Protected: SPA – CARDI -Irrigation for Sour Sop Project #Q3 2024. (Report # 1 of 3)

SIMPLY PURE AGROPROCESSING

WHO ARE WE?

Simply Pure Agro processing (SPA) is a locally owned and operated Limited Liability Company owned and operated by Grenadians. Simply Pure Agroprocessing is a farmer led productive alliance consisting of 31 farmers in a productive cluster geared towards soursop production. The company has been operating for the past 5 years supplying soursop fruit and pulp to the U.S. and Trinidad markets.

OUR VISION:

To become the market leader in the development of high-quality soursop fruits for a global market, setting new standards for ***innovation, quality, and sustainability***.

Strategic Insights:

1. Market Leadership: To achieve our vision of market leadership, SPA will continue to innovate within the soursop value chain. By focusing on product development, we aim to diversify our offerings ***beyond fruit and pulp***, exploring new product formats like ***soursop-based beverages, health supplements, and frozen goods*** to meet the growing demand for natural, health-oriented products in both local and international markets.

WHY WE EXIST:

Purpose Statement: At Simply Pure Agroprocessing (SPA), we exist to empower local sour soup farmers, enhance sustainable agricultural practices toward the **highest quality fruits possible**, ultimately contribute to the economic and research goal of Grenada's spice and exotic fruits basket.

Our existence is rooted in a commitment to promoting the health benefits of soursop, creating value for our farmers, and meeting the growing global demand for natural, nutrient-rich agricultural products.

SIMPLY PURE AGROPROCESSING BUSINESS PLAN:

A 10-YEAR VISION

This business plan outlines a roadmap for Simply Pure Agroprocessing (SPA) to capitalize on opportunities in the soursop market over the next 10 years.

Executive Summary

SPA, a Grenadian company specializing in soursop fruit and pulp, is strategically positioned to leverage the increasing global demand for this versatile fruit. The company's commitment to sustainable farming practices, coupled with its ongoing climate-smart irrigation project, forms a solid foundation for future growth. This plan focuses on scaling production, enhancing quality, exploring value-added products, and expanding market reach, ultimately establishing SPA as a leading player in the soursop industry.

I. Company Description

- SPA is a locally owned and operated Limited Liability Company in Grenada, managed by Marlon St. Louis and Dawn Williams.
- For the past 5 years, SPA has been supplying soursop fruit and pulp to the U.S. and Trinidad markets.
- **Mission:** To provide the highest-quality, sustainably grown soursop products, contributing to Grenada's economic growth and food sovereignty.
- **Vision:** To be recognized as a premier producer and supplier of premium soursop products, renowned for innovation, quality, and commitment to sustainable practices.

II. Market Analysis

- **Global Market:** The global soursop market is segmented into 70% fresh products and 30% finished products.

- **US Market:** The US is the largest market for soursop products, with a high demand for fresh fruit, particularly at premium prices. However, Grenada currently holds only a 1% market share.
- **Untapped Potential:** Less than 1% of the potential demand for fresh soursop is currently being met. Meeting this demand could significantly boost farmer earnings.
- **Regional and Alternative Markets:** There is a strong and growing demand for soursop in CARICOM and for soursop pulp.
- **Value-Added Products:** The diverse range of products that can be made from soursop, including ice creams, juices, teas, and essential oils, presents further market opportunities.

III. SWOT Analysis

- **Strengths:**
    - Grenada's unique access to the US market for fresh soursop exports.
    - Experienced management team with over 25 years of combined business experience.
    - Commitment to sustainable farming practices.
    - Ongoing climate-smart irrigation project to enhance productivity and resilience.
- **Weaknesses:**
    - Limited production capacity to meet growing demand.
    - Dependence on external funding for expansion projects.
    - Potential vulnerability to price fluctuations in the global market.
- **Opportunities:**
    - Significant untapped market potential in the US and other international markets.
    - Growing demand for value-added soursop products.

    - Potential for partnerships and collaborations to enhance production and marketing capabilities.

- **Threats:**
    - Competition from other soursop-producing countries.
    - Pest and disease outbreaks affecting soursop crops.
    - Climate change impacts on soursop production.

IV. Strategic Goals and Objectives

- **Goal 1: Increase Production Capacity**
    - **Objective 1**: Expand soursop acreage by 10% annually over the next 10 years. Benchmark currently for SPA is 40
    - **Objective 2**: Implement advanced agricultural practices to improve yields per acre.
    - **Objective 3**: Invest in research and development to identify and cultivate high-yielding soursop varieties suitable for Grenada's climate.
- **Goal 2: Enhance Product Quality and Value**
    - **Objective 1:** Implement strict quality control measures throughout the value chain, from cultivation to packaging.
    - **Objective 2**: Explore and develop new value-added soursop products, leveraging the fruit's versatility.
    - **Objective 3**: Obtain certifications for organic and sustainable farming practices to command premium prices and attract environmentally conscious consumers.
- **Goal 3: Expand Market Reach**
    - **Objective 1**: Strengthen existing relationships with US importers and explore new distribution channels to increase market penetration.
    - **Objective 2**: Target new international markets with high demand for fresh and processed soursop products.

    - **Objective 3**: Develop a strong brand identity and marketing strategy to differentiate SPA's products and establish a loyal customer base.
- **Goal 4: Foster Sustainable and Inclusive Growth**
    - **Objective 1**: Promote sustainable farming practices among soursop farmers through training and knowledge sharing.
    - **Objective 2**: Support local communities by creating employment opportunities and sourcing inputs from local suppliers.
    - **Objective 3:** Partner with research institutions and government agencies to address challenges and promote the long-term sustainability of the soursop industry in Grenada.

V. Operational Plan

This section will detail the specific actions and resources required to achieve the strategic goals and objectives. This may include:

- **Production:** Land acquisition, nursery development, planting and harvesting schedules, irrigation and fertilization plans, pest and disease management strategies, and post-harvest handling procedures.
- **Processing:** Investment in processing facilities and equipment, product development plans, quality control measures, and packaging and labeling design.
- **Marketing and Sales:** Market research and analysis, development of marketing materials and distribution channels, pricing strategies, and customer relationship management.
- **Financial Management:** Budgeting, financial projections, fundraising strategies, and investment plans.
- **Human Resources:** Workforce planning, recruitment and training programs, compensation and benefits packages.

VI. Financial Projections

This section will present detailed financial projections for the next 10 years, including:

- Projected revenues and expenses
- Profitability analysis
- Cash flow statements
- Return on investment calculations

VII. Risk Management

This section will identify potential risks and outline mitigation strategies. Potential risks and mitigation strategies specific to the soursop industry might include:

- **Pests and Diseases:** Implementing an integrated pest management system that includes monitoring, cultural practices, biological control, and judicious use of pesticides.
- **Climate Change:** Adopting climate-smart agriculture practices such as drought-tolerant varieties, water conservation techniques, and shade management.
- **Market Volatility:** Diversifying markets, developing value-added products, and establishing long-term contracts with buyers to mitigate price fluctuations.

VIII. Monitoring and Evaluation

- Establish key performance indicators (KPIs) to track progress towards achieving strategic goals and objectives.
- Conduct regular reviews and evaluations to assess the effectiveness of the business plan and make necessary adjustments.

IX. Conclusion

This business plan provides a framework for SPA to achieve its ambitious goals in the soursop market. By focusing on sustainable production, quality enhancement, market expansion, and stakeholder engagement, SPA can capitalize on the immense opportunities in this growing industry and contribute to the economic prosperity of Grenada.

CHALLENGES AND OPPORTUNITIES IN GRENADA'S SOURSOP INDUSTRY

The sources identify several key challenges and opportunities faced by the soursop industry in Grenada:

Challenges

Low Production Volumes: Current acreage and production volumes are insufficient to meet the demand in export markets.

Technical Expertise Gaps: The technical knowledge, experience, and skills for commercial-scale soursop cultivation are limited, necessitating significant investments in capacity building for farmers and extension officers.

Suboptimal Farming Practices: National yields, farm management, and pest management practices are relatively low and require improvement. This includes low adoption of Good Agricultural Practices (GAPs) like pruning and hand-pollination, as well as limited use of technologies such as bagging and irrigation.

Lack of Coordination: Increased coordination and organization among value chain actors, especially small farmers, is crucial for realizing the sector's potential and driving efficiency improvements.

Inadequate Enabling Environment: The soursop sector needs a more robust enabling environment and improved support services to optimize benefits for all stakeholders and promote strategic, inclusive management.

Pests and Diseases: Soursop is susceptible to various pests and diseases such as anthracnose, diplodia fruit rot, root rot, termites, sucking insects (scale insects and mealybugs), ants, biting pests, lace bugs, and mites. These pests and diseases can significantly impact production volume and fruit quality.

Limited Access to Quality Planting Material: The availability of high-quality seedlings and planting material is a challenge, compounded by a lack of nursery certification and varietal characterization.

Site Suitability Concerns: Not all sites are suitable for soursop cultivation. Factors like climate, soil nutrient content, and soil type need to be considered for optimal growth.

Opportunities

Growing Market Demand: Global market trends indicate a rising demand for soursop products, driven by increasing health consciousness and interest in nutraceuticals. Fresh fruit demand, particularly in the US market, presents a significant untapped opportunity.

Export Market Potential: As Grenada is currently the only country allowed to export fresh soursop to the US, it holds a distinct competitive advantage in this large and growing market. Expanding into other regional and international markets, including those seeking soursop pulp, also offers potential.

Product Diversification: The versatility of soursop allows for the development of a wide range of products including fresh fruit, pulp, juices, ice cream, and by-products, catering to diverse market segments and increasing value-added potential.

High Potential for Increased Farmer Earnings: There is a vast disparity between current farmer earnings and potential earnings if production could meet market demand. Addressing supply-side constraints and improving market access could significantly boost farmer incomes.

Strengths	Weaknesses
- Organic, premium-quality soursop from Grenada's unique climate.	- Limited economies of scale compared to larger producers.
- Strong farmer alliance ensures reliable supply chain.	- Higher production costs may result in premium pricing.
- Eco-friendly and sustainable farming practices.	- Limited brand recognition outside the Caribbean.
- Access to U.S. and Trinidad markets with established exports.	

Opportunities	Threats
- Expanding into new markets such as Europe and Canada.	- Competition from larger soursop producers in Latin America.
- Diversification of product line (juices, supplements, cosmetics).	- Fluctuations in global agricultural export prices.
- Growing demand for organic and natural health products.	- Possible regulatory barriers for new international markets.
- Niche marketing to health-conscious consumers and fitness markets.	

STRATEGIES FOR INCREASING PRODUCTION OF GRENADIAN SOUP SOP THAT SPA WILL BE EMPLOYING OVER THE NEXT 3 TO 5 YEARS.

1. Land Acquisition via lease and management strategy.

Detailed Land Acquisition Strategies for Expanding Soursop Production

Land acquisition is a crucial element in scaling up agricultural production. The strategies outlined below provide a comprehensive overview of various land acquisition methods, which can be applied to increase soursop production in Grenada. Each strategy has its advantages, depending on the context, financial capacity, and long-term objectives of the farming enterprise.

1. Leasing Land

- **Short-Term Lease**: Securing land through short-term lease agreements (20 years or more) from private landowners or government bodies. This approach allows flexibility for smaller farming operations or pilot projects.
    - **Advantages**: Low upfront cost, minimal long-term financial commitment.
    - **Challenges**: Lack of long-term security for investment in infrastructure.
- **Long-Term Lease**: Long-term leases (10-30 years) provide greater security for investment in irrigation systems, soil improvement, and other infrastructure necessary for sustainable soursop farming.
    - **Advantages**: More secure for long-term planning, including permanent crop planting and infrastructure development.
    - **Challenges**: Requires legal agreements and ongoing financial commitment for rent.

- **Government Land Leases**: Many governments provide agricultural leases on public lands as part of national food security or agricultural development initiatives. In Grenada, this could involve applying for government-supported agricultural programs aimed at boosting production of key crops like soursop.
    - **Advantages**: Often comes with additional support from the government, such as subsidies or access to agricultural extension services.
    - **Challenges**: Potential bureaucratic delays or restrictions on land use.

2. Outright Purchase

- **Buying Private Agricultural Land**: Purchasing land from private landowners is a common method to secure permanent ownership and full control over the property.
    - **Advantages**: Full ownership gives total control over land use, offering long-term stability for infrastructure investment, planting permanent crops, and making significant upgrades.
    - **Challenges**: High upfront cost, including land purchase price, legal fees, and potential financing interest.
- **Government Land Purchase Programs**: Governments sometimes offer agricultural land for sale under favorable terms to encourage local farming. This can include subsidized land purchases for food security projects or rural development programs.
    - **Advantages**: Reduced cost, favorable terms, or incentives may be available.
    - **Challenges**: Limited availability and potential restrictions on land use.

3. Community Land Sharing or Cooperative Land Acquisition

- **Community or Cooperative Farming**: Farmers can collectively purchase or lease larger tracts of land to be shared among a group. This is often organized through cooperatives, where each member contributes to the cost and shares in the produce.

    - **Advantages**: Shared financial burden reduces individual risk and cost, facilitates access to larger land areas, and fosters collaboration.
    - **Challenges**: Requires strong organization, clear agreements on land use, and division of profits or resources.
- **Land Banks or Community Land Trusts**: These are organizations that purchase and hold land in trust for community use, particularly for agriculture. Farmers can then lease or purchase land at favorable rates through these organizations.
    - **Advantages**: Reduced cost and increased access to agricultural land for community benefit.
    - **Challenges**: Availability depends on the presence of such programs, and terms can vary.

4. Land Redistribution and Government-Backed Agrarian Reform

- **Government Agrarian Reform Programs**: Some countries have programs where land is redistributed to farmers, particularly in efforts to address land inequality. Farmers may receive land at no or reduced cost as part of government land reform initiatives.
    - **Advantages**: Provides access to land for small farmers, often at reduced or no cost.
    - **Challenges**: Availability depends on specific government policies and may involve restrictions on how the land can be used.

5. Contract Farming with Landowners

- **Contract Farming on Private Land**: In this arrangement, landowners contract out their land to farmers or agribusinesses who farm it in exchange for a share of the produce or profit. The farmer doesn't own the land but has access for a predetermined period under agreed conditions.
    - **Advantages**: Minimal initial capital investment required by the farmer; landowner shares risk and reward.
    - **Challenges**: Potential for disagreements over profit-sharing; lack of long-term security if contract periods are short.

6. Public-Private Partnerships (PPPs)

- **PPP Land Development Projects**: Governments and private entities collaborate to develop agricultural land. The government may provide land, while the private partner brings investment and expertise. Farmers lease or work the land under the terms of the partnership.
    - **Advantages**: Access to land and infrastructure with lower initial investment; potential technical and financial support from both public and private entities.
    - **Challenges**: Complex legal and operational frameworks that require alignment of public and private sector interests.

7. Rehabilitation and Use of Marginal Lands

- **Restoration of Degraded or Marginal Lands**: Some governments or environmental programs focus on the rehabilitation of marginal or degraded lands, making them available for farming after restoration. These lands may be leased or sold at reduced rates due to their initial poor condition.
    - **Advantages**: Reduced cost, often accompanied by support for land rehabilitation (soil improvement, erosion control, etc.).
    - **Challenges**: Requires initial investment in land rehabilitation, which can take time before the land is productive.

8. Subsidized Land Acquisition for Agricultural Projects

- **Subsidized Programs for Soursop Production**: Local or international development programs may provide subsidized land access to encourage the cultivation of specific crops, like soursop. These programs may be part of larger initiatives focused on food security, export growth, or sustainable agriculture.
    - **Advantages**: Reduced cost and access to other incentives, such as training, equipment, or input subsidies.
    - **Challenges**: May require meeting certain eligibility criteria or specific land-use requirements.

9. Utilizing Underutilized or Idle Land

- **Leasing Underutilized Private Land**: Farmers can identify and lease underutilized or idle land from owners who are not actively farming or managing their land. These agreements may come at a reduced cost since the land is not in active use.
    - **Advantages**: Often available at lower lease rates; can sometimes include profit-sharing arrangements with landowners.
    - **Challenges**: Land may require significant preparation or infrastructure development.

Conclusion:

To expand soursop production in Grenada, a combination of **leasing**, **outright purchase**, and **community-based land acquisition models** can be effective strategies. The best approach will depend on the farmer's financial capacity, long-term goals, and available resources. Government and private partnerships, as well as utilizing underutilized land, can offer low-cost alternatives while still providing opportunities for scaling up production.

https://agro.azits.net/spa-land-for-sour-sop-in-grenada/

The SPA Sour Sop Management Practice:

2. Working with farmer to adopt the SPA practice for optimization of crop management and farm management.

Project Number: Contract n° 78-24af-Caraïbe/Simply Pure Agro-Processing FO4ACP

Funding Agency: Afdi association, Agriculteurs Français et Développement International, via CARDI

Subject: Item for the Irrigation System – Simple Pure Agriculture, Grenada

CARDI Irrigation Supported Project Report 1 of 3.

Contracted Effective Start Date: 19th July 2024

Contracted Agreement Sign off Date: 13th August 2024

Project Execution Phase (4 months). SPA requested 4 months to execute and complete the project.

Project Deadline by CARDI: Fix end date for spending: 30th October 2024

Report Period: 16th September 2024 to 28th October 2024 (1 month and 2 weeks of project life from receipt of funds)

Project Phase: Execution – Procurement.

Current Request: Request for disbursement of (**EUR 2,952.00**) to construct the tank holding areas (6 feet x 30 feet). (See notice of procurement and estimates for materials and labor for the 6 x 30 platform to accommodate 5 unit of 100 gallons tanks.) *Attachment 3*

Project Overview:
This report outlines the procurement and supplier interactions involved in sourcing irrigation materials for the CARDI-supported irrigation project. The initial fund of **16,726 EUR**, equivalent to **18,311.62 USD**, became available on **13th September 2024** to support the project's implementation. Below is a detailed breakdown of supplier engagement, procurement activities, and final budget allocations for the project's irrigation system and water tank procurement.

1. Supplier Engagement and Responses:
A request for irrigation supplies was sent to several local suppliers on **2nd September 2024**, including:

- **F&N** – **F&N Farm**
- **Ramdhanny's True Value Hardware**
- **Affordable Communication/AI Communication**
- **Renwick, Thompson & Co. Ltd.'s Agriculture Shop**

Responses:

- **AI Communication**: They were the only supplier to respond promptly. They provided valuable support by leveraging their partnership with **DripDot**, a tree drip irrigation system provider.
- **F&N**: They disclosed a limited stock of the requested items but were unable to fulfill the complete order.
- **Renrick** and **Thompson**: Both indicated they did not have the required supplies.

2. AI Communication and DripDot Collaboration:
AI Communication facilitated further collaboration between the SPA Design Team and **DripDot**. This interaction helped refine the specifications and details of the final order, ensuring that the project needs were met within the allocated budget.

3. Budget and Procurement Details:

- **Drip Irrigation System**:
- The total cost for the **DripDot system** was **USD 15,500.00**, including all materials and shipping costs, on a **CIF (Cost, Insurance, and Freight)** basis to the **Port of Grenada**.
- **Water Tanks**:
- The project required five **1,000-gallon water tanks**, which were directly procured from a supplier in Trinidad.
- The total invoice for the water tanks was **EC$10,305.40**, with delivery to the **Port of Grenville**, Grenada.

4. Final Allocations:

Item	**Supplier**	**Total Cost (USD)**	**Total Cost (EC$)**
Drip Irrigation System	AI Communication	15,500.00	41,850.00
5 Water Tanks (1,000 Gallons)	Trinidad Supplier	3,820.00	10,305.40
Total		**19,320.00**	**52,155.40**

Note: Conversion rate used for EUR to USD was based on the initial available funds, while USD to EC$ conversion rate used for Trinidad tank procurement was 2.70 EC$/USD.

5. Conclusion:
The CARDI-supported irrigation project successfully procured the essential materials within the allocated budget. Collaboration between the SPA Design Team and **AI Communication/DripDot** led to a well-defined order that met the project's requirements. The water tanks procured from Trinidad were an additional crucial component of the system. The project is in the state of closing procurement to ensure that we can begin the installation of system as outline in the original project plan.

Prepared by:

[Your Name]
Date: [Insert Date]