



# Nutmeg Finance and the Progress in the Implementation of the Nutmeg Strategy

July 2011, St. George's, Grenada



# Grenada Nutmeg Sector Strategy

The present strategy has been put together by the stakeholders of the nutmeg sector and the institutions of Grenada.

With support from:

All ACP Agricultural Commodities Programme

Financed by the European Commission

In collaboration with:

ITC, UNCTAD, World Bank and FAO

# More than 100 Stakeholders



For Grenada by Grenada: Ownership is here and implementation responsibility too.

# Championed by Prime Minister and Cabinet



# Vision:

*” A world leading Industry by 2015 recognized for its top quality Nutmeg, Mace and value added products contributing to the sustainable livelihood of the People of Grenada”*



# Anticipated Impact



**Social:** Increase livelihood of approx 1/3 of population particularly in the rural areas

**Economic:** Increase farmers earnings, stimulate & boost the rural economy, increase overall GDP, and increase investment by private sector (value addition etc.)

**Productive:** Increase availability of nutmeg through rehabilitation and replanting of fields.

# Alignment to MDG's :



| Strategy Objectives | Eradicate Extreme Poverty and Hunger   | Promote Gender Equality and Empower Women  | Combat HIV/AIDS, Malaria and other Diseases | Ensure Environmental Sustainability  | Global Partnership for Development   |
|---------------------|--|--|---|--|--|
| Objective 1         |  |  |   |  | 1.3 Improve dissemination of information.<br>1.4 Develop a branding and promotion strategy to position Grenada's Nutmeg as the Original One and the world leader in quality. |
| Objective 2         | 2.1 Support better governance and professionalize G.C.N.A. to enable competitive management.   | 2.2 Increase capacity in G.C.N.A. to respond to farmer, industry and buyer requirements and improve processes. |   | 2.3 Improve overall value addition and processing to secure sustainability of the Industry.  | 2.4 Establish TECHNICAL Council with producing countries and refineries.   |
| Objective 3         | 3.1 Improve access to fruit bearing trees particularly in devastated areas (Rehabilitation).<br>3.2 Reinforce organization and capacity of farmers to guarantee consistent volume and quality of supply (Provide training to ensure delivery).<br>3.4 Create Incentives to increase quantities, reduce post harvest loss and ensure consistency of supply. |  |   | 3.3 Manage nutmeg tree rehabilitation/replanting efforts based on demand and establish a supply strategy for domestic and international. |  |
| Objective 4         | 4.2 Design delivery mechanisms in cooperation with banks and stakeholders.   |  |   | 4.1 Analyze actual situation to better design financial and risk management mechanisms.<br>4.5 Design Risk Management Tools.             | 4.4 Investment Promotion   |
| Objective 5         | 5.3 Reform of legislation and institutional strengthening for increased effectiveness.   |  |   |  | 5.1 Align existing policies for value chain integration and implementation of the strategy.<br>5.2 Monitoring and implementing framework for implementation.                 |
| Objective 6         | 6.2 Change of mindset with regard to the Nutmeg Industry and farming (Entrepreneurship and youth).   | 6.3 Promotion of equal opportunities for women and men.  |   | 6.1 Research and development applied to the Nutmeg Industry (Pre-Production, Production, Product development).                           | 6.4 Together with Industry partners stimulate and promote the use of nutmeg to increase world consumption.   |

# Immediate Outputs :



Realistic Implementation plan articulating way forward for all (GOV, GCNA, Farmers etc)

Alignment of ACTORS and resources for implementation (Who needs to do what and when)

A tool to secure finance and resources based on Grenada Priorities

STRATEGY IMPLEMENTED and activities piloted

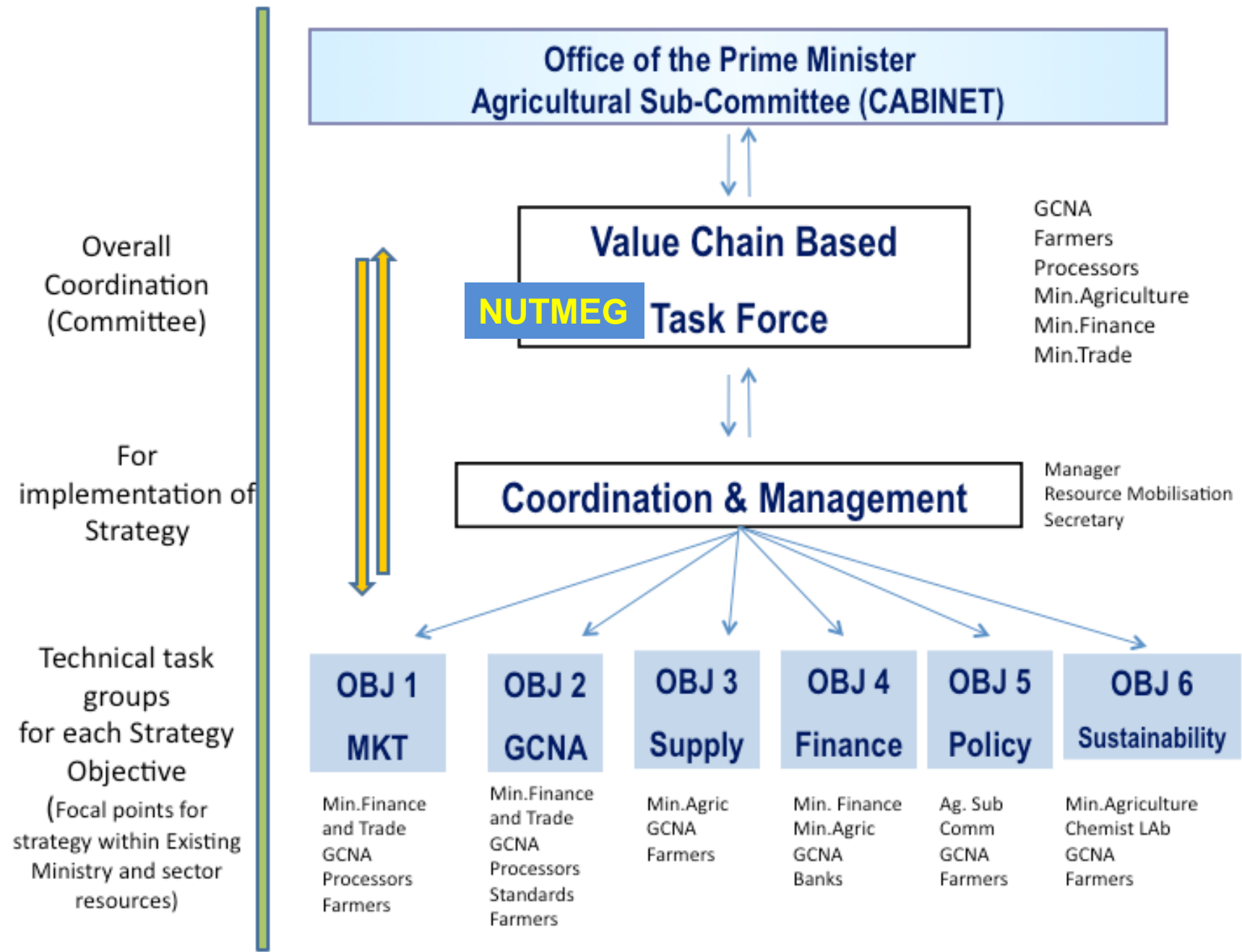
# Resources to implement:

**Funding needed: US\$ 6.6 Million / 2010-2013**



# A strong PPP coordinating design and implementation

|                          |   |
|--------------------------|---|
| Dr. Guido Marcelle       | Ministry of Agriculture   |
| Mr. Aaron François       | Ministry of Agriculture   |
| Mr. Gregory Del Sol      | Ministry of Agriculture   |
| Mr. Denis Felix          | Grenada Co-operative Nutmeg Association                             |
| Mr. Adrian Thomas        | Grenada Co-operative Nutmeg Association                             |
| Mr. Cosmos Joseph        | Inter-American Institute for Co-operation on Agriculture (I.I.C.A.) |
| Mr. Denis Noel           | Owner – Noelville Ltd.  |
| Mr. Franklyn Salim       | Farmer  |
| Ms. Shanta Cox-Williams  | Ministry of the Environment, Foreign Trade and Export               |
| Ms. Shadel Nyack-Compton | Owner – Belmont Estate  |



# Strategy Objectives

1. Reinforce access to Market Information to enable better decision-making for the Sector;
2. Reinforce capacity in G.C.N.A. to better compete and develop the Nutmeg Industry in Grenada;
3. Increase quality and quantity of nutmeg and mace collected and supplied to G.C.N.A.;
4. Improve access to finance for all stakeholders to facilitate sector operations and manage risk;
5. Improve cross Ministry co-ordination and public/private partnerships for better policy-making;
6. Ensure the long term sustainability of the Nutmeg Industry in Grenada.

# Market Options



The Strategy identifies two main market priorities

**EXPORT:** Sell directly to GRINDERS in addition to traders and importers

A. **Nutmeg.** Grenada has the best quality nutmeg (low safrole and NO Aflatoxin)  
ORIGIN Specific.

B. **Mace:** Need to identify buyers, best quality in the world.

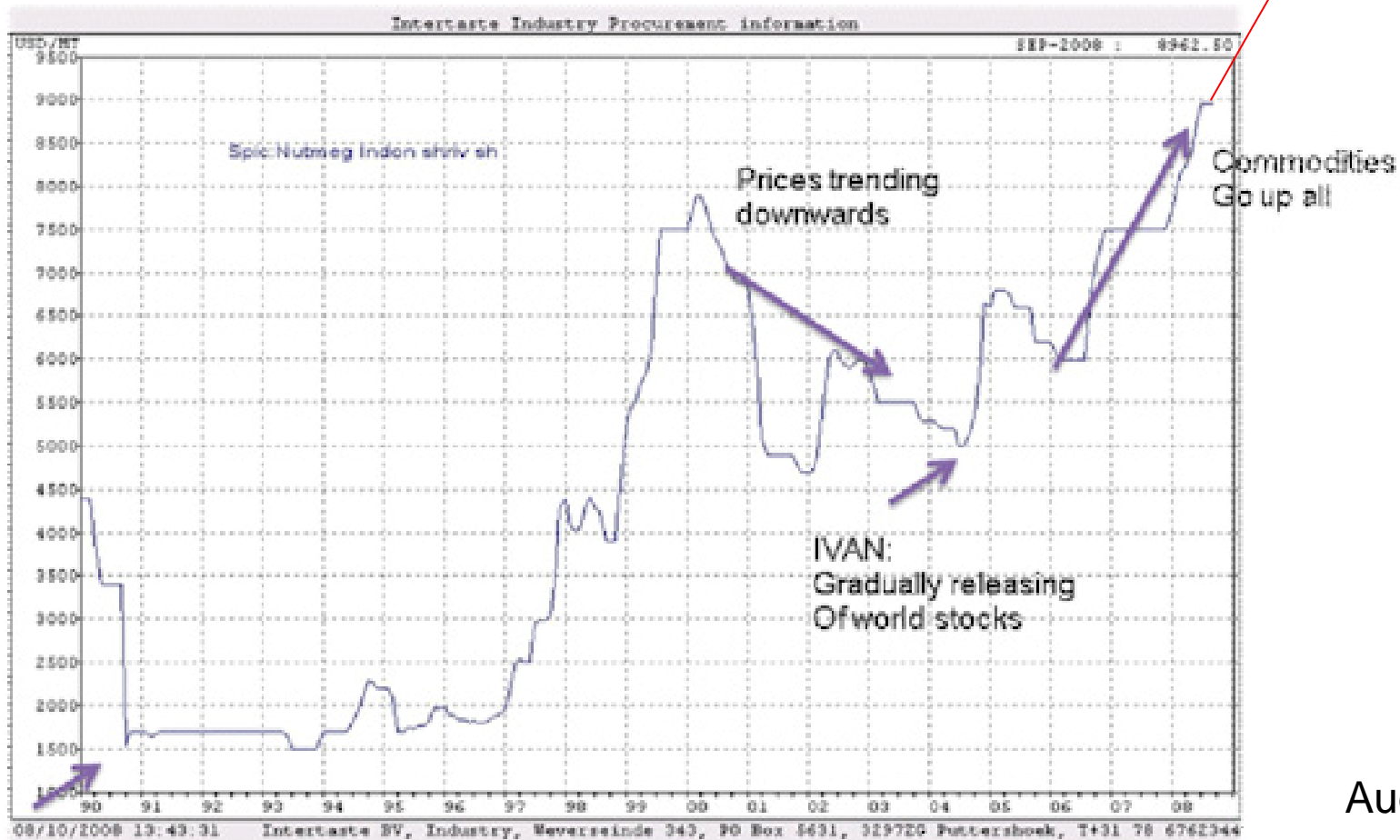
C. Nutmeg Oil, **processed foods and cosmetics** (Nutmed, De La Grenade etc.)

**DOMESTIC:** Retailed Packaged Ground nutmeg, Spice Mixes, Processed products and food preparations

Buyer: Spice vendors, Supermarkets, Restaurants, Hotels, Industrial users

15000 USD/MT

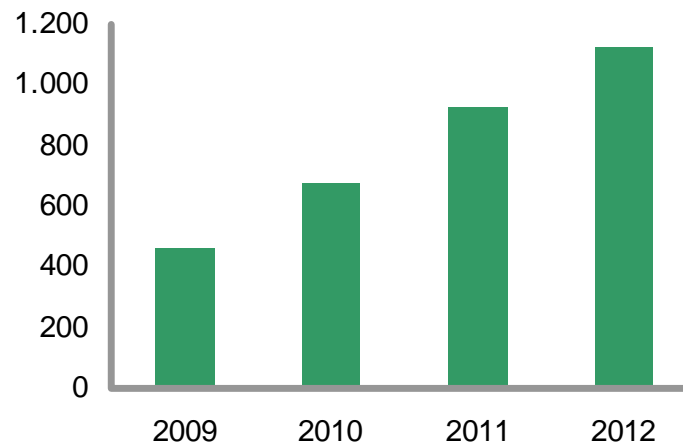
**Int'l. Mkt price is high...  
but GDA quantity is low...**



Aug 2010

End of  
Mkt agreement

# Objectives...



## Short and medium term Strategy:

2010 - Grow Grenada production from 250 to 450 Mts: by collecting more / incentives

2011 and 2012: Grow to 1.000 Mts: by clearing fields and improve accessibility

2012 - 2020: Grow back to 2.000 Mts: by reorganising cropping and replanting

## **Summary of Implementation priorities and activities**

| <b>Relative Priority</b> | <b>Timing</b> | <b>Start</b> | <b>End</b> | <b>Sub-Objective in Imp. Plan</b> | <b>Sub-Objective Description</b>  |
|--------------------------|---------------|--------------|------------|-----------------------------------|---|
| 1                        | Short Term    | year 1       | year 1     | 5.3                               | Monitoring and implementing framework for implementation  |
| 2                        | Short Term    | year 1       | year 1     | 1.1                               | Define data needs to support Sector operations and policy formulation (supply side and demand side)                                 |
| 3                        | Short Term    | year 1       | year 1     | 1.2                               | Improve intelligence and analysis to guarantee better marketing strategies  |
| 4                        | Short Term    | year 1       | year 1     | 2.1                               | Support better Governance and professionalize G.C.N.A. to enable competitive management   |
| 5                        | Short Term    | year 1       | year 1     | 2.2                               | Increase capacity in G.C.N.A. to respond to farmer, industry and buyer requirements and improve processes                           |
| 6                        | Short Term    | year 1       | year 2     | 3.2                               | Reinforce organization and capacity of farmers to guarantee consistent volume and quality of supply including G.A.P.                |
| 7                        | Short Term    | year 1       | year 2     | 3.1                               | Improve access to fruit bearing trees particularly in devastated areas  |
| 8                        | Short Term    | year 1       | year 1     | 1.3                               | Improve dissemination of information  |
| 9                        | Short Term    | year 1       | year 1     | 4.1                               | Analyze actual situation to better design financial and risk management mechanisms  |
| 10                       | Mid Term      | year 1       | year 3     | 3.4                               | Create Incentives to increase quantities, reduce post harvest loss and ensure consistency of supply                                 |
| 11                       | Mid Term      | year 1       | year 5     | 3.3                               | Manage nutmeg tree rehabilitation/replanting efforts based on demand and establish a supply strategy for domestic and international |
| 12                       | Mid Term      | year 1       | year 2     | 5.1                               | Align existing policies for Value Chain Integration and implementation of the Strategy  |
| 13                       | Mid Term      | year 2       | year 2     | 5.2                               | Reform of legislation and institutional strengthening for increased effectiveness   |
| 14                       | Mid Term      | year 2       | year 4     | 1.4                               | Develop a branding and promotion strategy to position Grenada's Nutmeg as the Original One and the world leader in quality          |
| 15                       | Mid Term      | year 1       | year 2     | 4.2                               | Design finance delivery mechanisms in co-operation with banks and stakeholders  |
| 16                       | Mid Term      | year 1       | year 5     | 4.4                               | Design Risk Management Tools  |
| 17                       | Mid Term      | year 2       | year 5     | 4.3                               | Investment promotion  |
| 18                       | Mid Term      | year 2       | year 5     | 2.3                               | Improve overall value addition and processing to secure sustainability of the Industry  |
| 19                       | Long Term     | year 2       | year 5     | 6.1                               | Research and development applied to the Nutmeg Industry (Pre-Production, Production, Product development)                           |
| 20                       | Long Term     | year 3       | year 3     | 2.4                               | Establish TECHNICAL Council with producing countries and consuming countries  |
| 21                       | Long Term     | year 1       | year 5     | 6.2                               | Change of mindset with regard to the Nutmeg Industry and farming (Entrepreneurship and youth)                                       |
| 22                       | Long Term     | year 1       | year 5     | 6.3                               | Promotion of equal opportunities in the long term for all Grenadian citizens  |

## Major Task accomplished (or ongoing....)

- Serious and realistic document finalized and on the table using VC approach
- *Public awareness*
- *Bringing PM + 2/3 Ministries to the table.*
- *Some implementation started....*
- *Support by FAO, ITC and other International Agencies*



## **The Question for the Committee is....**

What is it that GDA needs for  
success?

- A: Deliver the strategy to government or a third party for them to ... (implement)?
- B. Manage the implementation of the strategy and play an active role in it?

If B, as individual institutions or as value chain based committee?

## Implementation of activities to date

- Plant Propagation – epicotyl grafting
- Establishment of Spice project – research, propagation, gene bank.
- Preliminary evaluation of main processing plant (for upgrading, quality control & traceability).
- Consultation re Risk management for crop insurance in collaboration with FAO.

*Pre-feasibility study on perennial crop insurance in Grenada, nutmeg and cocoa.*

# Implementation of activities to date cont'd

- Consultations with financial institutions for programme support in collaboration with UNCTAD. *“Enhancing access to finance in the nutmeg sector-Grenada.”* (draft prepared)
- Project writing officer appointed. 6 projects written up. 3 approved for funding by CDE.
  1. *Marketing, in particular market research in Europe.*

# Implementation of activities to date cont'd

- 2. Food safety traceability implementation and certification through the value chain for nutmeg.*
- 3. Bio-technology support for analysis, understanding and documenting of the intrinsic properties and qualities of Grenada's nutmeg.*

# Implementation of activities to date cont'd

- On going support for farmers-MOA outreach, farm labour, technical support and incentives.
- Meeting with UWI to discuss issues of cocoa and nutmeg.
- MOA collaborating with IICA, SGU for studies on the nutmeg wilt disease.
- Strategy presentation to management team, MOA
- Working along with GCNA.

# Priority Areas for Ensuring Sustainable Development of the Industry Beyond 2010

- Nutmeg Industry Modernization and Revitalization
  - Governance and Management
  - Marketing Information Systems
  - Upgrading of Operations
  - Food safety
  - Harvesting and storage
  - Marketing

# Priority Areas for Ensuring Sustainable Development of the Industry Beyond 2010 Cont'd

- Nutmeg wilt Eradication Project
  - Mapping
  - Research
  - Training of farmers
- Plant Propagation and Replanting of Fields
- Research and development in value added
- Implement Capitalization and Revision of Nutmeg Industry Ordinance

# CONCLUSION

- REVIVAL OF THE SECTOR
- SUSTAINABILITY
- BENEFITS:
  - IMPROVING LIVELIHOOD OF FARMERS,
  - BOOST IN ECONOMIC ACTIVITIES  
(EMPLOYMENT) IN RURAL COMMUNITIES.
  - NEED FOR CONTINUED SUPPORT FROM  
CORPORATE ENTITIES AND DONOR AGENCIES.

THANK YOU!