



Project FSCFT - 19

**DEVELOPMENT OF PROCESSING AND MARKETING OF TILAPIA PRODUCED IN BIG
LATIN AMERICAN RIVER BASINS
(PHASE I)**

**Mid-term Report
June 2004**

30th June 2004

1 - Introduction

The present report describes the general situation of the project, with its achievements, its problems and its opportunities after one year of implementation, in June 2004. It is a mid-term report, as the project is foreseen to have a duration of two years. It is being presented in conjunction with the audited financial report.

The present report is also a continuation of the 1st progress report, dated 10th December 2003 and it should also be understood at the light of the 1st Annual Plan and the Project Document, with which it is compared, in order to give the actual situation of the results achieved so far.

2 – General context in which the project is being implemented

Since the preparation of the Project Document, in 2001, many changes have occurred at all political levels in both countries.

2.1 - The project context in Brazil

In Brazil, after the election of President Luiz Ignácio Lula da Silva, the fisheries authority has passed from a Fisheries and Aquaculture Department (DPA) in the Ministry of Agriculture, to a Special Secretariat of Aquaculture and Fisheries (SEAP) directly linked to the Presidency, with a level of Ministry.

This means a profound recognition of the importance of the sector, with an emphasis to aquaculture. In February 2003, the Brazilian Minister of Aquaculture and Fisheries, Mr. José Fritsch, was elected President of INFOPECA's General Assembly by the member countries of the Organization. The changes in Brazilian politics gave a new support to the project activities, as SEAP became interested by the aquaculture activities in the low São Francisco valley, cooperating with CODEVASF for the funding of the



processing plant under construction in Propriá, June 2004

construction of a new processing plant in Propriá, destined to the local cooperative of fish farmers. This processing plant should be operative in October 2004.

2.2 – The project context in Venezuela

In Venezuela, the political situation under the presidency of Mr. Hugo Chávez has evolved during the period, having effects on the project counterpart (SARPA at the time of the preparation of the project document, INAPESCA nowadays). Not only has the fisheries authority changed its name and its legal structure (evolving from an autonomous secretariat to a national institute) but also the director was changed. As a matter of fact, Mr. Daniel Novoa, who had concentrated all communications with INFOPECA was substituted by Dr Alesandra Jecroix. This change in the direction of INAPESCA has facilitated the relationship between the local counterpart and the PEA and the good implementation of the project.

The former director, Mr. Daniel Novoa, has strongly favoured the transference of the project central place, the area around Valencia and Maracay (Valencia, the capital of the State of Carabobo, is currently ruled by an opponent to the president), towards the city of Barinas, capital of the State of the same name, native city and political stronghold of

President Chávez. This region presented some advantages as a geographical unity, being known as “Llanos Venezolanos”, which is an important aspect for the project, related with the certificate of origin. It also belongs to the Orinoco river basin, through its affluent network (rio Santo Domingo, rio Portuguesa, etc.).

INFOPECA managed to build a good relationship with the new director, Dr. Alesandra Jecroix. Her veterinarian background helps her to understand the issues of the project, particularly in its quality assurance aspects.

The fact of having the project based in Barinas has encouraged a stronger involvement of INAPESCA. An important governmental investment is currently under way with the construction of a fish wholesale market with processing facilities. This investment is being conducted with the Spanish cooperation and would include the purchase of an ice machine. This is the main reason why the present project still did not purchase the ice plant in Venezuela: if the processing facility currently under construction really receives an ice plant from the Spanish cooperation, there will be no need for the project to do it. On another hand, it is true that there is still uncertainty about the real content of the Spanish cooperation as many of its aspects are still being negotiated.

3 - Results attained during the first year of activities

The results of the project implementation during the first year of activities must be compared to the annual plan established before the beginning of operations.

3.1 - The installation of equipment in the production sites

The equipment foreseen to be installed in both Brazilian and Venezuelan project sites include an ice plant, filleting tables, working tools and clothes. This is the basic equipment, besides adequate civil construction (with water and electricity supply), needed for a simple processing of the fish.

The installation of equipment in Brazil

The selection of the ice plant was run through a bidding process involving three possible suppliers. MEBRAFE ice plant, model FF-HEV-3, with a capacity of 2600 Kg/24 hours was chosen for its lower price and for its installation service. As a matter of fact, MEBRAFE's price was less than half of the average international price for such machines. This has allowed the project to purchase two ice plants instead of one, for the price foreseen in the project budget.

The first ice plant was installed in the existing processing facilities of Xingó. It is operating since January 2004. The second ice plant was delivered but still not installed in Betume, at the processing facilities of the Women Association. As a matter of fact, the Women Association is going through a functioning crisis since the end of 2003, due to the fact that its two most active members left the town at the same time, one due to family reasons and the other for a scholarship. The result is that the Women Association is not working with fish processing since the



Ice plant installed in Xingó

beginning of the year and did not proceed with the installation of the ice plant during these last six months.

Two set of tools (knives, pliers...), plastic boxes, and fish processing clothes (white overall, white rubber boots) was also purchased, one for Xingó and the other for Betume.

The solution found to the problem with the Women Association of Betume is to transfer the ice plant and the related material to the new processing plant of Propriá as soon as its construction is finished (foreseen for the end of September 2004).

The installation of equipment in Venezuela

The construction of the processing facilities associated to the new fish wholesale market in Barinas, is taking more time that foreseen due to the new programme of construction of wholesale markets with the participation of the Spanish Cooperation. The question raised is if it would be necessary to purchase an ice plant if the Spanish Cooperation does the same. On another hand, the content of the Spanish project is still not clear. The new director of INAPESCA is therefore willing to proceed with the construction of the Barinas processing plant, on INAPESCA's budget.



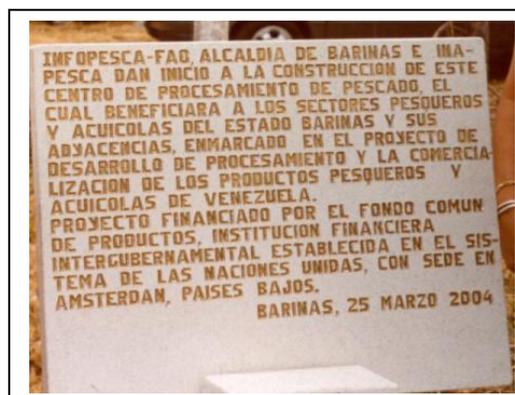
Fish boxes stored in Betume, waiting to be sent to Propriá



Consolidando planta procesadora

La presidenta del Instituto Nacional de Pesca y Acuicultura, doctora Alexandra Jacroix, y el Alcalde Julio César Reyes colocaron la primera piedra simbólica en el terreno donde se constituirá en el último trimestre de este año la planta procesadora de pescado. En el marco del acto, donde estuvieron presentes los productores, el presidente de la CACOMBAR y autoridades regionales y municipales la presidenta del instituto destacó que este es un proceso muy importante donde se está atendiendo al sector productor, en las áreas de capacitación, adiestramiento, asistencia técnica para mayor rentabilidad y productividad de las unidades de producción. (Pág. 8)

The ceremony of the first stone of the processing facilities in Barinas, in March 2004, with Dr. Alesandra Jecroix from INAPESCA, Dr. Nelson Avdalov, from INFOPESCA and the mayor of Barinas.



INFOPESCA-FAO, the municipality of Barinas and INAPESCA begin the construction of this fish processing center which will benefit the fisheries and aquaculture sectors of the State of Barinas and its neighbourhood, in the context of the project for the development of the processing and marketing of fisheries and aquaculture products in Venezuela, funded by the Common Fund for Commodities, an intergovernmental financial institution, established in the United Nations system, with headquarters in Amsterdam, the Netherlands.

Barinas. 25th March 2004

The construction is foreseen for three months. However, by the end of June, it was still at its very beginning. As for the purchase of the ice plant to be used in this municipal processing facility, three possible suppliers were already identified in Venezuela.

3.2 - The preparation and the publication of market surveys

The market surveys are intended to inform producers about the structure and characteristics of the main seafood markets in which they might market their fish production. This type of market survey follow a basic methodology developed by INFOPECA in 1996 and implemented since then in 10 big Latin American cities, from Buenos Aires to Mexico City. The set of market surveys being implemented by the current project represent an enlargement of the collection, with towns and cities of direct interest to the tilapia producers who participate to the project, as well as the overall world market survey for tilapia.

The world market of tilapia was prepared during the first months of 2004 and published by the end of June. It is now being distributed among the project participants.

The seafood market of Aracaju was prepared at the beginning of the project implementation in 2003 and being printed in July 2004. The first idea was to publish it together with the seafood market of Maceió. That is why it was not published at once. However, the realization of the survey in Maceió showed that this last town has little in common with Aracaju, and that it is therefore better to publish two booklets, one for each city, instead of one for both.

The seafood market of Maceió was prepared in April/May 2004 and it is being printed in July 2004.

The seafood market of Salvador the survey was under completion by the end of June 2004 and should be published by the end of July or beginning of August.

The seafood market of Recife the survey is at its beginning as it took time to identify the local experts to run it. The Fisheries Engineering School in Recife is now involved in its implementation.

The seafood market of Belo Horizonte This survey is kept to be the last one to be implemented. There is a general feeling that Belo Horizonte is too far from the producing sites in the low São Francisco valley and that it will possibly be unnecessary to perform this specific survey.

The seafood market of Caracas was prepared and published by INFOPECA previously to the actual beginning of the implementation of the project. Its updating to mid-2004 was ordered by INAPECA to the local expert.

The seafood market of Valencia/ Maracay During some 10 months, the survey was under the responsibility of Mr. Mario Aguirre. During this period, there were difficulties in establishing effective working communication between this local expert and the project experts as well as in getting objective results of the work done. In June 2004, it was clear that nothing worth has been done so far and his contract with INFOPECA was cancelled. The work is now under the coordination of the local expert who did the Caracas survey.

3.3 - The training courses and the preparation of standards in fish processing and quality control

Training courses for local trainers in fish processing and quality control were implemented both in Brazil (at Xingó's processing unit) and in Venezuela (in Barinas). The programme, the implementation, the assistance and the results of these training courses are the object of a specific report sent to the CFC (with copy to FAO) in April 2004.



Theoretical and practical training courses being implemented in Venezuela and in Brazil: March and April 2004

Most of the participants, mainly in Brazil, were qualified professionals (veterinarians, biologists, nutritionists...), able to replicate the course in their institutions or cooperatives.

Training courses for workers in both countries, foreseen for this first year of activities will be implemented in Propriá and in Barinas, once the processing units currently under construction begin their activities. In Propriá, this training course, already scheduled for October, rises high expectations as it will reach the first team of workers in the plant, people who never before have worked with fish. The same is also true for Barinas. Although trainers in the region have already been trained for this task, having also received the training material (Power Point presentations, documents) both project experts in fish processing and in quality control will also participate in this first worker training activities, in both countries.

3.4 - Problems and their solutions

Compared to the 1st Work Plan, the actual results and outputs obtained are still delayed compared to the foreseen ones (see table next page). The contexts in which the project was implemented in both countries explain this delay, particularly:

- the difficulty in having a local in Barinas where to install the ice plant and processing equipment, as well as the problems which arouse at the Women Association in Betume delayed the installation of this equipment. On another hand, we have now two brand new processing units being built in both countries which represent an indirect result of the project and good opportunities to its continuation.
- The problems with the delayed marketing surveys were due to the time taken by the selection of local experts, by the time taken by these experts to perform their work and, in the case of Valencia/Maracay, to the failure of the local expert. At this

stage, the need of a market survey of Belo Horizonte was questioned. Anyway, as we have now two documents for Aracaju and Maceió, instead of only one for both, the total number of published documents foreseen in the project will remain unchanged.

- The continuation of the training courses in fish processing and in quality control are being hold until the ice plants in Propriá and Barinas as well as the processing material in both places are operational. This will happen in the second half of 2004.

Finally, many activities only foreseen for the second year of activities have already begun to be implemented (see 3.4 and 3.5).

Expected and actual results of the first year of activities, based on the work plan

Objective	quarter	main activities to be implemented	responsibilities	Output foreseen	Effective outputs
objective 1 -	1	- preparation of the 7 market surveys foreseen by the project	Marketing expert	implementation of 7 surveys	Preparation of 6 surveys done
objective 2	1	- selection of suitable building from the counterpart institution in Brazil and in Venezuela - purchase of equipment for pilot plants in both countries	Product Development and Quality Assurance experts	definition of facilities equipment purchased	Facilities defined in Brazil and under construction in Venezuela Equipment almost totally purchased in Brazil
objective 1	2	- end of preparation of the 7 market surveys - revision of the results and preparation of reports	Marketing expert	7 draft documents 7 final documents	4 market surveys effectively finished and revised. 4 final documents
objective 2	2	- installation of equipment - selection of trainers	Product Development and Quality Assurance experts	pilots plants ready in Brazil and Venezuela Trainers selected in both countries	1 pilot plant ready in Brazil (Xingó) trainers selected in both countries
objective 1	3	- publication of the reports of the 7 market surveys	Marketing expert	7 market reports published	2 document published 2 more at printing
objective2	3	- training of the trainers in processing of tilapias in both countries	Product Development expert	trainers trained in Brazil and in Venezuela	Training course realized in both countries
objective 3	3	- training courses in quality control for producers in both countries	Quality Assurance expert	Producers trained in both countries	Training courses realized in both countries
objective 2	4	- successive sessions of training of the local workers in both countries	Product Development expert	local workers trained in both countries	Sessions still to be developed
objective 3	4	- preparation of quality control standards in both countries	Quality Assurance expert	2 draft documents about quality standards	2 draft documents done

3.5 - Advanced activities of the project : the certificate of origin

The idea of including the certificate of origin in the project was to bring a differentiation between aquaculture production in different regions by linking the product to the actual characteristics of their regions. The São Francisco river in Brazil and the Orinoco river in Venezuela have strong personalities and carry large assets of history, legends, traditions and local culture, able by themselves to add value to a commodity by identifying it to the image of the region. The concept of adding value to a product by identifying it to the region where it is produced is not new although it is better known in Europe (AOC, *produits du terroir*, etc.) than in Latin America. It is also better known for some products (wine, cheese, ham...) than for others. The idea of a certificate of origin for fish from Latin America regions is therefore an innovation brought by the project. It also enriches the concept of traceability, which also represents a kind of “certificate of origin”, on a sanitary point of view, without its geographical and cultural aspects.

On a worldwide basis, the directives ruling the issue of certificates of origin are given by WIPO –(World Intellectual Property Organization, with headquarters in Geneva). Brazil and Venezuela, being member countries of WIPO, follow this general rules. In the Venezuelan case, a resolution of the Andean Group regarding seals of origin also applies.

The seal of origin in Brazil

Certificates of origin are ruled in Brazil by INPI – Instituto Nacional da Propriedade Industrial (National Institute of Industrial Property, under the Ministry of Development, Industry and Foreign Trade, with headquarters in Rio de Janeiro). For the time being, the only experience of INPI in issuing certificates of origin concerning food products is wine produced in the wine growing valley (vale dos vinhedos), in the Brazilian State of Rio Grande do Sul. A certificate of origin for tilapia from the low São Francisco valley represents its second experience in this field.

Although there is a visible willingness of INPI to follow the WIPO directives, one can feel a certain hesitance due to the lack of experience. In general, INPI demands:

- a precise geographical delimitation of the region
- a precise description of the product and of the production methods
- the history of local producers
- the design of a specific label to symbolise the certificate of origin
- the application for the certificate should be presented by a local association, representative of the producers.

In order to attend the demands of INPI, the project hired a geographer from Rio de Janeiro to delimitate the region of the lower São Francisco. This limit was established on the double standard of the altitude (up to 200 meters) and the distance to the river bed (up to 10 Km). In Rio de Janeiro, he is also following the process personally at INPI headquarter.



delimitation of the low São Francisco region, using GPS

The precise description of the product and the processing method was drafted by Nelson Avdalov and it is currently being commented by the Brazilian Sanitary Inspection Service (this draft is also valid in the Venezuelan case).

The history of local production was compiled from several documents, particularly from CODEVASF. Also the thesis prepared

by Julien Cazes (INFOPECA's French trainee at the beginning of the project implementation) was included among these documents although being written in French.

As for the design of the label, this will be prepared by SEBRAE AL (the State of Alagoas branch of the National Service for the development of small and medium sized enterprises) which is becoming a real, although informal, partner to the project.

Finally, the Chamber of Fishfarmers of the Low São Francisco (Câmara dos Aquicultores do Baixo São Francisco), which has the membership of all five participant cooperatives of the project, will be the one to present the application to INPI in the name of all producers. It will have the ownership of the logo and the control of its use. Up to end of June however, the main problem was that the Chamber was not registered as such, being essentially informal. The formalization of the Chamber is now under way.

The seal of origin in Venezuela

In Venezuela, the competent authority for certificates of origin is SAPI – Servicio Autónomo de la Propiedad Intelectual (Autonomous Service of Intellectual Property, under the Ministry of Production and Commerce, with headquarters in Caracas). Just as Brazilian INPI, the Venezuelan SAPI has little experience in dealing with certificates of origin for food products. Its only previous experience is with cocoa and rum.

The application for the seal of origin is being presented at SAPI by the project counterpart INAPESCA, in representation of all producers in the region. The trade name “Llanospesca” was agreed upon by the producers and already registered at SAPI. A draft logo was designed and is currently under discussions among the producers. The precise description of the product and the processing method, prepared by Dr. Nelson Avdalov is being presented as the actual standard for several products (whole, filleted, fresh, frozen, etc.) prepared with tilapia and also eventual other species currently farmed in the Baines region..

3.6 - Advanced activities of the project: the preparation of the Marketing Training Courses

Although these training courses are only foreseen for the second year of activities, their preparation has already begun. They will be implemented in Penedo and in Caracas, more as round tables about marketing issues rather than as training courses. Further to the participation of only producers from the participant cooperatives (in Brazil) or companies (in Venezuela), they will also address related institutions and wholesalers and supermarket representatives identified in the market surveys. In the case of Brazil, the participation of SEBRAE and CODEVASF to the course is foreseen. SEBRAE already has a record of marketing initiatives favouring tilapia producers, mainly in the State of Alagoas. In the case of Venezuela, it will be INAPESCA and MERCAL. This last institution is the one in charge of marketing food for the poorest part of the Venezuelan population (16 million people in Caracas and surrounding States).

On another hand, the progress attained in the field of the seal of origin, in parallel to the quality standards, represent an important marketing argument for the wholesalers and supermarket representatives, in the axis Recife – Maceió – Aracaju – Salvador in Brazil and in the axis Barinas – Valencia – Maracay – Caracas in Venezuela.

The marketing training courses will therefore include the meeting of sellers and buyers, making possible for both to better understand their needs and opportunities regarding the product, and possibly to make business.

4 - US\$ 330.000 (39%) from the 1st year budget remain unspent

Although a specific audited financial report was issued at the end of the first year of activities, it is worth to note here that there is a still unspent important amount of money, foreseen to cover the costs of the first year of activities. Of course this is mainly due to the Venezuelan ice plant and the processing material still to be purchased, as well as to the market surveys, still to be completed and paid for.

The table next page compares the foreseen costs of the 1st year of activities to the actual spending and the balance for each item of the budget.

Having a greater financial flexibility for the second year of activities, it is clear that it will be more intensive than the first year, mainly with a positive field context, as we have seen with the two new processing plants becoming operational. The possibility of increasing the number of travels to the project sites and the length of stays also helps this intensification of projects activities during the second year.

category	Component Inputs	unit	quantity	Unit price	total base cost	contingency %	Contingency amount	total cost Year 1	financing source	Actual spending	Balance
I	Machinery & Equipment										
I	pilot ice plant with ice silo	item	2	60.000	120.000	10%	12.000	132.000	CFC	48.569,50	83.430,50
I	plastic 25 Kg fish boxes	item	2000	10	20.000	5%	1.000	21.000	CFC	-	21.000,00
I	stainless steel tables	item	6	1500	9.000	5%	450	9.450	CFC	-	9.450,00
III	Material and Supplies										
III	rent-a-car, Brazil	day	45	80	3.600	5%	180	3.780	CFC	917,88	2.862,12
III	rent-a-car, Venezuela	day	45	80	3.600	5%	180	3.780	CFC	750,00	3.030,00
III	gasoline for vehicles	month	3	500	1.500	5%	75	1.575	CFC	237,60	1.337,40
III	working tools (white coats, boots, knives, etc.)	set	2	6.000	12.000	5%	600	12.600	CFC	3.813,11	8.786,89
III	sundries	item	1	2.000	2.000	5%	100	2.100	CFC	-	2.100,00
IV	Personnel										
IV	Coordinator (Mktg expert)	mm	6	8.400	50.400			50.400	CFC	50.400	-
IV	quality assurance expert	mm	6	6.000	36.000			36.000	CFC	36.000	-
IV	product development expert	mm	6	7.100	42.600			42.600	CFC	42.600	-

category	Component Inputs	unit	quantity	Unit price	total base cost	contingency %	Contingency amount	total cost	financing source	Actual spending	Balance
IV	aquaculture experts	mm	24	4.000	96.000			96.000	CODEVASF, INAPESCA	96.000	-
IV	aquaculture workers	mm	240	400	96.000			96.000	PRIVATE SECTOR	96.000	-
VI	Duty Travel										
VI	Montevideo – Maceió	ticket	8	800	6.400	5%	320	6.720	CFC	3.717,46	3.002,54
VI	Montevideo – Caracas	ticket	8	1100	8.800	5%	440	9.240	CFC	870,36	8.369,64
VI	coordinator/Mktg expert	DSA	40	160	6.400	5%	320	6.720	CFC	2.248,00	4.472,00
VI	quality assurance expert	DSA	60	160	9.600	5%	480	10.080	CFC	5.213,50	4.866,50
VI	product development expert	DSA	60	160	9.600	5%	480	10.080	CFC	2.270,00	7.810,00
VI	aquaculture experts	DSA	40	160	6.400	5%	320	6.720	CFC	-	6.720,00
VII	Dissemination and Training										
VII	Quality assurance information and motivation material (incl. Product Manual)	set	2	10.000	20.000	5%	1.000	21.000	CFC	-	21.000,00
VII	Marketing information and motivation material (incl. Marketing Manual)	set	2	10.000	20.000	5%	1.000	21.000	CFC	-	21.000,00
VII	The seafood market in Recife	publ.	1	20.000	20.000	5%	1.000	21.000	CODEVASF	-	21.000,00
VII	The seafood market in Salvador	publ.	1	20.000	20.000	5%	1.000	21.000	CODEVASF	-	21.000,00

category	Component Inputs	unit	year 1	Unit price	total base cost	contingency %	Contingency amount	total cost	financing source	Actual spending	Balance
VII	The seafood market in Belo Horizonte	publ.	1	20.000	20.000	5%	1.000	21.000	CODEVASF	-	21.000,00
VII	The seafood market in Maceió and Aracaju	publ.	1	20.000	20.000	5%	1.000	21.000	CODEVASF	21.000	-
VII	The seafood market in Caracas	publ.	1	20.000	20.000	5%	1.000	21.000	INFOPECA	21.000	-
VII	The seafood market in Valencia/Maracay	publ.	1	20.000	20.000	5%	1.000	21.000	CFC	-	21.000,00
VII	the world market for tilapias	publ.	1	20.000	20.000	5%	1.000	21.000	CFC	20.000	1.000,00
VIII	Operational costs										
VIII	Administration PEA	month	12	3.000	36.000	5%	1.800	37.800	CFC	36.000	1.800
VIII	Telecommunications	month	12	2.000	24.000	5%	1.200	25.200	INFOPECA	25.200	-
VIII	Others	month	12	500	6.000	5%	300	6.300	CFC	6.000	300
IX	Supervision and Monitoring										
IX	Audit	audit	1	3.000	3.000	5%	150	3.150	CFC	-	3.150,00
IX	Supervision ICB	lumpsum	1	15.000	15.000	5%	750	15.750	CFC	-	15.750,00
IX	Supervision & evaluation CFC	lumpsum	1	15.000	15.000	5%	750	15.750	CFC	-	15.750,00
	Grand Total				818.900		30.895	849.795		518.807,41	330.987,59

5 - Conclusions of the 1st year of activities

First of all, it is worth to say that the implementation of a project dealing with tilapia in the big Latin American river basins has proved to be of a very updated concept, despite the fact it was originally designed four years ago. Tilapia has consolidated as a commercial species on the domestic and on the international markets and, more and more, the worldwide consensus that the big Latin American rivers represent a very important water resource for the development of aquaculture has also consolidated.

The contexts in which the project was implemented in both countries has evolved in a globally positive way, mainly at the government levels. Despite changes in the governments structures and in the officials in charge of those structures, there is a growing involvement of government institutions in the project sites, well illustrated by the building there of new processing plants, destined to support and enhance the results of the present project.

Some problems arose during the first year of activities, delaying the results foreseen for this period. These problems (listed in 3.4) have however solutions under way and all the foreseen objectives will be reached. For this purpose the activities during the second year will be more intense than foreseen. The starting of operations of the new processing plants, currently under construction, and the achievement of the market surveys will boost the training courses in fish processing and quality control, as well as the marketing activities. These activities include the training courses (marketing round tables), the marketing tests in Brazil and Venezuela and the training course for export. In this last case, the activity will be realized at the Brussels Seafood Exposition (26-28 April 2005), for which INFOPECA is already organizing the logistics (special booth, transport of fresh fish samples, interviews with European tilapia importers, hotels reservations, etc.).

The details of the activities are presented in the Working Plan for the 2nd year of activities.
