CATCO'S EXPERIENCE IN EXPORT AGRICULTURE - STRATEGIES FOR THE FUTURE

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SUMMARY

The Caribbean Agricultural Trading Company (CATCO) was established in 1982 as a subsidiary of the Caribbean Food Corporation (51%) and the Private Sector (49%).

The Company traded initially in intra-regional produce and input supplies with disastrous results. Management has been provided under three contracts from 1982 to March 1990. Local personnel are now in direct control of the Company. After attempting to trade in winter vegetables for two seasons the company stressed extra regional trade of non-traditional crops primarily to the ethnic niche markets in the United Kingdom and Continental Europe and to a lesser extent in North America. Efforts will be made to expand the small market base which has been established in North America. Volumes and value of trade have increased by over 60% per year from 1986 except in 1989/1990, when the ravages of Hurricane Hugo and a shortage of working capital prevented the company from reaching its targets. A new injection of funds and cooperative programmes with the Governments of individual member states should provide sufficient finance and produce to increase trading by the historical 60% in the short term. Whilst many problems have been solved and difficulties overcome, the company must still conquer many constraints. It is anticipated that CATCO will cover its cost of operations by 1991/1992.

INTRODUCTION

The Caribbean Agricultural Trading Company (CATCO) was established in 1982 as a subsidiary of the Caribbean Food Corporation (CFC) (51%) and the Private Sector (49%). The Company was established as a direct result of a feasibility study funded by USAID which indicated (contrary to previous projections) that such an organisation would rapidly become profitable by trading agricultural produce between Caribbean territories and particularly by selling inputs to the agricultural sector. It was estimated that gross sales of TT$38.6 million and a net profit TT$5.7 million would be realised within 4 years. Because of these highly profitable projections USAID provided funds which were less than 10% grant and the balance as a commercial loan, with a very short grace period on capital repayment and interest charges starting at 4% and rapidly increasing to 11% per annum. Grace Kennedy of Jamaica was chosen as the first Project Manager and the company's headquarters was set up in Barbados.

TRADING RESULTS

CATCO began its marketing activities in the Southern Caribbean from Antigua through to Guyana. The Company soon realised that reality was different from the expert opinion of the consultants.

There was no way in which CATCO could compete with specialised commercial firms established in most territories to supply inputs to their individual territories. CATCO was operating with a sales staff of two in Barbados and were competing with firms in Barbados, Trinidad and, to a lesser extent the OECS territories, which had qualified staff resident in their territory and were fully satisfying the needs of the sector from their local stocks. CATCO could only offer direct shipments of commodities to their customers on a CIF, cash against documents basis and at prices that were not low enough to justify the customer's expenditure of time, effort and money. CATCO could not persuade them to move from their established suppliers.

CATCO also found that their high overheads, limited staff, lack of market presence etc. made it impossible for them to compete with the very efficient hucksters even though the hucksters did not always supply the best quality produce and their methods of handling, quality etc., was generally poor.

CATCO lost most of its original capital within the first three years of its operation and achieved very little.

In 1984 the management functions were passed from Grace Kennedy to a Regional Consulting Firm - Systems Limited - who supervised operations until 1985. Basically the same strategies, except the introduction of an export programme of winter vegetables, were followed. The results were equally disappointing.

By 1985, CATCO was in crisis. It had used a large part of the loan which it had received from USAID. It was incurring considerable losses each year and its volumes were low and stagnant. Yet the company had to continue trading to maintain its access to the USAID loan. The Board of CATCO decided to abandon the advice of the USAID consultants, to shift the emphasis from intra-regional to extra-regional trade of fresh produce and to temporarily de-emphasise sales of inputs. Negotiations were begun to modify the terms and conditions of the USAID loan.

The European Economic Community funded and provided a new management consulting firm - Fintrac Limited which had considerable trading experience and also provided a concessionary loan for trading. CATCO then embarked on developing export trade in non-traditional crops with little emphasis on traditional winter vegetables and inputs.

The United Kingdom and Continental Europe were chosen as target markets primarily because the prices in these markets were higher than the North American market, there were fewer plant quarantine restrictions and the Caribbean had equal opportunity and relatively competitive freight rates with any other country in the world to send chosen products to the market by air cargo on passenger aircraft. In the North American market, apart from fewer quarantine restrictions, Central American countries have a considerable transport advantage, for they truck their produce directly to their buyers. Northern Caribbean islands, such as, Haiti, The Dominican Republic and Jamaica also enjoy very affordable air freight rates and very short transit times. We in the Southern Caribbean need to fly our produce at much higher cost to the North American Markets or need to use vessels which sail directly from the port of loading to the port of unloading to minimise costs. Such direct sea transport was not and still is not readily available.

Initially, there was a considerable amount of insular resistance to the concept of utilising one marketing company for the entire region. Indeed, in many territories these feelings still linger, but gradually CATCO seems to be minimising this constraint.

The primary problem which faced CATCO at the start of its export operations was the unavailability of produce of acceptable quality. Even when produce was available, it was difficult to convince the average farmer that he could only sell his top quality production to CATCO and that the not so perfect produce would have to be disposed of by other means. Our farmers throughout their lives have been able to market locally almost anything that they produce regardless of quality.

Consequently, it was necessary to convince them that it would be better to accept a lower price throughout the crop than the seasonal high prices which prevail for short periods and for low volumes in their individual markets. They had to be convinced that they could produce much more volume, be certain of a market, accept lower unit prices, but earn more total income, because of the increased volume produced. It was necessary to teach farmers that they had to handle their produce with care, that they had to harvest in the early morning when it was relatively cool, transport it immediately to covered areas, grade, wash, pack, etc., and deliver that produce to the airport, normally for afternoon shipments to the European market. It was possible to have produce delivered to United Kingdom within 24 to 30 hours of it's being harvested. The produce arrived in a fresh condition and once quality standards were maintained buyers were readily found.

In the early days CATCO handled a wide range of products and in fact had to learn new techniques with each product they sold.

Nobody had ever shipped most of the items to the export market. Other knowledge, such as the optimum way of handling, packing, storing, etc., various produce was also unknown. What was the correct temperature to hold breadfruit? What sort of boxes should be used for shipping soursop? How many fruits should go into an eggplant box? How many boxes of pepper should be placed on a pallet? What was the best box to use? CATCO was on virgin ground and every single step of the way had to be discovered. This was all development

TABLE 1: TRADING RESULTS 1983 to 1985 (TT$'000)

ITEM	82 to 84	84 to 85
Total Sales	1,863	2,552
Cost of goods	1,684	2,038
Gross Profit (Loss)	179	(486)
Operating Costs	3,594	1,567
Trading Profit (Loss)	(3,415)	(2,053)
Grant Income	-	-
Net Profit (Loss)	(3,415)	(2,053)
% Loss/Sales	183	80.1
Accumulated Profit Loss	(3,415)	(5,468)

work which had to be financed from loan funds (the only type available) by the Trading Company. Since trading volumes could not cover cost, losses were considerable. Additionally where CFC expected grant funding to cover specific CATCO expenditure items and CATCO budgeted accordingly, it was learnt in 86/87 that only loan funds were available. Operating cost increased by over 75% in 87/88 and 88/89 because of this.

When the CATCO Board realised that development expenses was taking as much as 60-70% of the budget, direct grants were sought and in many cases were obtained.

Staffing was another big problem. There was little if any expertise on producing, harvesting, handling, grading etc., for export markets within the individual territories. The volumes which were being sourced, were not enough to cover salaries of local (country) employees, but, representatives were needed in each target production area and the territories expected CATCO to fund these staff. Staff had to be found, then moved to headquarters and other countries for both theoretical and practical training. Eventually, they went back into their individual areas of responsibility, literally unsupervised. Some Trading Managers produced good results, others were not productive.

Within a short time CATCO realised that paying such persons a flat salary only was not satisfactory and compensation packages were redesigned to pay a basic living wage and to allow employees to earn income as a commission based on the value of the produce shipped.

Air transportation, which at first was readily available and which was initially estimated to remain as such for at least six to ten years, was quickly utilized. Once people in individual territories learned from CATCO's example to do the necessary collection, cleaning, grading, packing etc., many enterprising people entered the market as independent shippers. CATCO expected this and was happy to see them do so. The export volumes of some territories increased even though CATCO's share of the market remained stagnant or decreased. In Trinidad for example, from almost no one in the business in 1985, 157 people exported produce in 1989. Trinidad's dollar value of non traditional agricultural exports moved from almost zero in 1985 to TT$4.8 million in 1989. At the same time other exporters have begun to utilise air cargo space. Flowers, garments, fish, shrimp and lobsters all help to fill up the cargo space on most passenger aircraft leaving some territories. To move from cargo space on passenger aircraft which have cargo capacities from 7,000 - 30,000 lbs, to utilizing all cargo aircraft, which carry from 80,000 to over 250,000 lbs, requires a quantum leap in production and marketing. To fill an aircraft dedicated to cargo will require increases in our present production levels of at least ten times. Sea transport, except from very few territories was and still remains problematic. The Windward Island with their Banana exports normally have regular, efficient, fast transport and these vessels can offer a varying amount of freight to other produce. The vessels are dedicated banana boats but, with some adaptation, they can carry some cargo either in the hold, when there are not enough bananas to fill them, or on the deck as refrigerated or ventilated containers. These were and with increasing difficulty still are being utilised primarily from the islands of St. Lucia and Dominica, at the end of the loading line. Other islands such as Barbados, Grenada, St. Vincent and Antigua have until 1989 been able to find some space on an "*as available*" basis, but the vessels owners now seem to be rewriting the rules.

Dominica's exports have grown considerable and are destined to increase even more if the problems of movement by sea can be resolved.

Other territories do not have efficient sea transport. The one line which operates a Europe-Guyana route, for example, takes 24 days to reach its home port after sailing from Georgetown. Thus the items that can be shipped by this line are limited to those items which can take more than one month's storage. It takes time to assemble, grade, pack etc., and deliver to the ship and it takes additional time after the vessel docks, before the produce reaches the final consumer. There are few items which can take such a long time between harvest and consumption and remain in good condition. There are still many more problems which remain unresolved.

The most serious problem which CATCO faced (and still faces) is financial. From 1986/87 when 523 tons was shipped by CATCO to 1989 when 1,269 tons were moved, the amount of trading capital available to the company decreased each year. It is impossible to finance trade of increasing volumes of higher value items without sufficient margins to cover costs and without injection of further funds to compensate for losses incurred. When losses wiped out available capital resources and no new funds were provided, by September 1989 CATCO virtually ran out of funds. CATCO was forced to reduce its trading until additional funds were sourced. Since then a final injection of loans funds from the EEC and the interim advance from CFC were made. CATCO once again has sufficient resources to trade in 1989/90 and perhaps in a part of 1991 in some territories. With these funds eliminating the Company's high overdraft cost operating expenses will be reduced.

THE FUTURE

From zero in 1985 CATCO'S trading in non-traditional crops increased to TT$6.2 million in 1988, is scheduled to reach just over TT$6.5 in 1989/90, to increase to TT$10.8 million in 1990/91 and to TT$19.3 million in 1991/92. Should these

TABLE 2. ITEMS EXPORTED BY CATCO, 1986-87

Bilimbi	Dasheen bush	Okra
Breadfruit	Eddoe	Passion Fruit
Breadnut	Eggplant	Plantain
Caraili	Ginger	Pumpkin
Chennette	Ginger lilies	Soursop
Coconut (dry)	Golden apples	Sweet peppers
" (jelly)	Guava	Sweet potato
Custard apple	Hot peppers	Tannia
Cut Flowers (Misc.)	Mango (green)	Watermelon
Dasheen	Mango (table)	Yams

targets be achieved CATCO will break even on its trading in 1990/91 and should show profits in 1991/92.

Until 1989/90 volumes and values grew by over 60% per year. In 1989-90 volumes and values only grew marginally since the cash crunch was experienced at the height of the main trading season (December/January/February) and the ravages of Hurricane Hugo prevented the company from achieving its targets. CATCO is projecting that with adequate financing and with no serious natural disasters, previous rates of growth will be achieved in 1990/91.

One of the main benefits that CATCO has is its ability to source produce throughout the region for the winter season and other markets. CATCO is trading in Antigua, Dominica, St.Lucia, St. Vincent, Grenada, Barbados, Trinidad and Tobago and Guyana. By being able to use the varying climatic patterns of the region CATCO can, for example, begin shipping Melons out of Antigua in December and end the melon season in Trinidad and Tobago in March/April. It can thus supply throughout the market demand period. No individual territory can do this.

It is hoped that within the next two years CATCO will move to St. Kitts, Belize and perhaps Jamaica, even though Jamaica historically has its own trading operations, primarily with the North America market.

By marketing one brand, by maintaining quality product, in good packaging, and by offering dependability, CATCO has been able to establish itself a reliable and preferred supplier to its customers. The Caribbean share of markets in Europe and North America is minuscule. We are the newest participants in the industry and the volumes which we have achieved so far do not even reflect in the trade statistics of any market. The markets

TABLE 3: TRADING RESULTS; 1986 TO 1989 (TT$'000)				
ITEM	85/86	86/87	87/88	88/89
TOTAL SALES	1,599	1,901	4,093	6,197
COST OF GOODS	1,377	1,680	3,596	5,365
GROSS PROFIT (LOSS)	222	221	497	832
OPERATING COSTS	998	1,479	2,630	2,916
TRADING PROFIT (LOSS)	(776)	(1,258)	(2,133)	(2,084)
GRANT INCOME	92	497	1,145	239
NET PROFIT (LOSS)	(684)	(761)	(988)	(1,845)
% LOSS/SALES	42.7	40.0	24/1	29.8
ACC. PROFIT (LOSS)	(6,152)	(6,913)	(7,901)	(9,746)

are growing and are expected to continue to grow. Our main problems are (in descending order); (1) finance, (2) production and quality, (3) handling, storage and transport, (4) staffing and (5) marketing.

FINANCE

First the problem of finance has to be solved. CATCO has eroded all of its share capital and has in the recent past depended on advances from CFC and Concessionary loans from extra-regional sources. It will continue to lose money at least until 1991. It will not readily source further extra-regional funds. CATCO cannot depend on its parent the Caribbean Food Corporation for further funds, since CFC itself is not well funded. The company cannot continue to finance increasing trade without corresponding increase in working capital.

Accordingly, CATCO has to source its fund from within the region and particularly from the territories which benefit from its services. More than 60% of the total volume traded is achieved from December to April. The rest is spread throughout the year. Customers expect that exporters from supplying countries will maintain their presence in the market and will offer specialty items during the entire year as they are demanded. Thus capital has to be found throughout the year.

As its first move to solve this problem, CATCO has approached the Government of the Republic of Trinidad and Tobago through the Minister of Food Production and Marine Exploitation. The Ministry has basically accepted the proposals of CATCO to embark upon a joint programme of export market expansion and is seeking the Trinidad and Tobago Cabinet's approval. Under this programme CATCO and the Ministry will work in conjunction to exploit the untapped resources for export production.

This will entail the Ministry doing specific functions, providing working capital on a reimbursable basis to CATCO for its Trinidad and Tobago trading, introducing grades and standards, licensing pack houses and traders and providing field extension services. CATCO will concentrate on coordination and marketing.

The programme envisages the growth of Trinidad and Tobago exports of non-traditional crop from TT$4.8 million 1988/89 to TT$20 million in 1991/92. CATCO's share of the market is expected to grow from less than 10% in 88/89 to approximately 18% by 1991/92. The rest of the produce will be handled by private sector exporters.

A proposal has also been made to the Government of Guyana and further proposals will be made to participating territories in the near future.

If all of the exporting territories agree to follow the Trinidad and Tobago model, then the future of non traditional exports from the Southern Caribbean appears promising.

CATCO has again begun to supply specialty inputs such as irrigation equipment, post-harvest supplies and systems, seed and planting materials, etc. at acceptable trading margins in territories which need them. CFC is pursuing the

TABLE 4. SHIPMENTS FROM DOMINICA 1986-1989 (TT $'000)

Product	Tonnes	**Value**	Tonnes	Value	Tonnes	Value	Tonnes	Value
Plantain	10.3	17.8	24.2	45.3	135.0	316.5	158.0	471.7
Banana	-	-	16.7	23.4	41.9	52.5	9.5	1.9
(Figs)								
Grape-fruit	-	-	0.9	1.6	0.8	1.7	-	-
Avocado	-	-	N/R	N/R	N/R	N/R	-	-
(Samples)								
Dasheen	-	-	-	-	11.6	35.3	70.2	244.6
Oranges	-	-	-	-	N/R	N/R	-	-
Ginger	-	-	-	-	1.8	6.0	13.9	56.9
Jelly Nuts	-	-	-	-	27.8	25.7	55.4	52.9
Dry Nuts	-	-	-	-	9.9	11.5	-	-
Limes	-	-	-	-	0.7	2.2	-	-
Mangoes	-	-	-	-	0.6	0.9	-	-
Seedless								
Limes	-	-	-	-	1.7	4.4	2.4	4.0
Water-melon	-	-	-	-	0.1	0.3	17.8	59.8
Pumpkin	-	-	-	-	-	-	3.7	5.0
Hot Peppers	-	-	-	-	-	-	0.5	2.1
Bread-fruit	-	-	-	-	-	-	N/R	N/R
TOTAL	10.3	17.8	41.8	70.3	231.9	45.7	335.6	911.1

formation of joint enterprises, in which it will have minority shareholding, in the countries of destination. Should these enterprises be established CATCO hopes that it will be able to offer a number of services to other exporters. For example, these Companies will offer "*on arrival*" inspection services to private shippers from the region to examine and certify the condition of the shipments which are made by individuals or companies. The first operation is expected to be established in the United Kingdom and Holland. Once the initial venture is self-financing attention will move to New York and Toronto.

The amount of land that is needed to produce crops for export is relatively small. For example, Trinidad and Tobago should by 1991/92 export TT$20 million from less than 2% of the land now under sugarcane. The TROPRO programme

TABLE 5: PROFIT (LOSS) STATEMENTS 1988/89; & PROJECTED 1980/90 TO 1991/92 (TT$'000)

	ACTUAL	ESTIMATED	PROJECTED	PROJECTED
ITEM	**88/89**	**89/90**	**90/91**	**91/92**
Gross Profit (Loss)	832	733	1,458	2,650
Total Sales	6,197	6,414	10,844	19,302
Cost of Goods	5,365	5,365	9,386	16,652
Operating Cost	2,916	1,392	1,729	2,027
Trading Profit (Loss)	(2,084)	(659)	(271)	623
Grant Income	239	-	347	347
Net Profit (Loss)	(1,845)	(659)	76	970
% Loss/Revenue	29.8	10.3	-	-
Accumulated Profit (Loss)	(9,746)	(10,405)	(10,329)	(9,359)

now being established in the OECS territories as part of their diversification initiative, should see their production of non-traditional crops increase dramatically, without affecting their production of bananas.

PRODUCTION AND QUALITY

The second most pressing problem which CATCO faces in the future is increasing production and improving quality. The company cannot by itself solve these problems. It will take a combination of efforts between Ministries, growers organisations, large producers, local Marketing Authorities and CATCO. It is very feasible to grow export quality fruit, vegetables and root crops of almost all of the items we produce in our territories, but, CATCO cannot find markets for all of the things that our farmers produce. We must concentrate on growing those items which can be readily sold at a profit and at a price which will bring a renumerative return to the basic producers.

Organisations must be found to handle the production of small growers. The Ministries must dedicate some of their resources towards helping these growers in the field. Research organisations must direct their efforts to the crops which are targeted. Individual marketing Boards or Authorities must realise that CATCO is not a competitor but is a partner in the whole exercise. Everyone must harmonise and combine their efforts to achieve the production targets set in each individual territory.

In many territories for example, the WINBAN islands, farmers know that quality counts. In others, such as, Trinidad and Tobago and Barbados, quality, grading and presentation is now emerging as a force in the market. Unfortunately, however, other territories still have very little or no appreciation of quality and customers are obliged to buy inferior produce in order to get some good produce.

As stated previously, Trinidad and Tobago is planning to introduce grades and standards for the export market. It is hoped that other territories would follow this lead. We cannot close our eyes and allow anyone to export anything with a Caribbean label from our territories, to the detriment of our efforts to gain the reputation of being suppliers of quality produce. Everyone wanting to export non-traditional agricultural products from the region should be licensed and in order to be licensed they must have adequate facilities to ensure that quality and hygienic standards are maintained. Any system which is set up must be open to all who are prepared to meet requirements. A programme of inspection prior to shipment must also be maintained without bias or favour.

HANDLING, STORAGE AND TRANSPORT:

Post-harvest handling, storage and transport is also of major importance. We must establish adequate facilities on farms, or at strategic locations and at shipping points. We must ensure that produce is harvested under optimum conditions, washed, graded and packed, under hygienic conditions and transported in suitable vehicles to storage facilities at shipping points which will maintain produce at optimum temperatures, humidity etc., prior to them being loaded onto the transport vessels or aircraft.

Each individual territory will require a different type of complex. CFC has applied to the European Commission for concessionary funding to assist in the establishment of these facilities. Companion funding sourced within Member States will be needed. Small territories with limited air freight opportunities will need to concentrate on crops which can be moved by sea or they must be prepared to bear the additional cost of moving the produce by air to a hub destination, for on shipment to the final market. Other territories will need to design and build facilities for both sea and air transport. Each facility must be tailored to provide the conditions of the target crops, they must provide adequate but not excessive amounts of storage, under the conditions required for each crop and they must be flexible and easily maintained. The construction and operation of the facilities will be a problem. Farmers, CATCO and the private sector are not likely to be in a position to find the funds to erect these facilities which are not likely to cover their costs for some time. Normal operations of the facilities would be very flexible, varying, for example, from no utilization for 5 days then complete operations on 24 hour a day basis for one or two days. They will need very small maintenance and management staff. Yet at peak periods or shipping seasons a very high labour input will be needed. It will be best for these facilities to be operated by private sector entrepreneurs or by farmers organisations.

Transport will continue to be a very major problem. It is quite conceivable that trade can be developed within the next six to eight years and certainly by the turn of the century, to a point where the region can earn TT$100 to TT$200 million dollars per year. Non-traditional crops can provide thousands of job opportunities with adequate renumeration to all concerned in the industry. To attain this magnitude of trading, however, requires considerable capital investment, poses enormous management challenges and horrendous transport and logistical problems. Such volumes would need to be produced through a combination of large and small farming operations that are properly organised, inspected etc. The appropriate mix will depend on the particular territory and the crops. With the new markets now likely to emerge in Eastern Europe and with the already existing markets of North America and Europe, it is not impossible to conceive the consumption of tropical exotics, such as, pineapples, melons, mangoes etc., increasing dramatically by the turn of the century. If we are to supply some of the existing and potential markets, we must gear our production to do so now.

To move this volume of produce from the point of production to the point of consumption will not be easy. It is very unlikely that anyone territory, other than the large mainland countries of Guyana and Belize and perhaps Jamaica and Trinidad, will be able in the short or medium term to fill a commercially viable vessel with their own produce. The scheduling of vessels and/or aircraft to coincide with harvesting produce at its optimum stage is mind boggling. Remember we are trying to produce items which have very limited storage life and which cannot be accumulated over a long period prior to shipment. It is very likely that a "*hub and spoke*" system of transport will emerge.

CFC has also asked the EEC to provide CATCO with funds and experienced personnel to carry out a transportation survey of the Southern Caribbean, to determine what facilities are required and to make recommendations. Hopefully, this should give us the main facts from which we can plan.

STAFFING

Since its inception CATCO has been managed by contracted firms who have provided all of the management and technical staff during their individual contracts. CATCO has made partially successful attempts to find suitable local personnel to understudy and eventually replace them, but until March 1990 it could not find a suitable candidate with the training, experience and potential to assume the post of General Manager. A candidate has now been found and assumed duty on April 6th, 1990. He will have the opportunity of working with the immediate past General Manager for at least the next few months. Local Financial, Sales and Coordination personnel have been in place for varying periods of times. The CATCO Board is hopeful that this team can continue to build on the foundations laid down by their predecessors and that other staff could be located as they are needed and as the Company becomes capable of affording them.

With the cessation of the EEC project, the Company will not have the services of a post harvest agronomist. The OECS will have such services available to them through the USAID/TROPRO programme. It is hoped that the Ministries in the other territories will be capable of providing assistance through their respective staff. Unless development work can be continued we will be unable to expand the individual crops handled from each of these territories.

Should the Company obtain partially reimbursable financing from individual territories to cover costs of marketing their own produce, it should be able to employ a post harvest technologist in the near future.

MARKETING

Unless we can market what we produce profitably there is no need to produce it. Thankfully, marketing is the least of our problems. There are markets available for specific items and most of these markets are growing. We are very small producers and even if we produce at optimum capacity we are not likely to become a serious enough competitor to incur the wrath of any existing large producer except if we develop large scale production in Belize, Guyana, Jamaica or Trinidad and Tobago. We must, however, strive to achieve sufficient volume to be able to allow us to fund advertising and to promote our brand, image and products. Like Chile and New Zealand we must market the reputation of being suppliers of quality produce. We should source the funding of our advertising operations from everyone who exports. Every private shipper should use a common logo *'Caribbean'* or *'Caricom'* or *'West Indies'* on their labels. And we should advertise and promote the logo.

We must realise that if we are to become a significant factor in the world, like our cricket team, we must combine our efforts.

CONCLUSIONS

In spite of all of its losses and failures, CATCO has achieved some success and has accumulated a vast amount of knowledge and expertise. By the end of this financial year CATCO will have accumulated losses of US$2.4 million and will have outstanding just over $2 million in long term loans. It would therefore have cost our Governments under US$5 million to reach where we are. Should the region be able to continue to expand its export of non traditional crops in the future - it could prove to be one of the best investments we have ever made.

CATCO has survived seven stormy years. The storms are not yet over. But at least there is hope that the Company can survive and indeed can become self financing within a relatively short time.