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Projects to Enhance the Competitiveness of Puerto Rico Specialty Crops

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Project to Enhance the Competitiveness of Puerto Rico Specialty Crops in Local and International Markets

Project by Project Reports

- Collective Promotion
- Capacity Building through training designed for farmers
- Market Survey
- Third party audits compliance required by major retailers to grant access to their retail channels

COLLECTIVE PROMOTION

Project Summary

The initial purpose of this project was to promote awareness of products among purchasers and consumers, facilitate contact between providers and potential clients of Puerto Rico specialty products, and develop access to retail establishments and present information to promote demand for products. The project has phases addressing different issues.

- International Trade show phase addresses the possibility of sales outside of Puerto Rico by exposing samples, firms, representatives, and information at international places where food industry participants share and learn about availability of products and suppliers.
- Local Trade Shows phase addresses the need to reinforce demand, increase awareness of availability and enhance access to local retail channels, providing contact between suppliers and purchasers but also touching the consumer as well.
- Limited Collective Advertising phase that includes television product integration and printed media advertising to promote brand awareness and loyalty.

Project Approach

The following is a description of the International and Local Trade Shows that were included in this project and the companies or individual firms which participated in the shows:

- **Specialty Coffee Association of America Show (SCAA):** the most important coffee fest in the world, in which we could buy and sell special coffee among sixty (60) other countries coffee producers. There were competitions, seminars and trainings related to coffee topics to improve the quality within the industry.
- **Fancy Food Show:** participation representing PR and in alliance with the “Compañía de Comercio y Exportación”. This is the main commercial world event of special and ethnic food, and represents an opportunity to promote in an international level our agricultural gourmet products
- **Commercial Mission to NY:** commercial mission coordinated with the NY government, in which there were business meetings, a press conference and an agricultural market. All those in order to promote the local agricultural products, identify market niches in order for our farmers to obtain business opportunities.

- **St. Croix Agri Fest:** the event was created by the St. Croix government to promote the agriculture from both their island and the other Caribbean islands, including PR. In the event we could sold our products as well as make business relationships between representatives of the Caribbean islands
- **Feria Internacional del Libro Barcelona, España (Liber 2010):** event worked along with the Ana G. Méndez System University, in which we promoted the PR coffee, developed strategies and business relationships with the Spain government.
- **STAL Montreal, Canadá:** Canada showcase of the north American agrifood business
- **Produce Marketing Summit 2010:** the Summit brought together produce (fruits and vegetable) industry professionals from around the United States and the Globe for four days of industry related discussions, workshops, awards, and exposition displays
- **Fruit Logística:** an annually fresh products trade show
- **Alimentaria 2012:** is one of the most important food and drinks trade shows in the world

Project Abstract

As originally presented this project had the potential of impacting 60 firms involving some 600 farmers and workers by enhancing the competitiveness of the Specialty Crops products they produce. FIDA could not exclude non specialty crop products from its marketing programs and as a result included a mix of eligible and non eligible products in the marketing presentation. Because of this and to ensure that the grant funds were only applied to expenses directly related to eligible products, a set of guidelines were established and followed. For example, initial declaration of firms' eligibility as specialty crop producers (all firms that had a history of participating or potential to participate as exhibitors in future trade shows were listed and divided into eligible specialty crop producers and non eligible specialty crop producers). Another guideline was the use of two brands: "*Cosecha and Crianza*" that in effect segregated the brand between eligible and ineligible products. The eligible specialty crop producers are under the "*Cosecha*" brand.

Lastly, we established project by project expenses that were divided into three sections. The first one was the trade shows, in which case the cost of the exhibitions space, booth arrangement and additional personnel costs was divided into equal parts between the number of participating firms and SCBG funds and FIDA funds would be applied only to pay for the portions of exhibition costs specifically used by specialty crop products. The second one was the web home page in which producers were divided into percentages that are eligible (grant fundable and percentage that are not eligible and grant funds will be used only to pay for percentage of costs attributable to eligible products. And finally, TV and print advertising funds will be used only to pay for advertisements featuring eligible specialty crops. In case of brand advertising, "*Cosecha*" will be used, thus excluding non specialty crops.

Goals and Outcomes Achieved

The Collective promotion goals that were established at the beginning of this Project included participation in 7 international trade shows and 6 local trade shows and professional conventions. This would create a direct impact on 20 individual firms that would participate as exhibitors in local and international trade shows.

As a result of the hard work put into this project we were able to participate in a total of 12 international trade shows and in 9 local trade shows. This created a direct impact on 28 individual firms that participated on international and local trade shows.

In order to promote awareness of products among purchasers and consumers, this project includes a limited collective advertising phase that includes television product integration and printed media advertising to promote brand awareness and loyalty. The issue addressed by advertising is the need to increase public support and provide tools for effective identification of locally specialty products. The “Cosecha 100% de Puerto Rico” brand was created in order to offer a service to the farmers and agribusinesses through a brand that distinguish the origin and promote the program locally and internationally, impacting our agricultural economy. This also would help as a guide for the consumer, in order to identify a quality product, value freshness and health. The main goal was to increase the sales volume of the agricultural products, promote the growth in the agricultural production, increase the opportunities of the agricultural products in the distribution channels and sales points, create awareness on the consumer to consume the “Cosecha 100% de Puerto Rico” products, and impact our agricultural economy.

In order to achieve these goals we worked in a strategic plan with FIDA, Legal Division, Market Inspection, Regional Offices, advertising agencies and alliances with food industry leaders. We developed granting and use policies, program dissemination and recruitment of farmers. We worked on the creative and story board with the advertising agency, and developed the launch of the advertising campaign, the logistic and the media buy. The result was an ad in television, radio and other media (newspaper and magazines), that promoted the identified specialty crops products under the “Cosecha” brand.

Beneficiaries

Through the participation in local and international trade shows, specialty crops agribusinesses, gastronomic artisans, and farmers promoted their products; sold them; were trained, and established business relationships with other local and international farmers. The companies or individual firms that benefited from this project were various, and impacted several beneficiaries among all. The following table includes many of the participating firms that benefited from collective promotion activities during this grant period on the Specialty Crops Block Grant Projects; the local & international trade shows in which they participated, the product promoted and an average of sales (as reported):

Companies/Farmers/Individual Firms	International/Local Event	Product	Sales
Caly Nurseries Tita's Homemade Apiarios Caraballo Café Lucero AF Produce Hacienda Rosannie SANA Products	USVI Agrifest 2011	Horticulture Vinaigrettes (Mango, Cilantro, & Guava) Honey Coffee Fresh Pineapple Tea leaves of various herbs	More than \$25,000 in sales and all companies achieved new clients
Hacienda Santa Clara	SIAL Montreal Canadá 2010	Coffee	
Agroindustrias del Noroeste Martex Farms Sucesión Serrallés Greenpack of PR, Inc Atenas Pinneapple	Produce Marketing Summit 2010	Mango, bananas Mango Vegatables/Fruits Pinneapple	
Martex Farm	Fruit Logística 2011	Mango, bananas	

Lucero Agricultural Corp/Café Lucero Café Custodio Café Aromas del Campo Industrias Cafetaleras Acosta, Corp Hacienda Isabel/JM Land	Specialty Coffee Association of America Show (SCAA) 2011	Specialty Coffee	Sales in approximately 100 quintals per event (between all specialty coffee producers)
Titas Homemade	Fancy Food 2010		Sales in approximately 150,000 or more (between 2009-11)
Lucero Agricultural, Corp/Café Lucero Apiarios Caraballo, Corp.	Fancy Food 2011	Coffee Honey	Sales in approximately 150,000 or more (between 2009-11)
Hidrofarm's Pagan Apiarios Caraballo, Corp. Estancia Rosanie Tita's Home Made AF Produce Custodio Coffee Corp/Café Aromas del Campo Productos SANA	Mission to NY 2011	Cilantro, Sofrito, Sweet Peppa, Recao Honey Variety of citrus, hydroponic tomato Vinaigrettes (Mango, Cilantro, & Guava) Fresh pineapple Fruits and vegetables Coffee Tea, Vegetables	
Café Pomarrosa Hacienda San Pedro Cafémania	Feria Internacional del Libro Barcelona, España (Liber 2010)	Specialty Coffee	Hacienda San Pedro achieved contracts in Spain for approximately 25 quintals
Café Lucero	Alimentaria 2012	Coffee	

Lessons Learned

The participation of the local agribusinesses in all those local and trade shows facilitated the promotion of their products, and as a direct result they improved their sales. Through their participation, they promoted their products and increased the business relationships within the local and the international industry.

Among the positive results achieved during the implementation of the project were the followings, among others: they were provided with business alternatives/strategies and training; they were facilitated with the permitting within the different governmental related agencies for the small business owners and the unemployed persons; they promoted and sold their agricultural products in the local and international market events; they participated in creating sales points for our agricultural products; our local economy was positively impacted; it helped in the sustainability of our local agricultural businesses; they strength business relationships with other local and international farmers and agricultural enterprises, and finally market niches were identified in order for our farmers and agribusinesses could obtain business opportunities.

Some special achievements that resulted from the participation of these farmers and agribusinesses in the local and international trade shows were: during the Specialty Coffee Association of America show (SCAA), all Four (4) local agribusinesses passed through a selection process in which they were evaluated through the rigorous analysis of the coffee product. Their coffee products needed to achieve at least an 84% to classify as special coffee. At the end, all of them achieved an 88%, which was good enough to position those coffee products as one of the best in the world. Also, during the 2011 Fancy Food Show, the local agribusiness “Tita’s Homemade”, exported their products to Paris; while the local agribusiness “Apiarios Caraballo” achieved sales in New York and Orlando.

The local events and shows served as a positive experience, in order to make contacts with supermarket buyers and distributors, and exposed their products. In the negative side, we decided not to participate anymore during 2010-11, since the major supermarket chains were not participating, and we understood that the event was with the purpose of export the products and this never occurred. Regarding international events and shows, all those events allowed us to increase our export capacity, and at the same time we educated the farmer in the exporting processes; business; sales presentations; corporative image; exhibition; contracts, and many other essential tools. All of this in order to promote and develop each business. We will continue to facilitate them in the process so many other farmers could integrate into the international commerce.

Finally, the goals of the project were mostly achieved: increase sales volume of the local agricultural products; promote the growth of the agricultural production; increase the opportunities of the agricultural products within the distribution channels and sales points; create awareness into the consumer in order to consume “*Cosecha 100% de PR*” products, and finally impact positively our agricultural economy.

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CAPACITY BUILDING THROUGH TRAINING FOR FARMERS

Project Summary

The initial purpose of this project was to increase farmer's knowledge in organic agriculture technical aspects, develop a trained organic producer's certification process and a consumer recognized program for labeling organic produce to protect the consumers and at the same time strengthening the niche for local organic products.

Project Abstract

Quality and food safety training enrollment was normally restricted to thirty (30) participants in each group. These participants are individual farmers, operators of small rural businesses and officials of specialty crop production entities who are in contact with producers directly. The indirect impact of the establishment of higher standards for all operators was much greater. The purpose of this project is to transfer technology, in order to upgrade the capacity of farmers and rural businesses' to carry out business at a higher level. One need is that many farm business operators must develop the quality and food service aspects of their operations as well as management aspects to meet higher standards required by retailers. Training has been supported by hands on actual development of written quality and safety procedures tailored for specific businesses. Another need is to increase farmer's opportunity to participate with local specialty crops in the market for organic products. The purposes are: increase farmer's knowledge in organic agriculture technical aspects; developed a trained organic producers' certification process and a consumer recognized program for labeling organic produce to protect the consumers and at the same time strengthen the niche for local organic products.

Project Approach

Quality and food safety training enrollment was normally restricted to thirty (30) participants in each group. These participants are individual farmers, operators of small rural businesses and officials of specialty crop production entities who are in contact with producers directly. The indirect impact of the establishment of higher standards for all operators was much greater. As program progresses, the number of firms impacted will continue to accumulate.

The original organic production proposal states the objective of impacting fifty (50) farmers and technical persons through technical training and certification. Consumers stand to benefit in larger numbers through assurance that a labeled program would provide. Intended beneficiaries are first, farmers who are at present developing their organic production concepts without any formal guidance and some additional farmers and technical persons who express interest. On the other hand, there is a public interest consideration regarding the benefits that will accrue to consumers through reliability of information regarding product characteristics.

Only eligible producers will be stimulated to attend the training seminars. Nonetheless, ineligible ones may also benefit and elect to attend. In such case grant funds will be used only to cover the proportion of expenses dedicated to eligible producers. Eligible producers and representatives of eligible entities will be accounted for as respective percentages of the total attendees for each seminar. Grant funds will be used to pay for the expenses of these.

Summarized activities and tasks

In order to achieve this goal, training modules were created all focusing in food quality. All courses were offered through the island in order to facilitate the attendance of the farmers or agricultural businessmen and processors. They were arranged by group industries in order to facilitate the discussion of the business topics. The selection of the participants was performed by the Regional Offices and the UCAR Program (“Unidades de Calidad y Alto Rendimiento”), in order to fortify the other institutional programs. The purpose of this UCAR program is to increase the agricultural production through an organized process which integrates interdisciplinary resources; provides a mechanism planned for a transition of traditional farmers to agricultural businessmen; to promote in the farmers a knowledge culture and advanced practices; and to coordinate alliances with private sector for an effective canalization of the agricultural products from the farm to the consumer.

We created a promotional and educational campaign which included videos, special reports and written material. We established alliances with the following educational institutions: “Universidad de PR-Mayaguez Campus”;

Goals and Outcomes Achieved

During the grant period of this project “Capacitación Empresarial”, FIDA offered over sixty seven (67) courses and directly impacted almost 2,000 participants.

Several training activities have been carried out under a FIDA contract with the “Instituto de Inocuidad de Alimentos de las Américas”, Science and Technology Food Program from the Universidad de PR-Mayaguez Campus, and with NIS Consulting Services, for specialty crop farmers and processors, through the following module:

The module ‘**Calidad Total Agrícola**’ consists of train the farmers or agricultural businessmen in the development, creation and implementation of quality plans and food safety programs. Several courses were offered, and each one with their respective certifications. The module is offered by the “Instituto de Inocuidad de Alimentos de las Américas”, Science and Technology Food Program from the Universidad de PR-Mayaguez Campus, and by NIS Consulting Services. Those also included topics like: “Buenas Prácticas de Manufactura (GMP’s); “Buenas Prácticas en Agricultura”(GAP’s); “Trazabilidad”; “Distribución y Transporte”; “Gerencia de Calidad”;

In addition to the courses offered and the individuals impacted, the following specialty crop farmers and agricultural businesses-processors and/or firms benefited directly from the implementation of this project through the following activities during the grant period:

“Inspecciones de Inocuidad” (Quality and Food Safety Inspections, arranged by industry): _The following firms were trained and developed the food safety aspects on their operations:

- Fruits: *Cítricos de la Montaña; Bananera Efraín Ortiz; Agricultora Zaida Luciano.*
- Honey: *Apiarios de Borinquen; Apicultor Juan P. Juarbe.*
- Lettuce/Tomatoes (including hydroponics): *Hidrovegetales de PR, Inc.; Organización de Productores Comerciales en Hidropónicos de PR, Inc. (OPCH); Finca Hacienda Monte Alto; Finca Arbola.*
- Fresh products warehouses (which deliver to school’s ‘Comedores Escolares”): *Mercadeo San Sebastián ASDA; Mercadeo Cayey ASDA; Mercadeo San Germán ASDA; Mercadeo Patillas ASDA; Mercadeo Naranjito ASDA; Mercadeo Ciales ASDA; Mercadeo Santa Isabel ASDA*

- “Sofrito”, garlic, species: *Sofrito Doña Yiya; Sofrito del Agro; Finca Luz N. Villafañe*
- Plantains: *Núcleo de Farináceos de Naranjito; Núcleo de Farináceos de Yabucoa*
- Mushrooms: *Setas de PR; Carlos Colón*
- Fruit juice: *Procesadora de Jugos Agro. Raúl Toledo*
- Desserts/typical candies/cakes (derivates from fruits) : *Antojitos de Mangó; Herencia Borincana; D’Manolo Yogurt; A la Postre; Dulces El Casero; Delicias Gina*
- Butter/mermelades (derivates from fruits): *Mi Deleite; Mermeladas El Casero*
- Medicinal plants: *Herboristería Loma Linda*

The following were the Seminars offered on Quality and Food Safety:

- “Inocuidad de Alimentos
- “Curso de Manejo de Alimentos” (Certification from NRFSP): 23 participants from “La Placita de Plaza”, WIC Program & others)
- “Buenas Prácticas Agrícolas” (GAP): May 14 & 15, 2012 (32 participants); October 4 & 5, 2012 (25 participants);
- “Buenas Prácticas en Agricultura - Buenas Prácticas de Manufactura “ (GMP): October 18 & 19, 2012 (28 participants)
- “Desarrollo e Implementación de un Sistema de Inocuidad y Calidad: Sistemas de Calidad-Implantando Sistemas de Gerencia de Calidad”: November 15 & 16, 2012 (24 participants);
- “Defensa de los Alimentos “: November 29, 2012 (25 participants)
- “Trazabilidad en la Industria de Alimentos”: November 29, 2012 (25 participants)

Beneficiaries

A total of 34 firms benefited from the courses and seminars. A total of 182 participants from the various firms attended the courses and seminars offered. They were trained and developed the food safety aspects on their operations, in order to meet higher standards required by retailers. In such way, they upgraded their capacity to carry out their business at a higher level, increasing the producer’s competence, resulting in enhancing the competitiveness of local specialty crops.

The need to increase farmer’s opportunities to participate with local specialty crops in the market for organic products, we increased their knowledge in organic agricultural technical aspects. We developed a training in organic producer’s certification process and a consumer recognized program for labeling organic produce, in order to protect the consumers and at the same time strengthen the niche for organic local products.

Organic Agriculture Capacity Building activities have proceeded at a much slower rate than FIDA has anticipated. Funding from an alternative AMS PROGRAM (Organic Certification Cost-Sharing) has provided funds to cover partially certification costs to those interested. At this moment we have 2 farms at the University of Puerto Rico: one at Gurabo who conduct investigation on compost on Cacao, Plantains, Cow Peas, and other tropical crops, and in Lajas Station we have Dr. Bryan Brunner working on sweet corn variety’s, lettuce, and other tropical crops on organic production, the investigation with the University of Iowa and one master degree student. Only five (5) firms were certified as organics. **Productos SANA** and **Finca Orgánica Mi Casa**, were certified and later recertified; also, the **University of Puerto Rico, Experimental Agricultural Stations** of **Lajas** and **Gurabo**, were certified and recertified. Finally the firm “**Perfumes y Escencias**” was certified with organic products.

During the past year and a half FIDA has supported this type of activities that are occurring with other sponsorships such as Agricultural Extension Service, Agricultural Experimental Stations of the University of Puerto Rico and NRCS. Quality Certification Services were signed on contracts, to undertake training schedule under the Organic Agriculture allotment. The aim was to train farmers and Agriculture Department agronomists and thus prepared them to continue work or to be certified in this area as Certified Organic Farm Inspectors.

Also regarding the organic production proposal through technical training and certification, FIDA signed a contract with "**Centro de Microempresas y Tecnologías Agrícolas Sustentables de Yauco**". This is an organized corporation that its mission is to create, form and maintain agricultural micro businessmen, through training and offering educational services in the sustainable agricultural area for the development of the agricultural industry in rural sectors of Yauco, PR.

To achieve the goal, they rented a farm to be used by the participants of the "Escuela del Centro", in order to developed the first properties as Organic Certificates (NOP). Also, another contract was signed with Florida Certified Organic Growers & Consumers (FOG). FOG is a nonprofit corporation that offered training sessions related to the organic certification.

A total of 148 farmers and agronomists benefited from the following training sessions:

- "**Composta Orgánica**": May 10, 2012
- "**Certificación en Agricultura Orgánica**": February 6-9, 2012
- "**Certificación, Conservación y el Café Orgánico**": October 14, 2011
- "**Manejo Orgánico de Plagas en Cafetales**": October 28, 2011
- "**Ganadería Orgánica**": February 7-10, 2011

Regarding the volume of products marketed by the firms, only SANA Products has informed an increase of approximately 80% in their sales. Attached promotional material of SANA Products in local magazine and others. Finally, related to the artwork and samples for labeled packaging, and the packaged labeled product presented in 10 market channels, the "Cosecha 100% Organic" seal was not created. Unfortunately, since there was no production in a continuous way due that the certified farmers were small farmers and their production did not fulfill the parameters for use of the seal.

Lessons Learned

The area 'Calidad e Inocuidad de Alimentos' (Quality and Food Safety) was implemented as a result of the needs founded when processing plants and farms, in which food products are managed, were inspected. We started to integrate food safety practices when personnel from the Quality Assurance (QA) visited those processing plants, in order for the farmers and agriculture businessmen to participate in the market fairs that FIDA used to promote their products. This impacted positively the farmers, whom implemented better food safety practices in their farms and processing plants, and integrated quality high standards. As a result, they upgraded their capacity to carry out business at higher level; increasing their competitiveness and also increasing their opportunity to participate with local specialty crops in the market for organic products in fairs and trade shows. This also strengthens the niche for local fresh and organic products.

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MARKET SURVEY

Project Summary

The initial purpose of this project was to obtain a professionally executed appraisal of consumer attitudes and preferences as related to purchase decision-making in product lines in which local specialty crops are competitors. This knowledge was a tool used to guide the decisions made in reference to product and firm selection, production priorities, funds allocation, communications strategy and other market-related issues.

Project Abstract

Measures were made for each product in the level of support that exists for local product, capacity of consumers to recognize local origin of alternative presented, decision criteria related to final purchase by consumer, effectiveness of existing brand communication, desirability of adding and promoting a quality labeling symbol. Niche opportunities were assessed, such as, demand for organic produce (by type of product), high-end quality coffee consumers, ethnic preparations.

Goals and Outcomes Achieved

The Puerto Rico Department of Agriculture designed a market survey in which the closed questions referred solely to specialty crop products. After completing the survey, results can be analyzed and grant funds applied proportionately to the amount of information gathered that applies exclusively to specialty crops.

In order to pursue evaluation of the effectiveness and results of the advertising campaign "*Cosecha 100% de Puerto Rico*", and with the collaboration of the "*Colegio de Ciencias Agrícolas*" (Agricultural Sciences Department) from the University of PR Mayaguez Campus, we worked on a study called "*Perfil de los Agroempresarios de PR y sus Agroempresas*" (Farmers/Agricultural Businessmen and their Agricultural Businesses' Profile). The project was implemented and the questionnaires were given to the farmers through the island. The purpose was to obtain a professionally executed appraisal of consumer attitudes and preferences as related to purchase decision-making in product lines in which local specialty crops are competitors. This knowledge would be a tool to guide decisions later to be made in reference to products under the "*Cosecha 100% de Puerto Rico*" brand.

This project was designed which closed questions that referred solely to specialty crops products. After both surveys were completed, results were analyzed and grant funds applied proportionately to the amount of information gathered that applied exclusively to specialty crops. In such case, state match funds were used to cover the ineligible producers which participated in the surveys.

A sample of three hundred and ninety (390) farms were included in the study. Some facts are: farms are distributed among sixty seven (67) of the PR municipalities. Percent of small farms in comparison to the 2007 census decrease. The average size of the farms under the study is 52.42. Farms evaluated by unit are mostly owned, while if evaluated by size (amount of acres) most of them were rented. Most of the owned or rented farms had not an irrigation system.

Data reflected that the farmers rented their farms to private enterprises. In the study there was a representation of thirty six (36) agricultural crop enterprises, and nine (9) livestock enterprises. A total of six hundred and ninety(690) farmers, representing the following agricultural sectors were included in the study: vegetables, horticulture/grass; aromatic plants, hay, livestock enterprises, coffee, roots and tubercles fruits, and plantains/banana. The study indicates that the agricultural businessmen acquire their supplies from different sources. They produce the seeds in their farms, or buy them from other farmers. The marketing channels most utilized by the farmers under the study was from distributors and wholesalers, followed by intermediaries and independent sale posts. The coffee and milk producers sell their products to the elaboration plants. Very few sell directly to the consumers.

The sales to other farmers is mostly on meat, milk and some plantain producers that sell their seeds to other farmers. Only twenty three (23) farmers (8%) reported having their own brand for their products. Less than 14% of the farmers reported that the buyers coming to their farms cultivated or packed their products. This behavior was mostly in the plantain enterprise. If the products are sell out of the farms, the principal way of transportation is a van or truck. Only two farmers who export their products indicated that utilizes the maritime service as a way for their products to reach their destiny.

The agricultural enterprises are mostly composed of men (83%). Most of the women work with any remuneration, especially during the harvest time. Marketing labor was performed by part time employees, while administrative functions were performed by full time non remunerated employees. Only 11% of the participant farmers in the study expressed that their spouses works in the farms with any remuneration. More than 75% of the farmers paid the workers insurance. More than 50% paid their social security and the unemployment insurance. Medical insurance and public responsibility insurance are considered by them as marginal benefits for the workers. As of resulted from the study, the farmer's descriptive data which includes demographical and administrative profile, has the following characteristics:

- Masculine 89% and femenine 11%; Average age 52 years; Civil status 80% married; Average of high school obtained; Farm owners 86%; Bonafide farmer 65%; 77% of farmers usually have any kind of register; 61.3% of owners performs the register while 15.2% are their spouses; Most used method of register, 74% notepad; 79.25 registered sales, while 76.3% registers production; 39% indicated having a business plan; 46.4% indicated having take an entrepreneurial course; 47.7% have pc; 33.6% uses the pc for their agricultural business; 43% of farmers has no previous experience in pc; 53% demonstrated weakness in Excel, while 51% in Word, and 75.5% affirmed to have taken courses on plaguicides and control of plagues in "Servicio Extensión Agrícola" (Agricultural Extension Service)

Regarding production problems, farmers expressed the following; 73.8% mentioned plagues (and the need or availability of pesticide); 66.8% of the agricultural supplies are imported, increasing their costs; electricity and energy costs increase; food cost for animals and rentals increase; high unemployment rate; criminality; lack of workers, specially on the coffee industry. By the other hand, they expressed marketing problems. One of the most important problems for the 53.7% of the farmers is the low price of their products, due to the consumers control and by the price competition normally by the imported products. Another problem is the 42.3% of import products, since them substitute the local products, decreasing their prices. As a result, the farmers have low sales; their inventories increase; lost their products; farmer lost his inversion, and finally because of financial problems, ended losing their farms. Having no buyers, because they choose to buy another product, is an issue for the 32.9% of them. The market loss is due to the consumers who choose to buy imported products, because they are of less cost.

The marketing is another problem mentioned by the 27.1% of farmers: the competitiveness, price problems and difficult access to the markets. Quality and varieties of products are adequate, but our local product has a disadvantage: the high price. A recommendation is to have a study about this issue. In previous studies it was found that only 10% of the consumers could switch from one product to another (for quality or price). Import products remains and extreme issue for the 20.8% of the participant farmers. Another critic they mentioned is lack of support from the Department of Agriculture and the government. 24.6% mentioned that government does not assist them, or that the policies are directed to other groups. Actually, 10% perceives that the agriculture is not important for the government, and that same usually discriminates by regions and that elected officers demonstrate incapacity to perform their duties. As a general conclusion, the situation regarding high supplies costs and its availability, attached to the lack of workers result in both limiting an adequate production which is a serious problem that has to be analyzed. The supply variable is related to the alimentary security, and in our island this is a real disadvantage, especially food for animals, agricultural chemicals, pesticides and fertilizers, among others.

The second part of the study was based on farmers' comments. Major critics to the Department of Agriculture and the importance of the agriculture for the consumers were addressed, as well as for the government and the agricultural policy implemented. Problems with incentives, marketing and imported products are also mentioned as major problems.

Recommendations:

- Agricultural business force should be renovated; need to attract youth with business skills, both genders,, to which present the agriculture as a business from which they could make a living and serve PR.
- Give professional support, from the technical-agricultural business point of view, to the farmers. This support could be directed in accordance with their knowledge level. We see a lot of professionals entering into the agriculture, which are in need of advanced , sophisticated, elaborated trainings; and other clients that needs basic things.
- Keep agricultural business training and mentorship policy. Need to have trained personnel in areas such as agricultural marketing, finances, use of PC's and other related technologies.
- Revised strategies, assistance and support policies to farmers; what they really need; how they are affected in their production, efficiency level and competitiveness.
- Revise incentive policies according to the current problems of local and external markets. The incentives looks to decrease their production costs, incentivize the production and make the product more competitive.
- Suggest and train in the use or records and pc's as decisional and working tools.
- Find strategies in order to minimize the effects of the imported products against our local agricultural production. Factors like origin, freshness, quality, agriculture assistance, our products, food and safety factors; among other competitive themes.
- Suggest the efficiency in production by farm, as a competitiveness strategy. Technologies, seeds, post harvest management, among others.
- Look for alternate markets for our local and external products. Create spaces for the local products within the mega stores, facilitate farm markets, and organic markets.
- Perform an organizational study of the agricultural sector (amount of farms), to supply the local offer and estimates of excess/surplus for exportation and elaboration. Lands necessary for product, water resource; localization, among others. This is part of the alimentary security.
- Perform an investigation regarding size economies, by type of enterprise; determine the minimum size viable.
- Evaluate the loans policy for the farmers, so it could be accessible and less difficult.
- Make a study with farmers' focal groups, regarding their marketing, production, competitiveness and assistance problems, in order to find possible solutions.
- Evaluate the consumer preferences: what they look...as objectives market and needs not answered.
- Evaluate personnel who provides services to the farmers, train the most affirmative, available, conscious personnel and give technical support, seminars and direct mentorship.

After that, another survey was performed in order to make a study about “Perfil de Consumidor” (Consumer Profile). This study had the purpose of measuring the consumer’s preferences. A contract for this study was signed with Research and Research (R&R). In addition to make the market studies related to the consumer profile, they evaluated the logos or icons of the fresh products in Puerto Rico. The purpose is to create an effective campaign for the Puerto Rican agricultural products. R&R developed the agenda of the topics and recruited the participants of the focal groups. Finally, they presented the most important findings and submitted the data.

The study has the following objectives:

- Examine home’s consuming habits of fresh product in PR
- Determine the amount of average spending in the principal purchase of food and amount of fresh products
- Look at the advantages and disadvantages of fresh versus frozen products
- Identify advantages and disadvantages of national origin versus imported fresh products
- Importance that the consumers give to the country origin of the fresh products
- Measure the importance of a warranty seal of PR fresh products

The methodology sample utilized for the study was among 801 telephone interviews at the national level, between people who are the principal purchasers of food in their homes. The representative interviews are by purchasers gender and age groups; geographical regions and socioeconomic levels (margin in error of the sample $\pm 3.5\%$). The reference period of the study is March 2010. First part of the study makes reference to the consume of fresh products at homes; some facts are that in 9 out of 10 homes consume fresh meat at least once a week. Also, $\frac{3}{4}$ parts are frozen meat; poultry meats (fresh or frozen) are of major consume, and finally that the weekly consume of vegetables and fresh farinaceous average 80%, while fruits average 70%. It was observed a decrease in the frequency of purchase of fresh meat and fish during the last year. A 30% of homes increase the purchase of poultry fresh meat, and vegetables, farinaceous and other vegetable for condiments experiences an increase in frequency of purchase at homes.

Another fact is that in the 14% of homes, is the men who are in charge of the principal food purchase, while the other 86% are the woman. The average age of the principal purchaser is 47 years. This principal food purchase is performed in an average of 1.8 times in a monthly basis. They dedicate 32 hours during the year visiting the supermarkets. A 73% ($\frac{3}{4}$ parts) performed the principal food purchase in chain supermarkets. The average cost of the principal food purchase in families is \$173, from which \$75 are for fresh products (excluding eggs, milk and coffee). From that, it is estimated that half the cost is destined to fresh meats (\$37). Regarding the perception of the estimate cost in each principal fresh food purchase (as of origin country), more than $\frac{1}{3}$ (35%) are products from PR, representing about \$28.

Perceptions regarding fresh and frozen products: the principal advantage associated with fresh products are its nutritional properties, as per the 54% opinion. The disadvantage as per the 36% opinions: immediately get rotten, and loss of flavor. The plus of the frozen products is its durability, as per opinion of the 43%, while the disadvantages are the flavor and the nutritional value., as per 23% and 16% opinion.

The perception about fresh products are that they got rapidly into the supermarkets and its flavor quality (46%); prices and less variety are principal weaknesses of fresh products versus the imported. Consumers interviewed consider that having knowledge of the origin country of products gives them major confidence.

A 63% also favor products from some countries; while 50% perceives sanitary problems and lack of quality control in some countries, and seven (7) out of ten (10) perceives that fresh products from PR are of best quality versus those of US (68%), Caribbean countries, Central America and others (72%) Among the factors that affected the decision in the final election of fresh products at the moment of purchase, quality is predominant. By the other hand, price is the predominant factor between frozen products.

Another fact is that 8 out of 10 utilizes specials shoppers as the main reference for their principal food purchase. For most of the consumers, the purchase of vegetables, farinaceous, fresh fruits, and poultry and white meat is a planned purchase, in which they decide at home before get into the supermarkets. When purchasing red meats, it was observed that in a combination of a planned or impulsive purchase, almost half decides at the establishment once they have seen the cuts.

In 4 out of 10 homes which purchase fresh meats used to frozen them, in order to consume them days later (40-47%). Same behavior is observed when purchasing fresh vegetables (45-47%). The opinion regarding the importance of a warranty seal in fresh products in PR is 79% very important. This is mainly because quality warranty (44%) and 27% confidence, among other reasons. The conclusion is simple: majority of consumers prefer products of PR versus other countries. 68% preferred red meats; 82% poultry meat; 75% white meat; 55% fish all from PR . In the case of vegetables and other fresh local PR products, an 89% preferred local farinaceous; 80% local vegetables; 89% local milk and 86% local coffee. There is a 10% that are willing to pay more in a local fresh product versus an imported. The price to be paid in a fresh product in comparison to the imported has an hypothetical value of \$4.00.

COPY OF STUDIES WILL BE ATTACHED SEPARATELY

Beneficiaries

A sample of three hundred and ninety (390) farms were included in the “Perfil del Agricultor” (Farmers/Agricultural Businessmen Profile) study. In the study there was a representation of thirty six (36) agricultural enterprises, and nine (9) pecuary (livestock) enterprises. A total of six hundred and ninety (690) farmers, representing the following agricultural sectors were included in the study: vegetables, horticulture/grass; aromatic plants, hay, pecuary enterprises, coffee, roots and tubercles fruits, and plantains/banana.

Regarding the “Perfil del Consumidor” study (Consumers Profile), sample utilized for the study was among 801 telephone interviews at the national level, between people who are the principal purchasers of food in their homes. The representative interviews are by purchaser’s gender and age groups; geographical regions and socioeconomic levels

The results of both studies reflected some important data that helps us determine the way both farmers and consumers could beneficiated. Results from the first study (Famers/Agricultural Businessmen Profile) gave us some indications about what they specifically need to improve in their businesses, and to enhance the competitiveness. (Please make reference to the Recommendations section). Establishing those recommendations we could assist the farmers, and they will beneficiate.

Regarding the other study (Consumers Profile), the resulting data reflected the preference of consumers in local fresh product. In such way, local producers resulted favored by the local public, and thus help and encourage them to introduce their products in the market chain and the importance of having a local brand that distinguish our local fresh products.

Lessons Learned

With the Farmers/Agricultural Businessmen Profile study, we could learned mostly about: the main characteristics that our farmers/agricultural businessmen has; we learned that we have to revised strategies; the need of give more assistance and support to the farmers; the need of implement stronger policies regarding the farmers/agricultural businessmen; learned about what they really need; learned about how they are affected in their production, efficiency level and competitiveness. Regarding the Consumers Profile, we also learned mainly about the preferences the consumers have when performing their principal food purchase; we could learned about their preferences in our local fresh products, versus imported frozen products, and the importance of having a local brand that distinguish our local fresh products.

Unexpected outcomes: Unfortunately, this project could not be completed as planned. FIDA had problems with contract approval of our advertising agency (Creative Link). This was mainly due to process during election year. We have planned the marketing survey and/or focal groups to measure the effectiveness of the advertising campaign "*100% Cosecha de Puerto Rico*". The advertising agency contract was approved on August 10, 2012, not enough time to accomplish completely our plan. For this reason, the funds to comply with this project were requested to be relocated, through an amendment to the Budget Agreement.

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