



fintrac

*Agricultural solutions to end hunger and poverty*

## Value Chain Analysis and Good Agricultural Practices:

### A Key to Smallholder Success

Fintrac takes the popular business model of value chain (VC) analysis a step further by identifying good agricultural practices (GAPs) and other interventions to create opportunities and strengthen capacity for small-scale farmers at critical leverage points – from farm to fork.

[www.fintrac.com](http://www.fintrac.com)

Fintrac and our local partners use the 10-point “VC+GAP” system to help smallholders and producer groups on three continents diversify crops, increase productivity, and access markets, as follows:

#### ▪ **Generating Income**

Through VC+GAP, Fintrac encourages producers to adopt a commercial approach to agriculture, treating their farms – however small – as businesses. We train our partners to educate farmers on the costs of production, market prices, break-even points, and rates of return, enabling them to map out a business plan for sustainable profit.

#### ▪ **Introducing Market-Driven Production**

Fintrac builds the analytical capacity of business development service (BDS) providers so that they can deliver better market information to client farmers. The identification of opportunities – and the related volume, quality, and delivery specifications – ensures that crop selection and extension successfully link smallholder supply to buyer demand.

#### ▪ **Adding Value**

Fintrac works to develop processing industries that expand employment and supply opportunities, particularly for women and youth, while increasing returns at the source.

#### ▪ **Increasing Food Security**

Through a mix and balance of crops and the transfer of GAPs, Fintrac works with clients to achieve food security: producing and accessing adequate and nutritious food for household consumption, increasing agricultural incomes, and reducing vulnerability to climatic changes through adaptation techniques.

#### ▪ **Keeping Records**

Fintrac trains clients in recordkeeping, which is a critical tool for adopting the “farming as a business” perspective. Records support



improvements in yields and profitability – and most of today’s industry standards require them. Importantly, we achieve compliance even when we tailor instruction for low literacy levels.

▪ **Forging Public-Private Partnerships**

Fintrac creates and leverages public and private sector cooperation to conduct research, extension, marketing, and infrastructure development to support value chain development.

▪ **Linking with the Private Sector**

Fintrac builds synergistic value chains through alliances with input suppliers, irrigation companies, extension services, packhouse operators, processors, certifiers, lenders, trainers, exporters, retailers, and other marketing agents.

▪ **Sharing Technical Knowledge**

Fintrac introduces smallholders to a range of the most beneficial technologies, including calendarization, plant nutrition, low-cost drip irrigation, crop rotation, integrated crop and pest management, and postharvest handling techniques.

▪ **Diversifying Crops and Products**

Fintrac helps smallholders diversify into at least three products to limit risk, create income continuity, and strengthen their food security.

▪ **Protecting the Environment**

Fintrac’s work contributes to environmental stewardship through GAPs that conserve soil and water, help farmers adapt to climate change, preserve biodiversity, and sustain incomes and value chain synergies that discourage the short-term exploitation of natural resources.

*In Kenya*, Fintrac used the VC+GAP methodology to encourage the production of African Bird’s Eye (ABE) chili by farmers who have quadrupled their income as a result. A local processing company has contracted growers to produce it for the European market and adds value at the source through grading and solar drying. The processor, facilitated by Fintrac, provides inputs and extension as embedded costs, and trains the smallholders to intercrop with sweet potato and local vegetables.

*In El Salvador and Honduras*, Fintrac convinced the leading supermarkets to source most of their vegetables from hundreds of local small farmers. Although they were at first highly skeptical of the growers’ ability to meet quality, quantity, reliability, and price requirements, the supermarkets quickly recognized them as suppliers of choice. One group of participating farmers more than doubled sales and tripled net income through increased yields, decreased per unit production costs, improved product quality, and reduced postharvest losses.



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