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EXPORT MARKET OPPORTUNITIES

MARKET PROFILE:

TORONTO

A RAPID RECONNAISSANCE SURVEY



Export Market Series: Bulletin No. 2

November 2002

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Ministry of Fisheries, Crops and Livestock
Guyana Office for Investment
New Guyana Marketing Corporation

Export Market Series Bulletin No. 2

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Preface

This publication marks the beginning of a series of market bulletins which seek to provide relevant and timely information about markets and product potential for producers and exporters of non-traditional commodities. Although Guyana depends largely on its traditional exports of rice and sugar; minerals such as gold, bauxite and diamonds; and timber, most small and medium firms focus on sectors such as fresh produce, agro-processing, fish and seafood, and value added wood products, among others. The first bulletins in this series are not market studies in the true sense, but instead they are rapid reconnaissance surveys of the export potential for various Guyanese non-traditional exports in a variety of markets. The purpose is first, to identify the level of demand for non-traditional export products currently produced in Guyana and ascertain whether these products are produced locally or are imported. A second objective is to determine what, if any, is the level of market penetration of Guyanese products. Thirdly, the surveys attempt to capture the preferred characteristics of the different products in each market, and at the same time, to assess the success or failure of Guyanese exporters in meeting this market demand. Where available, prices for the different commodities are provided, if only for a specific point in time. Finally, useful contacts are provided where exporters may obtain additional information on the various commodities, market prices, import and custom requirements, etc. in the importing country. Producers and exporters who are interested in obtaining additional information about the demand for their products in overseas markets are urged to contact either the Ministry, Go-Invest or NGMC. In many instances these agencies may be able to put exporters in direct contact with potential buyers, wholesalers and retailers in the importing countries.

The undertaking of these market surveys also serves to reaffirm the collaboration among the Ministry of Fisheries, Crops and Livestock; Go-Invest and the New Guyana Marketing Corporation (NGMC) in improving quality, increasing production and promoting exports. As a team, the three agencies are working on the problems, limitations, and constraints identified in the surveys, from production and post harvest handling problems, to packaging and transportation, to final market access.

Go-Invest and NGMC maintain a list for many countries of importers, wholesalers and distributors of fresh and processed fruits and vegetables, lumber and wood products and fish and seafood. For more information, contact us at:

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Executive Summary

The purpose of this report is to define the characteristics and to identify the opportunities and constraints of the Guyanese and West Indian markets in Toronto. It represents a first step towards equipping the SME sector with the necessary information and tools required to penetrate new markets.

General Summary of Assignment and Results

The overall conclusion of this assignment is that potential exists to increase exports from small and micro-enterprises in Guyana to the ethnic communities in New York and Toronto. However, there are some major constraints and drawbacks that must be addressed to increase exports to the North American market from Guyanese firms. Addressing these issues will require a planned and coordinated effort.

The following product categories were examined during the market study:

- Fresh produce
- Processed foods
- Seafood
- Food supplements
- Kitchen implements
- Gold jewelry
- Furniture
- Handicrafts

The interviews conducted in both markets did not reveal interest in the furniture or handicraft market.

The scope of work for this activity called for the identification of the following information:

- Size of the markets
- Penetration of products from Guyana
- Competition
- Opportunities to increasing exports
- Obstacles to increasing exports
- Ways of overcoming the obstacles

Market size: To a high degree, the target markets for Guyanese products are immigrants from Guyana, rather than from the West Indies in general. While specific data were not available, it is estimated that there are approximately 140,000 Guyanese in Toronto. Their per capita income is said to be about average in Toronto, relative to that of other ethnic groups.

Penetration, Competition, Opportunity: The following table summarizes in general terms the degree of penetration, level of competition and opportunity for Guyanese products in the Toronto market:

**Table I
Penetration, Competition, Opportunity**

Product	Mkt.	Penetration	Competition	Opportunity
Fresh produce	Tor	Substantial	Substantial	Some
Processed foods	Tor	Substantial	High	Some
Seafood	Tor	Substantial	Substantial	Some
Food supplements	Tor	High	Substantial	Little
Kitchen implements	Tor	Little	Some	Some
Gold jewelry	Tor	Little	High	Some

Obstacles and Overcoming Them: The following table includes some of the major obstacles and solutions that must be addressed to increase exports to the target communities in Toronto.

**Table II
Obstacles and Solutions**

Obstacle	Solution
Expensive transportation and shortage of air cargo space	<ol style="list-style-type: none"> 1. Form a freight users group to work for improvements. 2. Identify specific transportation constraints and recommend/implement improvements.
Poor product quality	<ol style="list-style-type: none"> 1. Hold workshops in which importers from Toronto will be among the presenters. 2. Provide training/workshops on proper packaging/labeling. 3. Install cool and cold storage and fumigation chambers at the airport in Georgetown. 4. Help food processors become certified to HACCP.
Poor packaging and labeling	<ol style="list-style-type: none"> 1. Hold workshops in which importers from Toronto will be among the presenters. 2. Establish a package design center in an existing Guyanese organization. 3. Facilitate importation of materials for packaging and labeling.
Export “red tape” in Guyana	<ol style="list-style-type: none"> 1. Establish a “one window” export documentation system. 2. Assure that the system is clean and transparent.
Lack of an export mentality	<ol style="list-style-type: none"> 1. Hold workshops in which importers from Toronto will be among the presenters. 2. Develop a system of recognition and awards for successful exporters.

Toronto Area Market Survey

Introduction

Though smaller than that of New York City, the Toronto Guyanese expatriate population, at over 100,000, offers a significant potential target market. Penetration of Guyanese product is already important.

A. Snapshot of the Toronto Target Market:

How large is the market?

The latest census figures are from 1995, and there do not seem to be other scientifically-based estimates. Based on the available information, there are approximately 140,000 Guyanese and from 400,000-500,000 West Indians in the Toronto area. This includes both legal and illegal residents and their descendents. There are also non-West Indians who sometimes buy Guyanese products. The Caribbean is much closer than Asia and serves as a natural source of Asian products.

Where do they live?

Guyanese and other West Indians live and shop in three main areas of the city. They are located just north of the center of the city, along Eglinton Avenue, along Jane Street, and in Scarborough.¹ Although there are West Indian families and stores in other areas, the three listed account for approximately 90 percent of the target market.

What is their estimated purchasing power?

Although reliable statistics regarding the purchasing power of the target market were not available, a conservative estimate can be made based on the following assumptions:

- 140,000 Guyanese, assuming 4 persons per family (lower than in Guyana) = 35,000 families.
- Assume 50,000 persons employed in these families.
- Assume an average wage of C\$12.00 per hour. C\$12 X 40 hours X 50 weeks X 50,000 persons = about C\$1.2 billion in total income. Since food purchases are a high priority item, it can be concluded that the purchasing power is substantial.

What are their buying habits?

The interviews revealed that Guyanese families normally eat at home rather than eating out. They shop once a week in West Indian stores and spend C\$50 to C\$60 each time

¹ Eglinton Avenue (east and west), near Dufferin Street, just north of the center of the city; Jane Street, north northwest of Eglinton/Dufferin and north of Freeway 401; Scarborough, east of Parkway 404 on both sides of Freeway 401

(C\$50 X 35,000 families = C\$1.75 million/week spent in these stores). They also shop in supermarkets for paper goods, soap and other items.

B. Guyanese Products with the Greatest Export Potential

Guyanese products with the greatest potential for increased exports to the Toronto market include:

Fresh fruits and vegetables: there is clearly unmet demand for Guyanese fruits and vegetables on the Toronto market. Guyanese produce has the reputation of tasting better and being more healthy because it is “natural,” or nearly so. Guyana is known for limited use of fertilizers and pesticides. Focus on the natural aspect of its products would be helpful (this was corroborated by a distributor, Tropipak). Importers report that twice the current quantities could be sold without affecting the price. Specific products with the most potential include spice mangos, long beans (bora), hot peppers, spinach and eddoes. Higher quality, better packaging, and competitive prices will facilitate increased sales of these products on the market.

Prepared/processed foods: Guyanese products with the most potential in this area include cassava bread, casareep, hot sauces, jams, jellies, honey, spices, beverages, and sweets. Since competitors are also selling these products, Guyanese businesses interested in further penetrating the market must focus on quality improvements and cost competitiveness.

Seafood: Fresh and frozen seafood, especially shrimp (including dried baby shrimp), gray snapper and bangamary, are in good demand. To increase sales, businesses will have to improve packaging.

Cookware: Guyanese aluminum pots, rolling pins, and other kitchen implements are rarely seen on the market. However, they should have some potential if the quality is improved and transportation costs are reduced.

Gold Jewelry: This market may have long-term potential, but limited short-term prospects in Toronto.

To expand sales in the product areas mentioned, businesses should work with the same people and companies in Toronto that have experience importing from Guyana. It is important to note that one distributor, Bedessee, mentioned that Guyanese businesses should focus on local and regional markets until they have products that will be competitive in North America. Quality and price competitiveness issues must be addressed.

C. Quantities, Prices, and Penetration of Guyanese Products

Quantities and prices (wholesale and/or retail) of these products in the market from Guyana

Imports to Canada from Guyana in the first nine months of 2001 included the following:

Table IV
Selected Imports to Canada from Guyana, Jan.-Sept., 2001

Product Category	Canadian Dollars
Fish and shellfish	1,504,000
Vegetables, roots and tubers	119,000
Edible fruit and nuts	223,000
Coffee, tea and spices	17,000
Processed meat, fish, shellfish	26,000
Processed cereal, flour, starch	10,000
Processed vegetables and fruits	9,000
Other processed foods	29,000

Canada's imports from Guyana totaled approximately C\$192,021,000 in 1999, C\$197,800,000 in 2000, and C\$209,474,000 in 2001. Of the total in the year 2000, 93.13 percent was precious stones and metals. There were C\$1.9 million in beverages and vinegar, C\$1.3 million in fish and shellfish, C\$118,000 in preserved fish, and C\$107,000 in vegetables and tubers.

By far the largest category of registered imports to Canada from Guyana is semi-precious stones. The next two (far distant) categories are ore/slag and then beverages/spirits/vinegar (mostly rum). There are also some mineral fuels, organic chemicals, pharmaceutical products (Ferrol Tonic, Limacol etc.), essential oils, miscellaneous chemicals, wood and wood products, wearing apparel, aluminum articles, mechanical appliances, electrical machinery, optical equipment, and furniture (C\$31,000 from January through September).

What is selling on the market?

According to importers, approximately 40,000 to 50,000 lbs Guyanese spice mangos are sold each week – about half are supplied by **Kiskadee**.

Kiskadee imports approximately 1,000 pounds per month of Guyanese long beans and they sell at C\$3.99 per pound, compared to Dominican long beans which sell for C\$1.99 per pound. Kiskadee thinks this is too large a gap to be sustained.

On March 7, importer **Krish Synanon** had 35 boxes of bora, each 18 pounds, and sold them easily. He thinks though that the market could easily be saturated.

Charley's West Indian Foods reported buying Guyana peppers at C\$5.00 per pound and selling them for C\$6.99 per pound. He sells bora for C\$3.89.

Charley's also has Geeta brand casareep from Guyana at C\$5.29 for 12 ounces, Brown Betty at C\$3.59 for 15 ounces, and Royal at C\$3.99 for 10 ounces. He sells Champion chow mien noodles for C\$2.29 and a similar product from Bedessee for C\$0.89. Still, he doesn't think Guyanese in general will pay more than 10-15% extra for products from Guyana.

One importer said that juices from Chin cost C\$0.50 in Guyana, C\$0.60 on arrival in Toronto, C\$0.75 at wholesale, and C\$1.29 at retail.

H.P. Tropical said they could sell 15,000 pounds of frozen seafood a year and 3,000 pounds of fresh seafood every week, but the airline gives him space for only about 800 to 1,000 pounds.

Bedessee is the importer for Ferrol Tonic and Limacol and has them in numerous stores.

Penetration of Guyanese Products in the Market

In fresh foods, the West Indian market for spice mangos is dominated by importers from Guyana. Guyanese producers also do well with long beans, bora, eddoes and other vegetables and roots in stores owned by Guyanese. Although specific data were not available, it is estimated that out of 150 "West Indian" stores, approximately 40 are Guyanese-owned.

Royal and Beharry products are also in most Guyanese-owned stores, but with severe price disadvantages. Most other Guyanese foods are actually produced or packaged in Canada.

Twins products do well on the market. This is probably because they are well packaged and reasonably priced and have an active exclusive importer/ distributor (a family member who reportedly works from her house).

There is fish from Guyana in numerous stores. Importers complain, however, that transport costs are high and cargo space is unavailable.

Ferrol tonic and Limacol are also in most West Indian stores and compete with similar products from Trinidad and Tobago. They are reportedly imported by La Preferida in the U.S. and distributed by Bedessee.

D. Major Competing Products

The following table highlights the official imports to Canada from selected Caribbean countries in 2001, in thousands of Canadian dollars:

Table V
Imports to Canada from Selected Countries, 2001

Country of Origin	C\$(000)
Guyana	209,474
Barbados	9,117
Jamaica	324,660
Trinidad and Tobago	195,141

Note that Guyana is second only to Jamaica from the West Indies. An important item from Guyana is fish fillets, frozen, 337,533 kilos for C\$938,000.

Fresh foods: In fresh foods, competing products come from other West Indian countries and to some extent from South and Central America. For example, the yams from Costa Rica are dried and waxed and are considered excellent. Tropical Trading says they sell about C\$600,000 per month in West Indian yams (not from Guyana), and that may be about 25 percent of the market.

In general, these countries are better organized for exporting and enjoy lower air freight costs and more availability.

Tropipak, for example, imports produce (long beans, bitter melon, lemon grass, etc.) and sells to A&P, VegPack and other supermarket chains. They do not import from Guyana. Tamisha Trading and Mossco Trading specialize in importing from Trinidad.

Root crops, specifically, are cheaper in Jamaica than in Guyana. Jamaica also has an advantage in shipping costs. The airlines reportedly charge by the container, no matter how much it weighs.

The same situation occurs with long beans from the Dominican Republic. It is difficult to win and hold a large share of the market against such competition.

Tropic Trading brings vegetables by boat from St. Vincent and Barbados to Toronto, through JFK airport by Air Canada or American Airlines. Their competitors include GS Tropical, Bernard Millington, and several small traders. They containerize in Barbados.

Processed foods: In processed foods there are three major kinds of competitors:

- Guyanese style foods produced in Canada (and other Canadian products such as fish and honey)
- Products from other West Indian countries
- Products from other countries such as India and China

For example the East and West Indian Grocery Store has a variety of products and brands. They include Guyana Pride, Brown Betty and Flavor Mate essences, mustard oil from the U.K., coconut oil from Bedessee, Brown Betty pepper sauce, Royal casareep, Mel's spices, Chinese sauce and pepper sauce, Guava and other juices from Rubicon in Canada, Sari hot sauce from Ricks & Sari, Achar from Bedessee, Maywah garam masala from Toronto, baby shrimp from Corentyne fisheries in Guyana, salted fish from Canada, and Limacol and Ferrol tonic from Guyana.

Guyana Pride and Brown Betty products are packed in Canada by Bedessee, while Ricks hot sauce is made there by Exclusif Spices & Wholesalers.

Goudas Food Products has a large product line, but nothing from Guyana. They buy locally, pack, and import mainly from the West Indies and South American countries. They have coconut oil from Sri Lanka, Essences from Canada, among other products. A product list from Goudas is annexed to this report.

The only products unique to Guyana are casareep and a variety of thyme. Most casareep is imported in bulk and bottled in Toronto, and some people in Canada grow their own thyme. Guyanese style canned meat was never produced in Guyana. It now comes from Australia and Uruguay. Curry and similar products come from India, Pakistan and other countries.

The following is the product list of Tropipak Distributors Ltd.

Table VI
Product List of Tropipak Distributors Ltd.

Bitter melon	7 kg	Green chilies	4 kg
Bitter melon	45 lb	Green mango	4 kg
Chayotes	6 kg	Green mango	40 lb
Chayotes	cs	Hot peppers	3 kg
Chilies	25 lb	Hot peppers	8 lb
Cooking bananas	cs	Jalapeno	4 kg
Dasheen	30 lb	Lemon grass	3 kg
Dasheen leaf	3 kg	Long beans	8 kg
Eddoes	7 kg	Long beans	25/35 lb
Eddoes	15-20 kg	Long eggplant	7 kg
Ginger	5 kg	Long eggplant	35 lb
Ginger	30 lb	Long red chilies	3 kg

Long squash	4 kg	Red cocos	30/45 lb
Long squash	45 lb	Round eggplant	7 kg
Negro/white yam	30 lb	Snow peas	4 kg
Okra	8 kg	Sweet potatoes	7 kg
Okra	cs	Sweet potato	3 0/40 lb
Plantains	cs	Sweet yam	30 lb
Pumpkin	10 kg	Tamarind	4 kg
Pumpkin	20 lb	Thai chilies	3 kg
Pumpkin	40 lb	Yellow yam	30 lb
Pumpkin	50 lb	Yuca	45 lb

Annex A includes information about competing products and prices from several grocery stores in the Toronto area.

E. Other Products That Could Be Produced In/Exported From Guyana

The question of other potential products was asked several times, but with few results. Some of the replies follow:

- Processed mangos, perhaps sun dried. At least one person, however, commented that processing the spice mangos would change their unique and natural flavor
- Dried, waxed yams such as those from Costa Rica
- Tropical fruit pulp, frozen or aseptically packed (interest expressed by ProPack)
- One person suggested coconut water, sugar cane juice, and perhaps a beverage made from oranges that now go to waste.
- Large aluminum cooking pots and other wooden and metal cooking utensils, i.e., rolling pins and spoons. Carib Impexco reported needing a supplier of the pots.
- Perhaps finished wooden items, such as incense holders or flooring of tropical hardwood.

F. Distribution Chains and Intermediaries

There are only a few companies that import substantial quantities of food products from Guyana. Information about them is presented in tables at the end of this section. They usually act as distributors and sell directly to retail stores and restaurants.

Interviews revealed that, in general, *importers from Guyana mark up 10-25 percent on their cost and retailers mark up 40 percent.* Markups are usually lower in supermarkets and for products that face hard competition.

Kiskadee is probably the largest importer from Guyana and the West Indies. They import fish, produce and dry goods and have seven delivery trucks.

Bedessee is a major importer in Toronto of Guyanese processed foods. He also has sales offices/warehouses in New York and Miami and ships to stores in other cities. Bedessee distributes about 1,000 items in Canada and 1,500 in the U.S.

Some Transportation Constraints Mentioned During Survey

Bedessee says ocean freight costs **C\$2800** for a 20 foot container from Guyana (compared to C\$1300 from Trinidad).

Ranamand Prakash reported that air freight from Georgetown to Toronto costs C\$1.35 per kilo. **Kiskadee** said it was \$1.26 compared to \$1.00-1.26 from Trinidad. He also mentioned the “red tape” associated with processing export documentation through Customs in Guyana. The process costs approximately G\$2,500.

A new airline, **Air Transat**, based in Montreal, flies to Guyana but does not pick up cargo. There is not enough freight going south to supply the airlines with steady payloads.

Bedessee also imports in bulk and packages, and produces “Guyanese style” items to his own specifications and with his own label. He has registered some trade names, such as “Brown Betty,” in Canada and sells to numerous stores and restaurants.

At least two persons interviewed had imported from Guyana but had stopped after the collapse of Guyana Airways.

There are numerous Guyanese and West Indian stores in the area (see Annexes A). Some importers hesitate to sell to these businesses on credit because they often go out of business. Most of the supermarkets also carry West Indian products, especially the lower price chains such as Food Basic and No Frills, which is owned by Loblaws.

G. Constraints to Exporting

The constraints that must be addressed to increase exports from Guyanese businesses to Toronto include: transportation (including cold storage), better manufacturing of products (i.e. higher quality), improved packaging and labeling techniques, as well as pricing and cost control.

Transportation: The main constraint, by far, is the lack of transportation. There is no cold storage room at the airport in Georgetown, Guyana; there are too few cargo planes; and the planes that go to Guyana do not accept containerized cargo. If the cargo is containerized in intermediate airports, it is put in LD3 type containers which are not for perishable items and are not ventilated. Once the cargo in these containers warms up, it is difficult to cool again. Shipping in baskets is acceptable, however, the airlines do not like them because of the increased handling required.

Packaging and Labeling: Deficiencies in the packaging and labeling of Guyanese products were mentioned repeatedly during interviews. Specific examples include: using plastic bags and boxes that are too thin and easily damaged by water (the boxes are also too expensive)², bottling items/products in used bottles, and inadequate label designs that do not meet Canadian legal requirements.

Product Quality and other relevant issues: For fresh produce, other constraints reported that adversely affect quality are harvesting at varying stages of maturity, using poor packing boxes, and delays in processing export documentation. Kiskadee reported that farmers sell long beans by the bundle, while he has to sell them by the pound (standardization is necessary). This makes it difficult for the importers to calculate prices. Also, some importers complained that farmers in Guyana raise their prices when they know a cargo plane will be leaving soon and that they do not honor contracts when the market price is above the contract price.

For processed foods, there are limitations of volume (which could give economies of scale), uncertain sanitation in the processing plants, a general lack of quality management systems, poor packing, cumbersome export procedures and expensive transportation.

Quality Issues Affecting Spice Mangos

Spice mangos are popular and the market can bear about 40,000 pounds per week. They are prized by consumers from Guyana, Jamaica and other West Indian countries. Unfortunately, many arrive in poor condition and virtually all have black spots which reduce their value. One importer thinks this is because they are picked too green and fungus develops during the ripening process. This is a problem that should be addressed in Guyana.

Regarding fish and shellfish, one person interviewed complained about quality control in the packing stations.

The following are some reactions to Guyanese sample products displayed during the interviews:

- “The mustard oil sample looks like mostly coconut oil, with artificial mustard essence. Also it is lumpy (cakes up) and turns orange.”
- “Essence from Guyana costs four times as much as competing products.”
- “The coconut oil sample is not well refined. Also it was hot-filled in a plastic bottle and capped too soon. You should not hot-fill plastic bottles. It has to compete with good, cheap oil from the Philippines.” He could import coconut oil in drums, but at the world market price.
- “The honey sample from Guyana was not a full bottle, it was packaged in a used bottle, and may crystallize before it is sold. Local honey is cheaper, and Canada has a

² One importer said that boxes cost \$0.25 in Canada and \$3.00 in Guyana. However, the boxes could not be shipped from Canada because of high customs duty (although one importer is reportedly doing this).

quota on imported honey. When Hindus buy honey for religious ceremonies, they don't care which country it comes from.”

- “The Chinese sauce seems to have casareep in it. Chinese sauce is very cheap from China.”
- “Guyanese are nostalgic about noodles, but those imported from Guyana are too expensive.”
- “Every country now has guava jam, notably Costa Rica and there is local production from imported pulp.”
- “Green seasoning is a Trinidadian product, and Trinidadians buy their own brands.”
- “Bedessee imports some noni juice and bottles it in Canada.”

Red Tape: Exporters reportedly must visit several different offices to complete export documentation and pay a total of G\$2,500. Bedessee said that the CaribCom stamp had been missing for five years. Theoretically, a stamp is needed to enter goods free of duty under the terms of the agreement between Canada and the Caribbean Community.

One person said that processed foods were dated in Guyana with an eight month shelf life. Since they were more expensive and sold slowly, the expiration date sometimes passed before they could be sold.

Cost: The cost of Guyanese products is high. Bedessee estimated that a bottle of Honey might cost US\$2.50 in Guyana, and made calculations as follows:

$$\begin{aligned} & \$2.50 \times 12 = \text{US\$}30 \text{ per case} \\ & + \text{US\$}4 \text{ for shipping} = \text{US\$}34 \\ & \times 1.6 = \text{C\$}54.50 \\ & /12 = \text{C\$}4.53 \text{ each, assuming no customs duty.} \end{aligned}$$

Bedessee would have to sell this for C\$5.00 and the retailer for C\$5.99, while Canadian honey retails for C\$1.99.

To compound the problem, Guyanese exporters want to be paid in advance. If the importer pays and does not receive the goods, as promised, there is little that he/she can do.

Risk Factor: There is a perception that it is risky to buy from Guyanese companies because they often do not follow good sanitary procedures, do not carry product liability insurance, do not ship the same quality that was ordered (e.g. dilute the product).

Corruption: There was some mention of the need to pay bribes to get export shipments cleared and to get air freight space.

H. Keys to a Successful Relationship

The interviews revealed frequent complaints that exporters in Guyana will not grant exclusive distributorships. This means that an importer of processed foods must spend time and money building up a product and brand that may then be sold by his/her competitors. The most successful processed foods from Guyana are probably Twins products, which seem to be imported and distributed by just one person.

It is important to offer an importer a specified quantity, quality and price and be able to maintain these over time. Some complained that samples were usually good but that quality degenerated in succeeding shipments, and that exporters raised their prices as soon as it looked like their products were in good demand.

Regarding payment, importers report that they usually have to pay in advance for products from Guyana but not for products from other sources. This obviously makes it relatively less attractive to buy from Guyana. Most fresh produce in world trade moves on a consignment basis and most processed foods on letter of credit or sight draft terms, with payment due 30 days after shipment or after arrival of the goods. Most countries help their exporters meeting these payment terms by offering export financing and export credit insurance.

I. Import Regulations

Fresh Produce

Most products of developing countries enter Canada free of duty, under its Generalized System of Preferences, and nearly all are free of duty from Guyana under the terms of an agreement between Canada and the Caribbean Common Market. However, there were some reports of paying for cargo inspection.

The Canadian Food Inspection Agency (CFIA) has no grade standards on mangos of any size or on other tropical products. They should, however, be clean and free of dirt and fungus and should not have excessive amounts of pesticide.

There are packaging and labeling requirements for boxes containing fruits and vegetables being imported into Canada. The following items must appear on the outside of the produce box/packaging:

- Common name of product
- Net weight and/or number of units per box
- Country of origin
- Name and address of a responsible party, i.e., exporter, importer or retailer.

In addition, the CFIA requires the following documents from the importer upon arrival of each shipment:

- Phytosanitary Certificate
- Confirmation of Sale

A Canadian import license for fresh product costs C\$1075 per year. Inspection of a container is charged at C\$800.

Processed Foods

Duty is charged on most processed foods from most countries. These charges are waived under an agreement between Canada and the Caribbean Common Market, and this gives Guyana an advantage over countries that do not receive this benefit.

For example, there is an 8.5 percent duty imposed on jams, fruit jellies, marmalades and fruit puree, whether or not they contain added sugar. Nectars made from pulpy fruits have duty of 11 percent or 7 percent if shipped directly to Canada with a Certificate of Origin. The duty on juices depends on the ingredient list, but if it is a single juice product (not combined with any other fruits) it is duty free. An Import Declaration Form is required for each shipment of processed foods.

Value-added products, such as bottled jam and juice, must be clean and free of dangerous bacteria. Also they must meet labeling requirements. Labels must be bilingual (French and English). At this time nutritional information on labels is not required, but is expected to be in another two to three years. United States nutritional declarations are not allowed on Canadian labels. Statements as "Healthy Choice" or "High in Vitamin C" must meet the standards as set out in "Canada's Guide to Healthy Eating," which says essentially that companies making these claims must be able to back them up with scientific evidence.

The label should show the product's ingredients and the name and location of the manufacturer or the importer. The bar code, or price lookup number (PLU) is not a requirement but is important if the item is to be retailed through supermarkets.

To ensure that Guyanese labels meet Canadian requirements, it is recommended that sample labels be sent to the Canadian Food Inspection Agency for review. The address of this government agency is:

Canadian Food Inspection Agency
401 Champagne Drive, Unit # 1
Downsview, Ontario
B3J 2C6
Attn. Andy MacPherson
Email: macphersona@inspection.gc.ca

For products entering the market for reprocessing as either aseptic or frozen, the only requirements are that the container must state the product's name, country of origin and container size.

Fresh and Frozen Fish

Fish do not have to come from a plant that is certified to HACCP, but this may change in the future. Producers in Guyana should begin working toward this certification.

There are no specific regulations except that the fish be free of micro-biological contaminants and in good condition. They must be accompanied by a phytosanitary certificate.

A Canadian import license for fish costs C\$500 per year.

ANNEX A
Guyanese Products Available in Toronto Stores

Dominion Supermarket, Scarborough:

- Eddoes, C\$1.29 per pound
- Green mangos from Dominican Republic, C\$2.30/lb.
- Lemon grass, Dominican Republic, C\$1.68 for small package
- Long beans from Dominican Republic, C\$1.94/lb.
- Mangos from Peru
- Sweet potatoes from Jamaica, C\$2.99/lb.
- Brown sauces, many, mostly from Asia
- Busha Brown sauces from Jamaica – pepper sherry, jerk, hot pepper
- Cumin seed etc. from McCormick of Canada
- Del Valle guava nectar, Mexico, 355 ml can
- Honey, 3-4 brands, all from Canada
- Hot sauces, many, from Barbados, Jamaica, Trinidad, others
- Jams and jellies, many from various countries
- Spritzer Jamaica lemonade, C\$0.99 for 12 oz. can.

No Frills Supermarket, Scarborough. No Guyanese or West Indies section in this store.

- Eddoes from Brazil, C\$0.77 per pound.
- Grace guava jam from Jamaica, C\$2.27 for 340 grams
- Ground coffee, vacuum packed, C\$2.27 for 300 grams.
- Hot chili sauce from Singapore, C\$1.97 for 375 ml
- Matouk hot pepper sauce from Trinidad, C\$2.47 for 300 ml.
- Norman Sue noodles from Canada, C\$0.77 for 312 grams
- Suroj garam massala, India, C\$2.27 for 400 grams
- Tiger Malta, Canada, C\$0.67 per 12 ounce (341 ml) bottle
- Pink salmon, frozen, C\$1.49 per pound.

Price Chopper Supermarket, Toronto:

- Bitter melon, C\$2.47/lb.
- Long eggplant, C\$1.99/lb.
- Long beans from Canada, C\$1.99 per pound
- Okra, C\$3.49/lb
- Pumpkin, Jamaica, C\$1.29/lb.
- Mr. Gouda's guava jam, C\$2.99 for 500 grams (375 ml)
- Mr. Gouda's mixed essences, C\$1.79/150 ml
- Brown Betty chow mien noodles, C\$0.89 for 340 grams

- Various products from Irie Foods.

RC West Indian Grocery and Takeout, Scarborough. The owner of the store is from Jamaica.

- Frozen callaloo from Trinidad/Tobago
- Guyanese spice mango (in season)
- Betty Brown pasta from Canada
- Essences from Toronto
- Honey from Canada, sauces mostly from Jamaica
- Malta from Jamaica
- Ginger beer from Grace Kennedy in Jamaica.

Lillies Tropical Foods, Scarborough. This store specializes in fresh and frozen fish. The owners used to import from Guyana, but stopped because it was too hard to find air cargo space.

- Long beans, spice mangos and spinach from Guyana
- Guyanese Pride noodles from Bedessee
- Champion noodles, and others from Trinidad/Tobago
- Brown Betty noodles and essences from Canada
- Hot sauces from Trinidad/Tobago and others
- Chana, chick peas etc. from Canada
- Indian products from India and Canada.

M&S West Indian Supermarket, The Guyanese owners have an excellent assortment of products from several countries, these include:

- Brown Betty jam
- Flavor Mate essences from Guyana
- Frozen fish from Guyana
- Guyana Pride noodles
- Guyana Pride, Brown Betty and Geeta casareep
- Tamarind balls from Thailand and the Philippines.

East and West Indian Grocery. The store has mainly fresh and processed vegetables, fish and meat.

- Fish and fresh vegetables from Guyana, especially long beans, seim and weri pepper
- Achar from Bedessee
- Brown Betty pepper sauce from Toronto

- Chinese sauce and pepper sauce
- Coconut oil from Bedessee.
- Guava and other juices from Rubicon on Canada
- Guyana Pride (from Bedessee), Brown Betty and Flavor Mate essences (Flavor Mate at C\$2.59)
- Maywah garam masala from Toronto
- Mel's spices
- Mustard oil from the UK
- Royal casareep from Guyana
- Sari hot sauce from Ricks & Sari
- Baby shrimp from Couantine fisheries in Guyana
- Salted fish from Canada
- Limacol and Ferrol tonic.

Linstead Market in Scarborough is Jamaican-owned and has some Guyanese customers. Their stock includes Ferrol compound, 5 ounces for C\$6.99, and Limacol.

A small supermarket, **Spiceland**, owned by a Sri Lanka, had excellent cassava chips made in Canada.

ANNEX B

ARTICLE ON STEAMSHIP LINES IN THE CARIBBEAN

Specialists and global carriers look for synergies

Vessel sharing, space charters, consolidation playing ever-larger role in Caribbean

By Jim Dow

December 3, 2001

In August, Seaboard Marine completed an agreement to charter space to Mediterranean Shipping Co. (MSC) on three of its services to the Caribbean and the North Coast of South America. The services all depart from Seaboard's South Florida hub at the Port of Miami, and include connections at MSC's hub in Freeport, Bahamas, where it transfers cargo between its North America, South America, and European services.

On October 1, Tropical Shipping reached an agreement to acquire the liner division of Kent Line, a Canada-based carrier that specialized in the Caribbean and Latin America trades.

Those two deals speak volumes about the Caribbean trade, where cooperation between carriers and market consolidation continue to shape the market for ocean shipping services.

Many of the working relationships involve agreements between the Florida-based Caribbean specialists that are container volume leaders and who offer service to the most destinations, and multi-trade, global carriers who use the Caribbean as an exchange point for intercontinental services.

Where "small" is big

The Caribbean is a trade where carriers that would seem small on a global scale dominate the market, and where global giants often ride the backs of niche specialists. The one exception is Maersk Sealand, which has combined the established markets of Sea-Land Service to the Dominican Republic with parent company A.P. Moller's ambitious visions for the Caribbean and Latin America.

Maersk Sealand, which represents one of the ultimate examples of industry consolidation, has been involved in vessel sharing as well, although to a limited degree. It operates some of its Caribbean services in conjunction with the Cagema services of France's CMA-CGM.

Tropical Shipping, which operates most of its services out of the Port of Palm Beach, Fla., is the single largest container carrier in the trade. Tropical offers direct service to more than 25 islands in the Caribbean, and has two or more departures a week to its busiest destination.

Tropical is also actively involved in the market for less-than-container load (LCL) consolidations, giving it the unique distinction of being a statistical leader as both a steamship line and as a non-vessel-operation common carrier (NVOCC).

It has followed a course of growth through acquisitions of specialty carriers, including not only the Kent Line deal this year, but specialty carriers like Thompson Shipping--which retains its brand name--and sails exclusively to the Cayman Islands.

Seaboard, the single largest carrier at the Port of Miami, is also a market leader because of its wide array of services. It has individual services to the Dominican Republic, Jamaica, Haiti, the Cayman Islands, and daily service to the Bahamas.

It also has a separate service to the Caribbean destinations of Antigua, Barbados, Trinidad, Jamaica, and the South American port of Georgetown, Guyana.

Crowley Liner Services (CLS), as a U.S.-flag carrier, is eligible to participate in the domestic trade service to Puerto Rico. But unlike other carriers in that market, CLS is also active in other Caribbean markets. It has extensive services to key hubs like Jamaica and the Dominican Republic, and markets services to smaller islands, as well.

CLS has become a niche operator in the Caribbean and Central America since its parent company, Crowley Maritime Corp., sold its extensive South American services to Germany's Hamburg Sud group. That sale also gave Hamburg Sud the rights to the brand name Crowley American Transport, or CAT. That required Crowley Maritime to change the name of its existing Caribbean services to CLS.

Although CAT is primarily a South American carrier, it, too, offers some service to the Caribbean islands en route to the North Coast of South America. CAT calls Aruba and Curacao on its southbound service to Venezuela.

Another Caribbean specialist that is among the larger players in the trade is Tecmarine Line. Based in Florida, it sets itself apart by offering direct services from the North Atlantic in addition to its primary Florida departures.

Tecmarine offers a weekly all-water service from Gloucester City, N.J., near Philadelphia on the Delaware River, to Haiti, Jamaica, and the Dominican Republic. That service also makes a call at Fernandina Beach, Fla., near the Florida/Georgia border, en route to the Caribbean.

But Tecmarine's services also include weekly departures from Port Everglades, Fla. (at Fort Lauderdale) to 20 destination in the Eastern Caribbean, and a weekly service from Port Everglades to Jamaica, Haiti, and the Dominican Republic.

Smaller niche carriers

Although carriers like Tropical Shipping and Seaboard Marine would be considered niche carriers on global shipping markets, the Caribbean trade also has several other carriers that serve specific parts of the Caribbean, as opposed to the multi-island services of the market leaders.

Carriers like Navieras NPR, King Ocean, Thompson Shipping, and Bernuth Lines are fairly large carriers in the Caribbean trades, but specialize in a limited number of destinations.

Navieras, like Crowley Liner Services, is a Puerto Rico trade carrier. King Ocean does most of its business in the Venezuela trade, but offers service to the countries the Netherlands Antilles and Trinidad & Tobago on the way to the North Coast of South America.

Thompson, the division of Tropical, focuses on the Cayman Islands. Bernuth Lines, which operates from a terminal on the Miami River, is somewhat more diversified. The Dominican Republic is one of its large markets, but Bernuth has a multi-island service to the Eastern Caribbean that offers a combination of weekly and bi-weekly calls.

Growing hubs

Hub ports and transshipments have always been an important part of the Caribbean trades. Many destinations simply do not attract the volumes to justify direct, main line services. That means the larger vessels are used to call hub ports, handing off containers to various feeder services from those islands.

The hubs have become increasingly sophisticated in recent years. Freeport, Bahamas has developed into a load center port for global carriers like MSC.

Kingston, Jamaica is another key transshipment port, counting Israel-based Zim as one of its largest customers. Zim hands off shipments from its east-west services that extend from the Mediterranean to Asia, and from its north-south service between the U.S. East Coast and the East Coast of South America. Zim also offers a service from Houston to Kingston that provides connections to both of those services from the Gulf, with Caribbean island cargoes thrown into the mix.

More hubs are in development. CSX World Terminals is building a new hub port in the Dominican Republic, and the government of Puerto Rico is expected to start work next year on a transshipment center near Ponce, the island from San Juan.

Because of the many options and destination, the Caribbean remains a crowded trade, in spite of the ongoing forces of consolidation. More and more national and northern-based NVOCCs are becoming active in the trade, joining the established Florida-based operations like Econocaribe, Lilly & Associates, and Universal Freightways.

Flat volumes for some destinations have put a squeeze on the steamship lines, but services to other markets are growing as a result of Caribbean parity legislation that was passed last year.

But as a crucial crossroads of world trade, the Caribbean can always attract a variety of niche and global operators, who now more than ever are seeing the benefits of combining their respective strengths.

ANNEX C

PUBLICATIONS IN THE EXPORT MARKET SERIES

- Bulletin No. 1: RAPID RECONNAISSANCE SURVEY OF THE NEW YORK CITY MARKET FOR GUYANESE PRODUCTS, NOVEMBER 2002.
- BULLETIN No. 2: RAPID RECONNAISSANCE SURVEY OF THE TORONTO MARKET FOR GUYANESE PRODUCTS, NOVEMBER 2002.
- BULLETIN No. 3: THE LONDON MARKET FOR GUYANESE PRODUCTS, A RAPID APPRAISAL, AUGUST 2002.
- BULLETIN No. 4: MARKET PROFILE: BARBADOS – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 5: MARKET PROFILE: TRINIDAD – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 6: MARKET PROFILE: ST. LUCIA – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 7: MARKET PROFILE: ANTIGUA – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 8: MARKET PROFILE: MARTINIQUE – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 9: MARKET PROFILE: GUADELOUPE – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 10: MARKET PROFILE: ST. MAARTEN – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 11: THE CARIBBEAN MARKET FOR LUMBER AND WOOD PRODUCTS – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).
- BULLETIN No. 12: THE CARIBBEAN MARKET FOR FISH AND SEAFOOD – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).
- BULLETIN No. 13: THE CARIBBEAN MARKET FOR FRESH FRUITS AND VEGETABLES – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).

BULLETIN NO. 14: THE CARIBBEAN MARKET FOR LUMBER AND WOOD PRODUCTS – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).

BULLETIN NO. 15: MARKET PROFILE: NORTHERN BRAZIL – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003. (EXPECTED IN JULY 2003).