



SUCCESS STORY

Cooperative Improves Service, Profits

With support from USAID-ACCESO, agroforestry cooperative becomes more profitable while expanding services to rural farmers



Photo by Fintrac Inc.

Nora Martínez, manager of the COPRAFEL cooperative, works with a USAID-ACCESO technician. With the project's help, Martínez and her colleagues are increasing profits and providing better service and access to area farmers.

“We are pleased with the support provided by USAID-ACCESO. Now we have skills and abilities we did not have before.”

Nora Martínez

Manager, COPRAFEL-Erandique

As part of its comprehensive development approach, the United States Agency for International Development's ACCESO project is working with small financial organizations to help them expand their products and services.

In the small community of Erandique, Lempira, USAID-ACCESO is working with the Regional Agroforestry Cooperative Lempira Limited (COPRAFEL), helping its members improve organizational structure and customer service.

COPRAFEL, in operation since 1997, provides access to credit for small-scale farmers, giving small loans to purchase equipment, inputs, seeds, and selected off-farm activities. They also operate a small supply store, which sells agricultural equipment and inputs. The cooperative had been struggling to make a profit and was often unable to provide adequate goods and service to their customers.

With technical assistance from USAID-ACCESO, COPRAFEL has completed an organizational diagnostic, which is helping them expand their loan portfolio and provide better services to their rural clients. They also developed a work plan that details, among other things, plans to collect outstanding debts.

In September 2011, the cooperative's percentage of defaults on the books reached 38 percent. By December, this number dropped to 26 percent, representing a significant decrease in un-performing loans. By recovering these previously unpaid debts, COPRAFEL reduces its risk while simultaneously carrying more cash on hand, which opens up more financial resources to the local community.

The new business model is helping COPRAFEL increase its membership across the board, rising from 700 to 739 members as of December, 40 percent of whom are women. The number of members accessing credit has also risen over the last three months, from 469 to 492 growers with credit facilities, of which 30 percent are women.

The COPRAFEL supply store is also growing and expanding its inventory, providing local access of key supplies that help underserved farmers increase yields and incomes.

Due to COPRAFEL's recent success, USAID-ACCESO has subcontracted the cooperative to provide technical assistance to local smallholder producers. COPRAFEL recently hired three agronomists to serve as trainers.

Cooperative employees will continue to receive training to further improve their leadership and technical skills, so they will be able to expand their reach to other nearby communities.