

# Fintrac Harvest

a report on Fintrac's worldwide agribusiness activities

Summer 2009



Photo by Fintrac/Ian Chesterman

Table grapes on the vine at a Fintrac client farm in Ethiopia.

## Ethiopian grape industry burgeoning under Fintrac

ADDIS ABABA, Ethiopia — As table grapes emerge as a new business opportunity in Ethiopia, Fintrac is in on the ground floor to help, working with growers and international buyers through the Agribusiness and Trade Expansion Program (ATEP).

The program quickly deployed its team of specialized agronomists in November 2007 to get production underway. Lead client Luna Fruit, in Oromia, dedicated 10 hectares to grow the Red Flame Seedless variety and had its first harvest in February 2009, which yielded 18,000 kilograms. Fintrac's agronomists and specialized consultants helped Luna Fruit owner Tesfalidet Hagos cultivate the vines and harvest the fruit and continue to support him with marketing assistance, farm expansion and infrastructure improvements that include packing, grading and cooling facilities.

Through Fintrac's market linkages and logistics support, Luna Fruit sent a trial shipment of its first harvest to buyers in the Middle East and reports indicated that color, texture and Brix level, or sugar content, were well received and now Luna Fruit is aiming to export its next harvest by sea.

"Growing table grapes in Ethiopia would be unimaginable without the support I received from Fintrac," Hagos said.

ETHIOPIA continued on page 3



Photo by Fintrac/Melvin Medina

Fintrac farmer Luciano García shows off tomatoes at his greenhouse in El Salvador.

## Leaving behind a stronger El Salvador

During seven years and two projects, Fintrac dramatically increases farmer sales and sets standard for sustainability

SAN SALVADOR — When the USAID-funded Agricultural Diversification Program (ADP) in El Salvador ends later this summer, it will mark the end of Fintrac's seven-year tenure in the country. The project built on the success of the previous program, IDEA, and helped farmers and agribusinesses generate \$76 million in new sales by introducing them to improved production and processing methods while opening doors through marketing support.

Program agronomists made more than 24,000 farm extension visits and assisted more than 7,500 clients.

One of these farmers, Luciano García, saw his profits skyrocket when Fintrac helped him build a low-cost greenhouse and provided technical assistance for tomato production. In his first year,

he made a profit of \$5,495, far greater than the \$478 he made on average before Fintrac assistance.

In another intervention, Fintrac helped the Juárez family in La Paz improve their small cashew processing operation by introducing them to new equipment that increased their output of processed nuts and increased their gross income from \$2,800 to \$7,588.

Another client, Carmen Vásquez de Cartagena, saw how growers near her farm in La Palma, Chalatenango were able to increase their income with assistance from Fintrac. She stopped running a failing teak wood business and started with the ADP program in 2007.

"It was a new opportunity to succeed," Vásquez said.

EL SALVADOR continued on page 2

## Before and After



Flooding obliterated this bridge in Nepal's Central Region, knocking out a main artery in the flow of agricultural goods. Villagers built this makeshift bridge, above, so children could get to school, but Fintrac's NFRP built a new bridge, right, to help the region build back better.

Photos by Fintrac/  
Kamal B. Shrestha



## New bridge opens route to market, improves access to Nepal schools

KATHMANDU, Nepal – After flooding destroyed a culvert in Rautahat, Central Region, growers in the area could not get their produce to market and school children in the area had to tread carefully across a makeshift bridge to get to school.

Fintrac, through the USAID/Nepal Flood Recovery Program (NFRP), quickly built a new, 40-foot bridge to get business flowing again and provide a safer route for pedestrians.

The program has completed 35 other infrastructure projects and 50 are underway.

Fintrac's team in Nepal is also implementing a "livelihoods and

income generation" component, which is training 2,200 farmers in integrated crop management techniques including nursery management, soil preparation, irrigation installation, IPM and postharvest handling.

Fintrac started rehabilitating and improving small community infrastructure and helping flood victims increase farm incomes after heavy monsoon rains in 2007/2008 affected more than 600,000, brought agriculture to a standstill and left much of the country's rural infrastructure in shambles. Fintrac is working in six districts of the Central and Western Terai regions of Nepal.

## Despite higher production costs, Fintrac farmers still turning a profit

LA LIMA, Honduras — As the global economy continues to slump and production costs continue to rise, small farmers are finding it harder and harder to turn a profit. A recent study by Fintrac's MCC-EDA program in Honduras found that production costs for a range of crops increased by an average of 47 percent between March 2007 and March 2009, while market prices increased by an average of only 12 percent. This has led to a significant drop in profit margins for many farmers. Production costs for cucumbers, for example, increased by 30 percent, directly affecting the bottom line for farmers like Santos Joel Padilla, a Fintrac client in San José del Potrero, Francisco Morazán.



Photo by Fintrac/Judith Ordoñez  
Santos Joel Padilla on his cucumber farm in San José del Potrero, Francisco Morazán.

To help maintain profitability and sustainable farm operations, the program supported him by coordinating with local input suppliers to purchase agricultural supplies in bulk and pass down the savings. Through program interventions, client farmers are now able to buy drip irrigation equipment and fertilizers at lower rates. The program also helps neighboring farmers pool resources such as packing and grading supplies, and coordinate transport logistics.

In the field, Fintrac technicians provide regular technical assistance to increase production and reduce costs. For example, Padilla has

learned to incorporate dozens of new techniques such as drip irrigation, raised beds, trellising and proper postharvest handling, which have resulted in increased yields and quality, giving him access to formal markets. Today, he is supplying local supermarket chains.

After one year with the program, Padilla's income per hectare increased from \$3,636 to \$10,787, a 197 percent increase.

Through the EDA program, Fintrac is working with more than 4,000 clients like Padilla to introduce basic production practices that improve yields and quality, generate consistent product, and lower unit costs of production.

EL SALVADOR  
continued from page 1

Under a co-financing agreement with the program, she built a greenhouse and established a calendarized system of tomato production. Today she earns \$2,300 monthly from her farm and plans to diversify and expand.

Fintrac has been in El Salvador since 2002 when it launched the USAID-funded IDEA program, which generated \$21 million in new sales. After that program ended in 2006, Fintrac set out to see how former client farmers were doing

after they graduated from the program.

The survey found that nearly all graduate clients continued to implement the good agricultural practices promoted by the program including drip irrigation, raised beds, pesticide safety measures, and integrated pest management practices. Fintrac also found that farmers' average annual sales remained at or above pre-graduation levels.

Post-project sustainability in El Salvador is assured because Fintrac taught growers to treat farms as businesses.

# Tanzania horticulture exports take off with new airfreight service

ARUSHA, Tanzania — Because of high shipping costs out of Kilimanjaro International Airport, Tanzania growers had limited access to reliable airfreight service and growers trying to reach the world market were forced to truck their flowers and produce to distant airports in Nairobi and Dar es Salaam. These trips are long and costly and the extra time it takes to get produce to market resulted in lower quality and ultimately less income for growers. In September 2007, Fintrac launched the USAID-funded Tanzania Airfreight Program (TAP) and set a course to establish regular cargo flights out of Kilimanjaro Airport.

Fintrac worked with the Tanzania Horticultural Association (TAHA) to establish a grower-owned freight consolidation firm and also worked with airlines to lower freight rates and negotiate load agreements. Fintrac then negotiated with private and public service providers to lower their costs to equal or lower than competing airports in Kenya and Uganda.

Despite the oil price spike in 2007/2008 and the worldwide economic crisis, Fintrac was able to establish regular cargo flights out of Kilimanjaro Airport.

On Dec. 7, 2008, 40 tons of flowers and vegetables grown in Tanzania took off for the European market. Since that first flight, more than 800 tons have been shipped to Europe. Today, Tanzania exporters of perishables have a new reliable source of airfreight access to European markets at competitive rates.



Photo by Fintrac/Kimberly Hickok Smith

Fintrac established a new airfreight service out of Tanzania's Kilimanjaro International Airport.

ETHIOPIA  
continued from page 1

With fertile soil and favorable weather, the Oromia region of Ethiopia is ideally suited for table grape production, which is why Luna Fruit was able to harvest within a year and a half. In other countries, it can take as long as three years for grape seedlings to mature and bear fruit. As Luna Fruit's vines mature, Hagos expects another harvest later this year that will yield 80,000 kilograms.

"We believe we will have a strong competitive edge since we are expecting our harvest in October and November when the world supply of table grapes is at a minimal level," Hagos said.

Fintrac is also working with two other lead client table grape growers to build this emerging industry. These farmers regularly receive agronomic and postharvest handling support. For this group of growers, Fintrac is also developing integrated marketing strategies to establish a common brand for Ethiopia, facilitating buyer missions and more trial shipments, setting up shipping options for growers, and working to consolidate supply to meet demand in Europe and the Middle East.

Fintrac ATEP is an aggressive, market-led effort designed to energize four industry sectors — coffee; hides, skins and leather; oilseeds; and horticulture. Fintrac's effort in these sectors is increasing sales and incomes for thousands of Ethiopian farmers, processors and traders and increasing employment throughout the country. The program is funded by USAID.

## FROM CHAOS TO PROSPERITY

Horticulture provides quick income to farmer displaced by post-election violence

NAIROBI — In January 2008, post-election violence forced 32-year old John Onkeo and his family to leave their farm near Eldoret, Rift Valley Province. Desperate for somewhere safe to take his wife and children, he found a piece of farm land available for lease 60 kilometers away in the relatively quiet area of Lugari, Western Province.

Onkeo joined the Saint John Youth Group, a local farmer association with 30 members (12 men and 18 women) that has been receiving technical assistance from Fintrac's USAID-funded Kenya Horticulture Development Program (KHDP) since January 2007.

Before starting with Fintrac, members of the group were primarily subsistence farmers, growing crops like maize and beans for their own consumption. To complement their diets and provide them with an opportunity to earn additional income at the local market, Fintrac introduced them to higher value crops such as spinach, cabbage, tomato, carrot, onion

and watermelon.

The group has learned skills in recordkeeping, seedling grafting, greenhouse construction and management, group marketing, and the use of polytubs to germinate hybrid vegetable seeds. By adopting new crops and techniques, the group's combined income increased 80 percent in 2008.

Onkeo quickly took advantage of Fintrac's assistance and planted tomatoes, cabbages, carrots and some indigenous African vegetables. In nine months, he was able to make a net profit of \$1,064, 314 percent higher than the \$257 per year he earned before.

What seemed like a disaster for his family has actually improved his livelihood in less than a year by increasing his family's food security and income. By the end of this year, he plans to buy an acre of land with his profits from vegetable sales.

"With assistance of KHDP I have completely transformed life for me and my family," Onkeo said.



Photo by Fintrac/Geoffrey Nyamota

Fintrac's Africa/Asia Director and KHDP COP Steve New visits John Onkeo's farm.

## Fintrac generates \$43.5 million in new sales

LA LIMA, Honduras — Since July 2005, Fintrac's team on the USAID-funded Rural Economic Diversification (RED) program has made great strides in increasing incomes and employment opportunities in rural Honduras. At the end of 2008, the program hit some major milestones.

Through 2008, the program's lead clients increased their annual sales by \$43.5 million and since its inception the program has created 4,541 full-time equivalent jobs, most of which (4,058) are on grower farms and the rest in processing plants.

The program has also trained more than 35,000 participants and other entrepreneurs in production, food safety, postharvest handling, marketing and processing. And it's paying off.

In San Marcos de Colón, Choluteca, onion production was so small it only reached local markets. RED identified regional demand and helped farmers in the area improve yields and quality. Today, San Marcos de Colón is known for high quality onions and is frequently visited by Salvadoran, Nicaraguan and Honduran buyers. More than 4.5 million pounds of onions have been produced in Choluteca because of project assistance.

"The technical assistance from the project has been very valuable to us and it has opened our eyes in regard to production techniques and knowledge about the crop," said Marvin Ríos, a farmer in the region.



Photo by Fintrac/Salvador Arias

Fintrac client Pedro Erazo shows off his broccoli on his farm in Santa Barbara, Honduras.

In Copán, Fintrac client jalapeño growers increased their market share in Honduran, Guatemalan and Salvadoran markets. In 2005, about 3 million pounds were produced in this department and average yields were 100,000 pounds per hectare. In 2008, more than 5 million pounds were produced and yields increased to 150,000 per hectare. Rene Vidal started planting jalapeños in October 2006 under Fintrac RED's guidance. After following all program recommendations, Vidal harvested 491,844 pounds of jalapeños on two hectares and became the region's top producer. His profit that year was \$63,406.

Fintrac's RED program is scheduled to run through September 2010.

## Fintrac promotes sustainable supply chains at Indonesia conference

JAKARTA, Indonesia — Industry experts from around the world shared best practices with Indonesian executives at the 2009 Sustainable Agricultural Supply Chain Conference in March. Senior decision-makers representing the fruit and vegetable, coffee, palm oil, cocoa, meat, poultry and processed foods sectors participated in the two-day event, which was designed and implemented by Fintrac on behalf of the International Finance Corporation (IFC) and AusAID.

The overarching theme — that environmental and social responsibility are increasingly integral to commercial competitiveness and profitability — was emphasized by suppliers to Dole, Chiquita, Carrefour, Wal-Mart, Starbucks, Nestlé, Zespri, and the Body

Shop. Discussions focused on supply chain financing, the integration of smallholders into domestic and international supply chains and how best to move toward compliance with increasingly stringent standards and protocols.

Recommendations centered on improvement of extension services, expansion of credit, establishment of environment and sustainability programs, and the importance of better public and private sector dialogue and coordination. Speakers included Fintrac executives Claire Starkey, Andy Medicott and Steve New, and Fintrac partners Hasit Shah, managing director for Sunripe, and Nigel Garbutt, chairman of GLOBALGAP.

## Fintrac refining food aid analysis

WASHINGTON — Fintrac is standardizing and refining the analysis required to make US government food aid determinations. Not yet one year into its implementation of the BEST contract for the USAID Office of Food for Peace (FFP), Fintrac has submitted analyses for Burundi, Ethiopia, Guatemala, Madagascar, Malawi, Sudan and Uganda.

The core BEST team, comprised of agricultural economists and food aid experts, is augmented by trade specialists in target countries. To date, BEST is recognized for providing more local market and trade impact information than prior analyses, and the goal during the second year is to further simplify and standardize reports for quicker turn-around and optimal practicality.

The overall purpose of the project is to deliver decision-making tools and products to FFP that improve the delivery of food aid to food insecure populations in developing countries.

BEST economist Shannon Wilson notes that the new synthesis of data from multiple information sources is likely to have a useful spin-off effect, since USAID missions and partners can utilize it for broader purposes.



**For more information contact  
Fintrac headquarters  
in the US Virgin Islands at:**

**3077 Kronprindsens Gade 72  
St. Thomas, USVI 00802, USA  
tel: 340.776.7600  
fax: 340.776.7601**

**Or at our Washington, D.C. office:**

**1436 U Street NW, Suite 303  
Washington, D.C. 20009, USA  
tel: 202.462.8475  
fax: 202.462.8478**

**info@fintrac.com  
www.fintrac.com**

## Our Mission

**Fintrac contributes to poverty eradication in developing countries by increasing agricultural incomes.**

We innovate and introduce market-led, productivity-enhancing, eco-friendly and sustainable technologies, practices and crops for income generation and food security.

We focus on agriculture because it is the primary engine of growth in developing countries, with strong multiplier effects for all other economic sectors.

We have an unwavering commitment to achieving tangible results, measured by increased client sales and profits.

Our work dramatically improves the quality of life for rural families by offering new employment, income, savings and investment opportunities, and the monetary resources to pay for improvements in education, healthcare, nutrition, and housing.