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CASP UPDATE – SUMMER 2004

Contents of this Update

There are many good and promising things happening with CASP of late, and this report will provide an overview to bring you up to date. In the future, we will get a update report out to members and other key interests each month. Your questions, comments, and direction are welcomed at any time on particular initiatives or more general CASP activities.

Content of this CASP update includes:

- Rationale for the Canadian Agro-Sustainability Partnership (CASP);
- Membership;
- Current and Developing Projects;
- September Trade Mission;
- Contact us.

Rational for CASP

The CASP concept was developed in the summer of 2003, with the encouragement of Canadian International Development Agency and other governmental interests who felt that the agri-food sector needed integrated comprehensive capabilities to meet international trade and development needs.

The four original CASP members, MacArthur Group Inc., Troika Potato International (Allan Parker), AVC Inc. (Wayne Hooper), and Western Veterinary Services (Gary Morgan), decided to form CASP, and the organization was incorporated as a federal non-profit corporation, headquartered in Charlottetown, Prince Edward Island. From the outset, MacArthur Group Inc. has provided day-to-day management and marketing for CASP, reporting to a Board comprised of the founding members.

CASP has grown rapidly as both potential clients and potential members recognize the unique role CASP can play in agro-industry development. Although many of our growing membership are from PEI, we have several Ontario members, and, from Alberta, Alta Genetics. Each of our members has outstanding credentials in one or more of the CASP areas of expertise:

- Agricultural (including aquaculture) production;
- Food processing;
- Design, manufacture, and sale of processing equipment and farm equipment;
- Design and construction of agro-industry facilities;
- Marketing and sale of agricultural and related products;
- Technical services to agri-business including consulting, training, research, education;
- Support services to agri-business, including translation, legal, accounting, import/export, freight forwarding, travel facilitation;
- Food safety and traceability;
- Environmental, energy, and other sustainability considerations related to agro-industry around the world.

Many government agencies and existing/potential clients view CASP as the ideal contractor/partner to provide comprehensive agro-industry goods, services, and investment in international markets. For more information on CASP, visit our website at www.caspinc.com.

Membership

Although CASP welcomes new members with world-class capabilities and a strong commitment to exporting, membership is not automatic. Our strategy is to offer the most comprehensive range of capabilities possible, with all members having good opportunities to participate in projects. We are typically seeking one or two members with a particular capability, not several members in the same field. If you know of a potentially strong new member, encourage them to join CASP now, as there may not be an opening in that membership category in the future.

Membership cost to December 31, 2004, is \$100 plus GST, and CASP charges a small administration percentage of revenues a firm receives on a CASP developed project. Membership is open to Canadian for-profit and not-for-profit corporations, institutions, and agencies, and our current member organizations range from individuals to relatively large organizations.

Although CASP wishes to maintain a strong PEI membership base, we are actively seeking to increase our membership across Canada.

Current and Developing Projects

- CASP was recently awarded a technical assistance contract by International Finance Corporation of the World Bank in the amount of \$270,000, which involves eight technical specialists (potatoes, cereals/forages, swine, dairy, beef, veterinarian, milking systems, building design) reviewing the operations of five large Russian farms and recommending improvements.
- Member company AVC Inc., with CASP participation, was recently awarded a CIDA INC (the business arm of the Canadian International Development Agency) contract to undertake a major feasibility study for tilapia fish farm production in Paraguay.
- Member company MacArthur Group Inc. was recently awarded a small CIDA contract involving food safety in Vietnam. There is potential for CASP to be involved in a much larger (\$15-\$20-million) related CIDA contract that comes up for bidding in September.
- CASP recently undertook a small project to look at the potential for a potato project in Syria for ATTAR Group, one of the largest companies in Syria.
- CASP recently signed a Memorandum of Understanding (MOU) with PIK Becej, the largest agricultural operation in Serbia (16,000 hectares of production, 100,000 hogs per year, 1,750 dairy cattle, largest vegetable processor and seed producer in Serbia, 650 hectare surface area fish farm, two hotels, construction division, etc.) to work with PIK Becej to upgrade all parts of its operation. This is a large project and will involve technical assistance, investment, and new CASP/PIK Becej joint ventures, possibly including agricultural facilities construction and design, swine genetics, etc.
- CASP recently signed a Memorandum of Understanding with WIZARD Beograd, Serbia, the largest distributor of veterinary medicines in Serbia and owner of two confectionary (e.g. cookies, cakes) processing facilities. Activities will be non-competitive with PIK Becej, including large-scale potato production for spring 2005 and design and construction of vegetable and possibly other (cold) storage facilities in Belgrade, plus tendering on potato imports to Serbia.
- The Ministry of Agriculture, Government of Serbia, has asked CASP to undertake a \$130,000 national food safety needs assessment and is now putting the necessary funding in place for the study.

- Potential projects are being worked on involving Serbia, Tajikistan, Portugal, Ghana, Paraguay, Cambodia, and Vietnam.
- Important relationships are being developed with European Bank for Reconstruction and Development (EBRD), especially its TurnAround Management Program for eastern Europe; Food and Agricultural Organization (FAO); South Eastern Europe Development (SEED); Britain's Department of Foreign International Development (DFID); Inter-American Development Bank; any of which can result in projects for CASP in the near future. CASP also has excellent relationships with CIDA, Agriculture and Agri-Food Canada, Department of Foreign Affairs and International Trade (Canada's trade and embassy network), and with the Government of PEI's PEI Business Development Inc. and Ministry of Agriculture, Fisheries, Aquaculture, and Forestry.

September Trade Mission

There will be a CASP Trade Mission to Russia and Serbia, and all CASP members (and potential members) are encouraged to be part of the mission. Following is the program:

<i>Monday, September 6</i>	Depart Canada for Russia.
<i>Tuesday, September 7</i>	Arrive Moscow, visits to supermarkets and a bit of Moscow sightseeing, rest.
<i>Wednesday, September 8</i> <i>– Friday, September 10</i>	Visit and tour of the DokaGene farm in Dmitrov District (one hour by car from Moscow), which has been developed by Allan Parker and has benefited from Canadian technology in potato production and equipment, state-of-the-art potato storages, etc.; meetings in Moscow area with Russian government and private sector officials; (tentative) reception at Canadian Embassy; etc. <i>Note: Details of the Russia program are being finalized and can be provided to you in the coming days.</i>
<i>Saturday, September 11</i>	Fly from Moscow to Belgrade, Serbia, and travel 90 minutes to the PIK Becej operation. Begin touring facility and its various activities. Saturday evening reception/dinner at PIK Becej's Hotel Fantast (a recreated castle).
<i>Sunday, September 12</i>	Complete tour of PIK Becej facilities, visit other key facilities in the area (e.g. Livestock Research Centre, Horticultural Centre, Novi Sad Agricultural School) which may form part of the South East Europe Centre of Excellence

under consideration by CASP, PIK Becej, and Government of Serbia. Meetings at Hotel Fantast with PIK Becej senior management to discuss CASP members' and PIK Becej's interests, priorities, etc.

Monday, September 13

Ninety minute drive to Belgrade with stop at IMES swine farm and meat processing plant and at another (5,000 hectare) large farm interested in working with CASP. After hotel check-in, meetings in afternoon of the unique and new CASP/Canada-Serbia Agro-Industry Development Council to discuss Serbia's agriculture and agri-business development priorities and possible roles for CASP and its members.

Evening event at Canadian Ambassador's residence hosted by Ambassador McLennan.

Tuesday, September 14

One or more veterinary members of the mission travel south of Belgrade to attend and speak at the Serbia Veterinary Association AGM, rest of mission travel with WIZARD Beograd hosts by auto south of Belgrade to the main potato growing area of the country (at elevation) and also visit the Serbian national potato research institute and 1-2 processing plants.

Return to Belgrade for late afternoon meeting with the Agricultural Council of the Chamber of Commerce and Industry of Serbia.

Wednesday, September 15

Meetings with South East Europe Development (SEED), which is partially, funded by CIDA, Serbian Investment and Export Promotion Agency, and Government of Serbia/private agro-industry interests.

NOTE: Because of the comprehensive nature of CASP's relationship with the Government of Serbia and leading Serbian agro-industry interests, one-on-one meetings can be arranged in Belgrade at which CASP members can discuss subjects of particular interest to them, liaise with potential business partners, etc.

Depart for Canada.

If you are interested in participating in the trade mission, or if you know of others who may be interested, it is important to let the CASP office know at the earliest (contact Bev or Doug MacArthur: e-mail doug@caspinc.com, phone (902) 628-1841, fax (902) 569-2874). Although visas are not required for Serbia, they are required for Russia and, in the Russia case, we must first arrange for a Letter of Invitation, which CASP can do through DokaGene. But it takes time, as DokaGene has to obtain approval from the Government of Russia. After the hard copy letter is received by CASP, only then does the visa request go to the Russian Embassy in Ottawa (but it can be turned around quickly at a bit of an extra cost).

We expect at least 10-12 CASP members on the mission, plus Government of Canada and Government of PEI representatives, and we are hopeful of senior political representation at both levels of our government.

This can be a highly useful trip, with outstanding business opportunities, because of Allan Parker's contacts and credentials in Russia and because of CASP having such strong relationships in Serbia and because both countries offer great potential for Canadian suppliers. By the way, CASP has no direct access to funding for trade mission members, so you should talk to your federal and/or provincial trade officials about funding assistance.

Please try to attend! You will have a full and useful program.

Contact Us

If you have questions, comments, or anything on this CASP Update, please contact Bev or Doug MacArthur at any time (e-mail doug@caspinc.com, phone (902) 628-1841, fax (90) 569-2874). We have much more information on PIK Becej and some other items covered here. And again, please let us know if you are interested in being part of the trade mission. We can tell you approximate airfare costs and logistics, hotel, and meal costs so you know your budget considerations. We can also arrange one-on-one meetings or handle other schedule requests. But it's important that you not leave your decision too long.

Thanks!

Doug MacArthur
President