



**USAID**  
FROM THE AMERICAN PEOPLE

**EL SALVADOR**

## SUCCESS STORY

# Modern equipment puts Salvadoran tamale maker on the map



An average 100 cobs are stripped each minute.



A Pahnas employee measures batter into a corn husk while another wraps the finished product.



Photos by Fintrac Inc.

Frozen tamales ready for export to the US.

Pahnas was just a small exporter of frozen pupusas and just a year old as a business when they decided to produce and export frozen corn tamales. At first, Pahnas' tamale production was limited because it was mostly done by hand. In three years, USAID helped the company modernize their processing line and increase their sales from \$200,000 in 2004 to an expected \$1.1 million in 2007, a 450 percent increase.

"We started with traditional cooking implements – we're talking about spatulas, knives, spoons, tables and pots," said Pahnas owner Rodolfo Papini. "We had 10 people scraping the corn off the cob with just knives."

Pahnas' rapid growth is largely because of USAID's technical assistance in streamlining and modernizing production. The company noticed a huge leap in production after investing in a corn processing machine similar to one used by General Mills' Green Giant. The result was striking. "Let me give you an example," Papini said. "A very skilled employee can strip four ears of corn per minute with a knife. The mechanized cutter we bought through USAID's guidance strips 90 to 110 corn per minute."

Emboldened by their initial success, Pahnas mechanized most of the tamale line. In total, they invested more than \$125,000 in food processing machinery. Corn processing for tamales jumped from 2,400 ears of corn a day to more than 14,000. Pahnas is now manufacturing 132,000 pounds of frozen corn tamales each month, 100 percent of which is exported to the United States. The company started with 14 employees and today employs 42.

"The guidance provided to us by USAID has been phenomenal – phenomenal in the sense that we were able to see how we could optimize our production capacity via more sanitary food safety practices," Papini said. "This has allowed us to proceed in stages as a new business – to be working while also prioritizing the investments that we need to make for the next two years."

In addition to being in direct contact with USAID's food industry consultant, an expert in processing plant design, Pahnas is also in their third year of implementing USAID's Good Manufacturing Practices program for HACCP compliance. As part of this program, Pahnas receives periodic diagnostic audits provided by USAID food safety consultant American Institute of Baking, and weekly visits by a USAID food processing specialist who trains plant employees in the implementation of the program's GMP prerequisites and guides Pahnas through their diverse operational changes.

USAID support was not limited to technical assistance inside the processing plant. When tropical storm Stan ravaged El Salvador in October 2005, Pahnas had to shut down for six weeks because raw materials stopped coming in. USAID identified two corn producers that could supply Pahnas on a year-round basis through programmed planting and harvesting. The market linkage created 46 jobs.

USAID also worked with the producers to improve quality and yields. "Thanks to USAID, [our corn producers] are implementing Good Agricultural Practices, which is very important to us as a business – to have as clean a crop as possible with respect to pesticide residues and worker hygiene," said Pahnas co-owner Irma Papini.

Pahnas is currently investigating new market opportunities to diversify their frozen product line to include fruit and vegetables. Rodolfo and Irma Papini know they have a long way to go before their business reaches its full potential as a leading Salvadoran exporter, but thanks to USAID support, the mom-and-pop team are confident that Pahnas is heading in the right direction.

USAID's Agricultural Development Program, which started in June 2006, is a three-year project that increases sales and rural incomes, generates employment, improves farming and food safety practices and boosts Salvadoran exports. The program also links farmers to processors, supermarket chains, importers, and other marketing agents, strengthening the commercial sustainability of El Salvador's agribusiness value-chain.