



FEASIBILITY STUDY FOR AGRICULTURAL DEVELOPMENT PROJECTS

Terms of Reference

THE AGRICULTURAL DEVELOPMENT PROJECTS AIM TO DEVELOP MEDIUM TO LARGE SCALE VALUE-ADDED AGRICULTURE PROJECTS. THE PRIMARY GOAL IS TO ADDRESS IMPORT-SUBSTITUTION BY INCREASING AGRICULTURAL PRODUCTION, EXPORT DIVERSIFICATION AND JOB CREATION, IN THE ECONOMY.

THE EOI SHOULD CONCEPTUALIZE IN SUMMARY, THE DEVELOPMENT, EXECUTION AND DELIVERY OF AGRICULTURE LAND TO INTERESTED INVESTORS.

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Feasibility Study for Agricultural Development Projects

Terms of Reference - Developing Proposal for Agricultural Development Projects

Go-Invest invites qualified and competent applicants to develop and submit Proposals for Developing Agricultural Development Projects to promote Agricultural Investment in Guyana.

The intent is to develop medium to large scale agriculture and value-added development projects to address Import-Substitution, Export Diversification and Job Creation in the economy. It will take into consideration the Government's policy and strategy for agriculture sector development, food sustainability, etc.

The proposals will address elements for conceptualizing, developing, executing and delivering land with optional ideas for projects to interested Investors.

1. Literature Review

For much of the period from independence in the 1960's until the late 1980's, Guyana pursued a series of inward looking policies where the State was deeply involved and exercised firm control of most areas of the economy including the agricultural sector. Tight controls were in place with respect to imports, foreign exchange and private sector activities.

In 1996 and in response to the WTO, the Government of Guyana outlined the National Development Strategy (NDS). The policy objectives articulated were aimed at the transformation of the agricultural sector to increase its productivity, output, production and competitiveness.

With reference to the non-traditional agricultural sub-sector, the strategy was to give greater attention to research and development as relates to agronomic practices, water management and germplasm, farming systems and mechanization. Marketing with an emphasis on market information, advisory services, market facilitation, postharvest technology and agro-processing, and the establishment of rural development centres and cooperatives were also included.

The specific strategies proposed for the non-traditional sector were as follows:

- (i) **R&D** on selected commodities on geographic delineated zones;
- (ii) **Farming systems** research including farm mechanization;
- (iii) **The National Science Research Council (NCRS)** to be resuscitated;
- (iv) Farmers and private sector to be involved in setting the **research agenda**;
- (v) **Extension Services** - Establish computerized information system;
- (vi) **Marketing** - An advisory services agency to be established to provide marketing intelligence (including market opportunities) to farmers on a timely basis;
- (vii) **Rural Development** - The establishment of rural development centres and agricultural cooperatives;
- (viii) **Education and training** - Agriculture to be re-introduced into the primary school curriculum, the FTC to promote awareness of technological advances to farmers and training in postharvest technology;
- (ix) **Water Management** - Water management, the control of weeds, pests and diseases, fertilizer application and soil fertility, land preparation, planting methods, harvesting, and crop suitability for various ecological and climatic zones to be specifically considered;
- (x) **Germplasm supply** - the aim was to achieve self-sufficiency in germplasm supply; and
- (xi) **Livestock** - the establishment of a National Livestock Development Agency and the production of alternative energy feeds (low quality rice, corn, sorghum, or cassava to be utilized)

The agricultural land policy initiatives outlined in the national development strategy focused on the following: (i) Issues related to ownership and title; (ii) Improvements in efficiency of land use; (iii) Increasing access to agricultural lands for production and expansion; and (iv) Improvements in transparency and distribution of the allocation process.

Commodity-Specific Policies: At the commodity specific level, sugar and rice, the two most important commodities for the country, the industries had formulated their own set of policy measures/instruments to address the challenges of the increased competition arising from the erosion of preferences in the EU market. The proposals for both commodities comprehensively addressed issues that were considered key in enhancing and sustaining productivity and efficiency, leading to greater international competitiveness. For the non-traditional sub-sector, generally the strategies proposed included greater attention to R&D, agronomic practices, water management, germplasm, farming systems, mechanization and marketing (emphasis on market information). They also included advisory services, market facilitation, postharvest technology and agro processing and the establishment of rural development centres and cooperatives.

The current approach of development projects

The Guyana economy is still heavily dependent on the primary agricultural sector. Rice and sugar remain the two most important agricultural commodities in Guyana on the basis of their respective contributions to agricultural exports, earnings, farm incomes employment and food security.

In an effort to meet the challenges of competition as a result of liberalization of markets and the erosion of preferences, the government has been attempting to remedy the situation by seeking to improve productivity and efficiency in the traditional export crops while promoting non-traditional crops.

Guyana also produces a range of domestic food crops as well as livestock, some of which are exported while the major part is utilized for domestic food consumption. The livestock sub-sector includes dairy and beef cattle, swine, sheep, goats and rabbits. The fishery sub-sector is reasonably well developed and is exploited by both Guyanese fishers as well as multinationals. Exports from this sub-sector are considered substantial. Food crop production includes a variety of root crops (cassava, eddoes, and sweet potato), plantain, cowpeas as well as vegetables. Fruit crops such as citrus, pineapples, mangoes, papaya and carambola are also grown.

Production technologies are mostly traditional and productivity is generally below optimum levels. Small farms with low levels of technology, low volumes of output and high production costs exist side by side with modern commercial farms more appropriately structured and equipped to become competitive. Although mechanization is widespread in sugar and rice, some agricultural sub-sectors are labour-intensive. With respect to agro-processing, this industry is relatively underdeveloped. There is scope for significant entrepreneurial activity here given the wide range of agricultural raw material that the country is capable of producing. However, the realization of this potential requires a serious research and development thrust.

The proposed agriculture development projects should be viewed as tools for implementing solid and carefully planned programs and initiatives aimed at improving coordination and providing the platform for improving agri skills and knowledge, encourage the engagement of local farmers and sustainable financing.

2. Terms of Reference:

Land and Land Development Infrastructure

- a. Research and Identify a suitable vacant lands ranging between 10,000 to 15,000 acres in size, for establishing an estimated 5 projects. The location should allow for a least-cost development of suitable drainage and irrigation infrastructure, access to markets, and water resource,, yields or profitability;

- b. Develop a Bill of Quantities for the land development and construction works and any other infrastructure deemed necessary for the successful operation of the Agricultural activity. (This information will be used to validate assumptions of profitability and return);
- c. Develop Maps of the Locations showing amongst others: - the Farms layout including field sizes with defined boundaries, drainage and irrigation canals and embankments, access roads, access to viable fresh water resource, source for drainage, topography of the Location, Geo-referenced soils investigation and analysis for crop types, creating a soils map from data gathered above, superimpose same on site location map and Identify the closest bench-mark to the location as recognized by the Guyana Lands & Surveys Commission; and
- d. Provide viable designs for all agricultural land development and infrastructural work including bush clearing, primary and secondary structures for water control and management, Drainage and Irrigation Canals and their Embankments, Farm Beds and Inter Bed Drains, Tillage, and a Fair Weather Access Road(capped with crusher-run) compile infrastructure data (access to land, roads, proximity to other required infrastructure such as ports, markets, etc.);

3. Agronomy

Identify at least Five Optional Crops and their Value-Added Elements, best suited for the lands. Research their market potential locally and for export, make known all Bilateral and International Agreements signed between the Government of Guyana and other Countries or Economic Blocks;

4. Meterological Considerations

Compile:

- **technical data** (on soil (type, PH, content, moisture retention properties, vegetation pattern, crop suitability , seasonality,
- **meteorological data** (temperature, rainfall, humidity, sunlight hours per day for location, chill hours per day, etc. to consider the locations' climate scenario and therefore structure development plans to prevent lack of sustainability and project failures); and
- **availability of inputs** (proximity to workforce, technical ability of available workforce, data on labor rates for the sector, etc.) for each location.

5. Soil and water analysis

- a. Execute a soils analysis and profiling for determining crops, aquaculture or livestock suitable for the location, providing a geo-referenced position for each of the soils samples taken at an estimated 50 – 100 acres grid intervals and make recommendations for the different crops to be grown in the area.
 - b. Estimate the total production potential per annum for each of the crops and their value-added components as identified above.
 - c. Execute water analysis for available water sources.
6. Conceptualize designs for crop and/or livestock development projects for lands and compute the financial and economic cost benefit analysis for each;

7. Environmental factors and considerations

- a. Provide guidance on environmental requirements and considerations for the identified lands.
 - b. Compile and provide demographic data for each location (labour, security, availability agricultural institutions and support services, supply chain essentials and others deemed necessary);
8. Compile current market and farm-gate prices for the crop produced by each farm;

9. Identify and provide optional development cost for value-added components (i.e processing Facilities) for each of the crops identified, including procurement, Buildings for housing same, etc.;
10. Compute and compile Crop Conversion Ratio to Value-Added Product for each of the Crops Identified (Input:Output);
11. Provide details on certification standards for the different crops recommended and their standards requirements for potential markets;
12. Identify and advise on procedures to conduct monitoring & compliance;
13. Identify and quantify macroeconomic benefits to the Guyanese economy at a general level;
14. Identify and compile any other information for the benefit of this Project; and
15. Share with GO-Invest all requested information in hard and soft copy.

Summary of required contents of the Expressions of Interest

As an indicator, EOIs submitted must contain:

- A Conceptual Design Proposal for the Agricultural Development Projects
- Background information demonstrating that they are qualified to perform the required services, detailed description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.
- Background information of the interested company or participants of the consortium, including identifying the structure of relationships and provision of proof of business registration, incorporation, etc.

All interested parties should review the TOR document to ensure that ALL requirements are complied with.