

AID-FOR-TRADE CASE STORY

GRENADA

IMPROVING THE QUALITY OF FISHERY PRODUCTS FOR EXPORTS

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EXECUTIVE SUMMARY

In an effort to diversify the island nation's economy beyond tourism and nutmeg and cocoa production—severely damaged by hurricanes Ivan (2004) and Emily (2005)—and to achieve the Millennium Development Goals relating to poverty alleviation by 2015, the government of Grenada has identified the fishing sector as an industry with growth potential. The fishing sector is an important contributor to the rural economy, as well as an important link to the tourism sector and source of income for women. The tourism sector in Grenada serves as an important market for the fishing sector, while receiving the added bonus of having fresh fish to serve guests. The fishing sector contributes 1.4 percent to Grenada's GDP.

Nevertheless, the sector faces challenges to adapt to international standards for storing and transportation of fish. In order to address these deficiencies, in 2003 the European Union (EU) initiated its assistance to Grenada to support the development of quality assurance agencies, testing laboratories, technical institutes, and processing companies, as well as small-scale exporters of fishery products. As a result, the Grenadian administrative apparatus for fisheries improved; the country is now able to export its fisheries products to the EU and by extension other export markets that recognise the EU standards. Although a number of elements under the project have been completed, the process is still on going

ISSUES ADDRESSED

Grenadians have traditionally relied on agriculture as a significant contributor to the island economy, particularly in rural parishes. During 2002 to 2006 there was a decline with agriculture representing eight percent of GDP, while 47 percent of total agricultural output was exported. Aside from being a source of self-employment, agriculture also employed up to 30 percent of the country's working population. Hurricanes Ivan (2004) and Emily (2005) resulted in significant decline in agricultural exports of commodities such as nutmeg, cocoa, and bananas, however.

The fishing sector has emerged as an important contributor to the rural economy. During the 1980s, the government established a fisheries school on the island and helped the country to become an exporter of both fresh and processed fish products. The application of technology improved these products, though small-scale fishing operations still lag behind with substandard methods of handling and storing fish.

Grenada has a domestic market for fresh fish; increased international demand has made it imperative to use the Hazard Analysis Critical Control Point (HACCP)¹ food safety method. While the major Grenadian fish exporting companies are HACCP-certified and maintain access to their traditional markets of Martinique, Guadeloupe and the United States, for Grenada to boost economic growth through fisheries, it must enter new markets and expand in its existing ones with high-quality fish products that meet international standards.

OBJECTIVES PURSUED

Increasing exports was a central part of the government of Grenada's 2002 Poverty Eradication Strategy. The Strategy recognized the importance of the fishing sector to the rural community. The government aims to further develop the fishing sector, increase fish exports and the value-added and manufacturing components of the fishing industry as a significant contributor to the socio-economic development of the economy as a whole. Fish exports account for 51 percent of agricultural exports and 31 percent of agricultural production. Quality-assurance remains high on Grenada's priorities in order to expand the market for fresh fish.

Grenada's mission to improve the quality of its fisheries sector was supported by the EU under the "Strengthening Fishery Products' Health Conditions" (SFP) Program.² This project aimed to strengthen Grenada's quality-control capacities by training the country's fish and fish products inspectors. Further, the project provided advice to the fish industry for improving its internal quality assurance systems, including training and implementation of HACCP to improve the quality of fish for the export market.

Grenada's 2006 National Export Strategy identified fish as one of three agricultural products capable of supporting the development of the export sector, which in turn would improve rural areas, alleviate poverty, and create employment opportunities.

DESIGN AND IMPLEMENTATION

In 2002 the European Commission's Inspection Mission recommended that the Grenadian government take measures to upgrade the country's status from a European Community List II to a List I country, allowing it to export fish products to the EU. Based on the EU's recommendations, the Grenadian government applied to participate in the European Commission's SFP program for improving health conditions of fishery products in African, Caribbean, and Pacific (ACP) countries in 2002 and was accepted into the programme in 2003. The project is managed by the Fisheries Division of the Ministry of Agriculture.

The project has the following components:

- Institutional strengthening Produce Chemistry Laboratory
 - Training of officers of the Competent Authority, including long term training at the Graduate level
 - **Strengthening of the Competent Authority and Inspectorate through Consultancy services
 - European Union study tours for Inspectors and Competent Authority Managers
 - Organizational development of the Competent Authority
 - Implementation of training programmes

¹ HACCP is a systematic preventive approach to food safety and pharmaceutical safety that addresses physical, chemical, and biological hazards as a means of prevention rather than finished product inspection.

² The SFP Program started in 2002 as a support mechanism for helping third countries meet EU regulations for fishery products. The program finances activities in the Group of African, Caribbean and Pacific States (ACP) and in the Overseas Countries and Territories (OCT) of The Netherlands and the United Kingdom.

- Support for testing laboratories and technical institutes
 - Renovation of laboratory structures/security
 - Establishment of laboratory “networking” systems
 - Training of laboratory staff
 - Technical support for laboratory Technicians and Consultants for period of one year
 - Technical assistance for the development of quality assurance manuals and guidelines
- Technical assistance for value-added products (smoking, salting and drying)
- Product development
- Packaging
- Support for small business
- Funding for public infrastructure
- Technical assistance for consumer education program
- Support for export industry (market entry requirements)

Development of Business Plans and Feasibility Studies

Development of marketing Systems for Fishery Products

- Strategy development
- Research

Training for stakeholders (Fish Plant Operators and Fish Exporters) in International Requirements for Health Conditions for Fishery Products

- WTO, SPS Agreement
- HACCP

Technical Assistance to Avoid Over-Fishing

- Compliance Regimes (ICATT restrictions, etc.)

Technical Assistance on the Production of More Value Added Products

- Product development

- Policy development

PROBLEMS ENCOUNTERED

- The project was delayed due to capacity constraints on the part of the government of Grenada
- Grenada lacked technical personnel in the areas of microbiology and food chemistry to prepare documentation for accreditation of the laboratories--a condition of accessing the EU market
- External factors such as rising seawater temperature and coral bleaching affected production

FACTORS FOR SUCCESS / FAILURE

- The government of Grenada remains committed to the development of the fishing sector as advocated in policy statements highlighting the need for improved marketability of fish products as

a priority area of focus. The government wants to improve the fishermen's capacity to process fish for the export market, and the testing laboratory's capacity to assure improved quality of fish products. Corresponding budget increases have been made.

- The stakeholder consultation encouraged buy-in and ownership of the project, auguring well for its sustainability.
- This sector is highly vulnerable to the impacts of natural disasters, climate change and factors such as transport and fuel costs. The fishing stock is being reduced through rising ocean temperatures, which also leads to coral bleaching.

RESULTS ACHIEVED

- ✓ Grenada graduated to the List I countries that can export fish and fishery products to the EU.
- ✓ Modern legislation for Fish and Fishery Products Regulations was developed.
- ✓ Two fisheries officers received training in HACCP.
- ✓ Two certified HACCP and quality auditors were trained.
- ✓ 195 fishermen, boat owners and captains from the island dependencies of Carriacou and Petite Martinique were trained in HACCP.
- ✓ 275 fishermen, vendors, plant workers, boat owners and market staff from the mainland trained in HACCP, Sanitation Standard Operating Procedures (SSOP)³ and European regulations for fishery products.
- ✓ Improved capacity of the fishermen to apply best practices in their operations.
- ✓ Equipped testing laboratory.

LESSONS LEARNED

Critical to the success of this project was the legislative and policy agenda for the fishing sector, which formed part of the conditionality imposed by the EU. The Grenadian government's early and continued support through policy statements was important for the implementation of the project. In addition, the stakeholder consultation and perceived benefits by all persons involved in the fishing sector contributed to its success to date.

CONCLUSIONS

Grenada is striving to increase exports of quality fish products to new and existing markets. Increased production of fish products can have knock-on effects as it creates new opportunities for new value-added products such as smoked and salted fish produced in rural communities, thereby stimulating economic development and generating income for the country. The EU project addressed the broader issue of supply constraints; with the improvement in quality standards of artisanal fisher folk, additional quality supplies can be purchased from this new reliable source to increase the production and exports of fish.

³ SSOP are the sanitation procedures in food production plants which are required by the Food Safety and Inspection Service of the U.S. Department of Agriculture; it is one of the prerequisite programs of HACCP.