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IICA - CIDIA



Photo/Ricardo Araya Z., Coeferi Flow

In recent weeks, IICA has intensified its efforts to draft the Medium Term Plan (MTP), the instrument that will orient its technical cooperation actions during the 1994-1998 period. This strategic document, which is to be approved by IICA's Executive Committee in September, has been prepared using a highly participative process. In general terms, the thrust of the MTP is to support the Member States in their efforts to strengthen their public and private institutions and to develop their human resources, with a view to bringing about sustainable agricultural development as a contribution to human development in rural areas.

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The Inter-American Institute for Cooperation on Agriculture (IICA) is headquartered in San Jose, Costa Rica. It is the specialized agency for agriculture of the inter-American system. It was founded by the governments of the hemisphere in 1942 to encourage, promote and support the efforts made by its Member States for agricultural development and rural well-being. It has 33 Member States and 16 Permanent Observers.

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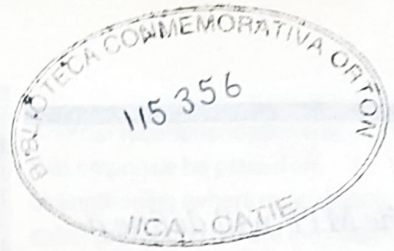


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AGRICULTURE

IICA Draws Up Four-year Cooperation Strategy

IICA Representatives and G-33 Contribute to MTP

IICA is undergoing an institutional restructuring from which it hopes to emerge with the capability to become, as the twentieth century draws to a close, a modern, dynamic agency capable of responding rapidly and effectively to the needs of its Member States.

The 1994-1998 Medium Term Plan (MTP), the strategy document that will guide the Institute's technical cooperation actions during that period, is of key importance in this process. The MTP was prepared through a highly participative process, to ensure that it addresses the concerns of all sectors served by the Institute.



Photo: ECAFI, Colombia

Human development in rural areas aims to improve the living conditions of rural families.

The MTP will establish a participative style of technical cooperation in which decentralization, flexibility and concentration of efforts will be key.

The draft MTP, which has been enriched with feedback from the Institute's professional staff and representatives of the ministers of agriculture, known as the G-33, will be submitted for approval in the September meeting of IICA's Executive Committee, which is made up of representatives from 12 member countries.

Generally speaking, the objective of the Plan is to support the efforts of the countries to strengthen their public and private institutions and to upgrade their human resources, with a view to achieving sustainable agricultural development as a

contribution to human development in rural areas.

There are two dimensions to sustainable agricultural development. One involves transforming production and trade in order to make agriculture more competitive while, at the same time, conserving natural resources and protecting the environment. The other requires promoting a new relationship between the public and private sectors in order to make agricultural transformations more viable from the economic, political and social points of view, within the framework of economic opening, integration, and state and private sector reform.

The goal of human development in rural areas is to improve the living

conditions of rural families, to enable them to progress steadily as they become more involved in both the production and democratization processes.

In order to meet these challenges, the Institute will provide technical cooperation that is participative, region-specific and focused on public and private institutions.

REPRESENTATIVES AND DIRECTORS

A meeting of IICA Representatives and Directors, held at Headquarters from March 14-21, was another event that helped consolidate the participative management style which has been implemented by the Director

The MTP will define a style of participative technical cooperation in which decentralization, flexibility and concentration of efforts are key.

General, Carlos E. Aquino González. This philosophy opens the way for participation, the exchange of ideas, consensus building, the identification of strengths and weaknesses, and the design and execution of proposals in pursuit of excellence.

The meeting was facilitated by a team of professionals, who encouraged participating Representatives and Directors to engage in candid, in-depth discussions of administrative and strategic matters, the Institute's mission and its future course of action, its problems and weaknesses, as well as its potential and strong points.

The Director General was satisfied that the meeting had served as a forum for frank dialog and a healthy exchange of opinions, in which the participants joined their voices in support of agriculture in the Americas. Their recommendations on how to improve the MTP reflected the

concerns of producers and rural communities, indigenous groups, women and young people, the public and private sectors, and new players in civil society.

They agreed that the MTP must be a working instrument that serves to ensure that the Institute achieves its goal of being dynamic, efficient and modern, having clear short- and long-term goals, and capable of

direct consultation with the countries, which met at IICA Headquarters from May 4-5.

Delegates from the agricultural divisions of several integration agencies in the Caribbean, Central America, Andean region and Southern Cone also attended the meeting. Feedback focused primarily on two areas of action: rural development, and inter-



Photo/Rudolph Weedel

The recommendations of the G-33 targeted areas of key importance: rural development, inter-institutional relations and strategic alliances.

meeting new demands in a context where the velocity of change can make objectives, strategies and management systems obsolete in the very short term.

CONTRIBUTIONS OF THE G-33

The draft MTP also received valuable inputs from the members of the G-33, a group established by the Director General as a forum for

The strategy plan will help the Institute become dynamic, efficient and modern.



During the meeting of IICA Representatives and Directors, there was a frank dialog and a healthy exchange of opinions, in which the participants joined their voices in support of agriculture in the Americas.

institutional relations and strategic alliances.

Regarding rural development, they underscored the importance the MTP attaches to achieving sustainable agricultural development and bringing about human development in rural areas, and added that IICA should help strengthen the capabilities of its Member States' institutions to combat underdevelopment and rural poverty.

In addition, they said that the Institute should develop cooperation mechanisms that help incorporate small farmers into the agricultural modernization process, through the adoption of production, agroindustrial processing, marketing and business management technologies, among others.

They also stated that, since IICA is basically an institution that administers and channels human

talents and information, it should have access to the best possible human resources, with a view to ensuring the excellence and competitiveness of its services to the countries.

Moreover, they considered that the goal of the areas of concentration defined in the MTP should be to overcome poverty and promote rural well-being. Regarding the differentiated strategies for some subregions, they thought it is the countries themselves which must orient the actions that IICA is in a position to offer, in accordance with their own criteria and priorities.

Their comments about IICA's links with the private sector and agencies specializing in agricultural cooperation were also constructive. It was suggested that the nature of the links to be established with the private sector be discussed previously with the public agricultural sector of each country.

Another recommendation was that emphasis be placed on strengthening (where they already exist) or creating (where they don't) ties with institutions that contribute to meeting the specific needs of the countries. They also underscored the importance of avoiding duplication of efforts among agencies in order to ensure a greater impact by resources allocated to cooperation.

It was also recommended that IICA provide its member countries with periodic information on the interinstitutional relations of all the international organizations offering cooperation in the agricultural sector, and that efforts continue to strengthen the Institute's presence in international fora.

The G-33 is a group composed of the representatives of the ministers of agriculture of IICA's 33 member countries.

Countries in action

URUGUAY

Production to be Modernized in the *Granja* Sector In Response to Trade Opening and Integration

For five years, support for the *granja* (small, mixed farm) sector has been one of the key thrusts of IICA's technical cooperation in Uruguay. During that time, IICA has worked to open the sector up to external markets, improve the efficiency of production, and gain access to the Southern Common Market (MERCOSUR).

This cooperation is provided through the project "Institutional Strengthening of the *Granja* Sector," which is funded with IICA quota resources and contributions from the Ministry of Livestock, Agriculture and Fisheries (MGAP). It was established under the terms of a technical cooperation agreement between the National *Granja* Board (JUNAGRA) and IICA.

The goals of the project are to strengthen JUNAGRA's technical and administrative management capabilities, as well as those of its member farmer associations, and to promote, orient and support the process to modernize the *granja* by involving small farmers.

In this way, IICA is collaborating in reassessing the value of the agroindustrial complex as a force to bring about an export-based economic reactivation. It also works to bring about sustainability and emphasizes correcting historical social inequities. In the *granja* sector of Uruguay, this means enabling small- and medium-scale farmers to benefit more fully from the country's links with foreign markets.

IICA's work in Uruguay supports efforts to export commodities produced by the *granja* sector, especially fruits and vegetables.

The *granja* sector in Uruguay, which has traditionally produced for the domestic market, has been in steady decline. Large numbers of *granja* farmers are being displaced by entrepreneurs with greater capacity, who are moving into new market niches.

In general, these new market niches are for products that are packaged and processed differently. Entrepreneurs who wish to produce them must have access to information, research and economic analysis, and development of this sector is linked to foreign markets.

The work in recent years by Uruguay's MGAP and Office and Planning and Budget (OPP), and the international cooperation agencies IICA, the United Nations Development Programme (UNDP) and the German Technical Cooperation Agency (GTZ), has revealed that



Recommendations of the seminar "Development of the *Granja* Sector: Challenges for the Public and Private Sectors" define a promising course of action for the *granja* sector.

Uruguay can enhance the comparative advantages of *granja* sector products and other new products which have niches on foreign markets.

The progress achieved by small- and medium-scale farmers would be combined with that of a considerable number of similar initiatives by the large-scale business sector.

CONTRIBUTIONS

IICA's technical cooperation over the last five years has included the publication of documents on studies,

proposals and projects; technical meetings; training seminars and workshops; observation missions to allow specialists and farmers to learn first hand from other experiences; numerous projects; and institution building at public and private organizations involved in developing the *granja* sector of Uruguay.

One of the most important activities carried out was a seminar held last year entitled "Development of the *Granja* Sector: Challenge for the Public and Private Sectors."

Organized by IICA in conjunction with the MGAP and the Mercantile Farmers' Association, the seminar was attended by many high-level public sector officials and technical staff, as well as leaders of farmer and business organizations. In the judgement of the participants, the conclusions and recommendations of the seminar

represent a promising course of action for the *granja* sector.

One of the principal documents generated by this project is entitled "Program to Support the *Granja* Sector in Adapting to Foreign Markets."

The study was funded by the National Preinvestment Fund (FONADEP), in conjunction with the MGAP and the OPP. This ten-volume document, which was recently presented to the Minister of Agriculture of Uruguay, contains an updated assessment of the sector and proposals for modernizing the operations of small-scale fruit growers, post-harvest activities, agroindustry and quality control and regulation, as well as profiles of investment projects for implementing the proposals.

THE URUGUAYAN GRANJA

In Uruguay, farms that combine intensive crops (fruits and vegetables) with small animals (fowl and swine) are known by the generic term *granja*. The principal crops are broadleaf fruit trees and vegetables.

The vegetable-fruit sector generates approximately 30% of the agricultural gross product and employs a considerable amount of labor: 13 workers for each 100 hectares in production.

Nonetheless, the *granja* sector plays only a small role in generating foreign exchange, since, except for citrus fruits, all other products have been traditionally sold on the domestic market. Annually, however, the sector does export a certain amount of fruits, especially pears, quince, plums and peaches. The only vegetable exports of any consequence are garlic and onion.

The area cultivated with vegetables has shown no clear trend, varying between 50,000 and 60,000 hectares since the late 1940s.

Annual per capita consumption of vegetables in Uruguay is estimated at around 87 kilograms.

Most vegetables plots are small and family-run. Eighty percent measure less than 20 hectares; 51.3% less than

Table No. 1

EVOLUTION OF THE AREA CULTIVATED IN VEGETABLES BETWEEN 1980 AND 1990

YEARS	AREA (Has.)	EVOLUTION (%)
1980	57,804	100.00
1986	44,468	77.00
1990	40,306	70.00

Source: JUNAGRA (Uruguay)

10 hectares. Some produce exclusively for family consumption, using traditional technology; others are totally market oriented and use modern technology.

Table 1 shows how the area cultivated in vegetables evolved over the 1980-1990 period, revealing a decline of 30%. Table 2 shows the number and size of farms, by type of agricultural activity.

Table No. 2

NUMBER AND SIZE OF VEGETABLE FARMS
BY TYPE OF FARM

TYPE OF FARM	NUMBER OF FARMS	AVERAGE GARDEN AREA (Has.)	TOTAL GARDEN AREA (Has.)
Family, without tractor	3,070	1.4	19
Family, with tractor	919	2.0	61
Transitional	2,593	2.6	48
Commercial	876	5.5	91
TOTAL	7,458	2.4	43

Source: Prepared with data from MGAP-DIEA (Uruguay)

THE GRANJA, A SECTOR IN THE BALANCE

The *granja* subsector, which includes most small- and medium-scale farms in Uruguay, is not as competitive as it used to be. Each of the principal activities of this sector (viticulture, broadleaf fruit trees and vegetables) require different approaches for modernization:

- a. An option for viticulture is to increase the production of fine wines, which has already begun with a change of vines. There are also possibilities for growing and exporting table grapes and producing frozen juice concentrates.
- b. In the case of broadleaf fruit trees, one alternative is to produce certain species, such as peaches, plums and pears, which already have market niches. Certain limitations still exist with regard to yields, availability of irrigation, crop management techniques, packing, refrigeration and

transportation technologies, as well as acceptable varieties for the market.

- c. Vegetables (including certain high value vegetables such as endive, broccoli, peas, Brussel sprouts and asparagus, as well as strawberries) show possibilities at the regional level and in the northern hemisphere. Low annual output makes it impossible to

maintain a position on international markets. The principal constraints to expanding these crops are: packing systems, the use of cold storage, refrigerated transportation and seedling production.

Quoted from "Uruguay: Situación y Perspectivas del Sector Agropecuario en el Marco de la Integración Subregional," IICA and Ministry of Livestock, Agriculture and Fisheries (MGAP), 1992.



Fruits and vegetables are the main commodities produced by the Uruguayan granja.

SOUTHERN AREA

Ministers Sign Animal Health Agreement

Trade of Livestock Products

The Ministers of Agriculture of the Southern Cone recently signed an animal health agreement to promote and spur the trade and exchange of livestock and livestock products among Argentina, Brazil, Chile, Paraguay and Uruguay, and between these and other countries.

According to Enrique Rieger, IICA regional animal health specialist, the agreement signed in Montevideo in February represents a true milestone since it is the strongest show of technical and political support for animal health ever made by these countries.



Ministers Raul Torres, of Paraguay; Juan Agustin Figueroa, of Chile; Pedro Saravia, of Uruguay; Secretary Felipe Sola, of Argentina, and Minister Synval Guazzelli, of Brazil, sign the historic agreement.

Rieger added that the objective of the agreement is to establish a system for harmonizing health regulations, with a view to facilitating the trade of livestock and livestock products among signatory countries. This system, he added, will not undermine health conditions in each country; rather, it will improve them and strengthen regional capabilities in this field.

The agreement includes the principle of transparency. Pointing out that sanitary rules and procedures will be applied only to protect the lives of people and livestock, Rieger explained that "they will be justified on technical grounds and will not oppose current scientific principles or evidence; therefore, they will not constitute covert trade barriers."

Another key aspect of the agreement is that it involves the private livestock sector in the design and harmonization of the systems, rules and procedures that will facilitate and expedite livestock trade within the region and with third countries. Agricultural representatives from these five countries are currently working on this task alongside the directors of animal health, within the framework of the Regional Animal Health Committee (CORESA).

PROCISUR

Agroindustry to be Promoted

Priority on the Food Sector

The Cooperative Program for the Development of Agricultural Technology in the Southern Cone (PROCISUR), which is coordinated by IICA and made up of the national agricultural research institutions (NARIs) of Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay, has incorporated agroindustry as one of its subprograms, according to the Executive Secretary of PROCISUR, Amelio Dall'Agnol.

Since the scope of products and activities of the agroindustrial sector is extremely broad, priority will be given to the food sector because of its role in the regional market and its potential for competing on third markets with greater value added.

"The first challenge facing this new PROCISUR subprogram is to identify

areas of interest shared by the NARIs, food processing technology institutes and the agroindustrial sector, attaching priority to those areas that can serve as the basis for positive intersectoral cooperation," added Dall'Agnol.

The Executive Secretary recognized that this had proven to be a difficult task because, in general, the NARIs have not had much experience in this area, and have only addressed very isolated and concrete aspects of the matter.

BOLIVIA

Cooperation Agreement Price Information System to be Set Up

The IICA Office in Bolivia and the Agricultural Chamber of Eastern Bolivia (CAO) recently signed a cooperation agreement to establish a price and market information system in the Department of Santa Cruz.

The one-year agreement was signed by IICA's Representative in Bolivia, Benjamin Jara Guillen, and the President and the General Manager of the CAO, Mario Justiano Aponte and Walter Nuñez, respectively.

The purpose of the initiative is to upgrade the sector's decision-making capabilities related to short-term sales and to improve the planning of the production, processing and marketing of agricultural commodities.

The Price and Market Information System (SIPREM), as it will be called, will open channels of information between users and price-setting sources. It will contain data on agricultural inputs and products of regional interest and will be used to conduct analyses and prepare reports for various target groups.

Jara, Aponte and Nuñez all agreed that SIPREM will

provide Bolivia with an information system that links up with information networks essential for formulating agricultural policies, strategies and plans.

HONDURAS

Business Management Rural Enterprises to Benefit

Under the terms of a cooperation agreement signed by IICA, the Honduran National Agrarian Institute and Canada's Société de développement international Desjardins (SDID), a project was recently

launched offering training in the management of cooperative small-farmer enterprises.

The two-year initiative will contribute to strengthening these organizations in two different ways. Firstly, training will be provided for improving administrative and managerial skills at the enterprises. Secondly, international partners will be sought for funding a long-term business training strategy.

In operation since April, this US\$250,000 project calls for a survey to determine specific training needs, the preparation and validation of teaching materials to be used by the small-farm enterprises, and case studies to analyze successful

experiences in the Central American region.

The project fills a void detected in cooperative enterprises, which must improve their management skills if they are to meet the challenges posed by trade opening and market deregulation.

Although activities will initially focus on Honduras, the experience gained will subsequently be transferred to the other Central American countries, where business training is also weak.

The project fills a void detected in small-farm enterprises.



The experience gained in Honduras will be transferred to the other Central American countries.

Photo/ Jorge N. Borjes, Honduras

AGRICULTURE

Strategic Alliances

RUTA Enters Third Phase

Working together in a strategic alliance, on April 27 agencies and cooperating organizations launched phase three of the project "Technical assistance for agricultural development in Central America," known as RUTA III. During the coming three years, it will add rural poverty and sustainable natural resource use to the topics addressed by earlier RUTAs.

Lizano, stated that it not only contributed to the design of sectoral adjustment programs for the Central American countries, but also helped strengthen sectoral institutions by assisting them in defining their objectives and upgrading their personnel.

For example, he indicated that technical personnel now have a greater capacity to formulate sectoral policies, design and

RUTA III will address issues shared by the Central American countries: regional integration, sustainable production, trade opening and rural poverty.

integration, trade opening, sustainable production and rural poverty.

RUTA III will assist the countries in preparing specific technical assistance and investment projects, analyzing extreme poverty, supporting the integration process by monitoring trade policies, conducting studies on agricultural trade issues of national interest, providing training on trade negotiations for sector officials, developing methods for boosting productivity and improving market access, and conducting studies on natural resource sustainability.

Also, RUTA III will continue the work begun by its predecessor in formulating investment and technical assistance projects, with a view to implementing sectoral modernization policies and programs, and strengthening public and private sector institutions through formal and in-service training.

RUTA works in each country with national technical units, which coordinate and execute project activities in accordance with priorities established by agricultural authorities. The Minister of Agriculture of Guatemala, Luis Arturo del Valle, requested that priority be given in RUTA III to the marketing and agroindustry component of that country's agricultural modernization plan.

For his part, the Minister of Agriculture of Nicaragua, Roberto Rondon, expressed satisfaction with the project's new areas of concentration. He also stated that his country was interested in receiving support for planting new export crops on some 350,000 hectares formerly planted in cotton, which have been abandoned as a result of plummeting international prices.

At the regional level, RUTA III will contribute to facilitating integration and the marketing of agricultural commodities. Associated activities will be designed in conjunction with the Secretariat of the Central American Agricultural Council (CAC) and approved by the ministers of agriculture.



Photo: Danilo Jimenez, IICA

In a meeting held at IICA Headquarters with the ministers of agriculture of Central America, governmental representatives and cooperating agencies, the Director for agriculture of the World Bank, Michael Baxter, stated that RUTA III plans to follow the successful path of its predecessor, RUTA II.

RUTA is a multi-agency initiative which supports the Central American countries in their efforts to bring about sustainable development in their agricultural sectors. Working together in this effort are the World Bank, the International Fund for Agricultural Development (IFAD), FAO and IICA, and soon the Government of Norway, which will initiate a development program for women.

In reviewing the accomplishments of RUTA II, the outgoing Minister of Agriculture of Costa Rica, Juan Rafael

implement effective systems for controlling, monitoring and evaluating development projects, analyze investments and expenditures of the public agricultural sector, conduct studies on rural poverty and gender, provide training in key areas such as trade negotiations, and execute structural and sectoral loans from international funding agencies.

In addition to explaining that "the RUTA Project has become a very effective instrument for ensuring that the Central American countries receive technical and financial assistance from cooperating agencies," Lizano congratulated Arturo Cornejo, Director of RUTAs I and II, for a job well done.

Donor agencies have committed US\$6 million to RUTA III, with which it will address issues of common interest to the Central American countries: regional

Ministers Suspend Permits No Asian Grains will be Imported

On April 27, the ministers of agriculture of Central America suspended indefinitely the issuance of permits to import grains from Southeast Asia, in order to protect the subregion from exotic pests and diseases.

The measure was announced at IICA Headquarters during a meeting of the Central American Council on Agriculture.

The resolution, signed by the ministers of Guatemala, Luis Arturo del Valle; El Salvador, Antonio Cabrales; Nicaragua, Roberto Rondon; Honduras, Ramon Villeda; Costa Rica, Juan Rafael Lizano; and the acting Deputy Minister of Agricultural Development of Panama, Luis Mario Cuestas, demonstrates a commitment at the highest level to protect the agricultural resources of Central America.

According to the resolution, the fact that Central America is free of exotic pests and diseases is one of the region's principle comparative advantages in expanding its trade with third countries. The document also noted how important the production of staple grains is in the region, given the volume of production, the number of producers and the existing capacity for industrialization.

In another point of the resolution, the ministers called on the International Regional Organization for Agricultural Health (OIRSA) and IICA to prepare a technical report, with support from the

General Plant Health Directorate of Mexico's Secretariat for Agriculture and Hydraulic Resources (SARH), on the risks to grain production in Central America posed by the



Photo/Isis Campos, Costa Rica

In Central America, staple grain production is important because of the volume, number of producers and operating capacity for processing.

importation of grains from Southeast Asia.

According to the ministers, certain pests and diseases of those countries could endanger the stability of grain production in Central America, should they be introduced into that region. The ministers warned that introduction of exotic pests and diseases would automatically close the doors of export markets, just at a time when the region will be in a position to export surpluses.

In addition to discussing the grain situation, the ministers also were informed of the negotiations which culminated in the signing of the Costa Rica-Mexico free trade agreement on April 5.

Following the report made by the outgoing ministers of foreign trade and agriculture of Costa Rica, Roberto Rojas and Juan Rafael Lizano, respectively, the ministers of agriculture took advantage of the opportunity to find out more about the bilateral negotiations.

Minister Rojas explained that the three-and-a-half year negotiations were based on three main principles: respect for the objectives and policies of the national development strategy, adherence to the political constitution and the laws of the country and, lastly, broad and ongoing consultation throughout the negotiation process.

With regard to the latter, he underscored that a high level of consensus was reached among the representatives of the public and private sectors of Costa Rica, which made it possible to negotiate a well-balanced general agreement that takes

current differences between the two nations into account.

The agreement contains 23 chapters on issues ranging from market access to technical and regulatory issues. It is consistent with the GATT because the sections on unfair trading practices, subsidies, safeguards and technical norms were based on GATT regulations.

CENTRAL AMERICA

Training for Agriculture Institution Building

A number of training organizations serving the agricultural sectors of Central America will be upgraded through a series of national courses for instructors, which have been under way since March.

This effort is part of the project "Improving the institutional capabilities of public and private training agencies in support of agricultural development in Central America," which the World Bank and IICA have been executing since 1992.

The first in this series of courses on teaching/learning techniques for instructors from public and private entities in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, was held at IICA Headquarters on March 21.

During the inaugural session, the participants noted that, if the agricultural sector is to play a more active role on the international scene, the people of the agricultural sector will have to learn new skills that will make them more competitive and efficient.

Before holding the courses, the IICA-World Bank training project assessed the supply of and demand for agricultural training to address modernization, with a view to determining the potential of training institutions.

When this initiative concludes in 1995, it is expected that duplication of efforts among the training organizations in Central America will have been eliminated, and they will no longer be working in isolation. In addition, beneficiary countries should have training strategies tailored to the needs of the different agents of their agricultural sectors.



Photo/Juan Montero, IICA

Innovative training techniques will contribute to facilitating rural and agricultural modernization.

Human resource training will upgrade efficiency and competitiveness.

PANAMA

IICA Participates in World Congress on Brahman Cattle Meeting of Agribusiness Leaders Promoted

IICA was actively involved in the Seventh World Congress on Brahman Cattle, held in Panama this March 25-29.

The IICA Office in Panama arranged the participation of three speakers: Francisco Morillo, Director Emeritus of IICA; Richard Taylor, from the Regional Agricultural School of the Humid Tropics (EARTH); and the Director General of IICA, Carlos E. Aquino Gonzalez.

Aquino, who was the keynote speaker at the inaugural session, discussed

the role of the livestock subsector in developing the expanded agricultural sector. In this connection, he underscored the commitment assumed by IICA and the Tropical Agriculture Research and Training Center (CATIE) in promoting sustainable agriculture.

He was accompanied by the President of Panama, Guillermo Endara, and the President of the Association of Brahman Breeders and Chairman of the Congress, Pedro Vallarino. On March 26, the President of Panama granted a special audience to the

Director General of IICA. During his visit to the Las Garzas palace, Aquino was accompanied by the acting Minister of Agricultural Development, Julio Ramirez, the Manager of the Agricultural Development Bank, Jaime Adames, and IICA's Representative in Panama, Israel Tineo. Aquino presented Endara with a medal commemorating the fiftieth anniversary of the Institute.

While in Panama, Aquino presided over a meeting of agribusiness leaders at Panama's Chamber of Commerce, Industry and Agriculture. One of the topics discussed was the upcoming meeting of agribusiness leaders to be held at IICA Headquarters later this year.

The Sugar Chain

Competitiveness is the Goal



Photo/José Quesada, Costa Rica

Sugar production generates products, jobs and foreign exchange.

Representatives from the public and private sectors of El Salvador recently analyzed a study on the sugar chain in that country, with a view to taking measures to upgrade the competitiveness of that subsector.

The economic importance of sugar production in El Salvador, in terms of generating value added, is surpassed only by that of coffee, staple grains and livestock. It also creates jobs in rural areas: the demand for labor increased from 2 million workdays in 1988 to 4.6 million in 1991.

The study -coordinated by the IICA Office in El Salvador- received important inputs from independent sugarcane farmers, cooperatives and representatives of PROCAÑA, the JIBOA sugar mill, and the Salvadoran Sugar Growers Association. The Agricultural Policy Analysis Unit of the Ministry of Agriculture also participated.

Other participants included the Follow-up and Evaluation Division of the Agricultural Sector Planning Office, the General Directorate of

Agricultural Economy, the Salvadoran Commission for the Development of Sugar Production, and the Salvadoran Foundation for Economic and Social Development.

SOME CONCLUSIONS

The study analyzed the economic and social importance of sugar production, the characteristics of the chain, as well as its structure, operation, dynamics and competitiveness.

Although certain important information was unavailable (i.e., levels of profitability), it can be said that sugar production in El Salvador plays a key role in generating the gross national product, employment and foreign exchange. Despite the fact that output and the area harvested rose over the past five years, sugar's share in El Salvador's GDP and in the agricultural value added fell during that same period, due principally to low international prices.

Primary production: The cooperative system, which farms collectively, works 44% of the area under cultivation and produces 42% of the country's sugarcane. In general terms, the system is not efficiently managed. Profits range from -US\$5.00 to US\$5.50 per metric ton.

Essentially, independent sugar farmers can be divided as follows: small farmers (cultivating up to 3.5 hectares) who account for 26.5% of the producers, and who cultivate only

2.8% of the total area. Larger-scale producers (5.8% of all farmers) with farms measuring 70 hectares or more, account for 34% of the land. In general, independent sugar production is managed better than in the cooperative sector, especially on the larger farms, where commercial management is clearly at work and economic and production results are better than in most cooperatives. Profits for independent farmers range from US\$7 to US\$8 per metric ton.

Both systems share common features that affect productivity. Similar technology is used, especially in cultivation practices. Most farmers do not conduct soil analyses, and pest and disease control is usually manual. Many old sugarcane fields exist and a mixture of varieties are used. The common practice of burning the cane prior to harvest reduces mill yields. In 1990-991, 90% of the cane milled had been burned.

Processing: Two systems are used: private and state. Only one of the public sector mills can produce refined sugar, although not on a large scale. For the past five

The study analyzes the economic and social importance of sugar production.

The cooperative system, which farms collectively, works 44% of the area under cultivation and produces 42% of the country's sugarcane.

harvests, the physical yield (167.5 lbs/CT) was 3.7% less than in the private system. Average mill use for the 1992/1993 harvest was 78.7% lower than in the private system (84.4%). Nevertheless, loss of time was less (16.4% compared to 17.9%).

In general, the technology used in state mills is inferior to that of the private mills; also, the outlook is better for investments in the latter. As to profitability, documented studies indicate that state mills, on average, have higher processing costs and, that less than 50% turn a profit.

The traditional payment system for sugarcane has reduced the efficiency of production in El Salvador. Although it benefits producers, it has fostered the use of leafy, low-yield varieties, which increases the cost of processing and thus reduces competitiveness.

Marketing: Macroeconomic and sectoral policies apparently have a positive affect on the competitiveness of the sugar subsector. Efforts are being made to reduce state intervention in marketing

and eliminate export taxes. State intervention continues for domestic prices, export or import permits and the establishment of quotas, and through the control of 50% of all production. At the time the study was conducted, domestic prices were almost 50% higher than world prices. The state has six mills, which have a significant influence on the market.

The study also shows that while the Salvadoran Commission for the Development of Sugar Production has made it possible to organize the market by establishing quotas, the advent of trade liberalization makes it necessary to reassess its role.

The state has six sugar mills, and exercises considerable influence on the market.

Moreover, it shows that Salvadoran sugar exports have an uncertain place on preferential and world markets. International sugar prices seem to have stabilized for the long term. A possible reduction in subsidies may reduce the quota price and, although international prices might show improvement, current surpluses are pushing them downward.

In addition, competition from Mexico may become a threat once the North American Free Trade Agreement (Mexico, Cana-

da and the United States) is fully implemented. Although bilateral agreements represent an interesting alternative, current conditions in the industry make it less competitive vis-a-vis El Salvador's neighbors, especially in terms of productivity.

Study findings show that in an atmosphere of greater liberalization, the farmers most likely to be affected, in the private sector, are smallholders that farm less than 35 hectares, produce low yields and are distant from sugar mills. Likewise, in the cooperative sector, those with small cane fields located far from sugar mills will be affected, while those with large fields must modernize their management and production.

Reconversion: Modernization of the sugar agroindustry in El Salvador requires that certain measures be taken, including:

- * To deregulate this activity, more than mere studies are needed: policies must be defined and agreement reached among the agents involved.
 - * State-owned sugar mills must be privatized.
 - * Quantitative restrictions on trade must be replaced by mechanisms such as price bands and measures against unfair trade practices. Domestic price controls must be eliminated. Nevertheless, trade-related measures must involve an ongoing evaluation of international market conditions, and, in all cases, should be introduced gradually.
- * The payment system for sugarcane must be modified to include quality as a criterion, an initial payment and final liquidation, in order to better distribute risks among the agents.
 - * New production alternatives must be developed, i.e., generating electrical power, producing high-grade alcohol, refining sugar for export, and integrating with new industries, such as the beverage and food industries.
 - * Research and validate high-yield varieties that can grow in different soil and climate conditions, in a joint effort among the sugar mills, producers and the state. Cane fields should be rehabilitated and the varieties standardized, also with shared responsibilities. Financing should be used to promote modernization, so that new funds granted are linked to a more modern and economic production.
 - * At the macroeconomic policy level, key macro-prices must be monitored more closely.

The traditional payment system for sugarcane has reduced production efficiency in El Salvador.

Towards the Modernization of Production National Rice Policy to be Designed

During a workshop to analyze the rice production chain, held recently at IICA Headquarters, the new Minister of Agriculture of Costa Rica, Mario Carvajal, invited the private sector -producers and industrialists- to work together with government officials in designing a national rice policy for the coming four years.

The workshop centered on a study coordinated by the IICA Office in Costa Rica, with support from IICA's Program I "Agricultural Policy Analysis and Planning" and the French Cooperation Agency; Costa Rica's Rice Office also participated actively.

IICA is currently studying the production chains of several crops of considerable importance to the Central American countries, in support of modernization efforts and in follow-up to the Agricultural Commitment, signed in Panama in December 1992 by the presidents of the Isthmus.

Minister Carvajal stated that recommendations for overcoming rice production problems should come from the producers and processors themselves, and

that once this has been done, the work plan designed and the policy established, the state would serve as a facilitator.

After analyzing the study on the rice chain, Carvajal noted that the outlook is good for farmers that use irrigation, as well as for rice farmers in low risk rain-fed areas. Nevertheless, he was less optimistic for farmers who, according to the study, showed the lowest profits.

Costa Rica's accession to the General Agreement on Tariffs and Trade (GATT), and the recent signing of the 1994 GATT, pose a challenge since permits will be eliminated in November 1994, and in November 1995, tariffs will drop from 55% to 35%.

Carvajal invited the private sector to help find solutions to two other important matters: a deficit in the production of improved seeds and over-capacity for rice production.

Lastly, he noted that rice will be "one of the many product lines undergoing modernization in the next few years."



Photo/Isis Campos, Costa Rica

With the support of French Cooperation, IICA conducts studies on production chains (such as rice in Costa Rica). The results of the studies are discussed by the public and private sectors in a search for measures to ensure competitiveness.

Rice in Figures

- * The importance of rice production in Costa Rica has fallen sharply. In 1983, rice production represented, in real terms, 7.77% of total agricultural output, compared to 4.56% in 1992. In nominal terms, it dropped from 6.16% to 3.35%.
- * The area under cultivation decreased substantially, from 84,500 hectares in the 1980-81 period to 52,500 hectares in the 1992-1993 period.
- * Beginning in 1986/87, with the exception of the 1989/90 harvest, the area under cultivation was not sufficient to cover domestic demand. In 1988/89, imports of pounded rice totalled 46,700 metric tons (one third of the amount consumed).
- * In Costa Rica, per capita rice consumption is 45 kg. In countries where consumption is between 30-60 kg, rice provides 15% of the calories consumed. This demonstrates the importance of rice to nutrition and to food security.
- * Seven percent of the money spent on food by Costa Ricans pays for rice.
- * The net amount of foreign exchange needed to meet domestic demand if the deficit is covered by imports is estimated at US\$16.5 to US\$35.1 million annually, for Thai rice. It would cost from US\$20 to US\$65 million to cover this deficit with United States rice.
- * The price of Costa Rican pounded rice is higher than that of imported rice.
- * A comparison between international and local prices reveals the following: given current tariff levels (55%) and assuming no restrictions on imports, the price of Costa Rican rice is higher than Thai rice in 66% of the last 36 monthly prices consulted.
- * The situation is less critical for United States rice, in that the price of rice imported from that country was lower in only 24% of the cases.

IICA to Support Cooperative Movement Agreements Call for Joint Activities

After signing two cooperation agreements which include the execution of joint activities, IICA became a new partner of the cooperative movement in Central America and the Caribbean.

One of the initiatives links the Institute to the Confederation of Cooperatives of the Caribbean and Central America (CCC-CA) and is aimed at promoting agricultural and rural development. The document was signed by the Director General of IICA, Carlos E. Aquino Gonzalez, and the President of the CCC-CA, Carlos Nagovicht.

The objective of the second agreement, which links IICA to Costa Rica's Center for

Studies and Cooperative Training (CENECOOP R.L.), is to strengthen the Center's training and rural development programs. It was signed by Aquino and the Executive Director of CENECOOP R.L., Ulises Alfaro Portugal.

Formal ties with both entities were established within the framework of the Seventh Congress of the Costa Rican Cooperative Movement, organized by the National Council of Cooperatives and entitled "Toward Entrepreneurial Modernization, the Reconversion of Production and Social Justice."

The agreement between IICA and the CCC-CA calls for cooperation in: strengthening cooperatives of the



Photo/Rocio Escobar

The President of the Confederation of Cooperatives of the Caribbean and Central America, Carlos Nagovicht (second from left) and the Director General of IICA, Carlos E. Aquino Gonzalez, sign the agreement. Accompanying them is the President-elect of Costa Rica, Jose Maria Figueres.

agricultural and agroindustrial sectors; providing training in trade negotiations and boosting exports; supporting the implementation of domestic marketing mechanisms and agricultural commodity exchanges; supporting entrepreneurial development and strategic planning. The agreement with CENECOOP R.L. focuses on the areas of

trade negotiations, the development of trade mechanisms and agricultural commodity exchanges, evaluation and formulation of cooperative projects, business management for small-scale rural cooperative enterprises, and involving young people in rural development.

CENTRAL AMERICA

Gender, Communications and Sustainable Development Regional Networks to be Established

Government and private rural development organizations in Central America will establish regionwide networks for exchanging experiences on gender, communications and sustainable development.

This initiative will take place after the conclusion of a series of training workshops sponsored by IICA, the Swedish International Development Authority (SIDA) and the

World Conservation Union (IUCN), conducted within the framework of a joint project launched in 1993.

According to the project coordinator, Ileana Ramirez, the purpose of the training is "to provide an opportunity for discussing the design and adoption of working methods that will promote equity among women, men and nature."

After the workshops have concluded,

interinstitutional networks for Central America will be established for the exchange of experiences and communicational materials.

The general training component, launched in 1993 and concluded in April 1994, offered technical courses on communications. During the second stage, printed, radio and audiovisual materials were

produced. The third stage consisted of a workshop to validate these materials, and, finally, training began for teachers.

Following the workshops held in Central America in 1993 and 1994, regional working groups were set up, the goal being to ensure that participants' institutions adopt working methods which promote participative communication, equal opportunities for men and women and the sustainable use of natural resources.

Competitiveness through Agroexports

Nontraditional Products are an Alternative

The agricultural export potential of nontraditional commodities is today one of the best means for the countries of the Organization of Eastern Caribbean States (OECS) to obtain a better position in increasingly open and demanding markets.

Tropical fruits, roots and tubers are the most competitive of the nontraditional products.

Fruits, tubers and vegetables, among other products, are gaining importance vis-a-vis sugar and bananas, which are the principal traditional export commodities of these Caribbean nations.

The potential of these products was the most important finding of a study conducted by the ministries of agriculture of the OECS member countries -Antigua and Barbuda, the British Virgin Islands, Dominica, Grenada, Monserrat, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines- with technical support from IICA.

The study assessed the outlook of four types of commodities for export

and domestic markets: tropical fruits, vegetables, roots and tubers and flowers. It also called attention to the need to specialize production, create a favorable climate for investments, and develop the infrastructure needed to establish a strong agroindustrial complex.

FRUITS, SOURCE OF WEALTH

In general, the study revealed that tropical fruits, roots and tubers are the most competitive nontraditional products for domestic and international markets.

The low production costs of papaya (pawpaw) in Antigua, breadfruit in Saint Lucia, and mango and avocado in Grenada are some of the important advantages offered by fruit production in the region.

According to the study, in terms of net foreign exchange earnings, papaya producers in Antigua must invest 30 cents for a one dollar return; while avocado producers in Saint Vincent and the Grenadines have to invest 40 cents in order to get the same return.

Other encouraging signs for fruit cultivation in the Caribbean are the growing demand for "exotic products" in the United States, and limitations on fruit production in that country due to weather conditions, which open a new window to the US market.

The only tropical fruits which have shown negative trends in competitiveness were pineapple in Saint Lucia, and passion fruit and cashews in Grenada.

Pineapple exports, for example, are mainly controlled by Central American producers. Also, according to the study, this fruit is usually marketed through large transnational corporations.

The competitiveness of vegetables was low on external markets.

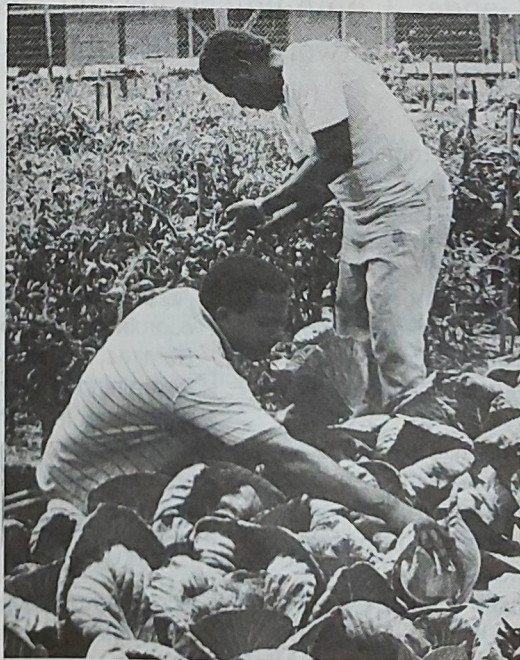


Photo: Krishna Mehara J., Trinidad and Tobago

IMPORT SUBSTITUTION

Vegetables, another category covered in the study, were not as competitive on foreign markets. Nevertheless, the outlook is promising for onion and carrot production for supplying intraregional markets, since prices are lower than for those from Central America and Mexico.

The study also pointed out that there are greater possibilities for decreasing dependency on extra-subregional imports, due to the durability of these vegetables and the existence of air and sea transport networks.

It also indicated that in order to implement this regional supply model, it would be necessary to have access to up-to-date and systematized trade information.

REQUIREMENTS

The study recommended that, based on agricultural reactivation and within the framework of sustainability and equity, the OECS member countries must reorient and harmonize their macroeconomic policies and, at the same time, undertake a process to specialize production.

This effort does not aim to disregard existing infrastructure, but rather to improve it with the active participation of the private sector and stronger ties



with other nations of the Caribbean Community (CARICOM).

In order to make nontraditional products competitive, it will be necessary to coordinate the work of agricultural research and technology development organizations.

As far as marketing is concerned, the study recommends that closer ties be forged between producers and marketers, and that, at the same time, an aggressive marketing campaign be undertaken to promote Caribbean rather than imported products. The study also pointed out that differentiation by origin promises to improve prices for local products over imports.

All intraregional nontariff barriers should also be dismantled; for example, import permits, which block the entrance of goods that are also

produced locally, and phytosanitary requirements that are not based on scientific criteria.

The study proposes that a Council on Competitiveness be established to coordinate the policies that must be implemented to improve the competitiveness of nontraditional products from the OECS. It would serve as a nongovernmental technical committee made up of professionals from the subregion, with assistance from international agencies, such as IICA.

The study proposes the establishment of a Council on Competitiveness

New IICA-OAS Offices

A Bridge between the Caribbean and Latin America

New Offices for the Organization of American States (OAS) and the Inter-American Institute for Cooperation on Agriculture (IICA) were inaugurated in Georgetown, Guyana on April 18, reaffirming the commitment of these two inter-American agencies to strengthen ties between the Caribbean and Latin America.

Participants in the opening ceremony included the Secretary General of the OAS, Joao Baena Soares; the President of Guyana, Cheddi Jagan; his Minister of Agriculture, Reepu Daman Persaud; the Minister of

Foreign Affairs of Guyana, Clement Rohee; and the Deputy Director General of IICA, David Joslyn.

The Secretary General of the OAS described Guyana as having the potential of becoming "a bridge for friendship and understanding in the hemisphere." President Jagan expressed his optimism about the strategic role his country can play in hemispheric integration.

In his speech, the Deputy Director General of IICA, David Joslyn, stated that the Institute had prepared a strategy tailored specifically to the

needs of the Caribbean, the main thrust of which was to upgrade institutional and human capabilities for agricultural modernization in the subregion.

He added that, in this context, emphasis will be placed on diversifying production and boosting competitiveness, requisites for progress in a growing free trade environment.

The building was donated by the Government of Guyana. According to the Minister of Agriculture, Reepu Daman Persaud, this represents a savings of US\$60,000, which will contribute to agricultural development through the efforts of the OAS and IICA.



Deputy Director General of IICA Visits Trinidad and Tobago

During a brief visit to Trinidad and Tobago in April, the Deputy Director General of IICA, David Joslyn, had a full agenda which included a meeting with the Minister of Agriculture, Joseph Campbell, and with the staff of the IICA Office in that country.

Joslyn also met with representatives of international agencies such as FAO and the IDB to discuss areas for joint actions in Trinidad and Tobago.

Programs in action

PRIVATE AGRICULTURAL SECTOR

Inter-American Meeting Support for IICA Initiative

Leaders of private sector organizations from 12 countries of the Americas endorsed an IICA plan to hold an inter-American meeting of public and private agricultural sector organizations this coming October.

During the meeting, participants will discuss the types of changes private agricultural organizations must make in response to the new international context, with special emphasis on the challenges faced by small businesses. The establishment of strategic alliances will also be an item on the agenda.

A consultation meeting on this topic was held at IICA Headquarters on May 5, where the relationship between the public and private sectors and IICA's action was discussed. In the opinion of the participants, IICA can help facilitate this process and provide support in developing projects for institutional reform at public institutions and producers' organizations.

As the specialized agency for agriculture of the inter-American system, IICA has worked since its inception with agents of civil society, establishing different types of relations over the years. In 1991, the ministers of agriculture of the hemisphere called on the Institute to propose actions for facilitating dialogue between the public and private sectors.

IICA considers this to be an issue of great importance since the private sector became a key player on the agricultural scene as a result

of the production/transformation/distribution/consumption processes of agricultural and agroindustrial complexes. IICA will have to learn about the typologies, functions and organizational styles of the entities representing the private sector, so as to be able to make proposals for upgrading their capacity to intervene in the processes and assume their new roles.

agencies that carry out activities of public interest (i.e., technology transfer); with agencies that generate tangible collective benefits; and with business organizations that assist businesses in the modernization and reorganization process. Americo Utumi, from Brazil, who is the secretary of the Agricultural Committee of the International Cooperative Alliance, and Gladys Bolt, of the Nicaraguan Union of Farmers and Cattle



The participants in the consultation meeting stated that IICA could serve to facilitate public sector-private sector relations.

of efforts by the countries to modernize production, liberalize trade and reform the state. In this process, private sector organizations and representative bodies have been given new roles, authority and responsibilities.

If IICA is to establish closer links with the many and different actors of civil society, it will have to become more familiar with the processes currently under way, the particular nature of the agents

COMMENTS

The valuable comments by the participants in the consultation meeting will be used as inputs to enhance a document written by IICA on this subject; they also voiced their opinions on what type of private sector organizations IICA should collaborate with.

Carlos Gustavo Cano, Executive Director of the Colombia International Corporation, suggested that the Institute could work with

Ranchers, stressed that IICA should work with small farmers, who have been hard hit by adjustment programs.

Utumi and Bolt underscored that efforts should not be limited to working with large organizations, since medium- and small-scale producers are often not represented in these organizations. In their opinion, priorities should include technology transfer, training for placing their products on markets (how to export), and support for cooperatives.

Biodiversity and Underdevelopment

Natural Wealth is not "Green Oil"

During a symposium held at the Headquarters of the Inter-American Institute for Cooperation on Agriculture (IICA) from April 12-14, international specialists agreed that while much of the planet's biodiversity is found in Latin America, they are not a panacea for solving the problems of poverty and underdevelopment that afflict the region.

Participants in the symposium "Biodiversity, biotechnology and sustainable development," organized by IICA and the Pan American Health Organization (PAHO), added that it is important to raise this issue in each country so that, together, the various social groups (scientific community, public and private sectors, NGOs, universities, ecologists, among others) can find responses to several pressing challenges, including:

- how to gain access to technology and know-how for exploring and exploiting biodiversity;
- what model will be used to calculate the real value of natural resources;
- who will represent the country in negotiations with multinational agencies and firms;
- what kind of legislation, patents and property rights are needed to address the rational use of biodiversity?

According to the specialists, these important questions must be dealt with in national fora; otherwise it may happen that only certain groups end up participating in the development of this natural wealth. Should that be the case, the gaps separating the different social groups within the countries, and underdeveloped and industrialized nations, will widen even more.

In the opinion of Dr. Albert Pellegrini, Coordinator of PAHO's Research Program on Health and Technological Development, biodiversity is definitely a comparative advantage, but he cautioned against overestimating its potential.

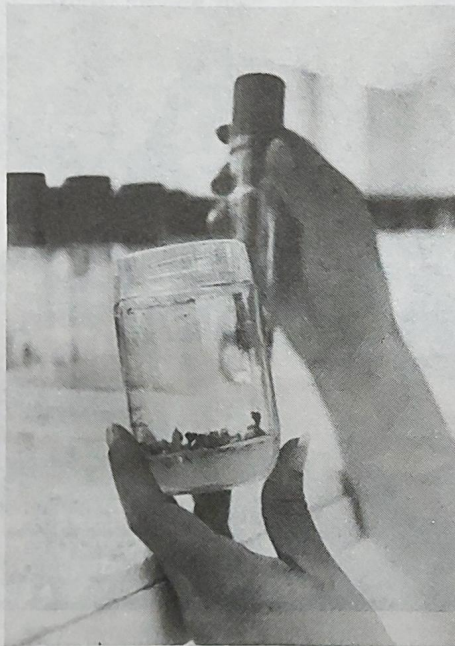
SKEPTICISM

"We must not create false hopes, as we did in the past, and think that biodiversity will solve the economic problems of Latin

America. In the current context, having biodiversity is not the same as striking 'green oil,'" he said.

Other participants shared Pellegrini's views, and noted that the contribution of biodiversity to economic growth will depend on the policies adopted by the countries. They stressed that "The state must play a key role in establishing the rules of the game."

The specialists agreed that in order to achieve both development and growth, the countries must possess the scientific and technological know-how that is central to economic activity throughout the world today. They stated, "Biodiversity is a field that can attract this new technology and know-how, where we can learn to put it to use and incorporate it into other aspects of production to become more competitive."



Photo/Rocio Escobar

Latin American and Caribbean countries should work to add value to the resources of their biodiversity and not export them as raw materials.

The participants recognized that, to do this, each country must rely on its own scientific infrastructure and human resources for identifying what know-how and technologies are needed, gaining access to them, learning how to use them, incorporating them, mastering them and subsequently transferring them to other production sectors.

In this connection, Pellegrini noted that the scientific and technological infrastructure of Latin America is in danger because the state has withdrawn as the principal source of funding. He underscored the need to attract private investment in order to solve this problem, adding, "The science and technology systems of Latin American nations are very vulnerable to the impact of adjustment policies since they depend economically on the

state for 80% of their activities."

Participants also discussed the capacity of the pharmaceutical industry in Latin America to develop new products - medicines, drugs, others - based on the resources of biodiversity, thus keeping profits in the region and preventing the export of live resources.

Along these same lines, Pellegrini noted that the world medication market is dominated by a few companies in a position to invest, produce and market on a large scale, which enables them to control markets. He added that it is unrealistic to think that the Latin American countries can each develop a pharmaceutical industry of such proportions, but that there are some interesting alternatives that can be explored.

Renewed Interest in Integrated Pest Management An Alternative for Crop Protection

After waning in importance in recent years, integrated pest management (IPM) is again being promoted in the Central American and Caribbean countries as the best option for crop protection, at a time when the countries of both subregions are working to promote a style of agriculture that respects natural resources and the environment.

The initiative will be implemented by the Integrated Pest Management Working Group (IPMWG), which will support national entities promoting the use of IPM in research, training, extension and technology generation and transfer activities.

The IPMWG announced this decision at the end of an international workshop on IPM, held at IICA Headquarters in March. Participants included experts in the natural sciences, researchers and extension agents, representatives of farmers' organizations, specialists from international agricultural research centers, and others.

According to Malcolm Iles, Secretary of IPMWG, IPM is a way to protect natural resources based on the use of technologies that are suited to farmers' needs, not harmful to the environment and safe to use. IPM was first used in the 1940s, but was gradually replaced by other methods.

Although this approach was usually used to manage problems that reduce productivity (weeds, diseases, insects and other vertebrate or invertebrate pests), IPM has also produced good

results in forestry, agroforestry and livestock activities.

Established in 1989, the IPMWG is a specialized unit of the Consultative Group on International Agricultural Research (CGIAR). It is made up of international development organizations that promote the use of IPM, and is funded by donor agencies, cooperation agencies, agricultural research centers and NGOs.

ADVANTAGES

Compared to the use of chemical pesticides, which the Central American and Caribbean countries import at the rate of US\$125-US\$150 million a year, IPM offers several advantages:

- * lower risk of pesticide intoxication by agricultural workers;

- * lower incidence of cancer and other illnesses associated with a long-term consumption of sub-lethal amounts of pesticides in agricultural products;
- * better chances, over the long term, of obtaining reasonable levels of production and profitable yields from a greater number of crops in traditional agricultural areas. This will be possible as long as pests do not develop a resistance to chemicals;
- * protection of the resources of biodiversity and production activities, such as fisheries, which can be harmed by chemical pesticides;
- * prevention of pollution of water sources for human and animal consumption; and
- * improvement in the balance of payments situation, since most pesticides or the ingredients used in preparing them are imported.



Photo: Lorgio Acosta, Paraguay

Integrated pest management frees farmers from the risks associated with the use of agrichemicals.

IICA

Inter-institutional Alliances Rural Women to Benefit

International Steering Committee for the Economic Advancement of Rural Women (CID).

efforts were needed to comply with the recommendations set forth in the Geneva Declaration. In addition, the IFAD and IICA representatives agreed to draft a world report on the problems faced by rural women.

This report, to be presented during the Beijing Conference, will include an assessment of the situation of rural women and recommendations for improving their circumstances throughout the world.

IICA will collaborate by preparing the chapter on Latin America, which will be drawn from the study "Agricultural policies for women producers," which was conducted by the Institute in 18 countries of the hemisphere and funded by the Inter-American Development Bank (IDB).

EQUAL ACCESS

Within the framework of a meeting on women in the Americas, held by the IDB in March, IICA officials presented to the Bank a series of proposals that would ensure that men and women have equal access to resources and the benefits of development.

IICA's proposals include creating a permanent information system on women's economic role in agriculture, with a view to promoting financial mechanisms that reflect gender-specific needs and improve women's access to technology.



Photo/Oscar M. Bonilla, Peru

Equitable access to resources and the benefits of development are among the principal challenges faced by rural women.

The progress made in matters related to the gender issue and rural development were two of the key topics discussed at recent meetings attended by IICA to consolidate "strategic alliances" to benefit women farmers.

Within the framework of the Inter-agency Group on Gender and Development in Central America, IICA, together with other international agencies, suggested that a regional consultation meeting be held in June to arrive at a consensus for the Isthmus vis-a-vis the World Conference on Women, to be held in Beijing in 1995.

This process will bring together, for the first time,

representatives from governments, nongovernmental organizations, civil society organizations such as cooperatives, and cooperation and funding agencies, to discuss the interests and needs of Central American women in the framework of subregional integration and democratization.

EVALUATION

In February, the queens of several nations met in Brussels with representatives of different agencies of the United Nations system and regional organizations from Latin America and the Caribbean, at the invitation of the First Ladies of the

The purpose of the meeting was to evaluate the progress made in incorporating women into the development process, as proposed in the Geneva Declaration on the Economic Advancement of Rural Women, which was signed in 1992.

Other participants in the meeting included the President of the European Economic Community, Jacques Delors, and the President of the United Nations International Fund for Agricultural Development (IFAD), Fawzi Al-Sultan. Fabiola Campillo, a specialist on women's issues and rural development, represented IICA.

During the meeting, it was agreed that renewed

RURAL AGROINDUSTRY

Meeting of Networks Challenges Identified

In a meeting held at IICA Headquarters on April 29, representatives of the Rural Agroindustry Networks (REDAR) of Central America, Mexico and the Dominican Republic discussed the strengths and weaknesses of the sector vis-a-vis trade opening and the globalization of markets.

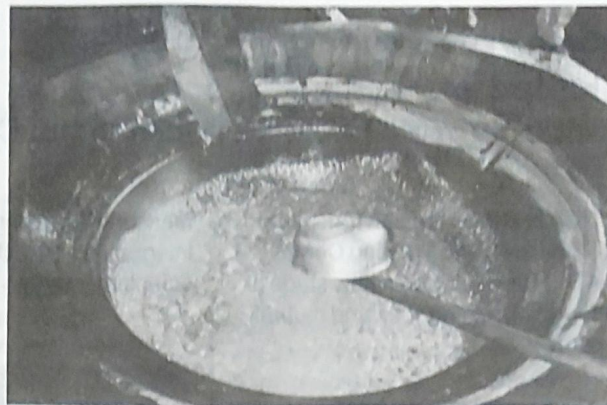
The meeting was sponsored by the IICA Office in Costa Rica and the Rural Agroindustry Development Program (PRODAR).

Frank Valdez, coordinator of REDAR in the

Dominican Republic, stated that consolidation of the rural agroindustry sector, which increases the value of agricultural commodities through processing, "can improve the standard of living of rural inhabitants."

According to PRODAR figures, 20 million Latin Americans earned their livings from agroindustrial activity between 1990-1991. In most cases, they were small producers and farmers using limited technology to process a part of their output.

Valdez, who represents the networks of Central America and the Dominican Republic on PRODAR, said that an effort should be made to identify the shortcomings



Photo/Isac Quezada, Costa Rica

Five million rural agroindustries are currently in operation in Latin America and the Caribbean.

and potential of small- and medium-scale agroindustries' access to markets and technology.

According to IICA estimates, some five million rural agroindustries are currently in operation in Latin America. The

Institute, which promotes the concept of an expanded agriculture, supports the inter-sectoral alliances created by this activity. For this reason, it places importance on providing technical cooperation to agroindustries.

LATIN AMERICA

Agricultural Commodity Exchanges Video Prepared



Photo/Nuria Fernandez, Costa Rica

In a joint effort, IICA's Communications Division and its Trade and Integration Program have prepared a four-module video on agricultural

commodity exchanges. The video illustrates how this innovative marketing instrument operates, what advantages it offers and what importance it has in

the current context of market deregulation spurred by trade opening.

Rodolfo Quirós, Director of the Trade and Integration Program, described the video as a high-quality production, both technically and artistically, which will be of considerable assistance to IICA in its efforts to establish agricultural commodity exchanges in the countries of the region.

The first module shows the agricultural commodity exchange as part of a marketing system that links primary production, marketing systems and the final consumer.

The second module explains what an exchange

is and how it works. The third shows the inner workings of the exchange - its components, how it is organized and why it is organized that way - while the fourth module, designed especially for users, identifies the steps involved in a transaction and the protection exchanges offer for producers.

The video's target audience includes technical experts, instructors, farmers, agroindustrialists, merchants, suppliers, government officials, and others. It comes with manuals to facilitate its use as a teaching tool, and a book to provide the user with further information on the topics covered by each module.

Closer Ties

Seek to Provide Better Services to the Countries

IIICA and the Tropical Agriculture Research and Training Center (CATIE) have entered a new stage of cooperation, exchanges and mutual support.

The two organizations, headquartered in Costa Rica, share a common origin. CATIE's principle activities are research and post-graduate training, while IICA's are technical cooperation and institution building.

A cooperation agreement, in effect since 1984, governs relations between these two institutions. IICA contributes up to 5% of CATIE's annual quota budget; a sum totalling more than US\$1 million per year.

This new stage, the nature and specific characteristics of which will be determined by task forces set up by the Directors General of IICA and CATIE, began when the new administration of IICA took office this January 15.

In March, the Directors General, directors and national representatives of both institutions met for the first time as part of this effort to integrate operations and complement cooperation actions.

In this framework, the Directors General signed a joint declaration which "formally initiates the implementation of the principle of integrated operations and complementarity between IICA and CATIE, with a view to making better use of human, technical and financial resources to the benefit of the countries of the hemisphere."

Also, they called on all units of the two institutions to take

measures to implement functional integration and foster complementarity.

of cooperation with CATIE is to better serve the countries, adding that "the time is right for integration between our organizations."

In his opinion, this will be a synergetic effort which will enable both institutions to make better use of their



Photo/Danilo Jimenez, IICA

In order to offer better services to their member countries, IICA and CATIE have worked during the past few months to improve coordination. This photo shows the senior staff of the two institutions.

Several areas are being considered for joint undertakings, including communications, dissemination and human resource training. One possibility being discussed is that the IICA Representatives in CATIE's member countries could also represent the latter, in the interest of greater efficiency and to be able to monitor projects more closely. CATIE's member countries are the nations of Central America, Mexico, the Dominican Republic and Venezuela.

WORDS OF THE DIRECTORS GENERAL

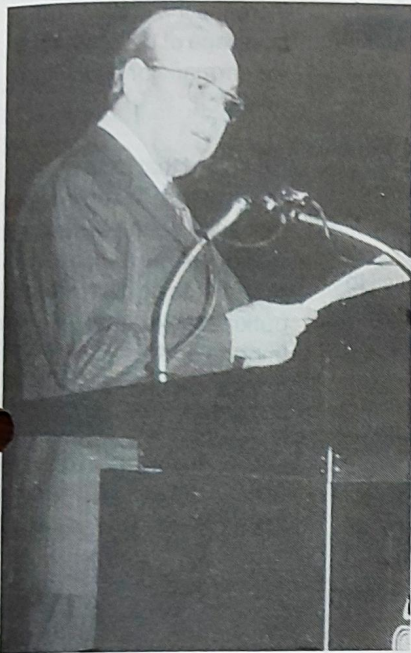
The Director General of IICA has stated that the goal of this new stage

financial, technical and human resources.

Ruben Guevara, Director General of CATIE, stated that a new administration at IICA offers "a unique opportunity to work together to provide answers to the farmers and the countries, their governments and institutions."

He added that the goal is to "be more effective in promoting development and well-being for the peoples of the Americas."

Perez de Cuellar at IICA Underscores the Importance of Agriculture



Javier Perez de Cuellar

Latin America must again become a "great agricultural region" in its pursuit of development, stated Javier Perez de Cuellar, former Secretary General of the United Nations, adding that greater efforts should also be made to bring about a truly equitable distribution of resources in this hemisphere.

The Peruvian specialist made these statements at IICA Headquarters, where he participated in the Third Meeting of the World Commission on Culture and Development last February 24 to 26.

In describing himself as a "strong advocate for the return of Latin America to agriculture," he considered it necessary to combine vigorous agricultural activity with moderate industrialization to complement primary production.

Perez de Cuellar added that the Latin American countries should preserve the wealth of their lands, since "agriculture is an indispensable currency of exchange" for the hemisphere.

In the opinion of the former UN Secretary General, priority should be attached to the agricultural sector within a new development model to achieve greater well-being. "This crucially important task falls not only on governments, but also on organizations such as IICA."

He emphasized, however, that achieving optimum development levels must be accompanied by ensuring equitable access to wealth. "There is nothing more urgent," he said, "than achieving true social justice based on a correct distribution of wealth. Riches should not be concentrated in a few hands, because it isn't the fruit of the efforts of a few, but of all our people."

RESEARCH

EMBRAPA Wants to Expand Ties South-South Cooperation

The President of the Brazilian Institute of Agricultural Research (EMBRAPA), Murilo Xavier Flores, stated that his institution is very interested in expanding cooperation with IICA.

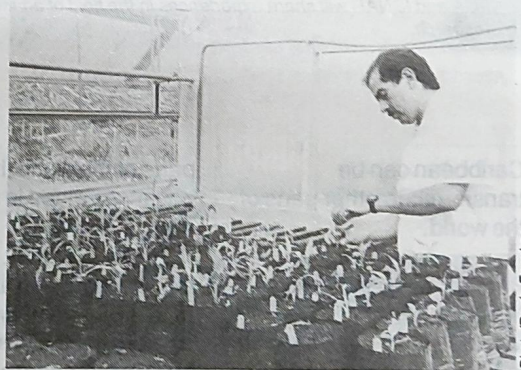
During a visit to IICA Headquarters in March, Flores stated that EMBRAPA wants to work more closely with the Institute in developing South-South cooperation.

He added that IICA offers many advantages for joint efforts, especially because it has offices and qualified

personnel in almost every country of the hemisphere.

He noted that there are a number of specialized centers in the region that can work together on specific projects, and that IICA can help facilitate this cooperation in areas such as training and information exchanges.

In his opinion, IICA can also cooperate in identifying national and subregional research needs, and in



Photo/Rocio Escobar

According to EMBRAPA, IICA can help facilitate joint ventures between agencies devoted to agricultural research.

defining new joint undertakings. For example, he mentioned that in this way, EMBRAPA could work more closely with institutions such as the Tropical Agriculture Research and Training Center (CATIE).

Agricultural Research Praise for Regional Progress

According to Christian Bonte-Friedheim, Director General of the International Service for National Agricultural Research (ISNAR), agricultural research in Latin America and the

recommended that efforts also be made to establish links with private agricultural research systems, universities and specialized centers, with a view to sharing with other



IICA and ISNAR will share experiences in the field of agricultural research.

Caribbean can be transferred to other parts of the world.

Bonte-Friedheim visited IICA Headquarters on March 7, where he met with the Director General, Carlos E. Aquino Gonzalez, and specialists from the Institute's Technology Generation and Transfer Program.

ISNAR's Director General stated that "Latin America is a leader in this sense, thanks to its national agricultural research institutes," and

parts of the world the advances made in this region.

Bonte-Friedheim and IICA's Director General agreed that the views of both researchers and small farmers should be taken into consideration in drawing up an agricultural research agenda for the rest of this decade.

ISNAR, which is located in Holland, is the only international center which focuses on the management,

organization and administration of agricultural research, especially in Africa and Asia.

COOPERATION

CIRAD-FLHOR Will Promote Networks

During a recent visit to IICA Headquarters, the Director of CIRAD-FLHOR, Jean Louis Rastoin, announced that the Center for International Cooperation in Agricultural Research for Development (CIRAD), of France, will support the Institute's efforts to develop fruit and vegetable networks.

According to Rastoin, once both parties sign the respective letters of understanding under the cooperation agreement that has been in force since 1989, French specialists will be able to join in IICA's efforts in this field.

The work of CIRAD-FLHOR, one of CIRAD's seven departments, focuses on fruits and vegetables. It has a staff of 300 -half of whom are specialists and technical personnel- and operates on an annual budget of approximately US\$20 million.

Rastoin stated that CIRAD-FLHOR looks forward to

working with IICA since "being associated with an agency that has offices throughout the hemisphere will enable us to increase the impact and coverage of the resources we earmark for agricultural research."

He added that in several countries of the region, the fruit and vegetable sector is well developed and represents an excellent option for expanding imports and boosting foreign exchange earnings.



Jean-Louis Rastoin

*CIRAD-FLHOR is
one of the seven
departments making
up CIRAD.*

First Ladies Visit IICA Commitment to Women Food Producers

The former First Lady of Costa Rica, Gloria Bejarano, and her successor, Josette Altmann, visited IICA Headquarters to formally receive the proceedings of the "Third Meeting of the First Ladies of the Americas and the Caribbean," held in September 1993.

The document, presented on May 4, contains the Declaration of Costa Rica which was signed at the conclusion of the event. In the Declaration, the First Ladies agreed to provide support to programs fostering equitable participation by women in production processes and in the benefits of development.

During the ceremony, Mrs. Bejarano de Calderon called upon public and private organizations working at the national and international levels to work together to promote the well-being of rural women in the Americas.

For her part, Mrs. Altmann de Figueres, who assumed her post on May 8, reaffirmed her commitment to

creating an atmosphere in which women can progress, "in a country where justice, dignity and consensus prevail."

In addressing the audience, the Director General of IICA, Carlos E.

Aquino Gonzalez, stated that it is essential "to bring urban and rural women together" in the search for justice and equity. He also underscored the importance of strengthening the commitment between the First Ladies and women farmers, in order to meet the challenges of today.

The next summit of Spouses of Heads of State and Government of Latin America and the Caribbean will be held in Saint Lucia this October.



Photo/ Rudolph Wedel

The outgoing First Lady of Costa Rica, Gloria Bejarano (left), and her successor, Josette Altmann, agreed on the need to ensure that women have equitable access to resources.

LATIN AMERICA AND THE CARIBBEAN

Agreement with Librarians IICA and AIBDA Strengthen Ties

In a letter of understanding signed on April 28 by the top authorities of IICA and the Inter-American Association of Agricultural Librarians and Documentalists (AIBDA), the Institute renewed for three more years its commitment to provide technical and financial support, which began in 1966.

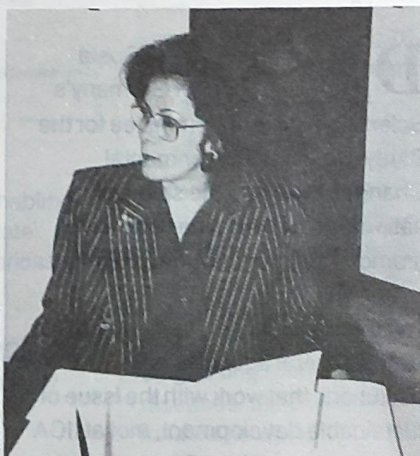
Under this agreement, IICA will cooperate with AIBDA in organizing and conducting meetings, technical conferences and training activities. It will also provide financial

support for the publication of certain documents.

For its part, AIBDA will work with IICA in conducting studies and research on agricultural information and documentation, with a view to solving specific problems faced by the countries in this field.

The President of AIBDA, Suzana Sperry, said that the signing of the agreement was important for two reasons. On the one hand, it reaffirms the Institute's confidence in the Association's work. On the other, it marks the beginning of a new chapter in the history of two

organizations that share common interests.



Photo/ Danilo Jimenez, IICA

Suzana Sperry, President of AIBDA

COSTA RICA

Figueres and Iglesias Meet at IICA

Aquino Grants Medal to President

Prior to his inauguration on May 8 as President of Costa Rica, Jose Maria Figueres held several working meetings at IICA Headquarters with his cabinet and principle advisors.

On March 17, Figueres and his economic team met with Enrique

Iglesias, President of the Inter-American Development Bank (IDB), to outline a joint working agenda reflecting the priorities of the new government authorities.

At that meeting, the Director General of the Inter-American Institute for

Cooperation on Agriculture (IICA), Carlos E. Aquino Gonzalez, presented Figueres with the Institute's gold Commemorative Medal.

Aquino stated that the medal was bestowed in recognition of Figueres' efforts to ensure that IICA continues to work on behalf of agricultural development and rural well-being in the Americas.

Figueres, who was Minister of Agriculture during the administration of Oscar Arias (1986-1990), served as Chairman of the Fifth Regular Meeting of the Inter-American Board of Agriculture (IABA), IICA's highest governing body, in its October 1989 meeting in Costa Rica. In July of that year, he had been elected Chairman of IICA's Executive Committee.

Aquino also stated that he was very pleased to have Enrique Iglesias at IICA, adding that it was an excellent opportunity to reaffirm the Institute's interest in continuing to work with the Bank on actions to promote rural development, achieve sustainable agriculture and combat rural poverty.



Photo/Robb Escobar

The President of the IDB, Enrique Iglesias; the Director General of IICA, Carlos E. Aquino Gonzalez; and the Deputy Director General of IICA, David Joslyn, listen to the President-elect of Costa Rica, Jose Maria Figueres.

SUSTAINABLE DEVELOPMENT

German Experts Visit IICA

Agricultural and Environmental Initiatives Analyzed

During a recent visit to Costa Rica, members of Germany's Scientific Advisory Committee for the Study of Global Environmental Changes analyzed the status of national and international initiatives promoting sustainable development.

The multidisciplinary team, which visited several agencies and institutions that work with the issue of sustainable development, met at IICA Headquarters with its Directors and with German Technical Cooperation

Agency (GTZ) specialists stationed at the Institute.

The experts learned of the actions IICA is carrying out at the national, regional and hemispheric levels to promote sustainable agriculture, especially the inter-Program project on sustainable development, which receives support from the GTZ.

During their five-day stay in Costa Rica, the experts referred to several agricultural projects

working to rehabilitate degraded lands through the application of new technologies

According to Horst Ziemmermann, Vice Chairman of the Advisory Committee, "fast-growing plant species and fertile tropical soils make Costa Rica a country with a reforestation system worthy of imitation by other countries."

The conclusions of the German experts, which will be included in an annual report to be published soon, will help the German government in its decisions to allocate funds for international aid.

PUBLICATIONS

CARACTERIZACION DEL COMERCIO AGRICOLA INTERAMERICANO

AGRICULTURAL POLICY ANALYSIS AND PLANNING PROGRAM

MALURICIO PEREZ SALAZAR AND JORGE A. TORRES ZORRILLA



41

The focus of this book, written by IICA's Agricultural Policy Analysis and Planning Program, is the pattern of trade between Latin America and the United States, taking into account the trends of greater economic opening, market liberalization and deregulation.

The book assesses trends in intraregional agricultural and agroindustrial trade, as part of a broader study on the Enterprise for the Americas Initiative and agriculture in Latin America.

This analysis sheds light on opportunities for and the potential associated with opening an "Inter-American Free Trade Zone."

CAMBIO ESTRUCTURAL Y REFORMAS INSTITUCIONALES EN LA AGRICULTURA DE AMERICA LATINA Y EL CARIBE

AGRICULTURAL POLICY ANALYSIS AND PLANNING PROGRAM

JUAN MANUEL VILLASUSO



43

State reform, a process associated with the structural changes under way in Latin America and the Caribbean, is the focus of this publication, produced by IICA's Agricultural Policy Analysis and Planning Program.

Sponsored by the Swedish Agency for Research Cooperation with Developing Countries (SAREC), the research analyzes the cases of twelve countries of the region.

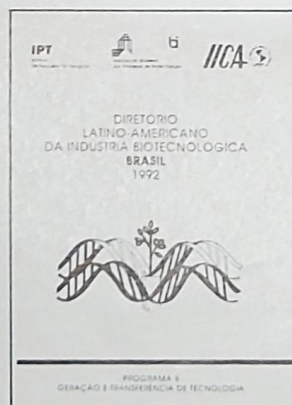
For each country, an examination is made of various factors, including the privatization of public enterprises, the transfer of functions and responsibilities to civil

society, and cutbacks in government jobs and areas of responsibility.

Changes in macroeconomic and agricultural sectoral policies, and changes in the institutional structure of the public agricultural sector were also examined.

LATIN AMERICAN DIRECTORY OF BIOTECHNOLOGY INDUSTRIES: ANDEAN AREA, ARGENTINA, BRAZIL, CENTRAL AMERICA, MEXICO AND URUGUAY

TECHNOLOGY GENERATION AND TRANSFER PROGRAM



In the interest of enabling the public and private sectors of the Americas to better plan and manage the new biotechnologies, IICA has published a Directory of Biotechnology Industries.

The initiative was undertaken by IICA's Technology Generation and Transfer Program, and consists of six volumes covering Mexico, Argentina, the Andean Area, Central America, Brazil and Uruguay.

Walter Jaffé, technology generation and transfer specialist at IICA, stated that the directory will provide information "which is of critical importance in defining appropriate policies." At the same time, it will encourage the exchange of experiences and joint ventures, as well as joint research among the different enterprises of the region.

The six volumes reveal that significant business activity is under way in the field of biotechnology in Latin America and the Caribbean. For example, the volume on Mexico contains references on 34 enterprises; the volume on Argentina contains 37. Moreover, there are 21 enterprises in Uruguay, 76 in Brazil, 70 in the Andean Area and 30 in Central America.

Some of the enterprises listed in the directory offer highly innovative products, as in the case of a Brazilian enterprise that has produced a kit for diagnosing swine diseases, the only one of its kind in the world.

in the News

**ARGENTINA,
COSTA RICA,
GRENADA AND
URUGUAY**



The meeting of the representatives of the ministers of agriculture of 33 countries of the hemisphere and delegates of integration agencies from the Caribbean, the Andean Area and Central and South America received broad coverage in daily newspapers in Argentina, Costa Rica, Grenada and Uruguay.

The meeting, which took place at IICA Headquarters from May 3-4, focused its discussions on the Medium Term Plan, the instrument which will orient the technical cooperation actions of the Institute during the 1994-1998 period.

This strategy document will be presented for approval to the Institute's Executive Committee this September.

Argentina (*El Cronista*),
Costa Rica (*La Nación*, *La*

República), Grenada (*Grenadian Voice*),
Uruguay (*La República*)

**COSTA RICA,
PANAMA AND
URUGUAY**



Discussions on the value of ecological resources in Latin America, which took place during the symposium on "Biodiversity, Biotechnology and Sustainable Development," were given broad coverage by the international press.

The purpose of the activity, which took place at IICA Headquarters from April 12-14, was to discuss the outlook for the region's biological resources which have pharmaceutical applications.

The participants in this international forum recommended that discussions be held in each country to determine how to address several new challenges, including equitable access to technological resources, legal requirements regarding patents and property rights, etc.

Costa Rica (*Revista Panorama Internacional*,

Notimex), Panama (*La Prensa*), Uruguay (*La República*)

**CENTRAL AMERICA,
PERU AND
ECUADOR**



Within the framework of the Third Meeting of the World Commission on Culture and Development, held at IICA Headquarters, the former Secretary General of the United Nations, Javier Pérez de Cuéllar, stated that "Latin America must return to agriculture."

This statement, which calls attention to the potential of the agricultural sector of the Americas, was reported in several newspapers in Central and South America.

Pérez de Cuéllar, who characterized himself as a "strong advocate of the region's returning to agriculture," called for combining a healthy agricultural sector with moderate industrialization.

He also mentioned the urgent need for the countries of the hemisphere to establish true social justice, based on an equitable distribution of resources.

Costa Rica (*Revista Panorama Internacional*),
Peru (*Agronoticias*,
Agroenfoque), Ecuador (*El Mercurio*, *El Diario*, *El Agropecuario*)

Upcoming Activities

Meeting of IICA's Executive Committee, September 12-14. Participants will include representatives from Belize, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guyana, Haiti, Mexico and Saint Kitts and Nevis. Discussions will focus on the Institute's 1994-1998 Medium Term Plan. IICA Headquarters, San Jose, Costa Rica.

Third World Congress on Ecological Economics "Down to Earth," from October 24-28. Sponsored by the International Society for Ecological Economics, the National University of Costa Rica and IICA. Hotel Herradura, San Jose, Costa Rica.