



## SNAPSHOT

# Financing Honduras' Future

**With access to credit, young Honduran producers are expanding economic opportunities in rural communities.**



*Photo by Fintrac Inc.*

Thanks to a loan they received with USAID-ACCESO assistance, the Osorio brothers are able to earn a living from their own field.

**“I feel happy because I can work on my own project.”**

*Dina López*

*Dairy entrepreneur and loan recipient*

In rural communities, access to credit for investments in agriculture is an especially difficult and sometimes onerous challenge. Many young farmers must seek employment on other farms in order to earn enough to support their families. Investing in their own production activities is often seen as an unreachable goal. There are few affordable credit options for rural farmers with limited or no assets as financial institutions see them as high-risk borrowers.

To address this problem, USAID-ACCESO is linking young Hondurans directly to rural financing services that provide affordable credit for agricultural activities.

In December 2011, the *Cooperativa Mixta-Unidas Para Progresar* in La Paz began offering loans for horticultural and livestock activities to project clients. “We are confident in our clients who work with USAID-ACCESO,” said Derma González, the agency’s general manager.

Credit providers know that project-supported smallholders are receiving ongoing technical assistance to improve both quality and yields of their crops. USAID-ACCESO also helps link small-scale producers with buyers, ensuring they obtain fair prices.

Thanks to this initiative, brothers Fernando and Samuel Osorio, both under the age of 30, borrowed \$780 to fund improvements on their small farm. The loan enabled them to invest in a drip irrigation system, giving them dependable year-round access to water. This investment, accompanied by technical assistance on good agricultural practices, will enable the Osorios to increase their farm yields, and improve their food security and household income.

The small loan has already yielded big results. Within six months the Osorios’ corn, tomato, pepper, and green bean yields increased significantly. Their tomato yields doubled from 25 to 50 quintals on 0.25 hectares. USAID-ACCESO has also connected the brothers with reliable local buyers.

Thanks to the higher yields and sales, the brothers quickly paid off their loan. “We don’t exhaust ourselves like we used to...by working on other farms to earn money and tending to our own farm in our free time,” said Samuel.

The brothers opened savings accounts with the credit agency to save for future investments to improve their fields and homes.

Like the Osorio brothers, other young producers are now working with USAID-ACCESO to develop business plans. Dina López, 16, received approval for a loan to start a dairy project, producing milk and cheese for sale to local markets. “I feel happy because I can work on my own project,” she said.

Nearly 40 other young producers in La Paz are participating in the project-backed dairy and livestock activities. USAID-ACCESO is linking small-scale producers with access to financing and credit to expand their agriculture activities and increase incomes. To date, the project has facilitated loans totaling \$3,131,139 for 2,270 clients from 187 lending sources.