
CASE STUDY 3. FOOD SECURITY CONTEXT: MARKET LINKAGES WITH EXPORT FIRMS

HAITI MULTI-YEAR ASSISTANCE PROGRAMME

WORLD VISION HAITI

A. BACKGROUND

Mangos are Haiti's largest agricultural export, with more than \$10 million in sales per year. The export market for mangos is demanding because exporters prefer to work with suppliers that can provide large volumes of mangos with consistent quality. Small producers do not produce enough as individuals to supply the exporters directly.

World Vision, under the multi-year assistance programme (MYAP), financed by USAID's Food for Peace initiative, is committed to increasing very poor producers' income in Haiti's Central Plateau. WV has assisted Haitian mango growers to increase marketable produce through post-harvest loss reduction measures and encouraged higher and more stable prices through forward contracting between producer groups and mango exporters.

B. HOW DID THE PROGRAMME INCORPORATE VERY POOR PRODUCERS?

The programme undertook several activities to link very poor producers to markets, including facilitating the development of business relationships with exporters, encouraging farmers to adopt improved post-harvest practices, and helping the groups to get organic and fair trade certifications.

- } **Support for setting up a mango collection system through the group's marketing agents.** The project provides technical assistance to different actors in the Central Plateau mango value chain. The programme helped the producers organise to put in place the collection, cleaning, and grading of the mangos so that what they produced met the exporter's requirements.
- } **Training for producers so they have access to fair trade and organic markets in the U.S. and Europe.** Producers and exporters received assistance in accessing specialty markets (fair trade and certified organic). This involved contracting certification consultants and agencies for organic and fair trade markets, developing appropriate internal control systems, and training producer organisations in management and maintenance.

Producer groups in the Central Plateau were certified for organic production and fair trade participation, with appropriate technical assistance and certification costs subsidised through donor funding. One exporter was also certified, which became a sustainable link between the producer groups and the certifiers after project funding ended. The project assisted the groups and the exporter to re-establish the certifications (which must be renewed on a yearly basis), as well as provided business skills training to the mango groups.

- } **Initiatives to increase production.** Production-enhancing activities were implemented to increase both per tree production as well as the number of trees producing fruit. Several new mango plantations were started, using locally purchased seedlings from seed producers, and planting in orchards using a survival subsidy to ensure tree permanence. This survival subsidy involved setting up a system of periodic payments to farmers based on the number of healthy trees remaining in a field over time, which encouraged farmers to take care of

their trees. Grafting techniques were taught to farmers so they could graft improved mango varieties onto existing rootstock of lower producing trees.

- } **Contracts with exporters.** Contracts between the producers and the exporter were developed under the MYAP to make terms, conditions, and responsibilities clear to all parties in written form. The specific objective of the agreements was to support ongoing work by the exporter in producer group compliance with fair trade and organic certification requirements, address post-harvest issues, and make investments in new mango production to expand supply over the medium and long term. The indirect objective of the agreements was to strengthen the sustainable market link between producer groups and the exporter (such that the producer groups, or other groups in the same zone, will be able to increase the supply of mangos, reduce post-harvest losses, and maintain the required procedures and internal control systems largely on their own). A copy of the agreement is found below.

C. WHAT WENT WELL AND WHY

Benefits flowed through to producers in terms of higher and more stable farm gate prices. A fair trade premium of 10 per cent of the producer price is given by the buyer-participants to support community social projects. The U.S. supermarket chain Whole Foods has taken a special interest in the Haiti mango programme and during the 2011 mango season imported three 50,000 lb. containers per week of certified fair trade and organic mangos. This was sufficient incentive for very poor mango producers to participate in the programme and engage with the groups. Exporters were similarly motivated, since this expanded their mango market contacts in the U.S. and resulted in direct agreements with large supermarket chains like Whole Foods.

D. ISSUES AND RECOMMENDATIONS

Given the large size of the investment by the exporter, there is a reluctance to facilitate expansion of the concepts and lessons learned to the broader community, with a preference for retaining the relationships and knowledge for future business purposes. Given the costs of innovation, it seems that some sort of expiring “patent” procedure might be necessary, after which the lessons learned and relationships should be more widely shared with the industry.

E. LESSONS LEARNED/CONCLUSIONS

1. There are significant specialty market opportunities that increase the value of production and incentivise resource poor farmers. However, they involve increased costs in terms of maintaining practices and records to sustain certifications, which themselves bring additional costs from the certifying agencies.
2. The system has been sustained over seven years, but not without difficulties and setbacks. Key to sustainability has been the interest and commitment of the mango exporter, who has continued to support the producer groups with training and facilitated organic and fair trade re-certification after some of the groups lost status through non-compliance with organisational and control systems. Key to maintaining and sustaining the relationship between very poor producers and the exporters is the transfer of the internal control systems to the producer groups and the ability of the groups to hire managers capable of maintaining the fair trade certification systems adequately.