

# FINTRAC CDA

Fintrac CDA lead partners range in size from annual sales incomes of \$2 thousand to \$4 million. For growers, farm sizes range from 0.4 hectares to 300 hectares and, for processors, from small-scale rural microprocessors to large sophisticated companies. This broad range of client types assists the project in bringing the large grower systems to the small- and medium-sized growers, particularly with markets, production contracts, technology development and transfer, and recycled irrigation equipment. This bulletin provides a summary of CDA lead partner profiles working with the Project in 2003.

## CDA Lead Partner Profiles

### CDA Lead Partners - Annual Turnover Grouping Comparison

| Turnover                                     | Dec 2002 |     | Dec 2003 |     |
|--|----------|-----|----------|-----|
|  | Total    | %   | Total    | %   |
| < Lps 100,000 (\$5,710)                      | 65       | 31% | 71       | 24% |
| L. 100,000 – 250,000 (\$5,710 - \$14,290)    | 37       | 17% | 49       | 16% |
| L. 250,000 – 1.0 million (\$14,290-\$57,140) | 60       | 28% | 101      | 34% |
| > Lps 1.0 million (\$57,140)                 | 50       | 24% | 77       | 26% |

Sample Size: 94% of lead partners

### CDA Lead Partners - Sector Comparison

| Sector                         | Dec 2002   |             | Dec 2003   |             |
|--------------------------------|------------|-------------|------------|-------------|
|                                | Total      | %           | Total      | %           |
| Education                      | 3          | 1%          | 3          | 1%          |
| Microprocessor                 | 22         | 10%         | 23         | 7%          |
| Processor / Exporter           | 8          | 4%          | 6          | 2%          |
| Producer                       | 150        | 69%         | 243        | 77%         |
| Producer / Exporter            | 16         | 7%          | 21         | 7%          |
| Producer / Processor           | 6          | 3%          | 11         | 3%          |
| Producer, Processor & Exporter | 13         | 6%          | 10         | 3%          |
| <b>Grand Total</b>             | <b>218</b> | <b>100%</b> | <b>317</b> | <b>100%</b> |

### CDA Lead Partners – Market Comparison

| Markets                         | Dec 2002 |     | Dec 2003 |     |
|---------------------------------|----------|-----|----------|-----|
|                                 | Total    | %   | Total    | %   |
| International only              | 15       | 7%  | 10       | 3%  |
| Local only                      | 112      | 51% | 178      | 56% |
| Local & International           | 12       | 6%  | 13       | 4%  |
| Local & Regional                | 48       | 22% | 83       | 26% |
| Local, Regional & International | 28       | 13% | 30       | 10% |
| Regional & International        | 3        | 1%  | 3        | 1%  |

### 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 does not apply in CDA’s case as for example, 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).

CDA lead partner profiles are monitored to determine partner size (as judged by sales), sub-sectors and target markets. Locations are also tracked to determine where CDA is increasing outreach. The tables provide a comparison of lead partner characteristics in 2002 and 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 started 2003 with a total of 218 lead partners covering 3,804 individual growers and processors. During 2003, two new field technicians were hired and work started in two new locations. Existing technicians also expanded their technical assistance coverage. By December 2003, CDA was reaching 317 lead partners comprised of 5,121 growers and processors.

During 2003, many lead partners showed sales growth that enabled them to move from the smaller-sized categories (annual turnover under \$14,290) to the medium-sized category with annual sales over \$14,290. Smaller-sized partners were 48% of client base in December 2002 and only 40% by December 2003. The main reason for this is that CDA has focused on the production of high-value crops, continuous crop production and rotation, and added-value processing. This has enabled lead partner sales growth and has had a significant impact on both gross and net income.

### Expanded Markets

In early 2003, CDA negotiated important fixed-price contracts with local, large-volume produce buyers, and quickly established calendarized production programs for crops such as Tabasco pepper, sweet pepper, baby corn, sweet potato, carrots and onion. This resulted in an increase in partners targeting the local markets from 51% in December 2002 to 56% in December 2003. The expansion into the regional markets was mainly due to the increase in jalapeño sales into El Salvador, Guatemala and Nicaragua, where Honduran producers can compete successfully in price, consistency and quality.

**CDA Lead Partner and Grower Location Comparisons**

| Location           | Dec 2002               |                       | Dec 2003               |                       |
|--------------------|------------------------|-----------------------|------------------------|-----------------------|
|                    | # of Partners<br>Total | # of Growers<br>Total | # of Partners<br>Total | # of Growers<br>Total |
| Atlantida          | 2                      | 2                     | 4                      | 366                   |
| Choluteca          | 34                     | 754                   | 32                     | 216                   |
| Colon              | 0                      | 0                     | 1                      | 32                    |
| Comayagua          | 28                     | 801                   | 35                     | 625                   |
| Copan              | 29                     | 57                    | 24                     | 255                   |
| Cortes             | 10                     | 106                   | 20                     | 536                   |
| El Paraíso         | 1                      | 1                     | 16                     | 22                    |
| Francisco Morazan  | 2                      | 4                     | 6                      | 6                     |
| Intibuca           | 31                     | 289                   | 26                     | 285                   |
| La Paz             | 23                     | 722                   | 27                     | 730                   |
| Lempira            | 4                      | 4                     | 9                      | 527                   |
| Ocatepeque         | 13                     | 403                   | 24                     | 466                   |
| Olancho            | 0                      | 0                     | 4                      | 4                     |
| Santa Barbara      | 4                      | 5                     | 18                     | 146                   |
| Siguetepeque       | 18                     | 152                   | 27                     | 217                   |
| SPS                | 5                      | 69                    | 7                      | 72                    |
| Valle              | 8                      | 389                   | 14                     | 355                   |
| Yoro               | 6                      | 27                    | 23                     | 261                   |
| <b>Grand Total</b> | <b>218</b>             | <b>3,804</b>          | <b>317</b>             | <b>5,121</b>          |

In the partners by sector comparisons, figures indicate that several companies are starting to focus their efforts in processing/exporting activities, and outsourcing their raw materials through the links made with producers by CDA.

In 2003, Project outreach was increased and expanded particularly in Cortes, El Paraiso, Santa Barbara, Siguetepeque and Yoro. Cortes: plantain program start-up. El Paraiso: new region with a full-time technician hired in August 2003. Santa Barbara: new activities with plantain, squash (export), onion, and specialty coffee programs. Siguetepeque: new programs with onion, sweet pepper, sweet potato, Tabasco and zucchini. Yoro: new region with activities in onion, Tabasco, Jalapeño and sweet pepper.



**SMALL COMPANY OPERATIONS**

Micro and small-company operations are a core component of CDA activities, making up 40% of the 317 lead partners, and the vast majority of the 5,121 grower beneficiaries. Small growers usually produce under calendarized systems for the local market. Some are now entering into crops destined for export, including Tabasco and zucchini.



**MEDIUM-SIZED COMPANY OPERATIONS**

Medium-sized lead partners make up 34% of CDA's lead partners. These are normally growers working with contract production of jalapeño, onion, sweet potato, Tabasco and some export crops including cucumber and butternut. The contract production programs are lifting many small-sized lead partners into the medium-size category.



**LARGE-SIZED COMPANY OPERATIONS**

Large-sized lead partners make up 26% of CDA's lead partners. These are growers, exporters and processors who contract outgrowers. Some of the growers also form part of the higher-volume contract production programs. They are sources of market information, technology and equipment, and are major buyers for the small and medium-sized companies.