

Revised Annual Report and Final Performance
Report
Specialty Crops Block Grant 2008 Funds
Under
Agreement 12-15-B-0849

Grant Period: July 1, 2009 to June 30, 2010
Funds Approved: \$114,894

Re-submitted on October 30, 2010 by:
Fondo Integral para el Desarrollo Agrícola de Puerto Rico
(FIDA)

Puerto Rico Department of Agriculture

Miguel A. Santiago Córdova-FIDA Executive Director

September 29, 2010

Promotional Program to Enhance Competitiveness of Puerto Rican Specialty Crops in Local and International Markets under Specialty Crops Block Grant 2008 Funds

Final Report re-submitted: October 30, 2010

The following report intends to comply with the obligation incurred by the Puerto Rico Department of Agriculture under the agreement 12-25-B-0849 with AMS to provide a Final Report no later than 90 days after the ending date of the referred agreement and an Annual Report no later than 90 days after the end of each year within the grant period. The grant of reference was effective beginning on July 1, 2009 and its period ended on June 30, 2010.

The activities contemplated as parts of the State Plan give continuity to some of the projects carried out during previous years using SCBG funding and interact with other SCBGs that have similar cost categories and similar projects and that have been open simultaneously: SCBG 2007, SCBG-FB 2008 and SCBG FB 2009. Some of the activities approved to be covered with 2007 funding suffered postponements that were previously discussed appropriately with SCBG grant administrators and some changes were made in the 2007 grant, including an extension of the grant period from one year to 18 months. The mentioned postponements were attributable to the period of transition between governmental administrations in Puerto Rico and for this reason 2007 funding continued to be available until 2007 funds grant's term expired on December 31, 2009. From January 2010 to June 30, 2010 the 2008 funds were used completely.

Following is a cumulative Quarterly Funds Utilization Report covering the four periods and the totality of the funds.

Total Grant Amount		\$114,894
	Quarter Expenses	Balance Remaining
Less Quarter ending September 30 Expenditures	\$0	\$ 114,894
Less Quarter ending December 31 Expenditures	0	114,894
Less Quarter ending March 31 Expenditures	47,394	67,499
Less Quarter ending June 30 Expenditures	67,499	
Equals: Remaining Funds Available		\$0

The specific objectives stated in the summary included as a part of the signed agreement for this grant awarded by AMS to the Puerto Rico Department of Agriculture to leverage local matching funds assigned for investment toward the purpose of enhancing the competitiveness

of Puerto Rico specialty crop products were:

- Introduce and promote a new brand for specialty crop products;
- provide small and medium specialty crop firms sponsorship and coordination for participation in domestic and international expositions and trade shows; and
- promote specialty crop firms and local products through television, radio and print advertising.

Impact on budget of changes consulted and authorized by AMS

The budget that follows was approved originally as part of the approved State Plan.

Budget Proposed Originally for Puerto Rico SCBG 2008 Funds			
July 2009-June 2010			
	Proposed Grant	Proposed Match	Proposed Combined
Trade show space, exhibitors, hotels, travel*			
International	\$25,000	\$25,000	\$50,000
Local	20,000	20,000	40,000
Part-time staff for promotional activities	10,000	10,000	20,000
Samples for activities	2,500	2,500	5,000
Art and design for quality labeling, packaging and displays	8,000	8,000	16,000
Television product integration advertising	23,841	23,841	47,682
Promotion items (coffee samples, small gifts, pencils, etc.)	4,000	4,000	8,000
Brochures for distribution at activities	4,000	4,000	8,000
Magazine & newspaper publications	10,000	10,000	20,000
Polos and T shirts for staff at activities	2,553	2,553	5,106
Training sessions and training materials	5,000	5,000	10,000
Totals	\$114,894	\$114,894	\$229,788
Each individual expense item has been projected to be covered using equal amounts of grant and match funds in order to simplify accounting.			

This budget was later amended to incorporate changes that were agreed upon with AMS. The need for changes was principally, as mentioned, due to delays in the full launching of the 100% Cosecha de Puerto Rico Brand. The changes submitted for consultancy to AMS and approved were to transfer the funds originally allocated to media advertising (advertising could not be done until the moment of actually launching the new brand project) and some other items to alternate use in a packing materials project. The changes resulted in the following Amended Budget.

The principal budget change, thus, was the addition of a Packing Materials Promotion, elimination of media advertising (television, printed), reduction of assignment for staff at activities, elimination of Artwork and Design, and elimination of Training. These changes were approved by means of an endorsed letter of request submitted with the date of April 20, 2010 and endorsed on May 4, 2010 (included as Appendix with this report).

Later, however, the \$51,894 allocated to Packing Material for Coop Promotion ended up being an overestimation of the needs to cover that item and some funds had to be reallocated (or returned to) in previously approved expense categories. These changes did not surpass the 20% maximum that is allowed for changes.

Amended Budget Approval for 12-25-B-0849			
	Proposed SCBGP	Proposed FIDA	Proposed Combined
Trade show space, exhibitors, hotels, travel*			
International	25,000	25,000	50,000
Local	20,633	20,633	41,266
Part-time staff for promotional activities	4,000	4,000	8,000
Samples for activities	2,500	2,500	5,000
Promotion items (coffee samples, small gifts, pencils, etc.)	3,641	3,641	7,282
Brochures for distribution at activities	4,000	4,000	8,000
Magazine & newspaper publications	600	600	1,200
Polos and T shirts for staff at activities	2,553	2,553	5,106
Packing Material for Coop Promotion	51,967	51,967	103,934
	114,894	114,894	229,788

Conceptual impact of changes authorized

These changes did not change the objectives of the proposal. The principal objective that remained current after the amendment to the budget was the second one listed in the agreement:

- provide small and medium specialty crop firms sponsorship and coordination for participation in domestic and international expositions and trade shows;

also, there arose the need to change the one referring to the buy-local branding program (100% Cosecha de Puerto Rico) to : “ continue making arrangements and developing communications materials previous to the launching of a new collective buy-local brand.”

The objective that was not addressed with the grant funds, that of advertising support for the buy-local branding project was not eliminated; only postponed to be covered with funds from grants that remain open: 2008 FB and 2009 FB. However some support activities for this phase were undertaken.

This report will summarize the activities carried in the grant that has expired under three phases: A. International trade promotions, B. Local trade Promotions and C. Branded promotion project.

Review for Compliance with the Specific Obligations the Grantee Accepted Through the Agreement

The State Agency has completed the activities outlined in the approved state plan, as amended.

- Preparations have been made to introduce and promote a new brand for specialty crop products;
- Small and medium specialty crop firms have been provided sponsorship and coordination for participation in domestic and international expositions and trade shows; and

Up-to-date records have been kept on the project and costs have been adequately documented with copies of invoices and evidences of payments that have been made.

The activities have been performed within the first year of the grant period, as agreed and the present report is the first Annual Report required.

A separate account has been kept of expenditures of the Federal Grant funds and a Final Financial Status Report on Form SF 269A is being provided together with this narrative report as required.

Grant activity reports have been submitted to account for expenditures incurred during each of the four quarters of the grant activity period. The first quarterly grant activity report (October 15, 2009) was later amended (Jan 15, 2010) to incorporate changes made in the assignment of expenditures after a budget change was approved for use of a previous grant's funds (2007 funds). The amendment was a result of delays that were adequately informed, as required. The quarterly grant activity report for the final period (due July 15, 2010) has been submitted after the 15-day period agreed so that final accounting could be done and all expenses paid in relation to the referred quarter could be included.

No interest payments were made to remit interest earned on advances because the funds advanced have been kept in a non-interest-bearing bank account.

The work has been monitored continuously by FIDA staff, has been completed within the required time frame and the grant funds have been used only for the uses described in the approved State Plan, as amended.

Proper accounting procedures have been followed.

FIDA plans to retain all records relating to the grant for a period of three years after the final *Financial Status Report* has been received by SCBGP or until final resolution of any audit finding or litigation.

A program specific financial audit has been conducted of the expenditures of the grant and matching funds. A copy of the results is included.

All grant funds have been spent and so no return of unused funds is applicable.

I. Outline of the issues, problems, interests, or need for each project

The promotional aspect may be divided into two phases for the purpose of outlining the issues, problems, interests and need for each project: the international market aspect and the local market aspect.

A. The international market

1. Issue.

Several tropical products produced in Puerto Rico have been targeted as having potential because of quality, price, competitiveness, and seasonality characteristics. The issue that prompts the interest in carrying out promotion in the international markets is the perception that there exists an opportunity for targeted specialty products from Puerto Rico to obtain a share of international sales. Puerto Rico's economy has the need to attain some export sales to create an additional inflow of funds to rural areas.

Explanation of tropical products

Because of climatic differences that impact the possibility of cultivation of plants that can adapt to the environmental conditions and to the intensive agricultural practices required and because of cultural background particularities, persons from tropical regions have developed agricultural and culinary heritages that are different from what has been developed by persons originating in temperate regions such as has predominated in the United States after the massive European immigration. Nowadays, in the United States there is occurring cultural change and one of the characteristics is that a great deal of imports are arriving to the US of what AMS calls Misc Tropical Fruits and Vegetables. This occurs because the population has been diversifying under the impact of increased Caribbean, Central American, South American (Northern areas) and Vietnamese, Indian and other Asian immigrants.

None of the products that we call tropical products are livestock products nor are they listed in the ineligible commodities group included in the AMS site where you discuss the definition of Specialty Crops and list the eligible and ineligible products.

We have been interested over the last few years in obtaining recognition as specialty products of more of these products that we produce here in Puerto Rico but that are not produced in the US, mainly because we believe the inclusion of more tropical products could possibly impact the allocation that our jurisdiction receives within the formula for grant funds assignment under the SCBGP. This situation has been evolving and more products have been appearing on the list of recognized specialty products, although we do not know how NASS works with this list.

AMS lists a large group of products that we include under this classification at:

<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5075607>

“8/ Misc Tropical Fruits and Vegetables; includes aloe leaves, arum, banana flowers, banana leaves, batatas, bitter orange, breadfruit, calabaza, canistel (eggfruit), cape gooseberries (physalis), chayote, clusterbeans, coconuts, dasheen, durian, galangal (siam, thai ginger), gandules, ginger root, honeyberry, hyacinth bean,

jackfruit, jicama, longan, lychee, maguey (agave) leaves, malanga, mamey sapote, mangosteen, palm heart, quenapas, rambutan, sapote, sugarcane, tamarillo, tamarindo, taro, taro leaf, taro shoots, tepeguaje (gauje), tomatillos, tumeric, yampi, yams (names), yautia and yucca (cassava).”

The AMS category quoted includes several products that we in Puerto Rico have no idea what they are, because the category includes products from Asia, Southern Pacific and other cultures from tropical regions.

Puerto Rican tropical produce and also culinary tradition is related more to African and to Native American (tropical cultures, not temperate) and particularly the Caribbean basic ethnic (African and Taíno) influx in addition to the Spanish and USA parts.

In addition to Misc Tropical Fruits and Vegetables we would include as those that are not necessarily miscellaneous: bananas, plantains, mangos, pineapples, papayas, avocados, peppers and others.

Following is a list with translations (English and Latin) that we use to register the eligible food products (fruits and vegetables) for the Farmers’ Markets Nutrition Program under the USDA Food and Nutrition Service. IN Puerto Rico we produce many products that are shared with US producers: tomatoes, lettuce, onions, watermelons, cantaloupes, cucumbers, bell peppers (which are tropical and/or temperate region products); but I have tried to eliminate most of the products we have in common with US producers so as to leave only what we refer to as Tropical products. The products in this list are cultivated intensively as agricultural practice in Puerto Rico or have been domesticated sufficiently to be considered cultivated.

a) Eligible Fruits, Vegetables and Herbs		
English Name	Spanish Name	Scientific Name
Banana (green and ripe)	Guineo (verde y maduro)	<i>Musa spp</i>
Breadfruit	Panapén	<i>Artocarpus altilis</i>
Cassava	Yuca	<i>Manihot esculenta</i>
Celeriac	Apio	<i>Arracacia xanthorrhiza</i>
Chayote	Chayote	<i>Sechium edule</i>
Coriander	Cilantrillo	<i>Coriandrum sativum</i>
Custard apple	Corazón	<i>Anonna reticulata</i>
Dasheen	Malanga	<i>Colocasia esculenta</i>
Eggplant	Berenjena	<i>Solanum melongena</i>
Ginger	Gengibre	<i>Zingiber officinale</i>
Gooseberry	Grosella	<i>Phyllanthus acidus</i>
Guava	Guayaba	<i>Psidium quajava</i>
Kinop	Quenepa	<i>Melicoccus bijugatus</i>
Mamee apple	Mamey	<i>Mammea americana</i>
Mango	Mangó	<i>Mangifera indica</i>
Oregano	Orégano	<i>Origanum spp</i>
Papaya	Papaya	<i>Carica papaya</i>
Passion fruit	Parcha	<i>Passiflora edulis</i>
Pepper	Pimientos	<i>Capsicum annum</i>
Pepper	Ají	<i>Capsicum frutescens</i>
Pigeon pea	Gandul	<i>Cajanus cajan</i>
Pineapple	Piña	<i>Ananas comosus</i>
Plaintain (green and ripe)	Plátano (verde y maduro)	<i>Musa spp</i>
Rose apple	Pomarrosa	<i>Eugenia jambos</i>
Sapodilla	Níspero	<i>Manilkara zapota</i>
Soursop	Guanábana	<i>Anona muricata</i>

Sweetsop	Anón	<u>Anona squamosa</u>
Spiny coriander	Recao, culantro	<u>Eryngium foetidum</u>
Tropical Squash	Calabaza	<u>Cucurbita máxima</u>
Starfruit	Carambola	<u>Averrhoa carambola</u>
Sweet potatoes	Batata	<u>Ipomoea batatas</u>
Tamarind	Tamarindo	<u>Tamarindus indica</u>
Taniers	Yautía	<u>Xanthosoma violaceum</u>
West Indian cherry	Acerola	<u>Malpighia punicifolia</u>
Yams	Ñame	<u>Dioscorea spp</u>

2. Problems.

Lack of knowledge of international market and exposure among international market agents has served to create an obstacle to access for Puerto Rico firms engaged in production of specialty crops identified as having market potential internationally.

3. Interest

The interest is to expose the representatives of targeted products to international purchasers, help them become familiarized in such an environment and provide the knowledge tools necessary for the execution of sales contracts outside of Puerto Rico. This interest covers locations of: Canada, Europe, United States, US Virgin Islands and covers the specialty products: mangos, quality coffee and processed products such as condiments and seasonings.

4. Need

To provide leadership and motivation, purchase collective exhibit space, establish a collective booth, coordinate travel arrangements, coordinate group activities on the target site, and cover a part of firms' expenditures through a stipend payment.

B. The local market

1. Issues

Local products need to be differentiated from imported products to enable consumers to carry out a verified preference for local production that shows up in market studies made through qualitative and quantitative methodologies.

Local products need to be available and recognizable at points of purchase to cash in on consumer preferences.

2. Problems

Most local producers do not have access individually to purchasers at the wholesale level.

When products are available they are easily confused with imported products because of the absence of effective identification tools for the consumer.

3. Interest

To assist the local producers in development of packaging alternatives that may be printed as a means to facilitate consumer identification of local products.

To expose the local producers to the trade show environment in a collective manner to distribute and reduce fixed costs so that the activities may be affordable for the producers.

4. Need

Training is being provided using other funds to the producers is being carried out to upgrade quality standards, business skills and knowledge. This includes Best Practices training.

To purchase rights to collective participation and representation in local trade shows for various firms who are ready to lunch into the commercial fabric of the Puerto Rico economy.

C. 100% Cosecha de Puerto Rico (Harvest of Puerto Rico) Sub Brand Project

The other principal aspect that must be addressed is the need for a Sub-Brand that can be a common item on various packages and presentations and the object of collective advertisement.

The Cosecha Brand is an endorsement mark that will be printed on packages within the artwork that identifies several brands. The use of the 100% Cosecha de Puerto Rico Sub-Brand will be authorized to producers that demonstrate their capacity to meet required quality standards. This Brand will be applied (either in English or in Spanish) to products sold outside of Puerto Rico also.

1. Issue.

Local consumers' capacity to recognize and distinguish local from imported products would add value to local products and would give local products an advantage because of consumers' stated preference for local products.

The support that exists for local products can be increased through advertising designed to build such support at the same time as the same advertising is fixating the communications symbols or icons into the public consciousness.

2. Problem

Consumer incapacity to recognize and distinguish local form imported products is an obstacle for retailer and consumer support for local production because there has been created a lack of continuity in identification of the product through the market channels or along the value chain.

Local producers generally exhibit limitations in presentation and in quality of the product as well as in Best Practices.

3. Interest

To create a differentiation mechanism that at the same time provides the local producers motivation to enhance quality.

4. Need

To motivate producers to integrate the collective Sub-Brand to their packaging.

To motivate the producers to develop consumer-size packaging.

To pay the costs of developing identified packaging materials before the launching of the Cosecha Brand.

II. How the issue or problem was approached via the projects

A. and B. The participation in international and local trade activities was continued as in previous SCBG funded cycles through the payment using grant and matching funds to cover exhibition costs and selecting firms that may benefit from the activities.

Examples of tasks performed for Local and International trade show activities

International

- Monitor activities that are on calendar and identify suitable activity
- Make contact with persons in charge of activity
- Obtain information about possibility of participation
- Obtain price quotations for travel and hotel expenses
- Make contact with services providers at site
- Register as participants
- Identify potential participating firms
- Provide information and invitation to potential participants
- Ship samples to site beforehand
- Prepare printed materials in the proper language for the event
- Coordinate travelers and schedule
- Coordinate plans for any specialized personnel who must be part of the delegation, for example: a barista for the coffee show.
- Travel to the destination
- Arrange ground transportation to lodging
- Make contact with host personnel
- Set up the exhibition area
- Coordinate IDs for participants, inform them of schedule
- Coordinate educational activities to attend
- In the case of SIAL, coordination was made with a local firm to enhance quality of meetings with potential clients

Local

- Maintain contact with activity organizers to be aware of plans
- Attend planning meetings beforehand
- Maintain membership in associations when required
- Arrange contract for collective exhibitor space and participation
- Prepare printed materials for distribution at activity
- Coordinate participating firms and assign spaces
- Gather product donations for chef to use at the activity
- Arrange booth decoration, equipment and furnishings
- Coordinate firms' to set up in their assigned spaces
- Make a schedule of personnel that is to work in booth area at show
- Make introductions and facilitate communication between exhibitors and potential clients that arrive

C. Preparations have continued toward the full launching of the 100% Cosecha de Puerto Rico Sub-Brand. There was developed an intermediate packing materials project to begin the work toward establishing an identity and continuity through the marketing channel

and throughout the value chain for targeted products and firms.

The Secretary of Agriculture came into office in January 2009 with the idea of *Cosecha de Puerto Rico* as his buy-local brand project. Later the 100% denomination was added to imply purity of the products and the additional option Crianza was added to provide the space for animal products within the project. Also, instead of a main brand, this was conceived as a secondary, quality associated symbol to be shown as a sub-brand along with the firms' regular brands. Finally it was considered important to provide a communication signal that this is a seal endorsed by the Department of Agriculture of Puerto Rico. Preliminary artwork was prepared.

In March of 2010, four focus group sessions (qualitative research) were made to evaluate four alternative icons.

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are needed to see this picture.

The result was the recommendation from the researchers to use two logos derived from the Number 1 icon: 100% Cosecha de Puerto Rico (Harvest of Puerto Rico) and 100% Crianza de Puerto Rico (Raised in Puerto Rico).

Recomendación



- Icono con carácter connotativo, es comprendido por los componentes intrínsecos. El receptor asiente ideas positivas del símbolo
- Más completo en las metas, valores y objetivos del programa deseado
- Simple y fácil de recordar
- Práctico, fácil de utilizar, se amolda a los hipotéticos microcambios (ejemplos: internet, empaques, etc.)
- No hay conflicto con logotipo de AAE

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After the focus group research, a survey of 801 households (quantitative research, where the person in charge of buying groceries was interviewed) were carried out in which information about food purchasing habits, attitudes, perceptions and opinions regarding local vs imported, fresh vs processed agricultural products were gathered, examined and quantified. Following we summarize the main research results. Following, we offer some of the results.

Sixty three percent of those interviewed felt that country of origin to be a “very important” attribute to maintain in consideration and an additional 15% considered it to be “somewhat important”. Nine percent of the 801 persons interviewed considered origin to be “not important” and fifteen percent were indifferent. Two percent had no opinion.

Fifty percent of the persons who assigned importance to having information about the country of origin of the agricultural products gave their reason as quality and hygienic conditions. 33% cite that they trust some countries and not others and 22 % cited only consuming what is produced in Puerto Rico.

Seventy percent of those interviewed maintain that fresh products from Puerto Rico are of better quality than products from the US, Caribbean countries, Central America and others.

Regarding the importance of having a guarantee seal (or sub-brand), 79% considered it to be very important and 6% somewhat important. The reasons given by those who assigned importance were: 44% for quality assurance, 27% to provide confidence, 25% to be sure whether they are local or not, and 15% cited to be assured that controls and food handling norms are complied with. This shows that determination of origin in itself is not the main issue in the minds of consumers, instead it is the associated quality preoccupations that exist in relation to locally produced Puerto Rico products. If we add the categories of answers related to quality and food safety, 86% of the persons quote this reason.

[This research was done early in 2010 under 2009 SCBG funds according to approved budget and was paid jointly by SCBG and FIDA. Complete results are available.]

As a result it was recommended to create strong quality and food safety associations to the sub-brand through the communications programs to be developed. The origin issue is quite clear from the logo itself.

Once validated, the proposed logo was developed further. In preparation of the English speaking potential markets, an English version of Harvest of Puerto Rico was developed.

The sub-brand has not been launched yet. Some promotion has been done for trade shows but it has not been publicly announced up to the moment.

The following are options that have been prepared.

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III. How the goals of each project were achieved.

A. Local trade fair activities

One of the strategies that have been used by the Department of Agriculture has been to expose the producers to the actual purchasing environment at these fairs. The producers have to recognize the needs of the purchasers, discuss what the purchasers are looking for in each product, see what off-hand comments the purchasers make. A casual encounter at a fair booth is sufficiently informal so as to provide an opportunity for making some bonding if the communication is good. This may help the producer to follow-up at a later date in an office setting or in a phone call.

One of the marketing problems that are recognized is the lack of access by producers to the purchasers at their office environments. It is hard to get appointments with purchasers, sometimes producers lose their enthusiasm if things get a little difficult. For purchasers, the trade fair may be the opportunity to see a full line of products that a producer can supply and that possibly would not be available for an office visit.

Participation in the trade fairs makes purchasers from the retail channels aware that the locally produced specialty crop products are available and whom they can purchase them from.

The trade fair setting also provides the opportunity to make a show of strength and variety for local producers as a whole.

By allowing or propitiating initiation of conversations between potential suppliers and their potential clients. By making suppliers available to retailers in a situation that attracts those who are interested, in that way achieving immediate matches of offer and needs.

Number of firms that participate in local activities

At most, twelve participants at one time at Expoalimentos. As minimum, five at any given show. Possibly 30 producers or collective enterprises have participated during one year.

- American Dietitians Convention (Exhibit booth at Dietitians Convention)
- Saborea Culinary Extravaganza (Puerto Rico Hotel and Restaurant Association)
- Puerto Rico Coffee Fest (Organized by the Puerto Rico Department of Agriculture and celebrated at Plaza Las Américas Shopping Mall. First time activity is celebrated.)
- Expoalimentos (exhibit space for twelve firms)
- MIDA Convention (payment of preliminary fee for participation in trade show)
- Feria Parque Muñoz Rivera (Exhibition and sales space)
- Banana Festival (Sponsorship of fair promoting eligible product)
- Mercados Urbanos (Sponsorship and payment for space reserved for agricultural firms for a calendar of exhibition and sales activities coordinated by the Economic Development Bank and the Puerto Rico Department of Agriculture.

B. Promotion of international sales for Puerto Rico Specialty Crops

International activities where FIDA participates enjoy an additional support through logistics and arrangements made by the Southern US Trade Association, an organization that promotes US exports. Usually, FIDA purchases from SUSTA a exhibit space in a SUSTA pavillion, allowing some savings in cost as compared to regular booth prices. This also allows some additional contact facility as SUSTA officials also give support to exhibitors.

Among the activities listed in the following table, participation was coordinated with SUSTA for SIAL Canada, Alimentaria and Summer Fancy Food. Nonetheless SCBG funds are important for covering the costs of travel and subsistence, booth furnishings, graphic materials, printed materials and others.

Information About International Trade Shows Where FIDA Participation Using SCBG 2008 Funds				
Activity	Travel to	Agency Officials Using SCBG Funds	Participating Firms	
Specialty Coffee of the Americas Annual Expos	Atlanta, Georgia	3	4	Exh Coffee
			4	4 Observers
			1	Additional

			1	official paid otherwise Additional producer at his own expense
SIAL_Canada	Montreal, Quebec	2	2	Coffee, Mango
Alimentaria	Barcelona, Spain	0	1	Coffee
Summer Fancy Food	New York, NY	1	2	Honey, Processed
Sea Fest (Miami)	Miami, FL	1	4	Honey, Horticultural, Mango, Coffee

- Concerning the International activities, approximately how many contacts were the FIDA participants able to meet by participating in these trade shows? Are there any examples of two groups building a relationship?

There are several examples in the cases of mangos and coffee. See attached news articles for experiences in Canada. Although the reports were prepared by SUSTA to favor their participation and no credit has been given to SCBGP nor to FIDA (or Department of Agriculture), the participation in these two fairs on the part of the producers would not have been possible without SCBGP funding and matching funds from the Puerto Rico Department of Agriculture.

C. Packing Materials project

The Department of Agriculture made a buy local arrangement with some major distributors and the producers were instructed to package the product in brand-printed sacks to facilitate recognition of local product throughout all the value chain from distributors and delivery vehicles, receiving area at supermarkets, in the store and onward. (These distributors handle imported product too.)

The executive Director of FIDA spoke with the producers as a group and to their leaders to coordinate this.

Firms that benefited from the packing materials project

Eddie N. Torres Torres
Orlando Escalera Aquino
Agrohortalizas, Inc.
Agroindustrias del Noroeste
Jaime Acevedo Quiles

Productora Vegetales Potala
MS Farms
Portalatín Fruits and Vegetables
Agricultores UCAR
Hidrocultivos Carolinenses
Andrés Rodríguez
Wilfredo Villegas
Ramón Santiago
Carlos González

The packing materials project included 12 cabbage and onion producing entities of which twelve are individual farmer corporations and two are producer organizations composed of farmers who classify, pack and market their products together using one same warehouse and machine in each case and that include several farmers. The estimate for this phase when the collective aspect is taken into account is of thirty producers of onions and cabbage. They received labeled mesh sacks that would hold 50 lbs. of onions each. The logo used on the onion sacks appears following (What was printed on the mesh sacks was a preliminary logo and in this case it has been scanned incompletely-Rico is absent in the scan). I will obtain a photo of an actual sack during the next days.

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TIFF (Uncompressed) decompressor
are needed to see this picture.

On the other hand, two hydroponics producers participated also and one collective root and tuber company that markets for around forty farmers. These cases were for consumer package size materials with labeling for origin recognition.

Their names are:
Agroindustrias del Noroeste
Hidrocultivos Carolinenses
Hortalizas Hidropónicas del Oeste

IV. Results, conclusions, and lessons learned for each project

A. Buy-local promotion phase for Puerto Rico Specialty Crops

Results are of good participation and support for activities, good results of increasing sales but of need to work on development of packaging and labeling alternatives for product identification. Too many products continue to be sold packages in sacks or 40 pound boxes.

Funds from other SCBG (2009 FB) grant have been used to confirm consumer support for local production through a market survey.

B. International Market phase

Excellent sales have been obtained by mango producers, who have certain advantages over other producers: experience in Spain and Britain has taught them valuable lessons, they maintain high standards for quality, they have developed good packaging options, they have mastered knowledge of documentation and other issues necessary for export.

Coffee producers have achieved more modest sales. Coffees have obtained good ratings in evaluations. The producers are still getting to know the environment. During two years various producers have participated in SCAA Annual Exposition. In 2010 four firms attended as exhibitors and five more attended as conference participants to obtain transfer of knowledge by observing, listening to educational activities, and creating a greater consciousness.

Roughly four thousand persons participated as general public. They enjoy mostly to receive free samples, promotional items and to taste new products that are on exhibit for tasting at the shows.

Participation in SCAA 2010

This was the third year of participation in SCAA for the Puerto Rico Department of Agriculture and groups of firms. Following we present some of the testimonials that they provided after the 2010 trip. In addition to these four firms some additional persons attended the conference to become familiar with the environment and to participate in the educational aspects. There are celebrated many educational forums and conferences at the SCAA.

Hacienda Monte Alto de Adjuntas- Gilberto Román, President, reported having achieved sales of green coffee in the US and of having the opportunity to share and talk with existing clients.

Hacienda Las Nubes de Adjuntas- Ing. Guillermo Cardona, President, said that presently he contacted 12-15 potential clients and that he received more than 100 requests for information as a product of his participation in SCAA 2010. Of those potential clients 3 are from China, 2 from South Korea, 2 from Japan and 8 from the US. Several of the potential clients have made arrangements to come to Puerto Rico to visit his project. HE considers participation in this activity important to coffee producers of Puerto Rico that wish to enter new markets

Sandra Farms de Adjuntas, Israel González, President, declared that the presence achieved by the Puerto Rico exhibition booth for Puerto Rico coffee was very positive. He commented on the importance of the presence of the barista to prepare and serve the coffee to the interested

purchasers. His perception is that Puerto Rico coffee is at the level of quality of other world-class coffees and is offered at a more attractive price (lower) for the purchaser.

Presently he has been making arrangements to ship 4,000 pounds of coffee to Germany. At SCAA 2010 he also contacted a marketing specialist from Eastern Europe who offered the opportunity for exporting some coffee. This opportunity could benefit four additional producers, each one responsible for his own product. He will also export 4,000 to Japan.

He added that although he is aware that other producers must receive the same opportunity, he would gladly participate again in the Puerto Rico exhibit at SCAA.

Café Campo Rey de Lares, José Acevedo and Emma Cordero, owners, indicated that their participation exceeded all their expectations. They reported having established contact with 50 international prospect clients, mostly interested in green coffee. They have continued in their follow-up and have agreed to send samples in November at the beginning of the season in Puerto Rico. They also have made arrangements to send their first order of roasted coffee to a coffee shop located in California.

Coffee Quality Institute Training

Recently a group of seven producers have received certificates as coffee evaluators by the Q Quality Institute, allowing for more knowledgeable evaluation. The training was carried out under SCBG sponsorship. This product line still requires a lot of training work to be done to reach international benchmarks and to accustom participants to international sales and export procedures.

When the Special Coffee project began, there was only one internationally qualified coffee evaluator in Puerto Rico. That person was the former secretary of Agriculture José Orlando Fabre Laboy. The situation among the producers was of a total lack of knowledge and of a prejudiced belief in the quality of their coffees that was not founded upon a knowledge of the characteristics upon which coffee is evaluated nor of the sensory data valuation scales on each criteria. Originally the proposal was to use funds to send samples to Quality Institute and other evaluators to receive feedback from third parties regarding the level of quality that was perceivable in different samples. Later it was decided to carry out a training in Puerto Rico that would result in some additional permanently resident qualified evaluators.

Several of the evaluators are producers. Upon receiving the training and the transfer of knowledge they were better qualified to evaluate coffee they are offering or purchasing, whatever the case.

This also provides a better knowledge basis from which to address the international quality coffee market.

Persons from approximately sixty firms participated as exhibitors or promoters.

We would say they enjoy the opportunity to speak directly with numerous supermarket owners and officials. They also feel proud to become better known as local producers.

C. Packing Materials project

This project is a good way to stimulation the creation of identity for local product through the value chain. Merchants who decidedly wanted to favor local produce in some categories were clearly able to identify the product being offered and delivered to them on the wholesale level.

Work still must be accomplished at the consumer level, both in package design and in developing packaging alternatives to be used by producers to add value to their product. The development of packaging options will help the effort to identify the product.

V. How progress has been made to achieve long-term outcome measures for each project.

VI. Contact person for each project with telephone number and e-mail address.

Buy-local promotion phase for Puerto Rico Specialty Crops,
Saritza Aulet-Padilla- 787-366-6927- sariaulet77@gmail.com

Promotion of international sales for Puerto Rico Specialty Crops,
Saritza Aulet-Padilla- 787-366-6927- sariaulet77@gmail.com

Developing the strategy and action plan for the local origin 100% Cosecha de Puerto Rico Sub Brand- Miguel Santiago Córdova

VII. Additional Information

Partial List of Beneficiaries (Participating Firms)

Sucn. Serrallés- Mango
Hacienda San Pedro-Coffee
Hacienda Monte Alto-Coffee
Martex Farms-Mango, other fruit
NUPCAY (firm processes and markets coffee for 54 member farmers)
Mango Fino- Mango
Offeecay-Coffee
Encantos de Puerto Rico, Inc.- Coffee
López & Co. Corp.- Coffee
Tita's Homemade- Seasonings and condiment
Remik & Andres DeJong-Café Bello- Coffee
Hacienda Zafra- Coffee
Vegetable Growers Industry Association- variety of vegetables
Productos SANA- tea leaves of various herbs
Citricos de la Montaña (orange packing and marketing for 254 farmers)
Organization Producers Commercial Hydroponics (Packaging and marketing organization for 52 producers)
Tarik Packing- Cut-up fruit for food service

Asociación Productores de Farináceos del Este- Packing and marketing entity representing 45
 plantain farmers
 Cooperativa Agro-Comercial de Puerto Rico- 300 plus coffee producer members
 Hidrovegetales de Puerto Rico, Inc.-Tomatoes, lettuce, cilantro, coriander
 Productores de Hortalizas del Sur, Inc.- Melons, calabaza, tomatoes, okra, sweet potatoes,
 peppers
 Nias Bonsai-Horticultural
 Blondet & Co.-Marketing
 Productos Montemar-Condiment
 Bananera-Bananas
 James Moore-Lettuce,cilantro
 Valle Coloso Project_ Various farmers, farinaceous, vegetables
 Sofrito Doña Yiya- condiment
 Sofrito DelAgro-Condiment
 Arbola, hydroponics
 Hidropónico - Francisco E. Delgado
 Frutas y Vegetales- Agro. César A. Oliver
 Hidropónicos Verde Luz, Inc. -José Salvador de la Cruz
 Hidropónicos C. O. Inc. – Carlos O. Rodríguez Acosta
 Coloso Project- Wilfredo Hernández
 Coloso Project- Agro. Idelissa Acevedo
 Finca González – Carlos González
 Hidropónicos Quasimoro Inc. - Hector L. Perez Birriel
 MS y GE Mango-m Mangos
 Hepperly Enterprises - Reed Hepperly - Mushrooms
 Eddie N. Torres Torres
 Orlando Escalera Aquino
 Agrohortalizas, Inc.- onions cabbage
 Agroindustrias del Noroeste, cassava
 Jaime Acevedo Quiles- onions cabbage
 Productora Vegetales Potala- onions cabbage
 MS Farms- onions cabbage
 Portalatín Fruits and Vegetables- onions cabbage
 Agricultores UCAR- onions cabbage
 Hidrocultivos Carolinenses
 Andrés Rodríguez- onions cabbage
 Wilfredo Villegas- onions cabbage
 Ramón Santiago- onions cabbage
 Carlos González- onions cabbage
 Hacienda Las Nubes- coffee
 Campo Rey-coffee
 Lucero Agricultural- coffee
 Joe Diaz- coffee
 Pablo Ojeda- coffee
 Hacienda E Jibarito- coffee
 Sandra Farms- coffee
 Cali Nurseries- horticultural
 Torrefacción Roma- coffee
 Apiarios Caraballo- honey

FULL COLOR



- Hoja: Full Color
- 100%: Pantone 469
- Puerto Rico: Pantone 469
- Harvest: Pantone 363
- Dept. Agri: Pantone 363
- Checkmark: White 100%

2 COLORS



- Hoja: Gradient Pantone 363 to 390
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Harvest: Pantone 363
- Dept. Agri: Pantone 363

ONE COLOR



- Logo: Pantone 363



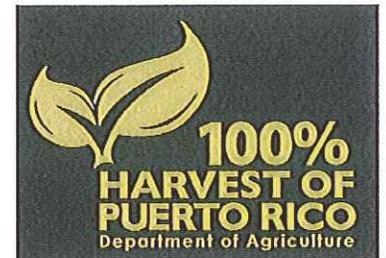
- Hoja: Full Color
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Harvest: Pantone 363
- Dept. Agri: Pantone 363



- Hoja: Gradient Pantone 363 to White
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Harvest: Pantone 363
- Dept. Agri: Pantone 363



- Logo: Pantone 363



- Logo: Pantone 390



- Logo: 100% White

FULL COLOR



- Hoja: Full Color
- 100%: Pantone 469
- Puerto Rico: Pantone 469
- Cosecha: Pantone 363
- Dept. Agrí: Pantone 363
- Checkmark/White: 100%

2 COLORS



- Hoja: Gradient Pantone 363 to 390
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Cosecha: Pantone 363
- Dept. Agrí: Pantone 363

ONE COLOR



- Logo: Pantone 363



- Hoja: Full Color
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Cosecha: Pantone 363
- Dept. Agrí: Pantone 363



- Hoja: Gradient Pantone 363 to White
- 100%: Pantone 390
- Puerto Rico: Pantone 390
- Cosecha: Pantone 363
- Dept. Agrí: Pantone 363



- Logo: Pantone 363



- Logo: Pantone 390



- Logo: 100% White





