Mishra, founder and CEO of the Indian company, Drishtee. It has been in business for six years and focuses upon developing a unique way of delivering 'big city' goods and services to smaller communities.
- The company has set up computerised kiosks that are linked to an intranet in small rural communities. Initially the kiosks focussed on providing government services, such as accessing a driver's license or obtaining a copy of a birth certificate online for a small charge.
- This saved people living in these communities having to travel to and wait for hours at the nearest government offices. The service has now expanded to sell insurance policies, match prospective brides with grooms, provide on-line health services, provide access to agricultural market information and facilitate supply sourcing of inputs such as seeds and fertiliser, and take and print passport photos.
- Each kiosk is maintained by a local entrepreneur. In future an even wider range of goods and services will be available through the kiosks.
- This is a rapid growth business providing an innovative solution to a challenging problem. Drishtee now has 1020 kiosks and expects to have 4000 within two years. The Indian government plans to open 100,000 similar kiosks using the Drishtee model. It's an example of how innovation can provide a solution to challenging urban and rural centre problems without the need for 'think big' solutions.

Foresight Basis:

- The globalisation trend that links up even the smallest places.
- The trend towards customised solutions.
- The trend towards online delivery systems – changing value chains.
- The trend towards e-government.

Link: <http://www.drishtee.com/role.html>

Business 8: NZ Pharmaceuticals

Sub-sector: Biotechnology

Country: New Zealand



The Story:

- Historically, New Zealand earned the major part of its revenue from the agricultural sector – meat, dairy, and wool in particular. But all that started changing in the early 1970's when the UK became a member of the European Common Market.
- The government fought to keep access levels to the UK and European markets at as high a level as possible and for as long as possible. It introduced subsidies to encourage farmers to produce more – at a time when it was clear that was a misguided strategy.
- At the time the New Zealand meat processing industry focused on shipping as many carcasses of lamb or kilos of beef as they could through traditional commodity trading channels. It was a low innovation traditional sector with a high resistance to change.
- The wastes associated with animal processing were largely converted into fertiliser – such as blood and bone - with a value of a few cents a kilogram.
- However, in 1971 an innovative group recognised that there was a growing opportunity in the non-food sector – the personal health and wellness sector. They also recognised there was value in the waste streams from abattoirs that was not recognised by most meat processors.
- That value was heightened because New Zealand was free of foot and mouth disease and bovine spongy encephalopathy – BSE. This meant there were opportunities in the medical sector. So New Zealand Pharmaceuticals was born.
- Over the years this innovative company has developed a number of derivatives and extracts from abattoir waste streams e.g. from gall bladders. The value increase has been huge - from US\$ 0.20 per kilo for fertiliser produced from the waste streams to as much as US\$ 2,000 + per kilo for products derived from these waste streams.
- The company now turns over US\$18 million annually and has a very high gross margin by commercial standards. Their success has led to new companies being formed to extract greater value from these waste streams.
- For example, one two year old NZ company started by a smart US born investment banker is now exporting US\$ 100,000 a month of small clean pieces of bovine tendon tissue to the US for human medical laboratory bioassay tests. The raw material is bought from processors for US\$ 15 /kg and sold to the end clients for up to US\$ 2000/kg.
- What it means is that a change in focus and innovation, combined with a smart entrepreneur, can add huge amounts of value to traditional production and processing practices – even from what has been traditionally considered a waste product. But it means people need to 'think outside the square'. 'Where there's muck there's money.'

Foresight Basis:

- The growing interest in personal health and wellness.
- The growth of biotechnology as a sector.
- The trend towards traceability and authentication.
- The trend towards global monopoly niches (due to source uniqueness).
- The trend for smart investors to move into the agricultural and green sectors

Link: <http://www.nzp.co.nz/>

Business 9: Various

Sub-sector: Health and wellness

Country: Various

The Story:



- One of the big trends in the area of consumer foresight is 'Age Defiance'. It is primarily associated with the older cohorts in populations - the 'Baby Boomers' in particular - many who are trying to delay the impacts of ageing for as long as they can. They want to 'keep on rockin' till they die. But even younger generations are joining the trend.
- There are a number of ways of 'defying aging' including; buying health and wellness focussed food products - global sales up 72% between 2002 and 2006 to reach US\$254 billion annually; buying dietary supplements - worth over US\$ 50 billion a year globally; undergoing cosmetic surgery - spending up 80% over the past five years; buying anti-aging skincare products - sales up 108.5% over the past 10 years and now US\$ 9.8 billion globally.
- The Baby-Boomer generation is in a unique position. They live longer, are more active, their children have usually left home, they are high earners, and they are the major inheritors of the wealth from previous generations. They have time, money, and a desire to enjoy life for as long as possible. And they are not frightened to spend 'big bucks' on something that will help them in their pursuit of 'Age Defiance'.
- Sylvie Chantecaille developed a product for her company called 'Chantecaille Biodynamic Lifting Cream' and launched it onto the market in 2004. It included a 'botox like' ingredient that relaxed the skin to make it look younger. The price - US\$ 295 for just 40 grams! She sold 20,000 units in 2006.
- High-end retailers say there is no price resistance in the market for products like this. In fact people go on waiting lists for other expensive products such as Dior's US\$ 350 a bottle high technology based 'L'Or de Vie' skin serum which contains *Sauvignon* grape extracts.
- Another product costs US\$ 750 for a 30 ml bottle - Orlane Paris's 'Global Anti-Ageing System' - this contains soybean and other extracts said to be part of the secret to the longevity of the Japanese Okinawans.
- Apart from the fact that these products are meeting a need for which people are prepared to pay extremely high prices, and even go on a waiting list to access them, it is also stimulating growth in the specialist ingredients market.
- In addition to those mentioned above, the oil from arctic cranberries is an ingredient with a growing demand. Another is the Koshimaru silk extract - from a special type of silk cocoons. Fish-roe extracts are another specialist ingredient being used.
- The market is growing for specialist naturally derived ingredients that can be used in high priced 'Age Defiance' products.

Foresight Basis:

- The trend towards 'Age Defiance'.
- The growth in spending on personal health and wellness.
- The ageing of populations in wealthy developed economies.
- The growth of high value niche markets.

Link: <http://www.neimanmarcus.com/>

Business 10: Grenada Chocolate Co.

Sub-sectors: Food / Health and wellness

Country: Grenada

The Story:



- Entrepreneurs are important because they are the prime engines of innovation and economic growth within a country. It's extremely hard to be an entrepreneur – and often very lonely. But they can create value out of something that other people have not seen before. It is their vision and imagination that creates such value.
- Some years ago an American adventurer, Mott Green, landed in Grenada and fell in love with the place. He decided he wanted to set up a business in the country so that he could stay long-term.
- Along the way he got to know Shadelle Nyack Compton, a local Grenada resident who had inherited a number of large estates on the island growing a range of crops including high quality strains of cocoa that had evolved over many years.
- These strains of cocoa are so highly regarded they are blended 1:9 with African cocoa to improve their flavour and quality. Belmont Estate, one of Compton stable, was also moving into organic cocoa production.
- Mott Green recognised that there was a growing opportunity globally for high quality chocolate with a high cocoa content (60 % +) that had a good story attached to it – the story of Grenada's cocoa growing industry.
- He had never made any sort of confectionary in his life before and so set about learning all he needed to know to make the worlds best chocolate.
- He also developed stunning Caribbean themed packaging that would make the end product stand out in retail outlets.
- He developed innovative and complex supply agreements with local cocoa growers that got around the Grenada Cocoa Association monopoly supply constraints – a 'resistor'. He also has links to sources of organic cocoa outside Grenada to cover shortfalls in the event production is disrupted by adverse weather events
- The third (and most important) thing he did was to connect his high quality product with top end retail outlets – such as Harrods in London, and in America and Europe.
- His chocolate has been entered in international competitions around the world competing against top brands such as Valrhona.
- The Grenada Chocolate Company products are now viewed as being one of the top four branded lines in the world.
- The result is a large value-add for Grenada's special cocoa and an example of what can be done with a bit of passion, inspiration, innovation, and a lot of entrepreneurial spirit!

Foresight Basis:

- The trend towards gourmet high-end food products.
- The trend towards selling a good story.
- The trend towards establishing high end value chains.
- The trend towards sustainable solutions.
- The growth of the organics sector

Link: <http://www.grenadachocolate.com/>

Business 11: Balenbouche Estate

Sub-sector: Agro-tourism

Country: St Lucia

The Story:



- Some of the fastest growing segments in the global tourism sector are those relating to adventure, immersion, and cultural activities.
- The Caribbean islands offer many potential opportunities to cater to this high value growth market area.
- One of the big attractions of these segments is that they don't disrupt the landscape in the way large hotels do and they provide for a far more intimate and higher level of interaction between guests and local people.
- One great example is the Balenbouche Estate located between Choiseul and Laborie in the south of St Lucia. This estate is managed and run by a German lady who has lived in St Lucia for decades – Uta Laewitz.
- Her father-in-law, a Dane, actually owns the estate but she and her family operate the day to day business.
- Back in the 18th century sugar cane was grown on the estate. It even had its own sugar mill. But, as the years went by growing sugar cane became uneconomic.
- The old homestead on the property reeks of history and stories of the days gone by. It is now surrounded by orchards and beautiful gardens within which small discreet accommodation units have been built. They have exotic names such as 'Banyan Cottage', 'Almond Cottage', 'Fragipani Cottage', and 'Calabash Cottage'.
- The whole experience is built around the history of the place and a natural balance. Uta Laewitz is passionate about natural and organic foods and ensures that her guests can enjoy such food when they dine on the estate.
- She has recently entered into an agreement that will see one of St Lucia's largest organic fruit, vegetable, and herb producing units established on the property. The aim is to increase the supply of organic food on the island to satisfy the growing demands from the hospitality sector
- Visitors can customise their stay at Balenbouche however they want. Uta herself is a great story teller. The estate also hosts a weekly crafts market and an annual jazz festival. It also offers small group retreats for clients who want a place for an intimate family reunion, a yoga school, or for a gathering of artists to mutually explore new ideas.
- Balenbouche combines history, a natural balance, a growing involvement with organic agriculture, and an intimate experience into a unique offer that increasing numbers of highly individualistic world travellers are searching for.

Foresight Basis:

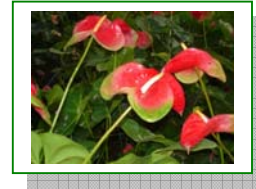
- The trend towards more highly customised 'tourism for one'.
- The trend towards organic food production
- The growing demand for a 'good story'.

Link: <http://www.balenbouche.com/index.htm>

Business 12: Kairi Blooms / UWI

Sub-sector: Biotechnology

Country: Trinidad & Tobago



The Story:

- The drivers behind this sector success story are Dr Pat Umaharan, a Senior Lecturer in Genetics in the Department of Life Sciences at the University of the West Indies St Augustine, and Mr Chris Avey, the owner of a large Trinidad based flower-growing business called Kairi Blooms.
- They have worked together in what has essentially become a ‘public - private partnership’ to come up with an outcome that has major ramifications for the *Anthurium* flower growing business, and an amazing opportunity for Trinidad and Tobago to become a leader in the global *Anthurium* industry.
- Over the past decade, the *Anthurium* industry in the tropical regions of the world has almost gone bankrupt. The reason has been because two bacterial diseases that decimate *Anthurium* plants reduced annual production levels down to three or less blooms per plant per year - an unsustainable level. Many growers left the industry in tropical countries because of this problem.
- Most of the *Anthurium* varieties grown by commercial growers were bred and supplied by Dutch companies. These companies bred most of their varieties in cool temperate climates where the two bacterial diseases concerned were not a significant problem. This meant that many of the varieties they developed lacked resistance to the diseases and, once planted in the tropics, quickly began to suffer.
- Dr Umaharan and his team at UWI used an indigenous pool of *Anthurium* genotypes from T&T which had strong resistance to these diseases as the basis of a breeding programme for developing a new range of disease resistant *Anthurium* cultivars. He also developed a patented bioassay process that sped up the identification of the presence of the resistance genes in plants - from 3 years down to less than 12 weeks.
- Complementing this work, Chris Avey field tested a range of potential new varieties arising from the breeding programme under commercial conditions and contributed his expertise towards selecting a range of exciting new commercial cultivars.
- T&T is now a world leader in *Anthurium* cultivar development for the topical regions. With rising energy costs, tropical production is becoming far more attractive.
- If the right financial backers can be found, there is a real opportunity to beat the Dutch at their own game, gain revenue streams from Plant Variety Right protection of T&T developed cultivars, and generate revenues from licensing Dr Umaharan’s genotype screening process. It’s a big commercial opportunity!

Foresight Basis:

- The trend towards customised solutions.
- The trend towards a shift away from traditional centres of focus.
- The growing impact of biotechnology.
- The application of science to add value.

Link: <http://www.jamaica-gleaner.com/gleaner/20061110/business/business8.html>

Business 13: UMF Manuka Honey

Sub-sector: Health and wellness

Country: New Zealand

The Story:

- For many years honey has been a global commodity and producers around the world have lived with the cyclical volume and price patterns associated with commodity markets.
- Honey producers have been selling their honey on such markets for as little as US\$1.00 – 2.00 per kilo. It's been a hard way to make a living.
- Honey has always had a positive impact on human health and wellness because of an anti-bacterial effect caused by an enzyme most honey contains - glucose oxidase. This produces hydrogen peroxide.
- Aristotle recommended using honey to heal infected skin wounds way back in history. However, the amount of this enzyme in honey varies widely depending upon the source. It is also inactivated by light and heat, by the human enzyme, catalase, and will not work if oxygen is excluded e.g. under a bandage.
- Dr Peter Molan, a researcher at Waikato University in New Zealand, always had a fascination with the healing properties of honey. He discovered that manuka honey collected from certain areas in the country where particular strains of the native manuka tree (*Leptospermum scoparium*) grew contained an additional factor that was highly active against bacteria.
- It was not found in other types of honey and was heat, light, and enzyme stable. Dr Molan called this component the 'Unique Manuka Factor' – or UMF (since identified as including methylglyoxal). He also developed a laboratory test that could easily determine the level of UMF in any line of manuka honey.
- Trials carried out in hospitals, particularly in the UK, found manuka honey with high levels of the UMF factor was very effective against bacterial infections in humans - including bacterial infections that were resistant to antibiotics such as methicillin.
- New Zealand manuka honey producers now have their honey certified for the level of UMF activity based on a 1 – 20 scale developed by Dr Molan. Between 10 and 15 is considered to be active and over 15 highly active.
- The result is that today 10+ active manuka honey is retailing in global niche markets for more than US\$ 120.00/kg.
- A stockmarket listed New Zealand company, Comvita, is expanding rapidly internationally as it develops and markets value-added health and wellness products based upon Dr Molan's work with manuka honey.



Foresight Basis:

- The growth in the personal health and wellness market.
- The move towards natural solutions.
- The development of monopoly niche opportunities.
- The application of science to add value.

Links: <http://bio.waikato.ac.nz/honey/> ; <http://www.comvita.com/>

Business 14: Aunt Betty's

Sub-sector: Food / Nostalgia

Country: New Zealand

The Story:



- Whilst English cuisine is not noted for its high profile on a global basis, there are some types of food that are almost sacred to English people. Examples include fish and chips, Yorkshire pudding, pork pies - and puddings.
- The desire for nostalgia products is reflected in the rapid growth of the international 'Slow Food' movement that started in Bra, Italy, back in 1986 and was founded by Carlo Petrini.
- He was incensed at the way foreign owned fast food outlets were impacting upon the whole food and beverage sector in his country – a sector that had evolved over centuries.
- His argument was that 'slow food', the traditional cuisine, was much more than just food for fuel. It was about conviviality, about enjoying cuisine that was made with passion and from high quality ingredients. It has become part of a move that is driving a strong resurgence of interest in nostalgia foods.
- This story started with a lady named 'Aunt' Betty Cole who lived in a largely rural area, Marlborough, at the top of the South Island in New Zealand. She made old English style steamed puddings using her own recipe and her own style of cooking them. People came from far and wide to sample Aunt Betty's special puddings.
- In the early 1990s her brother, Fred Willetts, thought that maybe these puddings could become the basis of a business.
- He started by baking small batches – just 5 kg at a time - for sale in local supermarkets in the city of Nelson – population about 50,000. His vision was to 'supply the best steamed puddings in the world'.
- In the 1996/97 year, the turnover for Aunt Betty's puddings was US\$ 300,000. Just 3 years later it had risen to US\$3.5 million a year. Now sales have reached over US\$30 million annually and the company expects to export 30 million puddings in 2006. The next goal is to reach US\$70 million within a few years.
- To do this they have extended the range of nostalgia products and brands that come under their umbrella.
- Exports are a big part of the business's success. Over half the company's products – which now include Yorkshire pudding – are exported to the UK 20,000 km away, the home of steamed puddings! The company has grown as the nostalgia wave has grown.

Foresight Basis:

- The trend towards nostalgia products.
- The trend towards developing global monopoly niches.
- The trend towards developing key alliances.
- The growing need for 'gifts of time' to consumers.

Links: <http://www.auntbettys.co.nz/>

Business 15: POM

Sub-sector: Personal health and wellness

Country: USA

The Story:



- This is exactly the sort of story that is relevant to the future of agriculture in small Caribbean countries – even though it originated in the USA. The entrepreneurial thinking and business development process illustrates what could be done with many of the region’s under-developed and under-sold agricultural sector products.
- This story is all about pomegranates – now one of the world’s most trendy fruit. Until recently pomegranates - those strange large pinkish fruits with a tough skin on the outside and hundreds of red flesh covered seeds on the inside - were considered to be an old fashioned product with limited appeal, except amongst a few ethnic groups who had grown up with them. But that has all changed.
- It has now become highly sought after. The reason for that has been largely due to a shift in focus from the fruit just being an old-fashioned fruit to one that has a high health and wellness factor associated with it. Once that happens, a whole different value proposition comes into play.
- Behind the value change were Los Angeles entrepreneurs Stewart & Sylvia Resnick.
- They bought a farm in 1987 and on that farm were 40 hectares of pomegranates. Ignoring advice to cut them out, they instead invested US\$ 10 million into documenting the potential health benefits of pomegranate juice. It is very high in anti-oxidants. They also developed a fantastic brand, smart packaging, and adopted innovative ‘in your face’ promotional activities.
- They started making and selling the juice in 2002. By 2003 they were turning over US\$ 12 million. By 2006 the turnover had soared to US\$ 91 million. They have funded 21 research projects to demonstrate the positive benefits of consuming pomegranate juice and another 44 are being planned. They have actually spent more on R&D than on marketing and advertising. Now a whole lot of competitors are climbing on the bandwagon and bringing a wide range of new pomegranate products into the market place.
- Just because something has been around for a long time and its value has been low does not mean that there is not potential for huge value adding. What the Resnick’s have done with pomegranates can just as equally be applied to the region’s cocoa, hot peppers, breadfruit, shadon beni, and a wide range of other fruit and vegetable types. Their key to extracting value is through a combination of R&D (to find a ‘Factor X’ and provide validation and authentication), an entrepreneur, and an investor.

Foresight Basis:

- The trend towards natural health and wellness based solutions.
- The trend to finding a ‘Factor X’ in traditional commodities that adds value.
- The changing priorities in consumer spending.
- The trend towards ideas and IP having greater value than basic products.

Link: <http://www.pomwonderful.com/>

Business 16: Jühnde & Güssing Energy

Sub-sector: Bio-energy

Countries: Germany / Austria



The Story:

- There are a number of communities in Europe which have become fully self-sufficient in energy using sustainable resources. They are examples of what is essentially becoming a leading edge decentralised energy infrastructure model for urban centres built largely around biomass production and utilisation.
- The village of Jühnde in north Germany has a population of 750 people. It is the first village in Germany to become 100% self-sufficient in energy.
- The decision to pursue this goal was made by the community in 2001. They built a bio-gas production plant, essentially a large fermentation unit, which was fuelled by a combination of animal waste streams, maize, and tricale, a wheat/rye hybrid. They also built a supplementary wood chip fuelled plant to provide the village's additional winter heating needs.
- The business is village owned and operated and they feed excess electricity generated into the national grid (the units produce twice the village's energy needs). The cost of heating is now 50% less than using fossil fuels.
- Güssing in Austria has a population of 27,000. In 1990 the town depended largely on agriculture and struggled to pay its annual energy bill.
- A decision was made to shift totally away from a dependence on fossil fuel generated energy.
- One of the key resources was the forests growing close by the town. They produced 100,000 tonnes of biomass every year. 20,000 tonnes of that are now used for energy production.
- Today the town has 50 energy businesses that produce energy from sustainable sources - sun, sawdust, corn, and cooking oil.
- A thousand jobs have been created that have boosted the local economy. The town uses 22 megawatts of power a year from these sustainable sources and also produces an excess of 8 megawatts that is sold to the national grid.
- One of the key pillars of the sustainable energy infrastructure is an innovative biomass gasification unit that was installed in 2004. It has an 81.3% operating efficiency rating.
- Jühnde and Güssing are just two examples of communities that are relegating fossil fuels to the history books. Many other towns and cities are moving in the same direction. They prove that oil, natural gas and coal are not needed.

Foresight Basis:

- The trend towards sustainable and renewable energy.
- Growing concerns about climate change and greenhouse gas emissions.
- The trend towards decentralised local-based solutions.

Links:

Jühnde - http://www.finfacts.com/irelandbusinessnews/publish/article_10008702.shtml

Güssing - <http://www.iht.com/articles/2007/08/28/business/carbon.php>

Business 17: SVG Dasheen Network

Sub-sector: Food

Country: St Vincent and the Grenadines



The Story:

- Dasheen is a staple crop in many of the Caribbean islands – including St Vincent and the Grenadines.
- The idea of building it into a significant export business on a long-term sustainable basis is something that Jethro Greene and several associates thought could be a real winner for small farmers in that country.
- Jethro is the coordinator for the Caribbean Farmers Network, a group that aims to promote the interests of farmers at a regional level. He is also the Chairman of the Eastern Caribbean Trading Agriculture and Development Organisation.
- This organisation takes a largely private sector approach to developing network based agricultural businesses in the OES countries.
- The basic philosophy is to encourage higher levels of self-empowerment and greater personal responsibility within a total value chain concept for agricultural products.
- A highly successful example is the SVG Dasheen Growers Network. The aim was to build a complete value chain, from producers in small rural communities through to end customers in the UK and Europe, which local growers managed and controlled.
- One of the biggest challenges has been the rugged individualism of people living in small island communities. Trying to form cooperatives with a ‘one size fits all’ type of approach was never going to work.
- So Jethro and his associates decided to form a less formal networked business that would allow a high degree of individual independence.
- This networked business has been built by securing several key buyers in the UK and Europe who wanted to import dasheen.
- To do this meant that a large number of small farmers needed to supply produce to a central point where washing, grading and packing, and consignment aggregation could take place. So what Jethro and his team did was get some people in these small rural communities together to run this as a separate operation.
- Growers received volume requirements and price information by text messages sent out to the network members. They could then decide whether to supply or not.
- The outcome has been a huge success with the price villagers receiving for their dasheen rising from EC\$ 0.30 / lb to between EC\$ 0.60 – 0.90 /lb – up to 200% more. In addition, the area of dasheen grown for export through this network has expanded from a few acres 4 years ago to over 300 acres today.
- This is another example of how setting up the right value chain from end to end can lift returns substantially for communities in small Caribbean countries.

Foresight Basis:

- The trend towards networked business models.
- The increasing role of ICT technologies in facilitating data based connectedness.
- The trend towards greater self-responsibility.

Links: <http://www.caribbeanfarmers.org>

Business 18: Nut-Med

Sub-sector: Health and wellness

Country: Grenada

The Story:



- Grenada, the Spice Island, has had a long history in the production of spices. Nutmeg is a big part of that history but much of the value from nutmeg has been gained by people living offshore.
- There are two things that have impacted negatively upon the Grenadian nutmeg sector - major hurricanes that have severely impacted upon production levels twice in the past 60 years and issues with an aflatoxin (safrole) which affect the importation of the whole nutmeg into offshore markets - in particular the EU.
- The impact of Hurricane Ivan in 2004 was particularly devastating and led to nutmeg production levels crashing from 2500 tonnes per year to less than 10% of that today.
- There are several things happening that could change the future for nutmeg. The first is the development of dwarf nutmeg trees that are less likely to suffer such severe damage if another severe hurricane hits the island in the future and the emergence of value-adding businesses that are based in Grenada.
- One of these value-added businesses is 'Nut Med' based on a unique product range developed by Grenadian entrepreneur, Denis Noel. For centuries nutmeg has been used not only as a condiment but also as a natural health and wellness product.
- The Asians regarded it highly as an aphrodisiac. In upper social circles in the 18th century, it was included as an ingredient in snuff and it was regarded as being important for prevent infections. It also has anti-bacterial, anti-bacterial, and insect repelling properties.
- Denis Noel is the classic entrepreneur. Firstly he has developed a range of products that include nutmeg which are specifically designed to provide natural-based pain relief. He has tuned in with the growing global trend of consumers to spend an increasing proportion of their income on health and wellness solutions - especially those with a natural basis.
- He has developed a smart brand and neat packaging. He has received FDA approval in the USA in 2004. And he has developed a network of retailers, both traditional and online, who are marketing his products around the world.
- Denis Noel is a sprightly man in his early 70's. He is now developing a number of new and interesting products from other natural sources on Grenada. The success of 'Nut Med' has encouraged him to aim for bigger things.
- What Denis Noel has done is add considerable value to a natural resource that faces challenges in the traditional production and sales channels. This value adding stays in his home country and benefits the place economically and socially.
- His business is largely 'hurricane proofed' because the quantities of nutmeg required are small, lower quality, and safrole-free extracts such as nutmeg oil can be used.

Foresight Basis:

- The trend towards global e-commerce
- The trend towards natural health and wellness based solutions.
- The trend to finding a 'Factor X' in traditional commodities that adds value.

Useful Link: <http://www.nut-med.com/formula.htm>