



Entrenamiento y Desarrollo de Agricultores

Private sector alliances give small farmers access to markets

Many small farmers in remote areas of Honduras do not have access to farm supplies and markets. Sourcing seeds, fertilizers, pesticides, biological controls, drip irrigation equipment and other supplies is vital for participation in the value chain.

During the last three years MCA-H/EDA has developed key alliances within the private sector to link companies directly to program growers. The effort is mutually beneficial; it helps growers increase and improve production and leads to more sales for buyers and input suppliers. Program farmers also get discounts usually reserved for large operations and input suppliers in turn get exposure to a large number of buyers. Discounts range from 5 to 40 percent on everything from seeds to transportation.

In 2009, 8,303 hectares were planted by 6,100 MCA-H/EDA program farmers – input purchases for this alone are estimated at \$14.4 million. Program farmers made direct investment of more than \$2.1 million in 2009, mainly for irrigation equipment.

Large supermarket chains, distributors and processing companies have also worked with MCA-H/EDA to develop formal production programs with small-scale growers. Hortifruit/Wal-Mart and La Colonia are two supermarket chains that have worked with MCA-H/EDA to develop fresh produce production programs with small growers. Both provide information on market demand, trends and opportunities through field visits and participation in program training activities. In 2009, more than 450 MCA-H/EDA program growers worked with these two buyers, achieving grower sales of almost \$1.90 million. Hortifruit/Wal-Mart also provides technical assistance good agricultural practices (GAPs) and farm certification. These activities have reduced imports and in the case of Hortifruit/Wal-Mart, production programs have been developed for exports to other Central American countries.

The MCA-H/EDA Program also works with processing companies to develop outgrower programs. In 2009 small-scale program growers planted 262 hectares of jalapeño peppers under contract for Mount Dora Farms, a processing company, and delivered more than 12 million kilograms. The peppers are semi-processed and exported to the US and Europe. Plantain and cassava production programs have been developed with INALMA, which



Photos by Fintrac Inc.

Regular MCA-H/EDA program grower events are held with the private sector vendors and buyers.

produce ready-to-use products for the US market. More than 400 program farmers are involved with these two operations, with grower sales in 2009 reaching \$1.88 million. Both companies now have their own field agronomists involved directly in production planning, farm visits and training.

To continue the growth of smallholders, MCA-H/EDA has developed and implemented agreements with financial service providers, including triangulation between Banco Lafise, Mount Dora Farms and jalapeño pepper growers. In addition, the program has supported direct loans to program farmers by input providers such as Cadelga and Agropecuaria del Campo. The MCA-H/EDA program provides the initial technical assistance to the growers while they develop their credit history. In 2009, 249 loans totaling \$1.5 million were obtained by growers with direct MCA-H/EDA support.