



Entrenamiento y Desarrollo de Agricultores

IMMEDIATE IMPACT AND RESULTS

Market Linkages Increase Incomes in Manzaragua



This device is used to make holes for planting plantlets. Other technologies introduced to growers include bed preparation, high density planting, plantlet selection, starter solution, drip irrigation, fertigation and pest and disease control.



Onions are field cured and packed for transport.

Photos by Fintrac Inc.

Growers in Manzaragua, El Paraíso, have witnessed significant changes in recent months, first through EDA's introduction of new horticultural production technologies, and now through the program's technical assistance in marketing, both of which are increasing incomes throughout the zone. The latest success in the area involves introducing EDA clients to a previously untapped market through a local distributor.

How was this achieved?

After initial discussions with the distributor on product needs, EDA marketing specialists initiated contacts with the Manzaraguan growers and took the general manager and sales manager to meet the growers personally and to see their onion farms. The group was able to negotiate terms for contract sales – the distributor would provide transportation for the product as well as the onion bags for packaging, while the growers would provide the product clean, dried and classified by size. Quantities and sales prices were negotiated on an individual basis with the growers (prices two days before delivery and based on market prices), but for transporting purposes they were able to combine shipments to reduce costs.

What was the impact of this development?

There are numerous advantages for growers under this contract as opposed to their previous dealings with intermediaries. First and foremost, they received better prices for their products. With intermediaries, they received an average of Lps 290 per 50-lb bag of medium and large grade onions whereas the distributor paid Lps 300. In addition, while intermediaries would not purchase any onions smaller than medium grade, the distributor paid between Lps 150 and Lps 270 per bag. The growers were able to sell a larger percentage of their crops. Another advantage for growers was that as prices were not fixed until two days before the purchase, they did have the option to select other market opportunities. In the end, however, the distributor proved to be the best option.

Since the end of February, the distributor has purchased more than 3,500 sacks of onions worth more than Lps 1 million (\$52,632) from 11 Manzaraguan growers. This represents an average of 322 sacks or Lps 93,454 per grower. Prior to EDA support, an average grower sold around 160 sacks with a farm sales value of Lps 44,700 — less than 50 percent of current averages in both volume and value. Manzaraguan growers are now in direct contact with the distributor to conduct their own negotiations and ensure the sustainability of the grower/buyer relationship for onions and other crops.

“Due to the exceptional drying quality and selection, my clients could not believe that the product was Honduran.”

—Danilo Nelson, Manager, Distribution Company