





# Project FSCFT - 19

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

3<sup>rd</sup> Activities Report August 2005

## 1 - Introduction

The present report should be the last report of activities of the project, since it was intended to meet all its objectives after two years of activities. However, during the midterm evaluation mission (see specific report of the mission), it was already clear that many activities were delayed, mainly in Venezuela, due to different reasons which were indicated in the mission report.

Almost one year later, with the project foreseen to be finished in June 2005, most of activities are effectively fulfilled but some still remain to be completed.

## 2 - General context in which the project is being implemented

The implementation of the project in both countries, Brazil and Venezuela, were affected by totally different contexts.

While in Brazil there was practically no change since the identification of the project, in Venezuela many changes have directly affected the efficiency of the project implementation.

#### 2.1 - Context in Brazil

The continuity of the good relationship with the counterpart and the participating cooperatives have allowed the continuation of production of tilapia in Xingó and in Betume in accordance to the quality requirements taught during the training courses.

The processing plant of Propriá, foreseen to be inaugurated in November 2004 was still not inaugurated in August 2005, due to problems of the municipality of Propriá regarding connections of electricity and water. Actually the civil works and the equipment, which were under the responsibility of the federal government (SEAP and CODEVASF) and of our Project, are operational. The beginning of operations of the plant is only depending on the resolution of the municipal problems.

A good new for the tilapia producers in Penedo is the agreement of the federal government (SEAP and CODEVASF) with the municipality of Penedo to build a processing plant in their town, similar to the one in Propriá. This construction should begin by the end of 2005 or beginning 2006. This evolution of the situation in Penedo can be considered as an indirect success of the project as it was encouraged by the good results obtained in the plants of Xingó and Betume.

Currently, the project is assisting the producers in the application for loans, with the preparation of business plans and the feasibility studies. These loans represent the second phase of the project.

## 2.2 - Context in Venezuela

The good path in which the project seemed to be in Venezuela after the mid-term review mission was jeopardized by a series of problems affecting the counterpart institution INAPESCA.

The first problem, by the end of 2004 was the fire which destroyed the building "Torre Este" where INAPESCA had its main office (so as the FAO representation and the Ministry of Agriculture, among other institutions). In addition to the loss of many documents, INAPESCA remained without a known address for several weeks. It took two successive moves during the first half of 2005 to bring INAPESCA to its present address.

The Minister of Agriculture and the President of INAPESCA (Mrs. Alessandra Jecrois), with whom the mid term review mission had agreed about the import of the ice machine and the construction of the processing plant in Barinas, were dismissed in the first quarter of 2005 and the appointment of the new president (Mr. Oscar Lucentini) was followed by the restructuring of INAPESCA's staff. The PEA realized two missions in Venezuela to inform the new president and staff of INAPESCA about the ongoing project programme and the role INAPESCA is expected to play in this programme, mainly regarding the aspects agreed upon during the mid-term review mission: the import of the ice machine and the building of a small processing plant in Barinas. Despite the constant pressure put by the PEA for a quick solution, the situation did not evolve very much.

Otherwise, the good participation of Barinas producers representatives at the Brussel Seafood Show and the finalization and publication of the market survey of Valencia and Maracay were positive results obtained by the project in Venezuela.

## 3 - Results attained during the second year of activities

The project has six specific objectives, each with several foreseen outputs. By the end of August 2005, the following results had been achieved:

## (A) Identification of Market Opportunities

immediate objective 1: identification of market opportunities

## 1.1 - *output 1*: The Seafood market in Belo Horizonte

According to the agreement reached during the mid term review mission, this specific survey was considered unnecessary and would be substituted by a market survey of the town of Barinas, should the PEA find the adequate funding for this task. As a matter of fact, no adequate new funding for this task was identified for the time being.

#### 1.2 - *output 2*: The Seafood market in Salvador

The survey was delayed by the discontinuation of the first identified experts to implement it. However through an agreement reached between the PEA and Bahia-Pesca (Secretariat of Fisheries of the State of Bahia), the market report of Salvador was finalized and published.

## 1.3 - *output 3*: The Seafood market in Recife

After several revisions and corrections, the report was finalized and published in August 2005.

## 1.4 - <u>output 4</u>: The Seafood market in Maceió and Aracajú Both reports were already published during the first year of activities

## 1.5 - output 5: The Seafood market in Caracas

"The seafood market of Caracas" was prepared and published by INFOPESCA prior to the actual beginning of the implementation of the project.

## 1.6 - output 6: The Seafood market in Valencia/Maracay

The second expert contracted for the implementation of the survey was as unsatisfactory as the first one. Finally, a special mission with a new team was organized for this task and the report of the market survey of both towns Valencia and Maracay was finalized and published in August 2005.

## 1.7 - <u>output 7</u>: The world market for tilapias

The report on the world market of tilapia was prepared during the first months of 2004 and published in June 2004. The mid-term review team agreed that it would be interesting to have this report also published in Spanish, should the PEA find the adequate funding for the translation and the additional publication. The PEA has assumed all the costs of translation and printing and the Spanish version of the report was published in August 2005.

## 1.8 - output 8: Local marketing test in Brazil







The local marketing test in Brazil was successfully implemented from 3<sup>rd</sup> to 5<sup>th</sup> December 2004. It was promoted at CODEVASF's facilities in Aracaju and a photographic report was issued about this activity.

## 1.9 - output 9: Local marketing test in Venezuela

The local marketing test in Venezuela is still pending on the installation of the ice plant. It is however already organized to be implemented together with the CATIVEN supermarket chain (belonging to the French *Groupe Casino*), at its hypermarket of Valencia. This activity can be implemented at any time.

## (B) Product Development in Pilot Fish Plants

#### immediate objective 2 : Product development

2.1 - <u>output 1</u>: installation of a small pilot fish handling workshop in the São Francisco Valley, including ice plant, stainless steel working tables, working tools and fish boxes.

The first pilot fish handling workshop, including ice plant was installed in Xingó in January 2004. As stated in the mid-term review report, the particularly low price paid for the ice

machine has allowed the purchase of a second machine which was installed in Betume in August 2004. Both plants are working well since then. Working tools and fish boxes were also purchased and are in use in both plants. The project has also purchased some equipment for the Propriá plant, which should normally start to work still in 2005.

2.2 - <u>output 2</u>: realization of training courses for the processing of tilapias in the São Francisco Valley

A training course for local trainers in fish processing and quality control was implemented at Xingó's processing unit. The programme, the implementation, the assistance and the results of the training course were the subject of a specific report sent to the CFC (with copy to FAO) in April 2004.

A second training course in fish processing and quality control was implemented in Betume in December 2004, prior to the marketing test realized in Aracaju. As a matter of fact, the 1000 Kg of tilapias processed in the training course were immediately brought to Aracaju and partly put for sale by the Women Association of Betume. A second part was used in the tasting test which was also part of the marketing test.

- 2.3 <u>output 3</u>: installation of a small pilot fish handling workshop in Venezuela, including ice plant, stainless steel working tables, working tools and fish boxes. The situation remains unchanged since the mid-term review mission. The import of the ice machine (already paid for and waiting to be embarked in a Brazilian harbour) in Venezuela depends on the authorization to be given by the Venezuelan customs based on a recommendation from INAPESCA.
- 2.4 <u>output 4</u>: realization of training courses for the processing of tilapias in Venezuela The training of trainers was realized in Barinas in April 2004. The programme, the implementation, the assistance and the results of the training course were the object of a specific report sent to the CFC (with copy to FAO) in April 2004.

An additional training course for the processing of farmed fishes of Barinas is foreseen to be implemented as soon the ice plant is installed.

## (C) Training in Quality Control and Marketing

immediate objective 3: Training in Quality Assurance and in Marketing

- 3.1 <u>- output 1:</u> preparation of Quality Control standards for the São Francisco producers A manual of standards for the processing of tilapia and its quality control was prepared by the PEA and distributed among the participating cooperatives in September 2004.
- 3.2 <u>output 2:</u> preparation of Quality Control standards for the Venezuelan producers The same manual of standards for the processing of tilapia and its quality control was also distributed to the fish farmer cooperative in Barinas as well as to INAPESCA's office of Barinas and its headquarters in Caracas.

## 3.3 - output 3: local training in Brazil and in Venezuela for domestic marketing

The marketing seminar in Venezuela was implemented in Caracas on the 20<sup>th</sup> September 2004. This seminar was attended by around 70 persons.

As for Brazil, the marketing seminar was implemented in Propriá on 16<sup>th</sup> and 17<sup>th</sup> February 2005, with over 100 attendants.







# 3.4 - output 4: practical training in the promotion of tilapia for export

This practical training was implemented during the participation of representatives of the producers of Brazil and Venezuela at the Brussels Seafood Exposition (26-28 April 2005) and during the visit of the Rungis seafood wholesale market in Paris (29 April 2005). A specific report regarding this successful activity was prepared and sent to the CFC and FAO.

## (D) Assistance for the Adoption of a Seal of Origin

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.





#### immediate objective 4: Assistance for the adoption of a seal of origin

## 4.1 - <u>output 1</u>: the adoption of a seal of origin "Tilapia of the São Francisco" (or similar)

The file for the recognition and legalization of the logo is currently being presented by the Chamber of Fish Farmers of the Low São Francisco to INPI, based on the geographic perimeter and the technical standards of production prepared by the project as well as the logo prepared by the Chamber itself with the support of SEBRAE (Brazilian institution for the promotion of small and medium sized enterprises). The official recognition of a geographic indication is however a long trail, taking very much into consideration the tradition of production, and its first step is the legalization of the logo.

## 4.2 - output 2: The adoption of a seal of origin "Tilapia of Venezuela" (or similar)

In Venezuela, INAPESCA already registered the logo in the name of Barina's fish farmers at SAPI (see attachment 1). Also according to WIPO's recommendations, the trail for the official recognition of a geographical indication is a long one in Venezuela and it might take time until we see an evolution from the registered trade mark "Pescallano" to a geographical indication.

## (E) Dissemination of the Project Results

#### immediate objective 5: Dissemination Seminar

## 5.1 - <u>output 1</u>: realization of a regional dissemination seminar

Depending on the possibilities of the three parties involved in the project implementation (the CFC, FAO and the PEA), the dissemination seminar could be held in another country of the region in which tilapia farming is also developing quickly. A possible candidate would be Mexico with the additional advantage of being this country a beneficiary of project "Improving Marketing Efficiency of Artisanal Fishermen in Central America, Mexico and the Caribbean". The dissemination seminar of the first project could be run back to back with the launching mission of the other. The third or fourth week of October 2005 could represent a tentative schedule.

## (F) Assistance in the Application for Loans

#### immediate objective 6: Support to local producers for their loan applications

The second part of the present project foresees the provision of loans up to US\$ 2 million for producers of both countries.

6.1 - output 1: loans for São Francisco producers

A business plan together with a feasibility study is under way in the low São Francisco valley, in close cooperation with the Chamber of Fish farmers of the Low São Francisco and the Banco do Nordeste which will possibly be the official Brazilian bank partner to the CFC for the operation of loans.

#### 6.2 - <u>output 2</u>: loans for Venezuelan producers

The preparation of business plans and feasibility studies in Barinas is still waiting the actual installation of the project ice plant and processing facilities as well as the termination of other activities in the country.

#### 4 Identification of constraints and recommendations to solve them

In general, the project has already attained most of its objectives (see table 1 next page).

The project objectives which have still not be reached could be achieved soon if the important assumptions listed in the logical framework of the project document can still be assumed, mainly the one "land and constructions for pilot plants will be made available by collaborating institutions without too much bureaucracy".

As a matter of fact, most of the missing activities in Venezuela are still depending on the formal authorization of the import of the ice plant by the Venezuelan government. This delay can be explained by the series of events already commented in the present report, as the fire at INAPESCA's headquarters, the successive changes in its Presidency and staff, as well as the effervescent political situation of the country in recent times. These events were naturally beyond any possible prediction. The PEA has managed to keep good relationship with the successive Presidents of INAPESCA, including the current one, but this seems not to be enough for a solution to the import authorization problem. For the time being, it is difficult to tell if the delay in the import authorization is due to a certain lack of experience of the new INAPESCA's staff, or to any other possible cause.

The PEA is currently keeping the pressure on INAPESCA (sending messages twice a week insisting for action regarding the import authorization). At this stage, it is licit to doubt whether this authorization will actually be given in a reasonable time. The deadline of 30<sup>th</sup> September for the emission of the Venezuelan import authorization could be communicated to INAPESCA as a last chance to benefit from the project as initially foreseen. After this deadline, if no import authorization is emitted, the PEA recommends the CFC to consider the possibility of installing the ice machine in an alternative Brazilian site which could be Penedo, in the Low São Francisco region, where the Brazilian Federal government together with the municipality and the Penedo's fish farmers cooperative are beginning to build a new fish processing plant for the local producers. As for the project initial objectives this would represent the installation of three ice machines in the São Francisco region, instead of one.

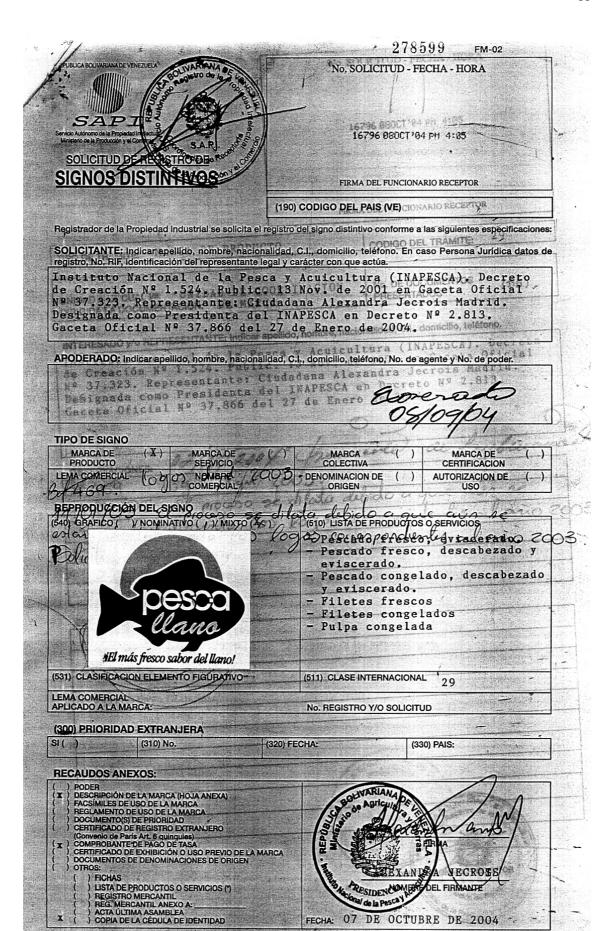
Actually, it is clear that the producers of the Low São Francisco region are very receptive to all activities of the project, much more than the producers of Barinas. The general contexts in which both producing regions are evolving largely explain the attained results.

Table 1 - Resumed present situation of project activities

Activity	Situation on 31 <sup>st</sup> August 2005	Current follow up by the PEA
Identification of market opportunities	This activity is considered fully completed	-
Product development in pilot fish plants	Activity completed in Brazil but still missing in Venezuela	Decision is to be taken whether the ice plant will effectively be installed in Venezuela or in an alternative Brazilian site (Penedo).
Training in quality control and marketing	This activity is considered completed	-
Assistance for the adoption of a seal of origin	Activity completed in Venezuela. As for Brazil the receipt of the file by INPI should soon be received	The register by INPI is under way. Receipt document from INPI is expected in a couple of weeks.
Dissemination of project results	To be realized possibly in Mexico in the second half of October 2005	Organization of the seminar in Mexico, with the participation of countries representatives of the region, the CFC, FAO and the PEA.
Assistance in the application for loans	On going activity in Brazil. Still not initiated in Venezuela	Conclusion of activity in Brazil and realization of activities in Venezuela

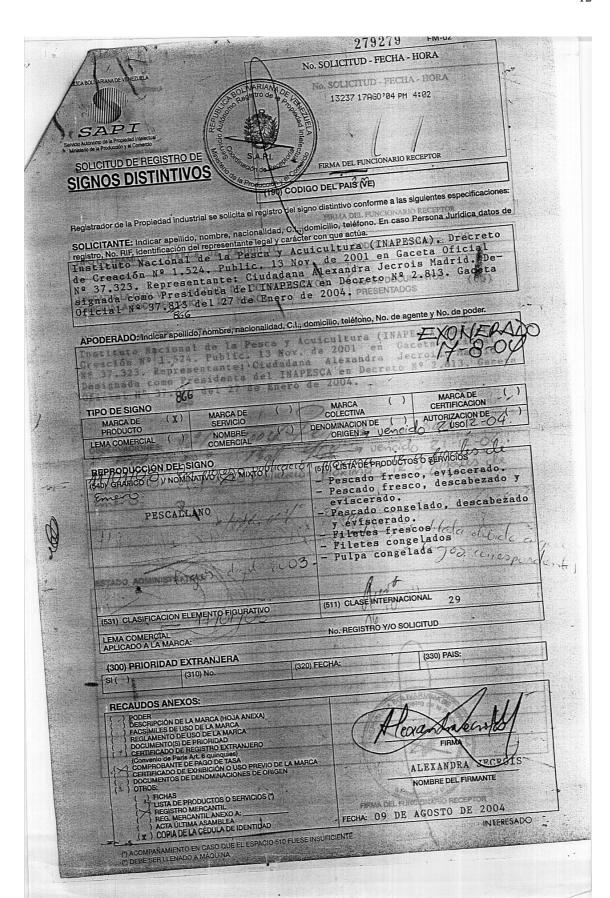
# ATTACHMENT 1

Registration of the trademark "PESCALLANO" by SAPI in Venezuela



(1 ACOMPAÑAMIENTO EN CASO QUE EL ESPACIO 510 FUESE INSUFICIENTE () DEBE SER LLENADO A MÁQUINA

INTERESADO



REPUBLICA BOLIMARIANA DE VENEZUELA	SERVICIO AUTONOMO DE LA PROPIEDAD INTELECTUAL MINISTERIO DE LA PRODUCCION Y EL COMERCIO	TUAL No 57874
SAPI	BUSQUEDA COMPUTARIZADA PREVIA	1. SOLICITUD N° S.M.A.
Servicio Aufóromo de la Propiedad Intelectual Ministerio de la Producción y el Comercio	DE ANTERIORIDADES DE MARCAS	2. ЕСНА
	MARCA	
3. NOMBRE (PALABRA SUSTANTIVA) //	lanopered" "percellano"	N
4. CLASE INTERNACIONAL 29		
	DATOS DEL SOLICITANTE	7
NOMBRES	Nacional de Persoa y Acuicultura	CEDULA DE IDENTIGAD Nº
Parque Central. To	Torre Este. piso 15. Ministerio de Agricultora	coltora Tierras
	8	8. TELEFONO 5 77.77.75
SOLICITANTE	TO FUNCIONARIO RECEPTOR	PTOR
a. FIRMA	a. MONTO A PAGAR b. FIRMA	c. FECHA



Caracas, 8 de junio de 2004

Ciudadana:
ALEXANDRA JECROIS MADRID.
Presidenta de INAPESCA.
Su Despacho.-

Tengo el agrado de dirigirme a usted, en la oportunidad de dar respuesta a su solicitud de fecha seis (06) de mayo de 2004, mediante la cual solicita de este Servicio la exención del pago correspondiente de las tasas y derechos de Registro al Servicio Nacional de Contrataciones. Luego del estudio del caso, hago de su conocimiento que los tramites de Registro de Marcas, Patentes y Derecho de Autor podrán realizarse en este Organismo de manera gratuita de acuerdo a lo preceptuado en el artículo 14 de la Ley de Hacienda Pública Nacional el cual reza lo siguiente:

"Los tribunales, registradores y todos los demás funcionarios y autoridades de la República deberán prestar gratuitamente los oficios legales de su ministerio en favor del Fisco Nacional, siempre que sean requeridos por autoridades competentes, para cualquier, acto o diligencia en que deban intervenir por razón de sus funciones. Las solicitudes, actuaciones, documentos y copias que se extiendan en estos casos, en interés del Fisco Nacional, se formularán en papel común, sin estampillas y no estarán sujetos a impuestos ni contribución ninguna." (Resaltado nuestro).

Cabe destacar que gozará de exención de todos los impuestos, tasa y contribuciones de carácter general y del pago de costos y costas procésales, siempre y cuando se cumplan los siguientes requisitos:

 Que la solicitud de exoneración de pagos de derechos y tasas sea realizada por un Órgano perteneciente a la Administración Pública Nacional, Central o Descentralizada funcional o territorialmente;

 La Gaceta Oficial de la República Bolivariana de Venezuela, en donde, mediante Ley o mediante Decreto del Ejecutivo Nacional, se cree el organismo público solicitante de la exoneración respectiva;

3. Que la nombrada exoneración de pagos sea requerida por quien tenga atribuida la competencia para ello; deberá por tanto presentarse la Gaceta Oficial de la República Bolivariana de Venezuela, o los dodumentos mercantiles en los cuales se determine el ciudadano(a) competente para ello.



Una vez verificados los extremos legales exigidos por La Ley, de cuya revisión se desprende el siguiente: A.- Visto el Decreto Nº 1524, con Fuerza de Ley de Pesca y Acuacultura la Presidencia de la República, de fecha trece (13) de noviembre de 2001 publicado en la Gaceta Oficial de la República de Venezuela Nº 37.323, donde consta la creación del Servicio Autónomo con personalidad jurídica y patrimonio propio e independiente del Fisco Nacional.

B.- Igualmente constatada la designación de la ciudadana ALEXANDRA JECROIS MADRID, titular de la cédula de identidad Nº 11.070.532, como Presidenta del Instituto Nacional de Pesca y Acuacultura, publicada en la Gaceta Oficial de la República Bolivariana de Venezuela Nº 37.866 de fecha 27 de enero 2004. Quien realiza la solicitud que mediante este acto se analiza, teniendo la competencia atribuida para la realización de tales actos, y por tanto se da cumplimiento a la prerrogativa consistente en la exoneración de gastos procésales y tasas.

Igualmente, se hace de su conocimiento que este Despacho, una vez otorgada la exoneración de gastos procésales y tasas, a los fines de que sea solicitado el signo marcario, el Registro de Patentes y Derecho de autor correspondientes, sin perjuicio de la posibilidad de presentar en papel común los documentos para la tramitación del procedimiento de solicitud del signo como marca, se les facilitará la(s) planilla(s) emitidas a tales efectos, para que sea(n) presentada(s) cumpliendo con los requerimientos establecidos, a objeto de no quebrantar el sistema establecido internamente para la presentación de las mismas, y no obstaculizar la celeridad de los procedimientos seguidos por este Despacho para tales fines. A estos efectos, gustosamente le será brindadas toda la asesoría y orientación que para tales actos sean requeridas por ustedes.

Sin otro particular al cual hacer referencia, queda de Ud.

Atentamente, quo De LA PROMINITA DI CON GENERAL SPIVICIO Autónomo de Propiedad Intelectual (sapi)

Resolución Nº 354 del 06-11-2003

Gaceta Oficial Nº 37.812 de fecha 06-11-2003





REPÚBLICA BOLIVARIÁNA DE VENEZVELA
MINISTERIO DE AGRICULTURA Y TURRAS
INSTITUTO NACIONAL DE LA Y ACUICULTURA

INAPESCA Nº. 000787

Caracas, 0 6 MAYO 2004

Ciudadano Registrador **Dr. Miguel Ángel Velásquez** Servicio Autónomo de Propiedad Intelectual (SAPI) Presente.-

Estimado Dr. Velásquez

Me dirijo a usted, con el fin de solicitar sus oportunos servicios durante los trámites que sean necesarios para otorgar "Marca" y "Denominación de Origen" a nuestro producto; pescado empacado, fresco y/o congelado, procedente de actividades de acuicultura en el estado Barinas.

Vale destacar que este proyecto generará numerosos beneficios para el sector acuícola nacional, el cual además de mejorar sus valores de producción, logrará incrementar significativamente la calidad de sus productos, con la asesoría y supervisión permanente del Instituto Nacional de la Pesca y Acuicultura.

Asimismo, le agradezco la exoneración *ut supra*, de conformidad con lo previsto en el Artículo 14 de la Ley Orgánica de Hacienda Publica, concatenado con lo que establece el Artículo 35 de la Ley de Pesca y Acuicultura, el cual reza: Artículo 35 "...El Instituto gozará de las prerrogativas y privilegios otorgados por la República y estará adscrito al Ministerio de Agricultura y Tierras, como órgano rector de las políticas pesqueras y Acuícolas del país".

Agradeciendo el apoyo prestado a la presente, se despide de usted.

Atentamente,

ALEXANDRA JE Presidenta di