

FINTRAC CDA

Fintrac CDA lead partners range in size from \$2 thousand to more than \$5 million in annual sales incomes.

Farm sizes range from 0.4 hectares to 700 hectares, and processors range from small-scale rural microprocessors to large sophisticated companies. This broad range of client types assists the project in bringing the small- and medium-sized growers into the large grower systems, particularly in regard to markets, production contracts, technology development and transfer, and recycled irrigation equipment. This bulletin provides a summary of the profiles of CDA lead partners working with the Project in 2004.

CDA Lead Partner Profiles

CDA Lead Partners - Annual Turnover Grouping Comparison				
Turnover	Dec 2003		Dec 2004	
	Total	%	Total	%
< Lps 100,000 (\$5,405)	71	24%	93	22%
Lps 100,000 – 250,000 (\$5,405 - \$13,515)	49	16%	135	31%
Lps. 250,000 – 1.0 million (\$13,515-\$54,050)	101	34%	115	27%
> Lps. 1.0 million (\$54,050)	77	26%	85	20%

Sample Size: 87% of lead partners

CDA Lead Partners - Sector Comparison				
Sector	Dec 2003		Dec 2004	
	Total	%	Total	%
Schools, Institutions, NGOs	3	1%	34	7%
Microprocessor	23	7%	22	5%
Processor	27	9%	33	7%
Producer	285	90%	407	83%
Exporter	37	12%	46	9%
Service Providers	N/A	N/A	37	8%
Buyers	N/A	N/A	36	7%
Grand Total	317		489	

CDA Lead Partners – Market Comparison				
Markets	Dec 2003		Dec 2004	
	Total	%	Total	%
International only	10	3%	41	9%
Local only	178	56%	255	53%
Local & International	129	41%	190	39%

Annual Turnover

Fintrac CDA uses annual gross sales turnover to classify the “size” of lead clients. This is relatively easy to measure and monitor and can be applied across different sub-sectors. The traditional method of using farm size is not a good indicator of client size; gross sales income from 1 hectare of jalapeño peppers averages \$16,000 (in 5 months), while the gross income from 1 hectare of Valencia yuca is \$1,800 (in 9 months).

Profiles of CDA lead partners are monitored in order to determine partner size (as judged by sales), sub-sectors and target markets. Locations are also tracked to record and coordinate CDA outreach. This summary provides lead partner details in 2004 and comparisons with 2003.

CDA lead partners comprise individual growers, grower groups, exporters, processors and brokers. Many of the lead clients work with individual growers who are also project beneficiaries, as is the case with grower groups, and processors and exporters with outgrower operations.

CDA began 2004 with 317 lead partners covering 5,121 individual growers and processors. In 2004, CDA hired two additional field technicians, began activities in two new locations, and expanded the coverage area of existing technicians. By December 2004, CDA had 489 lead partners (7,871 beneficiary growers and processors).

Smaller partners (turnover under \$13,515) increased from 40% to 53% of the client base between December 2003 and December 2004, due in part to the expansion of the CDA presence in lower income areas (e.g. Intibucá, Francisco Morazán, Yoro, certain regions of Comayagua and Cortes). Most clients added in 2004 were either micro or small, and joined production programs for crops that are best suited to small farmer production: sweet potato, oriental vegetables, plantain, zucchini and calendarized cold climate vegetables. The increase (in number) of medium/large companies was due to the growth of “older” clients who had higher turnovers in 2004.

Expanded Markets

In 2004, CDA took advantage of an opportunity to expand sales into regional markets due to a significantly increased production base achieved over the previous three years. As a result, the percentage of lead partners selling only to local markets declined from 56% to 53% during the year. Increased tomato, onion, and sweet pepper production in border departments (e.g. Choluteca, El Paraiso, La Paz, Copan, Ocotepeque), resulted in increased sourcing by buyers from El Salvador, Nicaragua, Costa Rica and Guatemala. In addition, excellent results from the previous export season, attracted new growers and exporters into supplying the US and EU markets.

CDA Lead Partner and Beneficiary Location Comparisons				
Location	Dec 2003		Dec 2004	
	# of Partners	# of Beneficiaries	# of Partners	# of Beneficiaries
Atlantida	4	366	3	3
Choluteca	32	216	43	492
Colon	1	32	0	0
Comayagua	62	842	82	3,253
Copan	24	255	22	105
Cortes	27	608	51	772
El Paraíso	16	22	38	353
Francisco Morazan	6	6	32	267
Intibuca	26	285	94	746
La Paz	27	730	20	517
Lempira	9	527	8	21
Ocatepeque	24	466	16	434
Olancho	4	4	3	8
Santa Barbara	18	146	23	185
Valle	14	355	4	6
Yoro	23	261	31	399
Not Specified			19	310
Grand Total	317	5,121	489	7,871

CDA expanded assistance into new sectors in 2004, including schools, institutions, NGOs, service providers, and buyers. These partners have increased the Project's outreach to small growers, and are key sectors that help strengthen the farm-to-market chain.

In 2004, Project outreach was increased and expanded, particularly in Cortes, El Paraíso, Intibucá, Francisco Morazán, Comayagua, Yoro and Choluteca. *Cortes*: start-up and expansion of sweet potato, yuca and plantain. *El Paraíso/Yoro*: expansion of pepper (sweet, Tabasco and Jalapeño), onion and tomato. *Choluteca*: expansion onion and pepper and start-up of zucchini. *Comayagua/La Paz*: expansion of cucumber, eggplant, oriental vegetables and squash. *Intibuca*: expansion of cold climate vegetables and zucchini. *Francisco Morazán*: sweet potato, plantain, and tomato. *Olancho*: start-up of watermelon.



SMALL-SIZE COMPANY OPERATIONS

Micro and small companies are core to the CDA program, comprising 53% of the 489 lead partners and the vast majority of the 20,000 grower beneficiaries. Small growers usually produce under calendarized systems for the local market and, in 2004, for exporters and processors of Tabasco peppers, zucchini, and sweet potato.



MEDIUM-SIZE COMPANY OPERATIONS

Medium-size lead partners comprised 27% of CDA's lead partners. These are normally growers working with contract production of peppers, onion, sweet potato, tomato, and some export crops (e.g. cucumber, butternut squash). Contract production programs are lifting many small-size lead partners into the medium-size category.



LARGE-SIZE COMPANY OPERATIONS

Large companies made up 20% of CDA's lead partners, and are primarily growers, exporters and processors that contract outgrowers. They are sources and providers of market information, technology and equipment, and are major buyers for the small and medium-size companies. Some larger growers also form part of the higher volume contract production programs.