



Food and Agriculture  
Organization of the  
United Nations



# Investing in Guyana's artisanal finfish sector

**A BUSINESS CASE PREPARED BY** Wilderness Markets, Conservation International and the Food and Agriculture Organization of the United Nations in support of implementation of the **Strategic Action Programme for the Sustainable Management of shared Living Marine Resources in the Caribbean and the North Brazil Shelf Large Marine Ecosystems (CLME+)**

# Business case for investing in Guyana's artisanal finfish sector

## AREA

Guyana's exclusive economic zone (EEZ) — 138 240 km<sup>2</sup>

## FISHERY

Artisanal Finfish Sector — Groundfish

## PROPOSED INVESTMENT

USD 450 000

## INVESTMENT TERM

5 years

## INTEREST RATE

10%

## EXPECTED FINANCIAL RETURNS

8.7%

## INVESTMENT OPPORTUNITY

Investments in supply-chain interventions to achieve better operational efficiency, decrease product loss and improve quality. Investments in improved commercialization that drive an increase in market value.

If implemented in parallel with the recommendations of the Fishery Improvement Project (FIP) Scoping Document,<sup>1</sup> the following impacts are anticipated:

## CONSERVATION IMPACT

Reduced fishing pressure on nearshore multispecies fishery

## SOCIAL IMPACT

Increased sector sustainability (approximately 10 000 people)

## CORE INVESTMENTS

### Supply chain

- **Improvements in landing facilities** — USD 100 000 investment in identified needs at sites, including unloading site improvements, such as jetties, fences, reliable electricity sources, sanitary water and sewer, system, roofs, concrete flooring, hoists, gear storage, etc.
- **Improvements in cold storage** — USD 50 000 is required for improvements in cold storage or freezing capacity to ensure they are Hazard analysis and critical control points (HACCP) compliance.
- **Ice improvements** — USD 100 000 for sanitary, high quality ice supply for vessels and during storage and transport on shore. This budget is anticipated to cover the cost of a 5 tonne commercial ice maker, water intake systems and associated storage, plus up to USD 25 000 for a 250 kw diesel generator to support ice production.

## Commercialization

- **Filleting improvements** — USD 100 000 is the budget needed to purchase and install a filleting line and make necessary HACCP compliant upgrades to existing processing facilities.
- **Market differentiation** — USD 50 000 for implementation of market differentiation strategies necessary to build market recognition for Guyana's seafood products and to break out of the "commodity trap".
- **Certification** — USD 50 000 is needed for certification to differentiate Guyana's products in the global marketplace.

*Next steps include identification of a suitable local private firm capable of processing a minimum of 1 200 tonne annually, identification of an appropriate landing site and the specific upgrades needed. Potential physical locations include landing sites in regions 2, 5 or 6; fishers from these regions have expressed interest in increasing sustainability. Fisherfolk organizations in Guyana are not allowed to take loans so the business case approach would need to be adjusted to account for this characteristic.*



Photo credit: ©Annalise Bayney

## TARGETED ENVIRONMENTAL RETURNS

### Restoring the nearshore multispecies fishery

Investment by the government and others in the improvements identified in the FIP Scoping Document for this fishery will reduce fishing pressure in a measurable and meaningful way.<sup>1</sup> Key outcomes include:

- Regular monitoring of stock status of each target species
- Impacts on endangered, threatened and protected species reduced
- Critical habitats and ecosystems protected
- Illegal, unreported and unregulated fishing is reduced

## TARGETED SOCIAL AND ECONOMIC RETURNS

### Supporting livelihoods

An estimated 4 500 artisanal fishers depend on the nearshore multispecies fishery. An additional 5 000 persons are involved in fish processing, transportation and shipbuilding.

Ensuring the fishery remains viable is requisite to preserving these jobs. Adoption of this business case would result in improvements to the sector, including:

- Fisher inclusion in the management of the fishery
- US import refusals for Guyana finfish are reduced, ultimately resulting in increased fishery revenues
- Market price increase for Guyana finfish

Working within a triple-impact FIP framework will help ensure the revenue increases are distributed evenly in the value chain, including fishers and processing workers.

## POTENTIAL IMPACT METRICS

- ➡ Number of finfish landed and exported remains stable
- 📈 Per pound price to fishers increases
- 📉 Percentage of products refused by US Food and Drug Administration (FDA) declines

## STRENGTHS

- Existing fishery; experienced fishers
- Key enterprises have experience with certification and HACCP
- Complementary initiatives started in the country and region
- Increased product safety for consumers and reduced spoilage

## WEAKNESSES

- Inadequate fishery management and correspondingly poor data
- High risk of IUU fishing
- Higher domestic prices for fish may affect local consumption
- Investible entity not yet confirmed

## OPPORTUNITIES

- Markets are increasingly focused on social and environmental performance of supply chains
- Target species should show population improvements based on changes in practice within 5 to 10 years
- Sector is important for jobs and food security
- Fishers say they are ready to make the needed changes

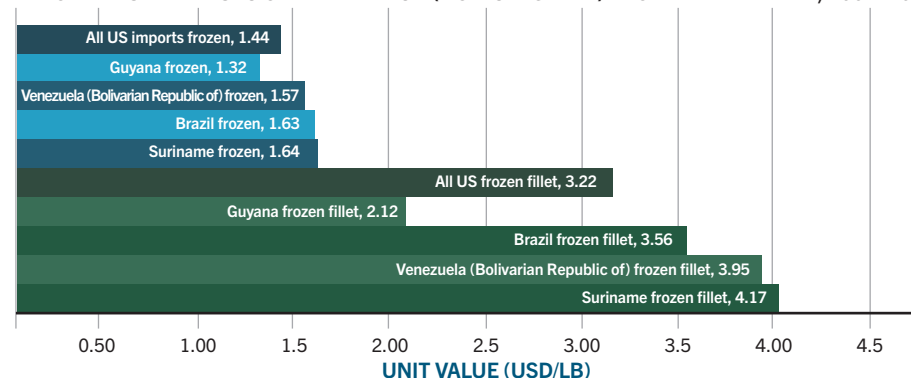
## THREATS

- Political uncertainties
- Some fishers may refuse to change practices
- Government capacity to implement and/or enforce fisheries management is limited
- Market conditions may change by the time management improvements show results

COMPARISON OF US IMPORTS AND REFUSAL ACTIONS BY FDA AS RECORDED IN OASIS FOR 16 FISHERY/SEAFOOD PRODUCTS FROM JAN. 1, 2007 THROUGH DEC. 31, 2018<sup>2,3</sup>

COUNTRY	US IMPORTS (MT)	NUMBER OF REFUSALS
GUYANA	9 637	408
SURINAME	6 053	5
VENEZUELA (Bolivarian Republic of)	12 517	219
BRAZIL	18 736	923

REPORTED UNIT VALUES OF MARINE FISH (NON-SPECIFIED) FROZEN AND FILLET<sup>2</sup>, 2007–2018



<sup>1</sup> Fishery Improvement Project (FIP) Scoping Document: Guyana Artisanal Finfish Fishery. September 2019. FAO.

<sup>2</sup> National Marine Fisheries Service (NMFS). Commercial Fisheries Statistics.

<sup>3</sup> Urner Barry Foreign Trade Data. June 2019. <https://www.foreigntradedata.com/ImportRefusals>

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