

Business Development Services & Microenterprise

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New activities and positive results have been evident after four months of implementation of Fintrac CDA's new business development services (BDS) and microenterprise programs. The BDS segment has been expanded as more providers are joining the program. The main partner groups receiving CDA assistance under this activity are the input providers, agro-businesses (exporters, growers and coffee cooperatives) with embedded services to outgrowers, agricultural schools and other institutions/organizations presently providing support to the sector. A full time technical representative has been assigned to assist microprocessors in eight departments of Honduras covering a wide variety of processed products such as jellies, wines, pickled vegetables, condiments, coffee, fruits in syrup, hot sauces, chips and juices. The following bulletin provides a brief description of Fintrac CDA's main BDS and microenterprise activities and selected results and impact to date.

BDS Providers

• **Input suppliers** are receiving all CDA technical production bulletins. A total of 50 agricultural input stores have displays with more than 25 technical bulletins available for their customers which provide information on a wide variety of crops and new production technologies. Training has also been provided to these input suppliers in effective product applications (using stickers, sprayers and ultraviolet dyes) and pest and disease identification. These input suppliers will in turn outreach to an estimated 1,500 small farmers over the next two months.

• **Food technologists** at the National Institute for Professional Education (INFOP) completed a Fintrac CDA training course in Food Safety/HACCP. Each of the 18 technologists in turn will be providing this same training to at least 20 microprocessors in the upcoming months (360 persons).

• **Small grower groups** in two ginger packhouse were provided training in materials handling, product specifications and packing requirements. As a result these packhouses provide contract packing services to 18 small neighboring ginger growers. These growers from Combas, Yoro recently wrote to CDA: "In the past years, ginger has become an alternative crop in our region due to the decline in coffee prices...Our efforts were being limited by not having an area for handling, washing and packing (ginger) that would allow us to do an efficient labor for our product. This changed drastically thanks to the direct and spontaneous support provided by CDA/Fintrac with the construction of the two washing/packing plants that we now have. This has come to benefit our region greatly because it has helped



Displays and technical bulletins are being installed in agricultural input shops.

us to use both male and female labor in different activities, which has contributed to improve the family incomes in our village. ...Know that the gesture that you (Fintrac/CDA) have had with us will be remembered and appreciated always by our community.”

◆ **Fresh produce export companies, government and non-government organizations** are currently distributing Fintrac CDA weekly market bulletins to their clients. There are presently 60 of these groups providing this information. These bulletins cover the USA market for seven export crops inclusive of the import volumes by port of entry, average market prices in the principal cities, import volumes and countries of origin, and a brief description on the current supply, demand and price trends. Products include mango, cucumber, papaya, watermelon, yuca, cantaloupe and honeydew melons (see www.hondurasag.org for copies). Fintrac CDA is currently determining the number of end recipients and identifying the most appropriate providers for skills transfer in market analysis and bulletin preparation so that the actual publications can eventually be developed locally.



Training inputs suppliers in the use of stickers, sprayers and fluorescent dye to correct and improve applications.

◆ **Coffee cooperatives** have received training and equipment in specialty coffee cupping and are now providing cupping services to grower members and other cooperatives and training additional cuppers. Training has also been provided in coffee de-pulping and drying processes to leaders in ten coffee cooperatives, who are passing on these new practices to more than 950 cooperative members.

Microenterprise

◆ **Coffee Cooperatives.** Samples of coffee that qualified as “Specialty” were sent to potential buyers and certificates of “Specialty Coffee” were extended to those growers that received the highest grades from both local and US cuppers. The following are examples of direct results from coffee growers certified in this CDA program:

Results: A group of coffee growers in Comayagua obtained a premium price of exchange+US\$20 for 550 sacks and another batch at +US\$26 for 412 sacks. The regional manager for this organization said “In both cases the information provided by Lic. Ricardo Pineda in relation to the grading, and Mr. Boot’s comments regarding the quality of our coffee was important for the completion of the sale, because it served as an introductory letter.” Additionally Cocaerol, a cooperative in Ocotepeque, sold 1,200 sacks at a +US\$14 premium (from US\$56/sack to US\$70/sack). The manager of this cooperative also attributed the premium price to his “specialty coffee” grade. Another grower in the same region sold 700 sacks at a +\$3.20/sack premium.



Coffee cupping session in the new cupping lab in Ocotepeque.

◆ **Microprocessors.** A full time technical representative was hired by Fintrac CDA in February. Since then work has started with 16 microprocessors in 8 departments. All of the participating microprocessors have already started to implement activities according to their individually designed workplans. Products include jellies, wines, pickled vegetables, condiments, coffee, fruits in syrup, hot sauces, chips and juices. In general, the main activities that are being carried out with these companies are: **Product distribution** and samples to supermarkets in

Tegucigalpa and San Pedro Sula, **Marketing:** design and improvement of the product labels, logos, packaging, etc. **Operations:** Improving productivity, plant layout, and standardization of product formulas and quality. **Organizational:** Brand registration, operations permit, sanitary registration, bar codes. **Administrative:** Determining product costs, control of inputs, expenses, records for deliveries and sales. **Human resource development:** training in practical administrative and productive skills.



Training in basic book keeping skills to women owned micro processing companies in Marcala.

Results: Support to microprocessors has generated a quick impact for all of the beneficiaries:

- a) All of the participating microprocessors have introduced new designs for their product labels. Fintrac CDA has assisted in providing the essential information required in the labels and has found local graphic designers at an accessible cost.
- b) Thirteen companies have already started the brand registration, operations permit, sanitary registration, and bar code implementation process in order to become a formal food processing company meeting all of the legal requirements.
- c) They have all implemented basic book keeping controls and records and are steadily improving their administrative skills.
- d) Samples of their products have been presented to some supermarkets and other retail outlets. A company that produces pickled vegetables and another company producing condiments have already increased sales to retail outlets.
- e) A new product was developed by Fintrac CDA in association with INFOP - jalapeño hot sauce. This product is going to be manufactured commercially by at least 2 microprocessors.

Proposed Activities May to June 2002

- Expansion of the assistance to input suppliers and dissemination of technical information through other organizations such as local chambers of commerce, Secretary of Agriculture local offices and NGO's in numerous locations.
- Preparation of technical posters, technical assistance to microprocessors, further installation of coffee cupping laboratories and marketing for small coffee growers.
- Provision of a training course to selected BDS providers in accessing and interpreting market price statistics and information.
- Completion of legalization and permit process for microprocessors.
- Expansion of market links for microprocessors with stores in the primary and secondary cities.

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