



EXECUTIVE COMMITTEE

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**INTER-AMERICAN PROGRAM FOR THE PROMOTION OF
AGRICULTURAL TRADE AND AGRIBUSINESS
(A document for analysis and discussion)**

FOREWORD

This document contains the initial proposal for the establishment of the “Inter-American Program for the Promotion of Agricultural Trade and Agribusiness.” The original version presented at the last meeting of the Special Advisory Commission on Management Issues (SACMI)¹ was amended to include a variety of ideas and concerns expressed by the Commission. Due to the importance of this program, however, this proposal is still under discussion, and the final version will therefore be different.

ANTECEDENTS

Agriculture in the twenty-first century needs to be seen in light of the new paradigms created in response to the complex global order. Changes in world trade resulting from the liberalization and globalization of economies; the development of new technologies; advances in science, technology and communications; changes in demographics; the growing demand for new and safer foods; and the never-ending fight against poverty and inequalities, are some of the driving forces shaping the new agriculture.

In response to these challenges, IICA has committed itself to creating new paradigms that have a direct bearing on international trade. Accordingly, it is promoting the establishment of an INTER-AMERICAN PROGRAM FOR THE PROMOTION OF AGRICULTURAL TRADE AND AGRIBUSINESS. This document contains the initial proposal for this program.

¹ Held in San Jose, Costa Rica on July 18-19, 2002.

I. INTRODUCTION

1. As IICA moves into the twenty-first century, it must be positioned to support its member countries in competing in the new global arena.
2. IICA needs to devise alternatives and methods for converting trade and market information into business actions consistent with the Doha Development Agenda.
3. The result of IICA's transformation is clearly stated in the document "Repositioning IICA to Meet the Challenges of the 21st Century," which calls for an IICA capable of developing capacities for responding to the demands generated by changes in demographics, educational levels, and by the strong impact of globalization and market integration.
4. The following challenges need to be met in the area of agricultural and agroindustrial trade:
 - i. Greater demand for higher quality products
 - ii. Increased concentration of purchasing power and distribution
 - iii. Changes in consumer preferences toward fresh and processed products
 - iv. New trade barriers
 - v. Greater competition
 - vi. The opening of new markets
 - vii. The constant need for innovation
 - viii. More efficient use of and access to financial resources
 - ix. Increased concerns about food safety
5. The net result should be to improve standards of living in the agricultural sector. Agribusiness development should contribute to reducing migration from the countryside to the cities and immigration between countries, providing new opportunities for the development of rural communities.
6. To this end, IICA considers it important to create an **Inter-American Program for the Promotion of Agricultural Trade and Agribusiness**. This program is a hemispheric effort lead by the Directorate of Trade and Agribusiness Development at IICA Headquarters.

II. VISION

The vision for the **Inter-American Program for the Promotion of Agricultural Trade and Agribusiness** is to help IICA Member Countries succeed in global markets, offering high-quality trade information and services for promoting agricultural and agroindustrial exports.

III. MISSION

To integrate, promote and develop trade capabilities that facilitate access to international markets.

IV. STRATEGIC GOALS

1. To ensure the availability of services that will enable IICA Member States, especially those with limited capabilities, to be suitably informed and able to participate in the benefits of global trade.
2. To help promote the international trade of high-quality agricultural and agroindustrial products that fulfill international food safety standards.
3. To help IICA's member countries develop their international trade agendas for agricultural and agroindustrial products, with emphasis on facilitating market access.
4. To fill the gaps in export services offered by IICA's Member States to their agricultural sectors.

V. OBJECTIVES

1. To provide practical and comprehensive information for promoting competitiveness in international trade.
2. To support the efforts of IICA member countries to promote the international trade of agricultural and agroindustrial products, including those offered by service companies, providing the tools and help needed to access international markets within and outside the Americas.
3. To foster compliance with international standards, especially food safety standards, in the international trade of agricultural and agroindustrial products and related services.

VI. SERVICES

The Program will provide the following services

1. Information

Objective: To be a "single window" source of information on import/export requirements for agricultural and agroindustrial products in the hemisphere.

This objective will be achieved with the creation of an information system on export/import procedures and requirements, with emphasis on meeting quality standards and ensuring food safety.

In this system, priority will be given to the following:

- Import/export documentation
- Import approval procedures
- Description of export/import regulations such as sanitary, labeling and inspection requirements.
- Export requirements such as quality control standards, the existence of assurance systems such as HACCP and ISO, etc.

The system will also provide phyto- and zoosanitary information, with particular emphasis on conditions and situations that directly and indirectly affect the trade flow of agricultural and agroindustrial products among countries. Moreover, the system will contain specialized information on export services such as enterprises the following services, among others: certification, logistic support, studies and consulting services, customs brokerage, and trade promotion.

2. *Export Capabilities*

Objectives: The activities conducted under this component have two objectives:

- i. To train small- and medium-scale companies in the export process, at home and in the target country or market.
- ii. To help them develop and implement Export Business Plans.

Under this objective, IICA intends to meet the international business training needs of small- and medium-scale companies, as well as of government and private organizations requiring such services, including trade promotion agencies in IICA's member countries.

To this end, IICA will extend the experiences gained over the last three years with its Export Platforms program, and will develop and organize courses on specific topics that will contribute to improving the possibilities of successful international trade. This can include courses on risk management, interpretation of quality standards, and assuring food safety. In parallel, hands-on training programs will be conducted *in situ* for specific topics such as inspection systems, mechanisms for distribution, dispute settlement, packing and packaging, clean production and from farm-to-table chains, among others.

3. Marketing Assistance

Objective: The objective of these activities will be to help small- and medium-scale exporters of the hemisphere to position their products in specific markets.

To achieve this objective, the program will offer two types of services. The first kind is a generic service by means of which any interested party can access an online system to find information on trade trends and the performance and potential of markets for agrifood products. The general system will also provide access to qualified sources of market information

The second type of service will provide personalized and detailed service to companies or producers desiring to place their products on specific markets. To do this, the following services will be provided:

- i. Specific information on markets and market segments
- ii. Assistance for participating in trade missions, fairs and related events
- iii. Development of consultations and facilitation of meetings with key contacts
- iv. Development of market trials in selected markets
- v. Validation and follow up of products in specific markets

4. Trade Financing

Objective: To identify public and private institutions that provide financial services for the promotion, development and enhancement of agricultural and agroindustrial exports.

Under this component, IICA intends to create an information system that will guide exporters from IICA's member countries to access information and possibly later secure funding from these sources for the purpose of obtaining working capital, reducing financial risk, and better evaluating their funding alternatives. The system will include links to the main financial institutions in the hemisphere.

5. Trading Platform for Agriculture in the Americas

Objective: To serve as a unit that brings together buyers and sellers of the agricultural and agroindustrial sectors of the Americas.

Development of this platform is based on the premise that there can be no trade without information, that information requires systems, and therefore, there can be no trade without systems. This system will be based on the establishment of ties with global partners and an accurate and

immediate exchange of information. It will be web-based, that is, it will use the most advanced communications technology linked in a worldwide electronic network (internet).

To establish this system, the following steps are being considered:

- Establishment and definition of objectives
- Establishment and definition of strategic alliances
- Creation of electronic profiles
- Validation and confirmation of data
- Organization into a logical and searchable system
- Merging with other existing systems
- System maintenance
- System growth
- Ongoing evaluation of the system and its operations

It is expected that this will make it possible to find and add new trading partners, join companies of all sizes to business opportunities, and serve as a single meeting point for companies in IICA member countries wishing to enter the international trading community. In addition, it will be able to track all trade activities generated through the system. Because IICA has offices in almost all the countries in the hemisphere, as well as an office in Spain and a very extensive network of relations with partners and programs, IICA believes that it will be possible to create one of the most import agricultural and agroindustrial trading systems in the world.

VII. STRATEGY

1. This Program is part of the strategic program of IICA's General Directorate and of the activities of its Directorate for Trade and Agribusiness Development.
2. For this program to be successful, it must receive the support of all IICA offices in the hemisphere and will look to create alliances with other organizations whose common interest is to develop international trade, tapping the capabilities of IICA's Cooperation Agencies and its regional and local agribusiness specialists.
3. First of all, business plans will be developed for each of the objectives and services outlined in this proposal.
4. The experiences accumulated by IICA will be tapped as inputs for developing program activities. Some of these include the experience gained with: agri-food chains, the labeling project, market studies, the development of domestic markets, export platforms, IICA's monitoring of trade negotiations, and the work of programs such as PRODAR.

5. Efforts will be made to reach agreement and cooperate with specialized offices (both private sector and government) in the United States and Canada.
6. Although we consider that the first office should be located in Miami, we are conducting a technical-economic feasibility study to determine the best site for this program.
7. Once the business plans have been approved, program implementation will require at least four stages:
 - i. Stage 1. The services agreed will be offered for accessing markets in the United States and Canada.
 - ii. Stage 2. The services agreed to will be offered for accessing markets in Brazil and Mexico.
 - iii. Stage 3 The services agreed to will be offered for the rest of the hemisphere.
 - iv. Stage 4. The services agreed to will be offered for the rest of the world.