

Fintrac Harvest

an update of fintrac's agribusiness activities worldwide

spring 2007

Market link triggers profit increases for Salvadoran farmers

SAN SALVADOR — For 32 small cabbage farmers in Las Pilas, Chalatenango, sales are booming.

Since September 2006, production, postharvest and marketing assistance from Fintrac's Agricultural Diversification Program (ADP), which is funded by USAID, has helped these farmers increase average sales per farmer from \$4,050 to \$6,750 per year, a 67 percent increase.

The program has also helped them establish a new marketing arrangement with a local processing company.

Prior to this, the farmers typically marketed their produce on an ad hoc basis to wholesalers. The cabbage was also sold directly from the field without cleaning or proper packing, resulting in wildly fluctuating prices. Indeed, the price level often determined whether the farmers sold product or left it in the field.

The technical assistance provided by Fintrac at the farm level, combined with the new market linkage, has changed that.

"Having a fixed price permits us to plan for our future by reducing the risks involved in selling," said Raul Regalado, one of the Salvadoran farmers who received assistance in improved farming techniques, and who saw his production and quality improve dramatically.

With training and the establishment of standards and delivery scheduling, farmers have adopted good postharvest practices and are able to deliver a quality product in a timely manner. The buyer is happy because the farmers are supplying produce on a consistent basis that meets quality standards with fewer rejects.

"This has been a great opportunity for the farmers in our area," Regalado said.

Since the implementation of the new marketing arrangement, 16 permanent workers have been hired in the field and eight permanent workers have been hired at the processing plant.

Fintrac ADP, which started in June 2006, is a three-year project that increases sales and rural incomes, generates employment, improves farming and food safety practices and boosts Salvadoran exports.

The program also links farmers to processors, supermarket chains, importers, and other marketing agents, strengthening the commercial sustainability of El Salvador's agribusiness value-chain.

At both ends of the market, Fintrac is boosting passion fruit sales in Kenya



Kutsi Vision group members prune passion fruit vines at the group's demonstration farm in Rift Valley, Kenya.

NAIROBI — Fintrac's Kenya Horticultural Development Program (KHDP) is a USAID-funded project designed to increase incomes through small-holder production and employment in the horticulture industry. KHDP works with public and private-sector agencies to provide technical and marketing assistance to growers throughout Kenya. The main agribusiness partners include grower associations, input suppliers, processors, exporters, research institutions and trade associations.

One of the products that the project focuses on is passion fruit. The nationwide effort is designed to reach 10,000 producers. KHDP is introducing farmers to improved planting material and agronomic techniques such as integrated pest management (IPM), pruning and fertilization to increase production and yields of passion fruit. The project is working with the Kenya Agricultural Research Institute (KARI) to train commercial nurseries and grower associations to produce disease-tolerant rootstocks and select the right vines for grafting and is working to connect small farmers to new markets.

At the end of 2006, passion fruit yields for client farmers had jumped to 18.7 MTs per hectare, up from 9.7 MTs in 2003. Cost of production, meanwhile, dropped from KSh 12 to KSh 8 per kilogram.

Stephen Choge, a small farmer from the Kutsi

Vision Self Help Group in Rift Valley Province, has more than doubled his average yields from 300 kilograms per week in 2005 to 769 kilograms per week in 2006. Increased production, combined with improved quality, has greatly increased his income during harvesting season, which has jumped from KSh 9,000 (\$128) to KSh 30,760 (\$439) per week.

"The money is going to pay for school fees and home improvements," Choge said.

The increase in incomes has been duplicated throughout the 20-member group, which includes 11 women. Kutsi Vision is growing more than 4,000 vines and plans to expand production to 16,000. The group maintains a passion fruit demonstration farm where members learn Fintrac growing techniques and then apply them to their own farms. Members pool resources — which lowers cost of production — to buy inputs such as fertilizer, trellises, and seedlings.

"Passion fruit has brought us together to meet market demand. We have mobilized to create a better future," said Josphet Maiyo, the group's secretary.

KHDP is applying the same formula to dozens of other passion fruit groups throughout Kenya.

One of the reasons the small farmers are suc-

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Small farmer group reaps rewards from new technologies and EurepGAP certification



Margaret Ndungu, a member of Karikoini Green Growers group, has increased her farm's employment from two to as many as 15 women after Fintrac assistance.

NAIROBI — Karikoini Green Growers, a group of nine women and 24 men located in Kenya's Central Province, had gross sales of \$7,143 in 2004. They were growing a variety of traditional crops, had low yields, and were selling to informal markets at inconsistent prices.

In April 2005, the group began receiving assistance from Fintrac's Kenya Horticultural Development Program (KHDP), which is funded by USAID. Fintrac introduced new production technologies and crops, provided marketing support, and trained members in group organization and management.

Through January 2007, Fintrac field agronomists have made 25 extension visits to the group's farms and conducted 17 on-farm training programs. The group is linked with the Kenya Horticultural Exporters Limited (KHE), a major supplier of fine beans and other fresh produce to the European market. Through the KHDP-KHE alliance, the group became EurepGAP certified in November 2006, a major achievement that enabled sales of French beans into the European market.

In less than two years, the group's gross sales have increased more than 2000 percent to \$177,143 in 2006. Employment has expanded from 15 to 264 individuals, 75 percent of whom are women.

Fintrac continues to assist the group through regular extension and training visits by program agronomist Timothy Mwangi. To further increase incomes, reduce risks through diversification, and increase production of crops high in nutritional content, demonstration plots have been established for passion fruit, butternut squash, tomatoes, and a range of traditional African leafy vegetables.

The KHDP program is working with hundreds of other farmer groups throughout Kenya, particularly focusing on remote areas where farmers have never received assistance. The Karikoini Green Growers group is one of 53 grower groups (representing more than 1,500 small farmers) that have achieved EurepGAP certification in Kenya. With continued assistance from KHDP and its public-private sector alliance partners, thousands more farmers are expected to be certified in 2007.

Fintrac onion techniques designed to boost yields



Onion growers use high-density plantings, raised beds and drip irrigation to increase yields.

LA LIMA, Honduras — In El Paraíso, Honduras, 300 small farmers were using traditional production practices to produce onions on 80-100 hectares. Average yields were only 40,000 pounds per hectare, and weather, pests, and disease often resulted in lower yields or entire crop failures. Growers using modern production systems in other regions of Honduras are achieving average yields nearly three times greater.

Previous extension efforts for El Paraíso's onion growers were limited. Fintrac agronomists are now providing direct technical assistance through the EDA (Entrenamiento y Desarrollo de Agricultores) program, which is funded by MCA-Honduras. The main objective of Fintrac EDA is to sustainably increase productivity and sales for program clients. The assistance in El Paraíso covers the entire production system for 29 lead clients, who have already made major changes and improvements. When Fintrac Field Agronomist Mario Cho first visited the zone he immediately earned growers' trust by providing recommendations that saved their plantlets from downy mildew and *Alternaria* attacks.

"The changes we have made over a short period of time have been major and other growers in the zone have also seen the advantages of the new systems," said Jorge Anibal Flores, an onion grower in Guinope.

As a result of Fintrac's strategies in the field and recent successes, lead clients are ready to adopt other EDA-recommended production practices that are

proven to increase yields and incomes, including:

- Improved soil preparation techniques (raised and contoured beds)
- Improved plantlet production practices for better quality (including plantlet size grading for transplant)
- Higher density plantings (400,000 plants per hectare versus 150,000 plants per hectare with traditional systems)
- First-time use of starter solution and biological controls during transplant
- Installation of new irrigation systems and improvements to existing systems (drip systems and overhead irrigation systems)
- Increased irrigation frequency from weekly to daily (with reduced water consumption)
- Introduction of other improved soil and water conservation practices resulting in reduced run-off, soil erosion and compaction
- Reduction in total fertilizer application (frequency increased from 3 to 13 applications, but smaller volumes required with each application)

The practices will be introduced during the current and next onion production cycle to reduce risks, ensure quality and further increase productivity.

EDA is scheduled to operate through May 2011, and will have directly assisted more than 8,000 farmers, increasing productivity, incomes, and employment.

Fintrac's work in Jamaica achieves big gains in small farmers' income



Tomatoes and bell peppers continue to grow well with Fintrac's low-cost greenhouses in Jamaica.

KINGSTON — Fintrac closed out its leadership of the agribusiness component of the Rural Enterprise, Agricultural and Community Tourism (REACT) project in Jamaica after one year of operation because of USAID funding cuts.

Fintrac successfully delivered a market-led approach that promoted sustainable agricultural practices in the field, in line with the Jamaican government's vision for the future: "The dynamic transformation of the Jamaican agricultural sector by the year 2020."

Fintrac worked with 171 lead clients (38 women) to improve operations in open-field horticulture, greenhouse production and poultry production. As a result, client crop sales increased 178 percent and poultry sales increased by 15 percent. Employment grew by 44 percent — more than 100 jobs were created at client farms because of the growth. Many individual farmers reported staggering increases in sales because of Fintrac's assistance, both on-farm and through market linkages.

Margaret Walker, a hot pepper and cassava farmer in St. Ann, had significant crop losses because of flooding but with Fintrac assistance she calendarized produc-

tion, dividing her farm into several production plots for year round crop rotation.

Walker's sales jumped from \$1,923 in 2005 to \$9,385 in 2006, an increase of almost 400 percent.

"Before the program, the most I ever earned was \$3,000 in a given year. Now we have improved crop density, fertigation, etc. This is a whole different way of farming," Walker said.

Cecil Campbell, a farmer in Clarendon, increased sales from \$2,308 in 2005 to \$11,985 in 2006, a 419 percent increase. Campbell grows hot peppers, tomatoes, sweet potatoes, pumpkins and cucumbers and was expecting an even better year in 2007.

New market linkages were established between producers and major wholesalers, restaurants, supermarkets, and hotel chains throughout Jamaica. Extension workers from Jamaica's Rural Agricultural Development Authority (RADA) were trained in the Fintrac approach to ensure continued success and are reporting widespread adoption of Good Agricultural Practices (GAPs) because of Fintrac's sustainable farming model.

KHDP passion fruit continued from page 1

ceeding is because Fintrac is also working on the other end of the market by supporting processors and exporters and linking them to the small farmers.

One of the processors receiving assistance is Kasarani Fresh, run by Katherine Nduta. Nduta started selling fresh juice in 2000.

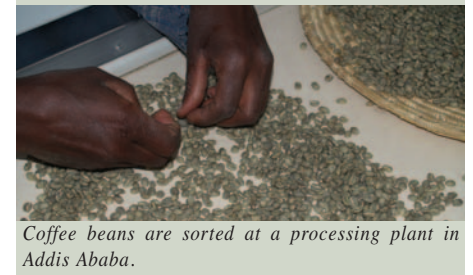
"I sold to neighbors and friends and we grew on word of mouth," Nduta said.

Kasarani grew indeed, from 5 liters of fresh juice per day to 75 liters. The company now employs 6 full-time workers and as many as 25 part-time workers. Kasarani's quality caught the

attention of Del Monte, which is already buying from the company and willing to buy as much as 30 tons per month. In order to meet the demand, KHDP is working with Kasarani to increase capacity and production and connect 1,000 new farmers to the outgrower scheme. Currently, KHDP farmers contribute about 38 percent of Kasarani's passion fruit supply. Nduta said she would like to see that percentage increase because of better quality and volume.

"KHDP passion fruit is sweeter. Other farmers tend to harvest too early, but KHDP farmers pick the fruit at the right time," Nduta said. "If they are able to produce more, then we can have more growth."

Ethiopia coffee program in full swing



Coffee beans are sorted at a processing plant in Addis Ababa.

ADDIS ABABA — Fintrac has been working through two dozen lead coffee clients, primarily cooperatives and millers, to increase sales and incomes of 18,000 smallholders in six Ethiopian growing regions. In the ten months that the USAID-funded Agribusiness and Trade Expansion Activity (ATEA) has been operational, training was provided in proper harvesting, washing, fermentation, drying and storage; five cupping labs were established at partner cooperatives to strengthen grading; and new varieties were identified. An inward buyers' mission with thirteen participants (from the US, EU, and Japan) toured production areas in Jimma, Kaffa, Bench Maji and Teppi. The project further supported the East Africa Fine Coffee Association (EAFCA) during the African Fine Coffee Conference and Exhibition, which was held for the first time in Addis Ababa. The February event attracted more than 150 international coffee buyers and featured an open outcry auction and barista competition. Boot Coffee Consulting and Training and the Coffee Quality Institute have been instrumental in working with the Fintrac field team to improve client performance and alliance partners such as the Seattle-based Dominion Trading Co. are investing in infrastructure and equipment at double that of the project.

Coffee is one of the four sectors Fintrac is targeting through the project. The other sectors are horticulture; hides, skins and leather (HSL); and oilseeds and pulses. Combined exports in the coffee, horticulture and HSL sectors increased by \$9.8 million in the last quarter of 2006 over 2005.

KHDP is helping Kasarani buy more equipment such as pulpers, processing tables and juice drums. The program is also helping Kasarani find new markets to promote stability and to develop new products. The program's goal is to have KHDP farmers supplying 10 tons of passion fruit per week by mid-2007.

KHDP 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 52 private and public-sector alliance partners.



news briefs

ADDIS ABABA — Fintrac-ATEA reports that horticulture export trials of fresh vegetables were shipped to buyers in the UK, Holland and Italy. Products included bobby beans, courgettes, tomatoes, cherry tomatoes and peppers.

ADDIS ABABA — Ethiopian leather industry leaders are entering into new arrangements with Russian buyers as a result of a Fintrac-ATEA trade mission. Solomon Getu, managing director of Addis Tannery, and Chairman of the Ethiopian Leather Industry Association, reports that “our aim is to start exporting wet blue directly to Russia, and to follow this with crust, and then finished leather, as we try and add as much value in Ethiopia as possible.” Fintrac estimates several million dollars in new earnings this year from the near-term export of semi-processed hides to Russia.

SAN SALVADOR — Export sales for Fintrac-ADP reached \$1,899,492 last quarter, in part because of 20 containers of bell peppers sold to US buyers for \$641,000. The new export sales are the result of buyer identification carried out by

Fintrac marketing experts that linked a major greenhouse production company to US importers.

LA LIMA, Honduras — Nine interns graduated from the Fintrac-RED school alliance program. Four of the graduates were hired by private agribusinesses, another started her own production, and the rest are continuing their agricultural education at the university level. The alliance program provides high school students with hands-on training in farming techniques and technology transfer.

LA LIMA, Honduras — Fintrac RED lead clients increased sales by \$15.3 million, almost twice what was projected for 2006. The increase in sales was also accompanied by 1,733 new full-time equivalent jobs.

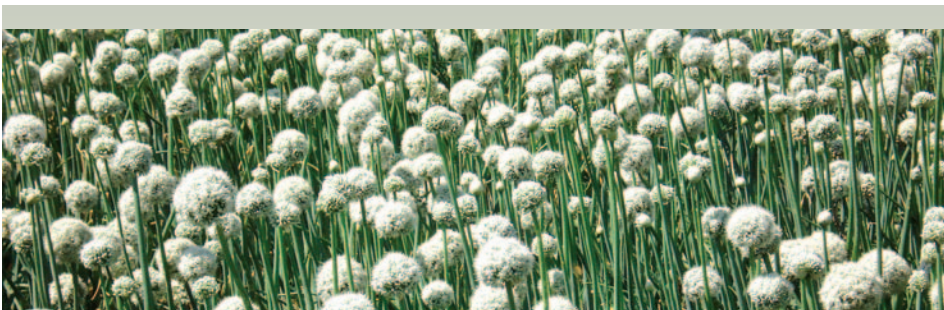
LA LIMA, Honduras — Through Fintrac training and technical assistance, 11 jalapeño farmers, nine sweet potato farmers and one watermelon packhouse in the RED program were successfully EurepGAP-certified in January 2007.

ST. THOMAS — Fintrac was a sponsor of the annual St. Thomas-St. John Agriculture and Food

Fair in the Virgin Islands. During the two-day event, Senior Agronomist/Entomologist Dr. Richard Pluke diagnosed pest-plagued plants.

MIAMI — In an effort to promote Kenyan flowers in the US, Fintrac-KHDP supported the participation of Kenyan flower exporters and small producers in the World Floral Expo in March 2007. KHDP worked with Kenyan associations, growers, exporters and other development projects on a booth and related events at the show. US imports of Kenyan flowers rose last year in large part from market linkages made at this show. Since then, KHDP has transferred innovative production technologies to hundreds of farmers in the summer flower business, including shade nets, drip irrigation, and multiplication techniques for clean planting materials.

LA LIMA, Honduras — More than 100 hectares have been planted using Fintrac’s farming techniques since August 2006, the start of the Entrenamiento y Desarrollo de Agricultores (EDA) program in Honduras. Major production includes potatoes, watermelons and tomatoes.



Our Mission

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

We innovate and introduce market-led, productivity-enhancing, eco-friendly, 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 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.

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Fintrac Harvest is a quarterly publication that shares information about project activities with staff and clients. For more information contact Fintrac at:

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