

Centro de Desarrollo de Agronegocios



Partner Profiles, Sales and Employment

Fintrac CDA had a target to work with 200 partners reaching at least 2,000 individual farmers. As of December 2001, assistance is being provided to a total of 240 companies, made up of individual producers, producer groups, processors and exporters. In total 2,385 producers are benefiting directly from Fintrac CDA activities. Other producers and agribusinesses are benefiting indirectly as are certain service sectors including transport and input suppliers. Fintrac CDA's overall aims are to increase partner small farmer incomes by 25 percent between 1999 and 2000 and 50 percent between 1999 and 2001 and to demonstrate increased exports of 10 percent and 20 percent between 1999 and 2000, and 1999 and 2001, respectively. As shown below, the Project has met these objectives with activities carried out since program inception in February 2000.

Fintrac CDA has a full time Monitoring and Evaluation specialist working to collect partner data and monitor impact. Initial data collected in December 2000 covered a 10 percent sample of the partner base. In order to ensure accuracy this has been increased to a minimum of 30 percent of CDA lead partners. M&E activities are carried out on an on-going basis and cover areas such as turnover, net income, employment, technology adoption, investment, postharvest losses and other indicators. The information presented below was updated in November and December 2001.

Fintrac CDA Partner Profiles

Most of Fintrac CDA clients are considered micro and small with 65 percent having less than 10 employees and 95 percent having less than 50 employees (Table 1). The larger companies are producer/exporters and processors, both of which buy from small independent growers. The annual turnover of the partners is also concentrated at the micro and small levels (Table 2). Social profiles of CDA partners are also available in a separate publication.

Table 1. CDA Partner Employment Levels

# of Employees	CDA Partners
1 to 5	64
6 to 10	37
11 to 50	48
> 50	7
Sample size: 156 partners (65%)	

Table 2. CDA Partner Annual Turnover Grouping (1999)

Turnover	Total
< Lps 100,000 (\$ 6,600)	57
Lps 100,000 - 250,000 (\$6,600 to \$ 16,600)	56
Lps 250,000 - 1.0 million (\$16,600 to \$ 66,600)	56
> Lps 1.0 million (\$ 66,600)	54
Sample Size: 223 partners (93%)	

Most of the partners receiving Fintrac CDA assistance direct their sales to the local market or sell to exporters and processors (Table 3). The Project has placed considerable emphasis on developing links between producers and exporters and processors as well as direct local market links. Fintrac CDA partners are located in 13 departments throughout Honduras and produce and sell more than 40 different fresh and processed fruit and vegetable items.

Markets	Total
International	21
Local	151
Local & International	14
Local & Regional	22
Local, Regional & International	29
Regional & International	3

Exports are made principally to the USA, the Netherlands, Germany, El Salvador and Nicaragua. Fintrac CDA's technical activities take a systems approach, which enables rapid technology uptake across a wide range of products.

Fintrac CDA Partner Sales & Employment Data

Fintrac CDA is using 1999 sales and employment figures as a baseline for measurement of results and impact. As of December 2001, data has been collected from 77 of 240 lead partners. The information is disaggregated by geographic area/department and sales are separated between local and export markets (Tables 4 & 5). The emphasis on exports can be seen with partners in Comayagua (Chinese vegetables and cucumbers) and in the processing sector. These two areas make up between 85% and 95% of CDA client total exports. Partners in the South are involved in both local and export sales (melon and watermelon, both regional and extra-regional), as are those in the West (vegetables to El Salvador). La Esperanza production has entirely been sold on the domestic market.

Region	Sales 1999 (US\$)		Sales 2000 (US\$)		Sales 2001 (US\$)		Perm. Employment		
	Local	Export	Local	Export	Local	Export	1999	2000	2001
South	78,475	150,590	84,060	1,355,229	288,832	1,795,874	151	187	228
Central	126,001	5,528,576	123,155	6,234,558	250,253	9,891,678	770	1,092	1,183
Mid-West	130,797	-	190,326	-	276,260	-	69	95	105
West	622,229	491,229	406,812	330,367	527,276	447,600	278	293	279
Processing	1,472,919	4,106,112	1,520,906	4,821,813	1,620,579	5,756,638	400	462	463
TOTAL	2,430,421	10,276,507	2,325,259	12,741,967	2,963,200	17,891,790	1,668	2,129	2,258

Region	Local Sales Change 99-00	Export Sales Change 99-00	Employment Change 99-00	Local Sales Change 99-01	Export Sales Change 99-01	Employment Change 99-01
South	7%	800%	24%	268%	1093%	51%
Central	-2%	13%	42%	99%	79%	54%
La Esperanza	46%	-	38%	111%	-	52%
West	-35%	-33%	5%	-15%	-9%	0%
Processing	3%	17%	16%	10%	40%	16%
Total	-4%	24%	28%	22%	74%	35%

Note: Information collected from 77 of 240 lead partners. The analyses were made only with data where clients provided the information for the three years.

Sales increases were in line with the targets in almost all areas together with better than expected employment figures. Fintrac CDA activities have been responsible for much of these increases, together with improvements in market prices and demand for some of the products.

Positive sales growth was noted in all areas except the **West**. These reductions are due to the loss of contracts for tobacco production, although a significant recovery was accomplished during the 22-month Project period. Sales in the west dropped in 2000 to 65% of 1999 sales, but recovered with the Fintrac CDA jalapeño pepper and yucca production programs to 85% of 1999 sales levels (see Table 5). Tobacco production is expected to show continued decline while both the jalapeno and yucca will increase.

Between 1999 and 2001 the **processing** local market sales showed a moderate 10% increase (from \$1.47 to \$1.62 million for the duration of the project), while export sales registered a 40% increase (from \$4.1 to \$5.8 million). The main reasons for this growth were the establishment of new linkages with international buyers for processed fruits, the development and first time exports of new products and improvements in productivity. Not only did these companies recover from pre-Mitch sales levels - some have reached record sales in the present year. Sales for 2002 are expected to continue improving as existing markets expand, the companies meet their orders and the exports expand of the new products that were developed.

The uptake of new technology and calenderized planting in **La Esperanza** has shown excellent results for the growers. Incomes have increased by 111% during the 1999-2001 period, as the range and availability of produce have been expanded, particularly during the summer months when volumes normally decline. New market contacts have been established and the calenderized vegetable planting system is already in place.

The **Southern region** was one of the most affected regions from floods during Hurricane Mitch and suffered from depressed prices for melon and watermelon in the 1998/1999 and 1999/2000 seasons. As a result, production areas were reduced by more than 30 percent for the 2000/2001 season as companies stopped producing and banks were not interested in financing. Fintrac CDA clients however, showed excellent positive growth recovering from the damage from Hurricane Mitch – from exports of \$0.15 million to \$1.8 million. Sales results for 2001 show the highest increases as most of the growers entered into production for the first time since the Hurricane and both export and local market prices for melons and watermelons were considered very good. Fintrac CDA helped in the rehabilitation of affected farms and helped restart production and marketing operations with many growers in the area. In addition the Fintrac CDA diversification activities with jalapeño pepper and calenderized vegetables and assistance to a major okra grower are all providing increased incomes and new incomes for growers and exporters.

In the **Central region** of Comayagua and Lake Yojoa, positive growth was also shown both in the local and export markets. Fintrac CDA assistance has helped develop growth in exports of vegetables including oriental vegetables, cucumber and squash. This together with good market prices and improved productivity of the farms has all contributed to the 99% sales increase for local markets (\$0.13 to \$0.25 million) and a 79% increase in exports (\$5.53 to \$ 9.89 million) during the duration of the project. Sales income is expected to continue to increase in 2002, particularly as the impact of Fintrac CDA production assistance continues to improve overall productivity.

Employment figures for the Fintrac CDA partners are particularly encouraging as most companies show a time lag of a year or more for employment increases when technological or productivity improvements have been made. The employment figures have been assisted by the implementation of the Fintrac CDA jalapeño pepper and yucca programs. It should be noted that the Project has a wider impact on employment than the figures given. Employment figures have not been included in the analyses for Chestnut Hill Farms (jalapeño pepper buyer) of more than 1,000, nor for the mango (3,000 small growers) and cashew (500 small growers) sectors in which results from CDA activities will be shown over the longer term.

For additional information please contact Andy Medicott, Fintrac CDA Director (andy@fintrac.com) or Antonio Coello (antonio@fintrac.com), Fintrac CDA Monitoring and Evaluation, Tel: (504) 668.2078 or Fax: (504) 668.1190 or visit the Project Intranet site at www.fintrac.com/cda