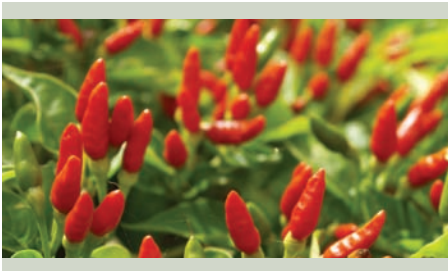


Fintrac Harvest

A report on Fintrac's worldwide agribusiness activities

fall 2007

Chili Processors Team with Fintrac to Increase Production in Kenya



NAIROBI, Kenya — In the effort to make Kenya the market leader in African Bird's Eye (ABE) chili, Fintrac is working with farmers and linking them to processors and exporters as demand for chili continues to rise.

Through the USAID-funded Kenya Horticultural Development Program (KHDP), Fintrac started promoting ABE chili because it is a hardy, high-yielding crop with low production costs, high returns, and enormous growth potential for smallholders, particularly those located in marginal production areas. In 2004, Fintrac started working with a handful of farmers who started supplying ABE chili to two export processors, Mace Foods and Equator Products. Today, ABE chili is well-known throughout Kenya as a cash crop.

Margaret Komen, the managing director of Mace Foods has seen the growth from the beginning. "It's moved forward very well. We've really solved problems of how to produce it, and now it's about meeting volume," Komen said. Mace Foods averages about 40 metric tons per year but Komen says market demand is three or four times more. "Without the support of KHDP we would not be close to 40 metric tons," Komen said.

As demand increased, more and more farmers received Fintrac training with the result that now more than 2,000 farmers in western, eastern and coastal Kenya are supplying high-quality chilies to these local processors for processing and export. By early 2008, the chili program is expected to involve 5,000 small farmers.

Through technical assistance and training, Fintrac has helped ABE chili growers triple yields

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Plantain harvested on Rina Stanley's farm in Choloma, Honduras.

Woman Farmer Builds on Sweet Potato Success

LA LIMA, Honduras — Before becoming a farmer, Rina Stanley owned a small computer business in San Pedro Sula but was looking for something more satisfying. In 2005, she set out to grow sweet potatoes on her farm in Choloma.

With technical assistance from Fintrac through the USAID-funded Rural Economic Diversification (RED) project, Stanley started with one hectare of sweet potatoes that yielded 15 metric tons of export-quality product. She was one of only a few producers in the area, which was hampered by heavy rain, to make a profit. Stanley followed Fintrac's variety recommendations and employed good agricultural practices (GAPs) such as soil testing, weed control, fertilization, irrigation, pest and disease control, and harvest and postharvest handling techniques.

"The USAID-RED project's advice was very useful in making things go well. I would have lost the sweet potatoes if I had not handled it properly, considering the amount of rain that fell," Stanley said.

The following year, she expanded her farm to include cassava and plantain.



"Everything that I know, I owe to USAID-RED."

— Rina Stanley

Stanley planted one hectare of cassava and again carried out Fintrac's recommended production techniques. She harvested 29 metric tons, well above an average of 23 metric tons for other farmers in the region.

Stanley continued to build on her success with plantain. In April 2006, she planted the Curare dwarf variety on two hectares. A year later, she harvested 59 metric tons, generating \$14,009 in sales. The recommended techniques applied by Stanley for plantain production included raised bed preparation, drip irrigation, fertigation, desuckering, deleafing, leaf surgery, deflowering, bagging, fruit age tagging, and weed and sigatoka controls.

Rina Stanley is one of 70 women clients participating in Fintrac's USAID-RED program. She now plans to plant plantains on another 24 hectares.

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Ectoparasite Program Buys Optimism in Ethiopian Leather Sector

ADDIS ABABA — In a baseline study of 22 tanneries, Fintrac found that 80 percent of hides were damaged by ectoparasites and branding, and 30 percent were damaged by knife cuts and storage problems. All in all, this was adding up to a lot of damaged goods and an opportunity to launch a massive training effort in veterinary care and flaying techniques through the USAID-funded Agribusiness and Trade Expansion Program (ATEP), implemented by Fintrac.

With defect reduction a top priority, Fintrac's hides, skins and leather (HSL) team is on the ground working with dozens of lead clients representing thousands of beneficiaries. Primary activities are veterinary and technician training in dipping and spraying to control ectoparasites. In a test treatment program, infestation rates dropped 75 percent, improving the outlook for farmers, tanners and leather buyers.

The HSL team is also training farmers and slaughterhouses to use proper flaying tools and techniques, improved drying methods, use of salt, and efficient transportation and storage logistics. Project technicians are working with abattoirs,

tanners and traders to improve product processing and marketing. Fintrac is working with local counterparts such as the Ethiopian Leather Industry Association (ELIA) and the Leather and Leather Products Training Institute (LLPTI), as well as counterparts UNIDO, World Vision, and other donor-funded programs.

The project has held 26 ectoparasite control trainings for 568 technicians, and 31 trainings for 764 slaughterhouse workers and 365 collectors and traders.

HSL leaders are starting to see a difference. Alemayehu Simegn has owned the Wallia Tannery in Addis Ababa for 15 years. "Our hides and skins supply has been very low-grade," Alemayehu said. But after Fintrac interventions, his business is growing because he is finally getting the quality material he needs. "We want better skins," he said. "That takes better handling after slaughtering, better collection, and better animal health."

The process takes trust. Tanners cannot see all defects until the hair is removed during the tanning process. A tanner therefore typically

buys the hide or skin without any guarantee. "We have seen the consistency improve and are now more willing to pay a higher price," Alemayehu said. "Everyone wants a better standard of living. Now we have the chance to make this happen with better quality, better prices, and better products."

The program also continues its effort to build 30 hides and skins collection centers. These centers are expected to collect products worth more than half a million dollars annually and improve raw material quality.

Fintrac's efforts combined with those of other stakeholders have resulted in a nearly 20 percent increase in the country's HSL exports and it is estimated that overall raw material collection has increased by 25 percent. According to the Ministry of Trade and Industry, exports of value-added leather account for 35 percent of total exports.

In addition to its work in the HSL sector, Fintrac is also improving yields and incomes in the Ethiopian horticulture, coffee, and oilseed/pulse sectors.



ABE chili is inspected at Mace Foods in Kenya.

KHDP Chili
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per hectare and has reduced production costs from KSh 40 to KSh 30 per kilogram.

Josiah Mwatela, a farmer in Coast Province receiving Fintrac technical assistance, started growing ABE chili and quickly saw the crop's potential. In one year, from 300 plants, Mwatela earned \$1,429 from selling chilies to Mace Foods. "Now I am able to buy food, clothing and medical treatments for my family," Mwatela said.

Through KHDP, Fintrac is working in Central, Coast, Eastern, Nyanza, Rift Valley and Western provinces to increase incomes through smallholder production and employment in the horticulture industry. The program is working with more than 15,000 members of 500 smallholder groups in conjunction with more than 50 private and public-sector alliance partners.

Fintrac Working with Farmers in the US Virgin Islands

ST. THOMAS, US Virgin Islands — Charles Leonard, a St. Thomas farmer in the hills of Bordeaux, is adding a little spice to the US Virgin Islands with recent harvests of fiery Scotch Bonnet peppers.

Leonard started working with Fintrac in September 2006 as part of the company's efforts to increase local farmers' incomes and introduce new agricultural technologies to St. Thomas. As a direct result, "My yields increased at least 300 percent," Leonard said.

Leonard and other farmers in the program are adopting techniques from Fintrac's projects in Central America, Africa, and elsewhere in the Caribbean. Fintrac Entomologist Dr. Richard Pluke is leading the effort to customize a technical package for St. Thomas' rugged terrain, high temperatures, irregular water supplies, and high labor costs.

Fintrac advised Leonard on how to cultivate his soil, build raised beds and use drip irrigation. With the program's guidance, Leonard also planted sorghum around the crop as a live barrier for pests,



St. Thomas farmer Charles Leonard is receiving technical assistance from Fintrac.

particularly aphids. He also followed Fintrac's seedling production and transplanting techniques, which included higher density plantings and the use of trichoderma, a biological agent that protects plants from soil-borne disease.

Two other St. Thomas client farmers recently completed greenhouses with Fintrac assistance, providing an opportunity for significantly increased yields — three to four times open field production levels — and better pest control. In 2008, Fintrac plans to provide similar assistance to farmers on St. Croix.

Demand for Irrigation Filters Sparks Booming Business in Honduras

LA LIMA, Honduras — An entrepreneur from Honduras saw a need — and, with the help of Fintrac, he met it. Adalid Vásquez owns a small metal shop in Morazán, Yoro, where he makes low-cost sand filters based on an original design developed by Fintrac. The low cost and efficiency of the filters are critical to Fintrac’s push to install drip irrigation on 14,000 hectares in Honduras as part of the MCC-funded Farmer Training and Development Program (or “EDA” - Entrenamiento y Desarrollo de Agricultores).

Vásquez’s company, Vásquez Mecanizaciones, is now under contract to produce 225 sand filters for EDA farmers that would otherwise have been imported at a higher cost, thereby reducing growers’ up-front investment and future replacement costs.

Drip irrigation is one of the central technologies promoted by Fintrac worldwide. Drip systems use water more efficiently, allow for more effective and cheaper fertilization of crops, reduce weed, pest and disease pressures, and significantly increase yields. Water filtration is an integral part of the system to prevent blockage in the lines and ensure even distribution.

Today, Vásquez Mecanizaciones has the knowledge, experience, equipment, trained labor and capacity to supply — at a national level — a filter that meets technical requirements for much less cost than imported filters. While most filters are sold to clients receiving Fintrac assistance through both the



A sand filter for an irrigation system is welded at Vásquez Mecanizaciones in Honduras.

EDA program and the USAID-funded RED project, the reputation of the company’s filters have led to orders from other programs and growers throughout Honduras.

Expanding and supporting businesses such as Vásquez Mecanizaciones, which provide develop-

ment services for the agricultural sector, is part of Fintrac’s efforts to sustainably increase productivity and sales for client farmers. By May 2011, the EDA program will have assisted more than 8,000 Honduran farmers in increasing productivity, incomes, and employment.

Rina Stanley
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“Everything that I know, I owe to USAID-RED,” Stanley said.

USAID-RED is a three-year program being implemented by Fintrac and designed to significantly increase rural incomes and employment opportunities throughout Honduras. It is providing support to 735 lead clients and more than 16,000 beneficiaries. Over the the three-year period ending July 2008, Fintrac expects to generate an additional \$30 million in new sales by lead clients alone.



Watermelon Grower’s Income Skyrockets After Assistance

SAN SALVADOR — For many years, Antonio Hernandez Quinteros, a farmer from the town of Miralville, Sonsonate, rented a small parcel of land before every rainy season so that he could earn money growing watermelons. Quinteros planted his crop in April to capitalize on the rainy season, but rains were unpredictable and he was often forced to hire extra labor to water plants by hand, adding to his production costs.

When Quinteros established contact with Fintrac, through the USAID-funded Agricultural Diversification Program (ADP), he had recently lost 0.7 hectares of watermelons to viruses caused by poor production practices such as poor soil preparation, lack of raised beds, poor plant densities, and no integrated pest management.

Fintrac helped Quinteros locate land with a source of water, prepare the soil properly, create raised beds, and establish a production plan. Fintrac also recommended that he increase planting density and use sugar to

induce pollination.

Quinteros took advantage of Fintrac training and advice, and productivity quickly increased. Using a hybrid watermelon variety, the first crop on his new property was outstanding, harvesting 84,845 kilograms per hectare, 75 percent more than average yields for the area.

Since June 2006, Quinteros has sown three different watermelon crops in the same time that he would have planted just one before becoming a Fintrac client and his annual income has jumped from \$2,500 to \$8,900.

Since June 2006, Fintrac has been implementing USAID-ADP, a three-year project that increases sales and rural incomes, generates employment, improves farming and food safety and boosts Salvadoran exports. The program also links farmers to buyers, strengthening El Salvador’s agribusiness value chain. In watermelons alone, average yields are topping 40 metric tons per hectare, well above traditional levels.

News Briefs

DAR ES SALAAM, Tanzania — Fintrac to improve Tanzania's access to export markets. Fintrac, with funding from USAID/Tanzania, is launching a program in Tanzania to improve access to affordable airfreight, which has been cited as the primary issue affecting high-value agricultural exports. Fintrac will coordinate the two-year effort with the Tanzania Horticultural Association (TAHA). Fintrac and TAHA will work with other private and public sector stakeholders to develop a sustainable, commercially viable airfreight solution that includes a feasibility analysis for new and expanded consolidation services, coordination and negotiation of cargo space purchases, and new investment in equipment and handling infrastructure. Related activities will focus on identifying and promoting the project's resulting market opportunities.

LA LIMA, Honduras — High yields for jalapeño growers. Ángel Quijada and Marvin Ardón from Danli, El Paraíso, started growing jalapeños with technical assistance from Fintrac through the USAID-funded RED project. Their yields have averaged 216,634 pounds per hectare, 141 percent higher than the area's average of 90,000 pounds per hectare. The jalapeños were sold in Honduras and El Salvador, generating \$74,500 in sales. Nationwide, several Fintrac clients had similar success, surpassing 200,000 pounds of jalapeños per hectare.

NAIROBI — Passion fruit program continues to expand. Through a cost-sharing arrangement with growers in Central and Rift Valley provinces, Fintrac, through the USAID-funded KHDP project, built six modern passion fruit nurseries with a combined annual

capacity of 63,000 high-quality grafted seedlings. Market linkages were also provided to growers for high-quality grafted seedlings and fresh fruit as demand rose steadily in June and July.

LA LIMA, Honduras — MD2 "Golden" pineapple program starting to reap results. The effort, aimed at the export and processing markets, first started with 14 client farmers on 16 hectares in seven departments. Fintrac, through the USAID-funded RED project, initiated the pineapple program in 2006 with imported planting material from Costa Rica and continues to foster production with continuous technical assistance, training and field visits. By the first quarter of 2007, one operation generated \$15,660 in sales to local and export markets. By the end of 2007, 75 hectares of MD2 will be planted nationwide. The projection for 2009 is 200 hectares with sales of \$7 million — \$5 million in fresh fruit and \$2 million in processed products.

ADDIS ABABA — Fintrac coffee client receives price premium. A Fintrac client under the USAID-funded ATEP project recently placed first in a pre-selection process during a private coffee auction in Ethiopia. Because of the auction, Asnakech Thomas sold her coffee for \$2 per kilogram, 50 percent higher than her previous sales. Fintrac, through USAID-ATEP, is working with coffee farmers throughout Ethiopia to improve quality through technical assistance in production and processing and to connect them to markets.

LA LIMA, Honduras — Onion production areas and yields continue to expand. Jose Antonio Villeda Miranda started receiving assistance from Fintrac through the MCC-funded EDA program in October 2006. Since then, his onion yields have doubled with the

use of terraces, hybrid seeds and increased plant density. Since Fintrac growers under the EDA program started production in November 2006, producers have planted more than 30 hectares of onions and 526 hectares of crops overall using technologies promoted by Fintrac.

NAIROBI — New crop introduced for Kenyan smallholders. Fintrac, through the USAID-funded KHDP project, introduced tea tree, a type of melaleuca, as a new cash crop to growers in the Mt. Kenya area. Already, 80 smallholders have planted 263,000 seedlings. The plant is valued for its antimicrobial activity. Tea tree oil is used by the Body Shop and Earthoil Kenya Ltd. as an ingredient in creams, ointments, lotions, soaps and shampoos. Earth Oil and the growers were audited by Africa Now in August and approved as Community Trade suppliers to Body Shop, which carries a six-year marketing agreement.

NAIROBI — US market expands for Kenyan flowers. As a direct result of the World Floral Expo held in Miami in March, Fintrac partner K-Net Flowers is now exporting six pallets of various flowers per week to the US. Fintrac supported the participation of Kenyan flower exporters such as K-Net and worked with Kenyan associations, growers, exporters and other development projects on a display booth and related events at the show.

SAN SALVADOR — Fintrac program generates over \$4 million in sales last quarter. Fintrac, through the USAID-funded ADP program, generated \$4,433,349 in export and domestic sales for farmers, food processors and service providers from April-June 2007. Total year-to-date incremental sales stand at \$15,005,108, of which \$4,650,863 are from fresh and processed exports and \$10,354,245 from local sales.



Our Mission

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

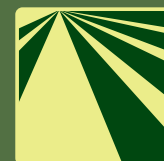
We innovate and introduce market-led, productivity-enhancing, eco-friendly and sustainable technologies, practices and crops for income generation and food security.

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, health-care, nutrition, and housing.



Fintrac Harvest is published quarterly to share information about project activities with our staff and clients. For more information contact Fintrac at:

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