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Going to Scale through a Value Chains GDA Initiative

*By Jefferson Shriver, CRS Nicaragua
Holistic Innovations in Agriculture Programming
Washington, D.C.
April 20th, 2009*

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Implementing Organizations



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**Municipal Governments
of Nicaragua**



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Target Population

- ❑ 5,400 farmers
- ❑ 85 Cooperatives
- ❑ 419 Communities

Consortium

- ❑ 20 Organizations
 - ❑ 3 International Development Agencies
 - ❑ 9 National NGOs
 - ❑ 1 Multinational Bank
- ❑ 25 Municipal Governments





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Global Development Alliance

Public / Private Sector Partnership

\$32.4 Million Initiative

Ratio of \$2.4 leveraged to \$1 in USAID funds

- ❑ USAID Grant: \$9.6 million
- ❑ Leverage Funds and Cost Share: \$22.8 million
 - * LAFISE Bank
 - * Howard G. Buffett Foundation
 - * Municipal Governments
 - * Farmer Organizations
 - * Core Consortium Members: Technoserve, LWR, and Aldea Global

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Participating Buyers



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LAFISE

Equal Exchange

Cooperative Coffees

Holland Coffee

Caribbean Fruit Connection

Ritters

Agrolempa El Salvador

Det Pon Vegetales

Sustainable Harvest

Holland Coffee

Thanksgiving Coffee

Caribbean Fruit Connection

Intelligentsia Coffee

All American Farms

Econo

TECNOAGRO

Hortifruti / Walmart

CISA / Mercon

PROPICA

Starbucks

Bland Farms

J&C Enterprises

Zooter Chocolates

La Colonia Supermarket

Bernard Benecke Coffee

Pracedes Produce

CLUSA

Royal Coffee

Keystone Fruit Marketing

PANAMAR

Montecillos

Goya Foods

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Key Interventions and Targets



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- ❑ US \$ 57 million in sales
- ❑ 23,000 permanent jobs generated
- ❑ 80 percent of farmers increase net income by 20%
- ❑ Value chain relationships established with actors in targeted crops

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Conceptual Framework

"From Subsistence Agriculture to Rural Entrepreneurism"

- ❑ Think Outside the Farm: From the farm gate to competitive markets
- ❑ Market Driven
- ❑ Create Economies of Scale
- ❑ Support experimentation and innovation
- ❑ Add value to products

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Vision of Farmer at End of Project



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Member of cooperative enterprise with equity

Access:

Reliable water source

Market intelligence information

Post-harvest infrastructure

Access to high quality seed

Access to financial and non-financial services

Farming technologies for efficiency

Capacities

Negotiation capacity

Responsive to dynamic markets

Able to calculate production costs to estimate net income

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Primary Crops



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*Vegetables and Fruits,
Roots and Tubers,
Beans, Coffee and
Cacao*



Enhancing Productivity



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Increasing plant populations of Perennial Crops

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Water Access and Storage Infrastructure



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Reservoirs

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Water Conservation and Production: Drip Irrigation Systems



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Production Infrastructure and Equipment



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Micro-Tunnels with Agribon Cloth

Production Infrastructure and Equipment



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Plastic Row Covers



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*Production
Equipment:*

Greenhouses



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Post Harvest Management Infrastructure: Storage and Processing Facilities



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Post Harvest Management Red Bean Processing



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Commercialization Interventions



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- Foster new and long-term relationships with buyers
- Formation of multi-sectoral value chain commissions
- Collective marketing amongst groups of producers to increase leverage and economy of scale
- Market Intelligence System

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Gender Equity and Environment in Agro-Enterprise



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Environment

- Sales figures disaggregated by sales in environmentally friendly markets (\$3.3 million)
- Increasing organic production
- Restrict credits for crops that encroach on forest land

Gender Equity

- Increased membership of women in rural businesses
- Gender equity institutional policies
- Increased female employment at post-harvest management level



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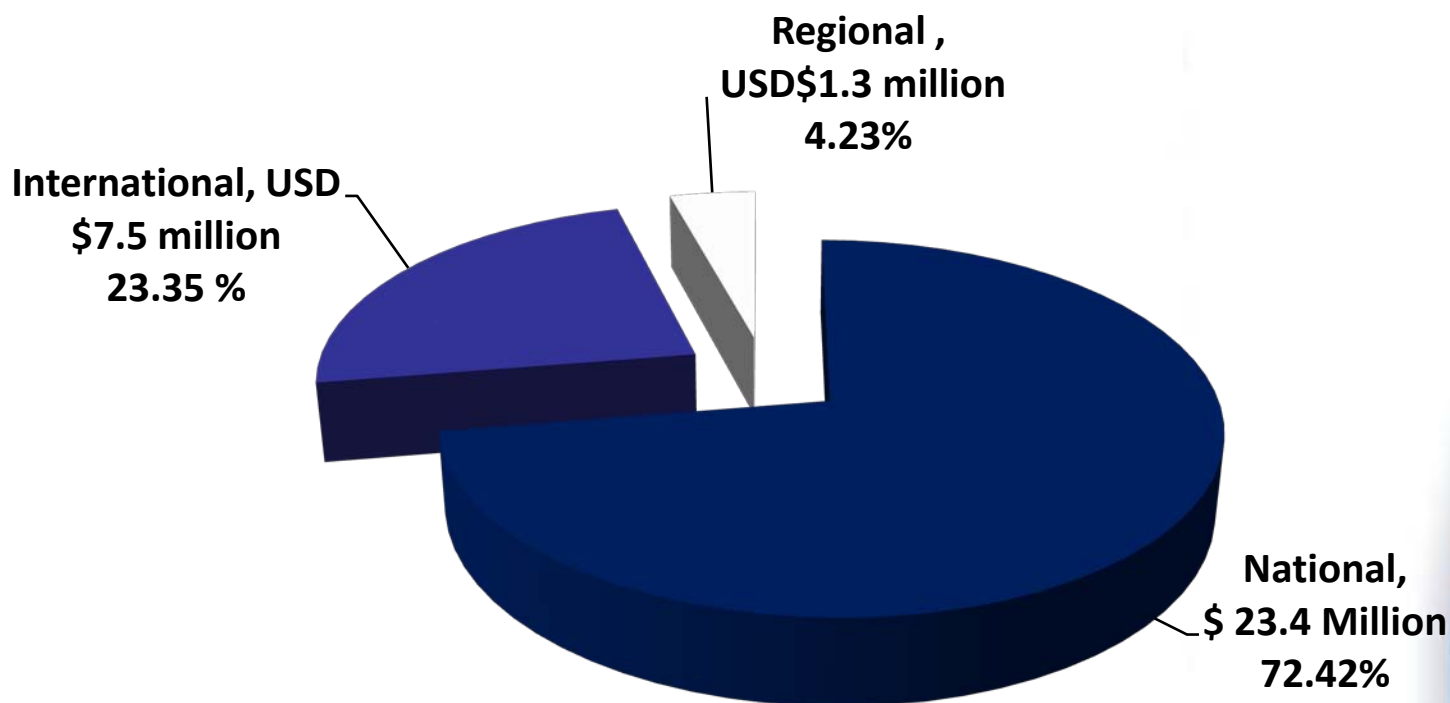
Results: Sales to Date by Market



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Period October 2007 - March 2009



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Results in Net Income

- ❑ Calculating production costs for 30 crops (Robust M&E System)
- ❑ 49% of producers have increased their net income by 20% above the baseline
- ❑ Average Net Income per Producer:
 - ❑ Baseline: \$1,638
 - ❑ After one year of project operations: \$2,013

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Maritza Martinez, Plantain Farmer



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Project Impacts

- ❑ Market linkages with Walmart, increasing her 100 lb sack sales price from \$15 to \$27
- ❑ Has a business plan
- ❑ Calculates production costs and net income
- ❑ Practicing IPM
- ❑ Has purchased more land with income to expand her production
- ❑ Employees 6 people permanently on her farm
- ❑ Achieved sales of \$47,000



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Ernesto Vallejos, Hawaiian Papaya and Yellow Onions



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Before:

❑ Planted basic grains and conventional vegetables on local market, no access to credit and earned \$1,238.

With Project:

Planted hawaiian papaya and yellow onions, sold to Walmart

- ❑ Improved seed: yellow onion and papaya seed produced in greenhouses
- ❑ Accessed credit
- ❑ Conducted soil analysis
- ❑ Income increased 14.4 times to \$17,875 on 1.5 ha. (works with one additional partner)



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