

# Fintrac Harvest

Increasing agricultural incomes worldwide

Fall/Winter 2008



Photo by Fintrac/Mariano Peñate

A cupper sniffs a coffee sample during a Cup of Excellence cupping event in El Salvador.

## New mills, cupping assistance help perk up Salvadoran coffee

SAN SALVADOR, El Salvador – Fintrac is improving coffee quality in El Salvador and helping farmers reach global markets through select value chain interventions that range from the introduction of biological pest controls and new processing technologies, to training in specialty coffee selection for international cupping competitions. And it's all being achieved through capacity-building partnerships with local BDS providers.

### Biological Alternatives

In implementing the USAID-funded Agricultural Diversification Program (ADP), Fintrac is helping PROCAFE, a private Salvadoran coffee research institute, to produce and promote *Beauveria bassiana*, a fungus found in soil, as a safe, organic alternative to the dangerous pesticides traditionally used to fight the coffee berry borer that damages up to 35 percent of coffee harvests.

"Five of my workers went to the hospital during last year's [pesticide] application period. They stop fumigating at 2 p.m. and they're sick by 5 p.m.," said Ramiro Gonzales, a coffee grower of 20 years.

Fintrac ADP co-financed a new PROCAFE laboratory to produce *Beauveria* in large quantities and distribute it on a national level. The organization is now capable of producing more than 36,000 pounds each year, enough to protect more than 25,000 hectares and prevent an estimated \$2.1 million in annual losses. Preliminary field tests show a 60 to 70 percent reduction in damage caused by the coffee berry borer.

### Milling Machines

Ever since the crash in coffee prices in 2001, the

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Photo by Fintrac staff

Fintrac improved Gebre Yohannes Asgedom's yields and lowered production costs by introducing him to new farming techniques.

## Improved practices boost sesame yields

ADDIS ABABA, Ethiopia – Many sesame farmers in Ethiopia are unfamiliar with Good Agricultural Practices (GAPs) such as proper land preparation, crop rotation and Integrated Pest Management (IPM). Fintrac's Agribusiness and Trade Expansion Program (ATEP), however, is rapidly transferring these new technologies to Ethiopian farmers.

Ethiopia has an ideal climate for growing oilseeds and pulses, which include sesame seeds, sunflower seeds, and haricot beans, and is a major producer in East Africa of highly valued white sesame, especially in the northern region of Humera.

Although sesame is one of Ethiopia's major exports, production volumes do not meet demand because of poor yields.

Like many other sesame farmers in Humera, Gebre Yohannes Asgedom used traditional growing methods that left him susceptible to production problems, resulting in low yields and high production costs. In late 2007, his sesame crop was affected by flooding and widespread pest problems.

**"My business is now profitable and I am planning to expand my farm."**

- Gebre Yohannes Asgedom

Many sesame producers were forced to replace crops with sorghum. Those who continued with sesame had yields averaging only 250 kilograms per hectare.

In response to this and other challenges in Humera, Fintrac is showing farmers like Yohannes how to apply GAPs. Fintrac Agronomist Yitbarek Liben provided technical assistance at Yohannes' 12-hectare farm, which serves as a demonstration site for project trainings.

Yohannes learned how to prepare land to improve soil composition and was introduced to high quality seeds, proper planting and spacing

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# Returning Hondurans are coming home to new opportunities

LA LIMA, Honduras – Six years ago, Rogelio Ayala, a farmer in Santa Cruz del Potrero, Olancho, left Honduras and traveled for 22 days in the hope of finding work in the United States.

“I didn’t have anything here,” Ayala said. “I couldn’t find work.” He took buses and cars through El Salvador, Guatemala and Mexico and tried to cross illegally into the United States at the Arizona border.

He failed and was jailed for two weeks. When he got out, he tried again and walked for three days through the desert and made it to Phoenix. He bounced around to Las Vegas, New Orleans and Miami before settling down in Orlando, Florida where he found steady work in construction.

For six years, he worked six days a week, saving as much as he could. He was doing well but wanted to return to his home. “I missed my mother a lot,” he said. One day he woke up with severe stomach pains. He said he couldn’t afford the hospital bills without losing his savings, so, he decided to come home.

After taking care of his stomach problem, which turned out to be gastritis, Ayala started farming.



Photo by Fintrac staff

Rogelio Ayala on his farm in Olancho, Honduras.

For two years he grew corn and watermelons with traditional methods but only earned \$1,105 annually from watermelons and very little from corn.

“I was a blind person when it came to agriculture and now I’m learning a lot,” Ayala said.

He started to change his approach after becoming a lead client on Fintrac’s USAID-funded

Rural Economic Diversification (RED) project and continues as a lead client with Fintrac’s MCA/Honduras-funded EDA program. Ayala diversified his farm by adding eggplant, bell peppers, onions, and updated his production system with raised beds, drip irrigation and calendarization. In Ayala’s first year with Fintrac, his income increased 357 percent and his second year promises greater returns.

The US Immigration and Customs Enforcement Agency estimates that 70 percent of the roughly 1 million Hondurans in the US are living there illegally and about 90,000 attempt to cross the US border illegally each year.

According to a Congressional report, 18,941 Hondurans were deported from the US in 2005 and 24,643 were deported in 2006. In 2007, deportations topped 29,000.

Many of these immigrants, including Ayala, are from poor, remote areas where jobs are hard to come by. Fintrac, through the RED and EDA programs, specifically targets these areas to create jobs, economic opportunities and positive emigration alternatives for rural families.

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350-member ATAISI Coffee Cooperative in Sonsonate, El Salvador, found it hard to make a profit. They wanted to increase the quality of their processed coffee and minimize production costs but could not afford to replace their 55-year old coffee mill, which used water and power inefficiently and produced a low quality product.

Fintrac cost-shared the purchase of a wet coffee mill capable of processing more than 11,000 pounds of high quality green coffee beans per hour. The machine is designed to significantly reduce water dependence in the de-pulping process and use less energy in the milling process.

With the new coffee mill, ATAISI significantly increased profits and minimized environmental impact. Water used during milling dropped from 87 gallons to 25 gallons per 100 pounds of coffee, a 71 percent reduction. The cooperative is also saving on electricity costs because the mill uses less power to pump water during processing. And, because the mill cleans coffee beans more efficiently, drying is faster.

Because of these improvements, processing costs have dropped \$11.32 per 100 pounds, saving the cooperative \$120,954 per harvest season.

## Quality Selection

Fintrac supported local partners PROCAFE and the Salvadoran Coffee Council in organizing and promoting training for, and participation in, a



Photo by Fintrac/Mariano Peñate

Processed beans come through ATAISI Coffee Cooperative’s new mill, which was procured by Fintrac’s ADP program.

countrywide pre-screening for the Cup of Excellence, an international coffee tasting competition. Samples scoring well in the pre-screening move into second and third rounds of rigorous scrutiny, judged by international cuppers – and those ultimately earning one of the prestigious awards are put on the auction block, earning top dollar for outstanding quality.

Largely as a result of Fintrac’s collaborative training and promotion efforts with BDS partners, the number of Salvadoran competitors in the competition this year increased 24 percent from 2007. Five samples were sold at auction, and one, a first-time entry produced by Fintrac client Jose Fidel Salgado Pacheco of Alegría, Usulután, scored in the top 10. His sample of 828 kilograms sold for \$10,587, or \$5.81 per pound.

## Fintrac supporting airfreight solutions for Tanzanian growers

ARUSHA, Tanzania – As part of a concerted effort funded by the USAID Tanzania Airfreight Project (TAP) to coordinate transport of fresh produce from farms to export markets, Fintrac established and registered TAHA Fresh Handling, Ltd. to manage airfreight contracting and consolidation at Kilimanjaro International Airport (JRO).

Registering this company, which is affiliated with the Tanzania Horticultural Association (TAHA), is a giant step forward in establishing better and more cost-effective access to European markets.

Fintrac has also succeeded in reducing landing and handling costs at JRO, coordinating with several agencies including the Tanzania Civil Aviation Authority (TCAA), the Kilimanjaro Airport Development Company (KADCO), the airport ground handling services company Swissport, and aviation fuel companies.

Fintrac is simultaneously working to achieve the production volumes necessary to sustain expanded airfreight routes by promoting grower and allied agribusiness membership in TAHA. Membership has increased 171 percent since project commencement.

# Fintrac builds new tea tree industry for Kenyan farmers

NAIROBI – Fintrac, through the Kenya Horticultural Development Program (KHDP) and in partnership with Earthoil, created a completely new value chain by introducing 500 smallholder farmers to tea tree (*Melaleuca alternifolia*) production.

Growers in Naro Moro, a small town in the foothills of Mount Kenya, planted 1.4 million trees in 2007 and have started selling their harvests. Earthoil Kenya Ltd. is buying the tea tree leaves to extract the oil and sell to Body Shop International to use in its line of tea tree products.

Fintrac is providing technical support in production, group development and certification and Earthoil established a steam distillation unit and demonstration farm and both continue to work to improve yields to meet demand and earn more for the Naro Moro growers.

With recent harvests, the Naro Moro growers, many of whom survive on less than two dollars a day, are starting to see the value of growing tea trees. The growers sell their tree leaves to Earthoil and can use the wood for fire and for trellises in horticulture production.

“The goal is to establish an entirely new industry in Kenya,” said Wayne Barratt, Earthoil’s director of global operations.

Barratt said current yields are 200 kilograms per quarter acre but Fintrac and Earthoil are expecting yields to increase to 800 to 1,000 kilograms per quarter acre as the Naro Moro growers continue to improve production.

The Body Shop, a L’Oreal subsidiary, has given Earthoil and the Naro Moro growers a seven-year contract. The extraction process is well underway and Earthoil is pleased with the high quality oil being produced.

One farmer, using just a quarter acre, recently harvested and sold 1,400



Photo by Fintrac/Mbili Mbebe

Teresa Wanjiru walks through her tea tree field in Naro Moro.

kilograms of leaves to Earthoil and farmers in the area took notice. Earthoil can extract 1 kilogram of oil from 90 kilograms of leaves.

“Farmers are more positive about it. If you look after your crop with watering and attention to detail it makes a big difference.” Barratt said.

Fintrac and Earthoil continue to sponsor farmer training days to help growers realize potential yields and profits. The project is expected to generate \$1,300 per year for individual tea tree growers.

“We’ve got a lot of work to do,” Barratt said. “I think it’s an industry that’s going to grow. It’s still in its infancy, but we’ll get there.”

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techniques, weeding techniques and IPM. The result was a substantial increase in yields: 420 kilograms per hectare, 50 percent higher than the previous season, and 170 kilograms per hectare higher than average sesame yields in Humera.

Moreover, the application of GAPs including proper land preparation, weeding and use of quality seeds lowered his production costs from \$548 per hectare (\$6,576) to \$361 per hectare (\$4,332), a 34 percent drop.

“My business is now profitable and I am planning to expand my farm,” Yohannes said.

Fintrac’s ATEP program is an aggressive, market-led effort designed to energize four Ethiopian industry sectors – coffee; hides, skins and leather; oilseeds and pulses; and horticulture. The project is dramatically improving competitiveness and productivity for thousands of farmers, processors and traders resulting in increased exports, investment, employment and incomes. The USAID-funded project is scheduled to end in April 2011.



Photo by Fintrac/Ram Gupta

Villagers pile sandbags to complete a key section of a protection wall in Nepal’s Terai region.

## Fintrac quickly improves embankments to protect Nepal flood victims

KATHMANDU, Nepal – Fintrac is working to rehabilitate and improve community infrastructure and incomes for flood victims in six districts of the Central and Western Terai regions of Nepal through the USAID-funded Nepal Flood Recovery Program (NFRP).

Heavy monsoon rains last year caused serious damage, adversely affecting more than 600,000 people. NFRP was designed to support grassroots community recovery efforts in direct coordination with village development committees (VDCs) to ensure strong local ownership and greater sustainability.

In its typical accelerated start-up mode, and with proven experience in “building back better” from natural disasters, Fintrac fielded its team, operationalized its

subcontract with local firm METCON, established its implementation and subcontracting mechanisms, officially launched the project, and completed an extensive community-based rapid appraisal process within the first quarter of operation.

Most importantly, it completed its first intervention, a 475-meter riverbank protection wall for the Barainiya VDC. The structure uses locally adapted, cost-effective bioengineering techniques and protects 275 households from further flooding and erosion damage.

Next up is a large-scale effort to support agricultural income generation for flood-affected families through establishment of demonstration plots and basic technology transfer and more infrastructure development.

## News Briefs

**LA LIMA, Honduras – Fintrac helps create small business.** In collaboration with EAP-Zamorano, Fintrac's EDA program in Honduras helped local farmer Marlon Rivera establish a greenhouse production system for high quality tomato and bell pepper plantlets to support growers in and around his community.

Farmers in Guinope, Zamorano and Oropoli now have access to improved plantlets at a price 20 percent below prevailing market prices. The business has produced one million plantlets and in addition to lowering production costs for growers has generated eight new jobs and more than \$5,000 in net income for Rivera. The MCA-Honduras EDA program, helped Rivera establish and develop high-tech methods for soil preparation, water management and fertilization for his greenhouse system.

**LA LIMA, Honduras – Fintrac helps widow establish processing company.** After Dilcia Mejía's husband died in a tragic car accident, Fintrac was there to help her carry out her husband's plan of building a food processing business. Her husband left only a business plan and when she started her company, Invermoll, she was only processing 20 pounds of beans a day.

Determined to succeed, she joined Fintrac's RED program, which helped her install plant equipment, obtain legal documentation, meet food safety requirements and improve marketing. After two years of program assistance, Invermoll is processing up to 800 pounds of beans a day, an astounding 3900 percent increase. She continues to work with the program as she expands her business.

**NAIROBI, Kenya – Nomadic tribe learns to make money from gums and resins.** Far from mainstream agriculture, women of the nomadic Samburu tribe in arid regions of Northern Kenya are learning to earn money by collecting gums and resins from trees.

With the help of Fintrac KHDP and Lubanchem, a Kenyan processing company,

Samburu women are no longer cutting down trees for fuel wood but are instead earning income from sustainable harvests of organically certified gums and resins. Fintrac has helped create sustainable harvesting methods so they can meet international demand for frankincense, myrrh, gum Arabic and other plant extracts.

**ADDIS ABABA, Ethiopia – Biological control agent reduces pesticide use.** Fintrac introduced Ilan Tot Farm, a strawberry operation based in Koka, Oromia to *Phytoseiulus persimilis*, a predatory mite that attacks spider mites, which were decimating the farm's production. During an initial trial, this new biological control agent kept the spider mites at bay and reduced the need for pesticides by almost 50 percent, translating into savings of around \$2,500 per hectare. Because of the success, the farm is expanding use of this new control to the rest of the farm and has started looking into bio control options to fight aphids and thrips. Fintrac promotes biological control agents such as trichoderma and *Phytoseiulus* in our approach to Integrated Pest Management (IPM), which is in part designed to lower pesticide use, risks and costs.

**SAN SALVADOR, El Salvador – Woman builds new tomato business from scratch.** Fed up with running a teak wood business that only generated \$1,100 per month and determined to start a horticulture business, Carmen Vásquez de Cartagena launched a new career in horticulture.

Vásquez joined Fintrac ADP in July 2007 and set out on a new path backed by Fintrac. She built a greenhouse on her land in Chalatenango with co-financing from the program. She learned the program's greenhouse production system including calendarization and how to maximize production with drip irrigation and proper pruning techniques for tomatoes. Initial production was 15 crates of tomatoes two or three times a month. As her system improved her sales increased to 30 to 40 crates two times per week, generating an average monthly income of \$2,300.

## Fintrac awarded contract to improve food aid analysis

WASHINGTON – In advance of shipping US agriculture commodities under its Title II program, the USAID Office of Food for Peace is required by law to provide a determination that food aid will do no harm to the producer and marketing systems of a recipient country. Toward this end, USAID/FFP contracted out the analyses required to make its determinations over the years to a variety of organizations. The 2008 Farm Bill, however, mandated that these analytical responsibilities be consolidated and conducted by a single, independent entity and USAID/FFP responded with the Bellmon Estimation Studies for Title II (BEST) project.

As the BEST awardee, Fintrac is implementing a new approach to conducting food aid determination studies by improving research processes, analytical methodologies and reporting formats. The quantitative and qualitative information collected and synthesized into these impact reports will also be consolidated into a knowledge management and decision support system, so that data can be retained and easily referenced for future US government decisions regarding food aid distribution and monetization.

The Fintrac/BEST team is based in Washington D.C., adjacent to the Fintrac home office, and its core team of agricultural economists, market analysts, and knowledge management experts is augmented by trade specialists in target countries and by an Advisory Panel comprised of leaders from the food aid sector, the NGO community and academia. The three-year project, awarded in August, has completed its first two studies in Malawi and Madagascar.



For more information contact  
Fintrac at:

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

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

e-mail: [info@fintrac.com](mailto:info@fintrac.com)  
[www.fintrac.com](http://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.