

MBAs risk it all in Belize shrimp farming venture

Shrimp farmers Linda and Tom Smith, third and fourth from left, confer at a restaurant near the shrimp farms in Belize with Johnson School entrepreneurs, from left, John Overy, Vidur Luthra, Anu Sharma, Irvin Henderson and Mazen Coury.

By Rafaelito Sy

Four recent Cornell Johnson Graduate School of Management MBA graduates -- Irvin Henderson of Belize, Vidur Luthra of India, John Overy of the United States and Anu Sharma of the United Kingdom -- are setting up a shrimp farm in Belize for exporting shrimp to the United States.

The idea grew out of discussions with Henderson's brother, Alvin, who currently resides in Belize and who has been named the president of the company. The natural features of the country, they all agreed, could not be more ideal for this venture.



"Belize," said Irvin Henderson, "is one of the few Taura virus-free countries in the world, has one of the cleanest water sources for shrimping and has seen substantial success among domestic shrimpers recently."

This after the Taura virus wiped out a majority of Belize's shrimp farms two years ago. Though undetectable, the Taura manifested its presence by the sight of dead shrimp on the water's surface and birds circling overhead. The industry in Belize probably would not exist today had the farmers not been swift enough in destroying their crops and drying out their ponds, thus preventing birds from picking up contaminated shrimp and dropping them in flight to other ponds. In the wake of the disaster, the farmers fostered a small community among themselves to rebuild what had been lost. There hasn't been any virus since, and Belize is now exporting shrimp significantly to the United States.

"We decided to jump in the fray," Sharma said.

Meanwhile, China, Taiwan, Thailand, Ecuador and India haven't yet recovered from the collapse of their own shrimp industries from 1988 to 1994 as a result of the Taura virus.

Belize's proximity to Miami also makes it a perfect location for a shrimp farm, said Henderson. Belize, with a population of about 220,000 people, is three hours away from Miami by plane and is located on the eastern coast of Central America, bordered by Mexico to the north and Guatemala to the west and south.

And just as much a source of inspiration is the group's Cornell education, one which Sharma described as having "rekindled my spirit of entrepreneurship that had been stifled after three years in the corporate world."

"Entrepreneurship is increasing in popularity at the Johnson School, and the excellent infrastructure provided by Cornell University helps," Sharma said. "I am not doing a case out of a book, but I'm actually creating one and solving it in real time."

Overy, who has no prior background in venture finance, agreed. "I took a course in venture capital that helped me work through various concepts."

Henderson regards this venture as a once-in-a-lifetime chance to give vent to his "entrepreneurial spirit," while Luthra said that "in the real world, you forget your dreams."

Luthra, Henderson, Overy and Sharma don't stand alone in this dream. The resources at the College of Agriculture and Life Sciences have provided support with literature and research papers on the market size, prices, Taura virus, shrimp survival rates and other pertinent information.

The partners foresee success due to their camaraderie, as well. They have worked in groups at the Johnson School on real world problems. Under such stressful situations, they learned so much about each other in terms of temperament and analytical skills that Luthra said, "We make a good team. The diverse makeup with four nationalities, four concentrations and four unique thought processes ensures that we cover all angles [of the project]."

Not to mention their knack for timing and sense of adventure. The four took a trip to Belize during the spring break to visit the proposed site for their shrimp farm and to speak to experts in the field. They drove on muddy roads and through thick jungle, took a boat through mangrove-lined canals to the most remote farms along the Caribbean coast.

"Our visit and research indicate that shrimp prices globally will remain favorable for at least the next five years," Sharma said. "The increasing demand for seafood, declining shrimping levels in the sea and production problems associated with the Taura virus in Asia and Latin America make the timing of this venture perfect. It's a high-risk, high-return product, and this is the best chance we will ever have to get involved."

Of the high risk factor, Sharma points to a fellow Cornell graduate they met during their visit to Belize. The man managed a shrimp project in Ecuador that had been destroyed by the Taura virus, and although he believed his farm could make a comeback, his investors were reluctant to provide him with additional capital.

Nevertheless, the four are investing \$1.2 million to cultivate 100 acres of shrimp. They are borrowing a majority of this money from development banks in Belize. The rest is from their own savings. Henderson, Luthra, Overy and Sharma have hired a full-time expert as the project manager. Eventually they plan to expand to 300 acres.

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