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FINAL REPORT

EVALUATION OF  
COMERCIAL LAND MARKET PROJECT  
(PID/T No. 520-0000.1-3-70030)

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## EXECUTIVE SUMMARY

Beginning in 1984, the AID mission in Guatemala has funded a Commercial Land Market Project carried out by the Penny Foundation (Fundación del Centavo), a private local development organization. The three million dollars in funding has provided for the purchase of farmland, technical assistance, and production credit as well as covering part of the Penny Foundation's administrative cost to manage the project. Under the terms of the grant agreements, the Penny Foundation: (a) negotiates the purchase of farmland on the open market, paying up to 50% in cash at the time of sale and the balance over a three to five year period through certificates of guarantee; (b) divides the farm in commercially viable, family-sized parcels; (c) selects eligible participants willing to purchase the parcels and capable of making a 10% down payment; (d) finances the sale to selected participants; and (e) provides technical assistance and production credit for the time necessary for the new households to become acquainted with the new crops and technology. The Penny Foundation Land Market Project is a unique effort to provide access to land for the rural poor in Guatemala. The practice of providing mortgage financing for farmland purchases is quite old in industrialized but has never received support from Latin American governments or international donors until now.

The project is important to A.I.D., as the Policy Determination on Land Tenure (PD-13, May 9, 1986) states that "A.I.D. will also support programs that broaden the opportunity for access to agricultural land, promote tenure security and stimulate productive uses of land to ameliorate the barriers to market entry that exist in some LDCs." Further, A.I.D. is prepared to assist countries in land market programs that (a) promote transactions between willing buyers and sellers; (b) promote transactions which occur for economic gain; (c) allow for the wide dissemination of the opportunity to buy the land; (d) land tenure is sufficiently secure so that land transactions can occur.

The Penny Foundation Project is the first and only such activity currently supported by A.I.D. in the world. Other countries and international donors are watching the project's development and results with the idea of implementing similar projects in other countries. For Guatemala, the project represents the only effort other than colonization to address the land distribution problem which has resulted in inefficient resource use, a skewed income distribution, and inadequate performance by the agricultural sector.

The Penny Foundation acts as broker for the negotiations and all financial aspects of the land purchase and sale. Sellers handle the transactions with the Foundation directly rather than a group of potential buyers. In effect, the Foundation becomes owner of the property, paying the seller 50% of the purchase

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price in cash, with the balance covered by guarantee certificates payable over 5 years at 9% interest. After parceling the land the Foundation re-sells it to individual peasant farmers with a 10% down payment and 10 year mortgages at 12% interest.

The Foundation, founded in 1962 by Sam Greene, is a Guatemalan private non-profit organization dedicated to rural development. Historically it has promoted a variety of programs including agricultural credit, education, housing and small enterprise. Funds have come both from member donations and from international donors. The commercial land market project is currently the largest program of the Foundation, and the project director is a university trained agronomist. In addition to office support staff, the project personnel include 3 other agronomists who are responsible for managing farms purchased in three regions of the country, and high-school trained technicians who live and provide technical assistance on each farm.

The Penny Foundation to date has purchased 19 farms, principally for coffee and export vegetable production. Although all of the farms have some potential, the purchase process could be improved by careful adherence to purchase criteria, particularly in purchasing farms for coffee already in production to provide immediate income to beneficiaries for living expenses and debt repayment. Improved computer capability is essential to bettering the farm purchase process.

Both coffee farms, located in the north and costal regions of the country, and export vegetable farms in the highland area, are profitable. After a farm is purchased, it is surveyed and analyzed agronomically to determine the number and locations of the land parcels, a process which takes several months. Both types of farms are divided into land parcels with an area of about 4 manzanas, which has been determined to be an optimum size farm. Once the parcels are in full, technically sound production, they are able to produce a family annual income of at least Q.5000 (\$2000).

The program beneficiaries can be grouped into two main types: farm laborers and small subsistence farmers. The first group is made up of laborers who have worked on large farms, have no land of their own, who are located around the major coffee-growing areas of the country and who make up the bulk of the beneficiaries on the program's coffee farms. The second group are small, Indian farmers with small plots in the highlands, many of whom have already begun to change from purely subsistence farmers depending on corn and bean crops to cash crop entrepreneurs growing export vegetables in conjunction with the agroexport companies. Nearly all beneficiaries are male heads of families, averaging 4.1 dependents, about 35 years old, with low incomes and no more than four manzanas of their own land, although 65% had no land at all.



The Penny Foundation program makes contact with potential beneficiaries after purchasing a farm in the area. Candidates present themselves, learn about the program, fill out a questionnaire, and are interviewed by Foundation personnel. Potential beneficiaries work with the farm technical assistance personnel in land preparation activities while the land surveying is being carried, which helps the Penny Foundation in the selection process. Finally, lots are drawn to assign each beneficiary his parcel, the beneficiary makes his 10% down payment, and the process of transferring a provisional title to the beneficiary is begun. The beneficiaries may leave the program at any time without penalty, although it is estimated that no more than 10% of the beneficiaries have left after receiving their parcels.

The Penny Foundation provides agricultural production technical assistance to the beneficiaries, but other costs, such as production costs, housing, and subsistence expenses, are paid for by the beneficiaries, who have these expenses added to their total indebtedness to be paid off when the farm is in production. Technical assistance is crucial if the beneficiaries are to learn the technology necessary for cash crop production. The técnico, a high school-trained agricultural technician, lives on the farm and provides the day-to-day technical supervision, while an agronomist assigned several farms in a region provides overall supervision.

In general, the Penny Foundation land market program is a sound one with the potential to make a real contribution to solving the needs of landless and land poor farmers. The program could be improved by implementing the following recommendations in the areas of farm purchase selection, relations with the beneficiaries, and program organization.

#### Farm purchase

Procedural changes are needed in the purchase process to expedite the rejection or purchase of farms. The evaluation process should be streamlined, and a series of guidelines, both agronomic and socioeconomic, should be established as primary criteria for the evaluation of farms. If the program is to begin a new phase which includes a possible expansion, it is imperative that reliable and complete data are managed in a responsible and comprehensive manner allowing in-depth progress analysis.

Both the vegetable and coffee farms appear to be profitable within the context of this program. The Foundation is currently exploring alternative crop possibilities on one farm which does not fit the above profiles. By exploring a variety of options this farm can be used as a proving ground for expansion beyond the traditional activities in coffee and export vegetables. The Foundation has purchased both producing and non-producing farms for coffee production. There should be greater emphasis given to producing farms, since there is less risk involved for both

the beneficiaries, who do not have to survive three years without income, and for the Foundation, because of the lack of need to build the entire operation from scratch.

As regards the beneficiaries, the highlands are the area of greatest civil conflict in recent years, and the implementation of the Penny Foundation program for people in this area should help to alleviate the pressures which led to this conflict. Both the acquisition of farms for distribution in the highlands as well as the purchase of coffee farms where the beneficiaries are primarily from the highlands should be attempted.

The process of educating the beneficiaries about their rights and privileges under the program could be improved by preparation and use of standardized information packets, which could be incorporated into on-farm question and answer sessions. The general educational process for the beneficiaries must include information on credit, farm accounting and payment, and general community development and improvement. The Foundation should be encouraged to continue to include improved housing, schooling, and health care for the beneficiaries, as well as to devise ways in which the beneficiaries will be able to maintain these services themselves in the future.

The program in the future should be more closely supervised by AID as funding increases, particularly in terms of controls on the program's finances and in the implementation of information management systems and the standardized evaluation of farms for purchase. An expanded Penny Foundation program should also include the use of the Foundation's regional offices as centers to identify potential beneficiaries, provide administrative support, and to serve as training centers for the technical personnel in the region, both for short courses as well as for monthly meetings to discuss problems on their farms.

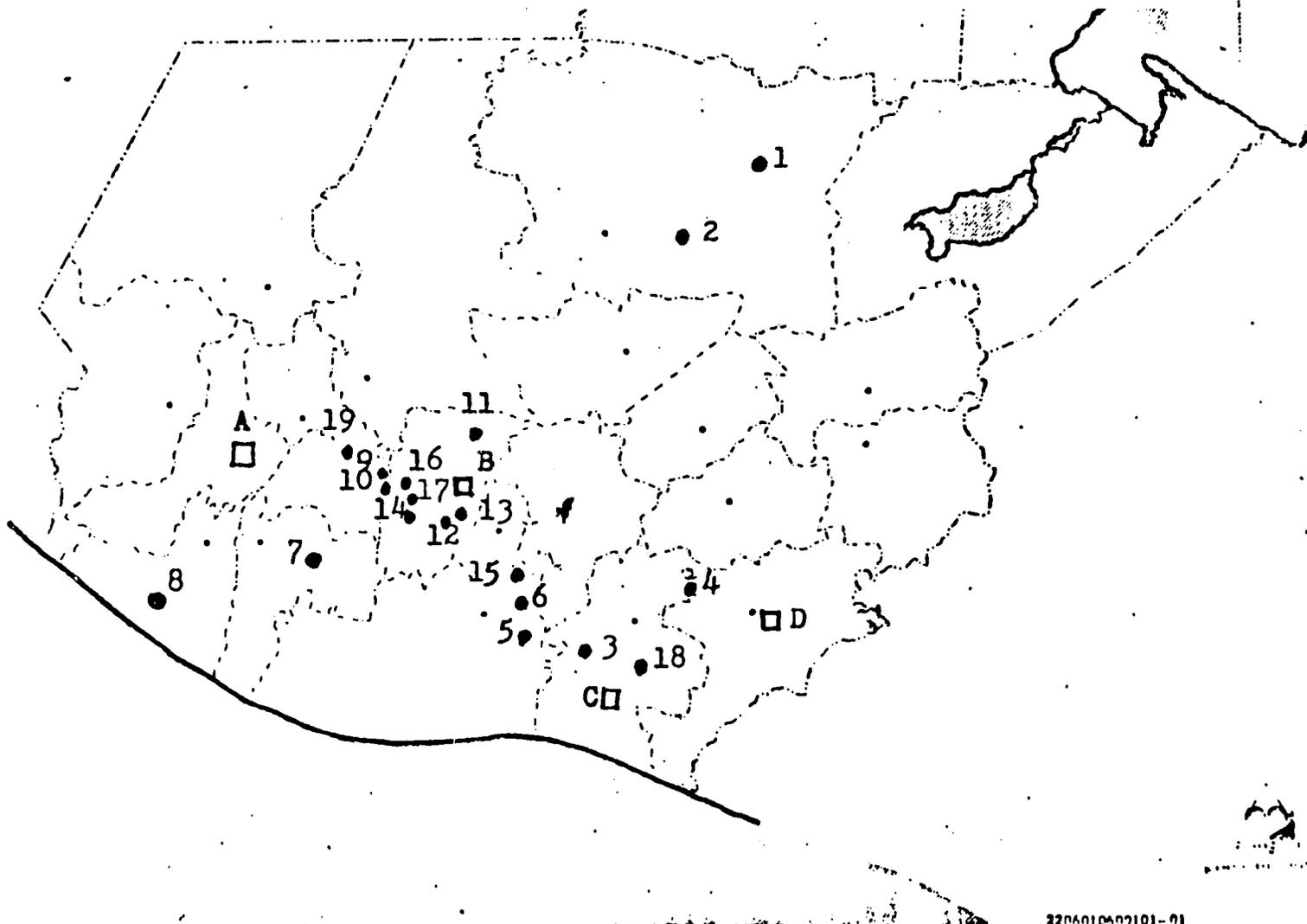
# MAPA DE LA REPUBLICA DE GUATEMALA

## LIST OF FARMS PURCHASED BY THE PENNY FOUNDATION LAND MARKET PROGRAM

No.	Farm name	Department name
1.	Chivit� I & II	Alta Verapaz
2.	San Greene	Alta Verapaz
3.	San Juan Monterreal	Santa Rosa
4.	San Cayetano	Santa Rosa
5.	El Pino	Escuintla
6.	Venecia	Escuintla
7.	Las Victorias	Suchitepequez
8.	Montelimar	Retalhuleu
9.	Suc�m	Solol�
10.	Choaquec	Solol�
11.	El Chocolate	Chimaltenango
12.	Panchita	Chimaltenango
13.	San Antonio Florido	Chimaltenango
14.	Panimaquim	Chimaltenango
15.	San Nicolas	Escuintla
16.	Xejol�n	Chimaltenango
17.	Popabaj	Chimaltenango
18.	Buena Vista	Santa Rosa
19.	Mar�a Linda	Solol�

### LIST OF PENNY FOUNDATION REGIONAL CENTERS

A - Quetzaltenango C - Chiquimulilla  
B - Chimaltenango D - Jutiapa



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The Penny Foundation acts as broker for the negotiations and all financial aspects of the land purchase and sale. Sellers handle the transactions with the Foundation directly rather than a group of potential buyers. In effect, the Foundation becomes owner of the property, paying the seller 50% of the purchase price in cash, with the balance covered by guarantee certificates payable over 5 years at 9% interest. After parceling the land the Foundation re-sells it to individual peasant farmers with a 10% down payment and 10 year mortgages at 12% interest.

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#### 1. Purchase of farmland

The Penny Foundation has effected the purchase of 19 farms (fincas). These farms reflect a variety of agronomic, topographical, and geographical conditions involving crops ranging from basic grains to export crops such as vegetables, coffee, cocoa, and pineapples.

The following table shows the location, size, cost and land use for the 19 farms purchased by the Penny Foundation since 1984, listed in order of acquisition. Buena Vista, purchased in April 1987, accounts for nearly a third of the total area of 3908 has. The price paid per hectare varies from a high of nearly Q.6000 (\$2363) for San Antonio Florido to a low of Q.111 (\$44) for Chivite in Alta Verapaz. Prices reflect agronomic and topographic factors as well as the higher price of land in the Altiplano compared to other regions and a national increase in the price of farmland. (The capacity of the Penny Foundation to buy land with grant funds has been extended somewhat by fluctuations in the quetzal/dollar exchange rate during the same period: Q1.84/\$1.00 in 1984, Q3.90/\$1.00 in 1985 and Q2.65/\$1.00 in 1986). The average price per hectare for farms purchased has compared favorably with the average price asked per hectare for farms visited and not purchased.

General information on farms purchased by Penny Foundation

FARM NAME	DATE BOUGHT	LOCATION	AREA (Ha)	PRICE (q.)	PRICE/HA	# OF PARCELS	LAND USE BEFORE	LAND USE IN PROJECT
CHOAQUEC	NOV. '84	SEMETABAJ/SOLOLA	34	52,000	1529	15	CORN/BEANS	EXPORT VEGETABLES
EL SUCUM	JAN. '85	SEMETABAJ/SOLOLA	22	25,000	1136	10	CORN/BEANS	EXPORT VEGETABLES
SAN GREENE	MAY '85	TUCURU/A. VERAPAZ	403	133,000	330	129	BARREN	COFFEE/CACAO
CHIVITE	JUL. '85	CAHABON/A. VERAPAZ	249	25,500	111	53	BARREN	COFFEE/CACAO
VENECIA	OCT. '85	GUANAGAZAPA/ESCUINT.	265	200,200	755	80	CATTLE	COFFEE/PINEAPPLE
LAS VICTORIAS	NOV. '85	STA. BARBARA/SUCH.	217	350,000	1613	62	COFFEE/SUGAR	COFFEE/CACAO
SAN JUAN	OCT. '85	TAXISCO/SANTA ROSA	278	350,000	1259	53	COFFEE	COFFEE/SUGAR
MONTE LIMAR	APR. '86	RETALHULEU/REU.	228	375,000	1645	76	PASTURE/CORN	MANGO/SESAME/CORN
EL FLORIDO	MAY '86	PARRAMOS/CHIMAL.	11	65,000	5909	16		EXPORT VEGETABLES
PANIMAQUIN	MAY '86	PATZUN/CHIMALTENANGO	9	15,000	1667	4	CORN	EXPORT VEGETABLES
PANCHITA	MAY '86	PARRAMOS/CHIMAL.	8	40,000	5000	16		EXPORT VEGETABLES
POPABAJ	JUL. '86	PATZUN/CHIMALTENANGO	33	30,000	909	16	FOREST/CORN	VEGETABLES/FRUIT
EL PINO	JUL. '86	GUANAGAZAPA/ESCUINT.	74	120,000	1622	27	PASTURE	COFFEE/PINEAPPLE
XEJOLON	AUG. '86	PATZUN/CHIMALTENANGO	8	22,000	2750	4	CORN	EXPORT VEGETABLES
SAN NICOLAS	AUG. '86	S. V. PACAYA/ESCUINTLA	271	700,000	2583	90	COFFEE/PASTURE	COFFEE
EL CHOCOLATE	SEP. '86	S. M. JILOTEP. /CHIMAL.	260	125,000	481	86	FOREST/PASTURE	FOREST/COFFEE/VEG.
SAN CAYETANO	SEP. '86	CASILLAS/SANTA ROSA	475	850,000	1789	158	CORN/WHEAT	COFFEE/CORN
MARIA LINDA	JAN. '87	S. J. CHACAYA/SOLOLA	28	20,000	714	10	FOREST	EXPORT VEGETABLES
BUENA VISTA	APR. '87	GUANAGAZAPA/ESCUIN.	1035	1,525,000	1473	300	PASTURE	COFFEE/CITRUS
TOTAL			3908	5,022,700	585	1223		

## 1.1 Land purchase strategies

The strategy of the Penny Foundation has been to purchase farms in virtually any part of the country in which they are offered for sale, providing they meet the other requirements of the program. In general, the Foundation seeks farms which have strong infrastructural support and are sufficiently developed so that time and resources will not be wasted in such tasks as clearing and primary land preparation. Farms come to the attention of the Penny Foundation through announcements in the newspapers, through word of mouth, and when sellers hear that the Penny Foundation is interested in buying. The Foundation has also looked into the possibility of purchasing farms repossessed by banks, but the prices sought by the banks have, generally placed these farms outside the Foundation's consideration.

One interesting variation occurred when a group of campesinos, hearing a farm was being offered for sale and having heard of the Penny Foundation program, asked the Foundation to purchase the farm for them. The initiative of the campesinos impressed the Foundation, and the purchase was made, even though the farm--Montelimar--would not otherwise have been considered to be readily adaptable to the program, due to conditions which made it difficult to decide on an adequate cash crop for the campesino beneficiaries. The farm after a shaky beginning appears to be on track, however.

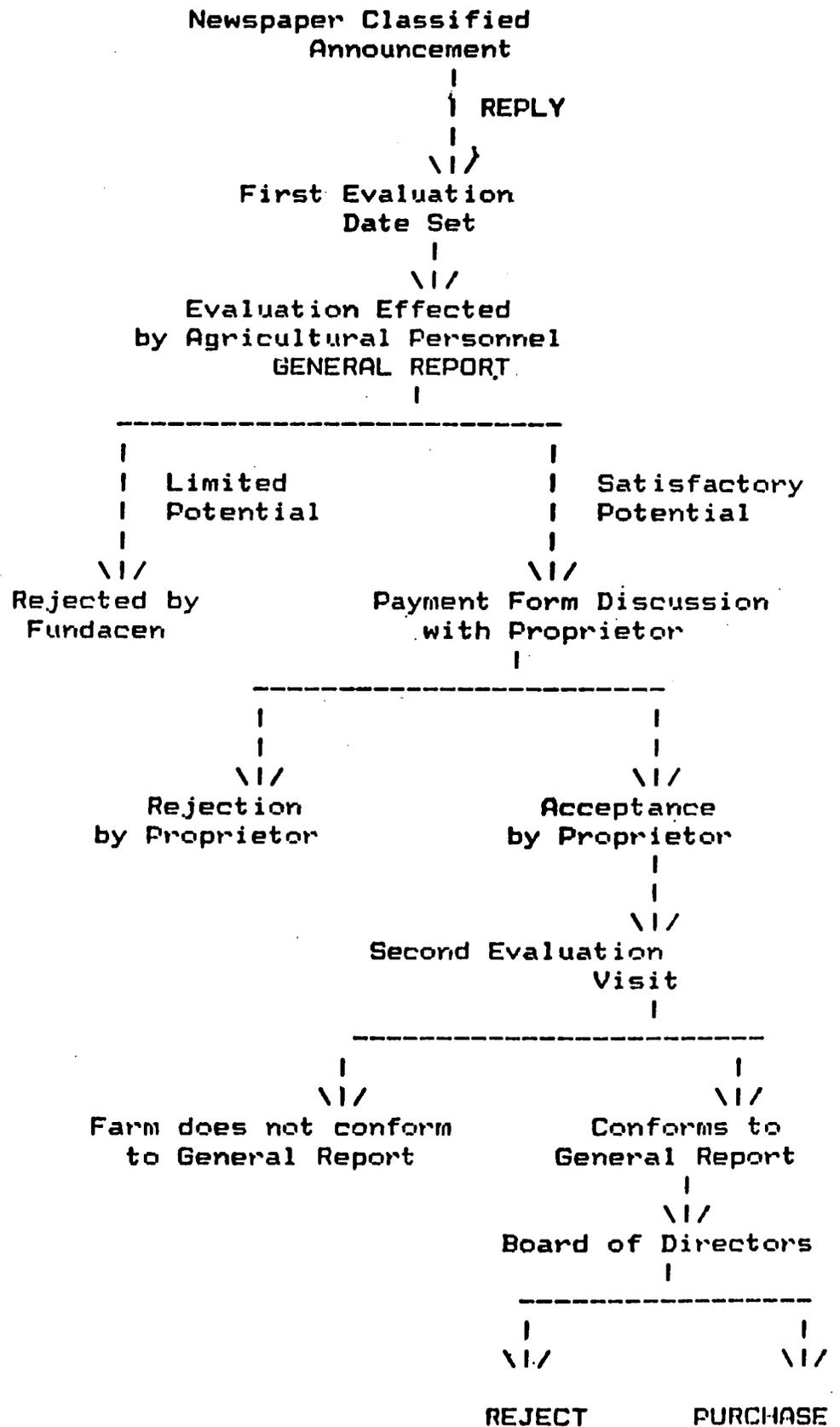
What is most important about this case is that, once the Penny Foundation's program becomes better known, it may well attract other groups of campesino's to participate in locating the farms for purchase where they will be the future beneficiaries. This was not part of the Penny Foundation's plan of action, but in the future it may be an important aspect of the program.

### 1.1.1 Farm selection process

To date the Penny Foundation has visited and analyzed a total of 260 farms distributed principally within the southern half of the country. Of those 260 farms only 19 have actually been purchased, a rate of acquisition of only 7.3%. In order to increase the project's impact on the socio-economic situation in Guatemala and optimize fixed administrative costs within the program, actual farm purchases must increase dramatically.

The process by which the farms are purchased is summarized by the flow chart (see flowchart, next page). In most cases, but not all, offers for farms are solicited through classified advertisements in newspapers and the replies are fielded at the Penny Foundation's general offices. The owner of the farm, or the individual tendering the offer, is then contacted and an initial visit by the agricultural engineer in charge of farm

FARM PURCHASE PROCESS FLOWCHART



purchases from the Foundation is scheduled.

During the first visit by the agricultural engineer, a general farm profile is produced which contains pertinent data such as the farm's price, location, size, topography, edaphic and climatological information, present crops and their status, infrastructural characteristics and general impressions. In addition, the engineer produces a report as to the socio-economic impact the purchase of the farm would make in terms of number of beneficiaries and possible alternative crops and markets. The engineer judges the farm in terms of its overall potential within the framework of the program, and the report is sent to the central offices of the Penny Foundation for review.

If the farm is considered satisfactory according to the general profile and the price seems reasonable, the Penny Foundation contacts the party offering the land and presents the Foundation's terms of payment. Pending the acceptance of the terms of payment a second visit by the general manager and other Penny Foundation personnel is scheduled.

The second visit is primarily to ascertain the veracity of the initial farm profile. If, in the opinion of the general manager, the farm adheres to the established criteria of the project, the potential purchase is presented at the Penny Foundation Board of Directors meeting. The Board of Directors either authorizes or rejects the purchase at this point. According to the Penny Foundation the entire process, from initial receipt of the offer to final acceptance or rejection by the Board requires no more than 15 days. Only in one case was a farm recommended by the Penny Foundation personnel and then rejected by the Board of Directors, where the farm had previously been used for cattle and was in poor shape. The entire Board of Directors went to see the farm and decided it would be best not to purchase it.

#### 1.1.2 Results of farm selection

In order to quantify and analyze the project's performance a list of reasons given as the principal causes of the rejection of farms at either the first or second visit was drawn up and grouped within five broad classifications. The groupings include agronomic, economic or legal, political, infrastructural or other general reasons given in lieu of actual land purchases (see chart, next page). The Director of the program stated that farms recommended on the first visit for agronomic reasons would be rejected in the final analysis due to economic reasons, such as price.

From the total of 260 farms, a sample of 126 farms cases were studied. Of those 126 farms, four farms were still under consideration, three farms withdrew their offers, and 103 farms

Reasons for non-purchase of farms by Penny Foundation

DESCRIPTION	REASON 1	% TOTAL	REASON 2	% TOTAL	REASON 3	% TOTAL	TOTAL REASON	% REASON
<b>1. AGRONOMIC</b>								
11. Edaphic	1	0.79	0	0.00	1	6.67	2	1.08
12. Precipitation	1	0.79	2	4.44	0	0.00	3	1.61
13. Natural Phenomena	0	0.00	1	2.22	0	0.00	1	0.54
14. Crop Restrictions	23	18.25	11	24.44	2	13.33	36	19.35
15. Crop Conditions	4	3.17	2	4.44	1	6.67	7	3.76
16. Topography	2	1.59	4	8.89	1	6.67	7	3.76
17. Pasture	2	1.59	1	2.22	0	0.00	3	1.61
GROUP TOTAL	33	26.19	21	46.67	5	33.33	59	31.72
<b>2. ECONOMIC/LEGAL</b>								
21. Price	3	24.60	5	11.11	3	20.00	39	20.97
22. Other Litigations	3	2.38	6	13.33	0	0.00	9	4.84
23. Form of Payment	7	5.56	4	8.89	5	33.33	16	8.60
24. Documentation	3	2.38	1	2.22	0	0.00	4	2.15
25. Urban Area/Restricted Area	1	0.79	2	4.44	0	0.00	3	1.61
26. Severance Payments	1	0.79	0	0.00	0	0.00	1	0.54
GROUP TOTAL	46	36.51	18	40.00	8	53.33	72	38.71
<b>3. POLITICAL</b>								
31. Confictive Area	1	0.79	0	0.00	0	0.00	1	0.54
32. Other Competitive Bids	3	2.38	0	0.00	0	0.00	3	1.61
33. Labor Unions	1	0.79	0	0.00	0	0.00	1	0.54
34. Squatters	1	0.79	0	0.00	1	6.67	2	1.08
GROUP TOTAL	6	4.76	0	0.00	1	6.67	7	3.76
<b>4. INFRASTRUCTURE/LOGISTICS</b>								
41. Lack of Roads	2	1.59	1	2.22	0	0.00	3	1.61
42. Remote Location	7	5.56	1	2.22	1	6.67	9	4.84
43. Size-Too Small	7	5.56	1	2.22	0	0.00	8	4.30
44. Size-Too Large	1	0.79	0	0.00	0	0.00	1	0.54
GROUP TOTAL	17	13.49	3	6.67	1	6.67	21	11.29
<b>5. OTHER</b>								
51. Not Fit Requirements	3	2.38	3	6.67	0	0.00	6	3.23
52. Not Within Region	3	2.38	0	0.00	0	0.00	3	1.61
53. Under Consideration	4	3.17	0	0.00	0	0.00	4	2.15
54. Offer Withdrawl	3	2.38	0	0.00	0	0.00	3	1.61
55. Sold	3	2.38	0	0.00	0	0.00	3	1.61
56. Other-Not apparent	8	6.35	0	0.00	0	0.00	8	4.30
GROUP TOTAL	24	19.05	3	6.67	0	0.00	27	14.52
TOTAL OF RESPONSES	126		45		15		186	

were rejected by the Penny Foundation, a rejection rate of 81.8 % of the farms that had received initial visits. In most cases only one reason was given for rejection, but in 45 cases a second reason and in 15 cases a third reason were given as well.

Of the 126 cases analyzed, 33 (26%) were rejected due to agronomic reasons. A surprising number of farms were judged unsuitable due to "crop restrictions" or inflexibility in terms of the types of crops that could be cultivated on the farm in question. This lack of potential crop diversification was among the single most important reason for rejection on the part of the Foundation. The general condition of the existing crop was cited in 3.2% of the principal reasons for rejection and usually referred to poor stands or abandoned coffee. Topographical limitations precluded the purchase of 1.6% of the farms but influenced the rejection in five others. Pasture crops, or cattle, were also cited as major considerations in the rejection of three other farms.

Within the second group, that of economic or legal factors, price was most often invoked as a primary reason for rejection. This is especially true of farms with outstanding potential and infrastructural support. It is interesting to note that out of the body of the cases analyzed only seven (5.6 %) regarded the form of payment unsatisfactory, this in spite of the fact that the Director of the program stated that this reason was the principle reason the Penny Foundation had been unable to purchase desirable farms. Small farms may be purchased outright, but for larger farms the Penny Foundation policy is to offer up to 50% of the purchase price and certificates of guarantee with 9% interest redeemable in three to five years. The Director stated that the Guatemalan economic and monetary situation was such that few careful businessmen cared to tie up their assets in notes which might lose their value in the next few years. If all three levels of reasons are considered only 16 (8.6 %) actually identify form of payment as a decisive factor in the breakdown of the negotiations for the purchase of the land.

Political factors were given scant consideration, although it is noteworthy that one farm was rejected due to previous guerilla activity in the area. The existence of a labor union at a farm as well as squatters on another two influenced the Penny Foundation to dismiss these offers.

Infrastructural and logistical limitations played a major role in the rejection of 21 potential purchases which corresponded to 11.3 % of the overall reasons given. Both lack of roads and locations deemed as too remote were cited as principal reasons for the dismissal from consideration of nine farms and influenced the decision in two others. Seven farms were considered too small for the program, usually under 0.20 caballerias (9.0 hectares), and one farm too large (34

cabellerías, 1530 hectares), although it should be noted that the Penny Foundation has purchased other, smaller farms.

The remainder of the reasons for rejection vary widely. Six farms were dismissed for not fitting the profile stipulated by the Penny Foundation and three others were not considered as they were located out of the stipulated area of operation. Three farms had been sold upon subsequent contact by the foundation and three other offers were withdrawn by the owners. Eight farms (6.4%) have no documented reason for rejection although apparently adhering to price and size criteria.

### 1.1.3 Farm Acquisition Rate

The most striking statistic in reviewing the performance of the Penny Foundation is the extremely low rate of farm acquisition when compared to the number of farms visited, less than 10%. A large percentage of the farm offers made to date have been rejected by the Penny Foundation immediately upon the first evaluation by the agricultural engineer in charge of farm purchasing. Although records are incomplete it is estimated that well over 70% of the farms visited are rejected in this manner due to obvious deficiencies or problems associated with the farm.

The land procural process is a cumbersome operation and certain procedural changes could be effected to facilitate and expedite the purchase or rejection of the farm in question. A case in point is the second evaluation visit by the general manager which occurs after the proprietor has accepted the terms of payment of the Foundation. It would seem preferable that after the initial visit by the Foundation agronomist the owner or farm representative be contacted only after a firm decision has been made with regard to the purchase of the farm. The process as it stands tends to demonstrate a sense of indecision and hesitancy on the part of the Foundation in seeking, in effect, two additional approvals after the owner has accepted the form of payment proposed by the Foundation.

An alternative approach would be to eliminate the second evaluative visit (that of the General Manager and Director of the Land Purchase Program) and incorporate the agricultural engineer who makes the initial visit in the farm purchase decision making process, especially in the formulation of counter offers for farms with high agricultural potential. This would in effect separate agronomic considerations from administrative decisions. It is obvious that the post of visiting agricultural engineer must be filled with an extremely motivated and capable individual, earning a salary comensurate with the individual's ability, if the second evaluative visit is to be suppressed.

#### 1.1.4 Criteria establishment

An attempt was made to define or document the criteria used to select farms for the program. It is apparent that the guidelines presently employed in reviewing prospective farms are arbitrary and, at times, out of context with the area in which the farm in question is located.

According to the Director of the Land Purchase Program the foundation seeks land that enjoys strong infrastructural support, is highly visible and is sufficiently developed so time and resources are not spent on tasks such as clearing and primary land preparation. These guidelines are not always applied or are overlooked in reviewing some potential farm offers. Although an in depth analysis of each farm is beyond the scope of the present evaluation there exist certain apparent contradictions in the previous farm purchase policy.

With regard to agronomic reasons for farm dismissal, crop restrictions and crop conditions account for 27 of the 33 reasons cited. In what appears as a departure from the previously mentioned policy of the project, some farms are rejected due to poor existing crop condition, in most cases coffee. In the light of the desired impact of the program it would seem logical that the Foundation should actively seek farms with poor or abandoned coffee. In this way the beneficiaries would realize a small but significant income, through the harvest of the existing trees, rather than be required to wait three to four years for new production to start.

Farms that have been dismissed for poor crop condition include Sibaja, La Chusita, and California, all of which had the potential of becoming acceptable coffee farms. It is interesting to note that three other farms were dismissed due to the presence of pasture crops yet a farm such as Venecia, which was in pasture at the time of evaluation, was purchased to convert to coffee. Another farm, Florencia, also in pasture with an area of 495 hectares in San Miguel Pochuta, Chimaltenango, with a potential equal to or greater than that of Venecia, was overlooked.

Economic considerations, specifically the terms of payment, have been cited by members of the Foundation as a considerable obstacle in the farm procural project. As was mentioned this is not entirely corroborated by the analysis of the reasons cited for rejection. Price considerations seem to bear much more responsibility for farm rejection due in part to the Foundation's desire to obtain farms that possess crops in good condition or that are well supported infrastructurally. As might be expected the farms that meet these guidelines are also among the most expensive. The Foundation therefore "brackets" itself out of many potential farm purchases citing lack of infrastructure or

poor crop potential and/or condition on the one hand, and price on the other.

There are many areas of the country that are difficult to reach, yet the lack of access roads should not preclude the evaluation and possible purchase of farms showing high agronomic and socioeconomic possibilities. A total of 12 farms were deemed too remote to be considered. Most of the farms were, however, potential coffee farms and speedy access should not hinder the importance for crop extraction as much as it would with, for example, a vegetable operation. The farm Chichen was rejected due to lack of access roads and a remote location. In fact, the construction of an access road allowing passage of four wheel drive vehicles to the farm would not present any undue difficulty due to the topography.

As is obvious, a series of guidelines, both agronomic and socio-economic, should be drawn up and established as primary criteria for the initial evaluation of the farm in question. These guidelines should be sensitive to the wide set of agronomic variables encountered in different areas of the country as well as the corresponding crop possibilities. In this way it may be possible to avoid such apparent contradictions in procural policy that has produced the rejection of farms such as Sibaja and Chichen while purchasing such farms as Venecia.

#### 1.1.5 Program monitoring and data management

In order to successfully monitor the program's progress as well as recognize potential problems it is necessary to organize the data that the Foundation is generating in a coherent and readily available form. It is apparent that there is a tremendous amount of information rendered inaccessible for all practical purposes due to the lack of a well structured data management system. It is imperative, if the program is to begin a new phase which includes a possible expansion, that reliable and complete data is managed in a responsible and comprehensive manner allowing in-depth progress analysis.

#### 1.2 Types of farms purchased

There are two basic types of farms in the Penny Foundation program at present which can be defined by their principal export cash crops, which are coffee and vegetables, although there is also one farm which fits in neither category. Within these two major groups there are important subgroups based on a series of factors, from ethnic identity to climate.

The coordination of technical assistance for growing these crops is provided by a university-trained agronomist and a technician (técnico) who has graduated from an agricultural technical high school. The técnico is resident on the farm to

provide day-to-day coordination of activities, while the agronomist visits each farm periodically to provide more sophisticated consultation. The activities of these technical persons are detailed in section 3.2 Technical assistance, below.

#### 1.2.1 Coffee farms

The coffee farms are those where coffee can be profitably grown. Some of these farms, such as San Nicolas and Las Victorias, were already producing coffee at the time of purchase, although the coffee trees were generally old and had not been kept up well, with the result that they were not producing as well as they might. Thus, one of the first tasks undertaken by the Foundation upon purchase of the farm was to establish its own nursery of new seedlings to replace the older trees. Still, one definite advantage of this type of farm is its ability to generate some income for its beneficiary population in the very first year of operation, income which can be used both for general operational expenses as well as to allow the beneficiaries to begin to pay off their debt to the Penny Foundation.

Other farms, such as Venecia, had been used previously in other ways. Venecia had been part of a cattle operation, which meant that the beneficiaries would have no income at all from their coffee until four years later when the trees begin bearing. The agribusiness development strategy at these other farms has had to include other more rapidly producing cash crops in order to sustain the beneficiaries until the coffee pays off. At Venecia they have planted pineapple; at San Cayetano they plan to plant basic grains. Still, the goal of both farms is eventually to produce sufficient coffee to provide a good income for the beneficiaries.

These farms have also attempted a certain amount of diversification oriented toward balancing their incomes, a good strategy considering the volatility of the international coffee market and the possibility of losing the coffee to some sort of disaster. In San Greene and Venecia they have planted cacao trees, which also require a minimum of four years to begin bearing. In addition, all farms are able to plant a couple of rows of corn between the young coffee trees for the first few years, which allows them to harvest needed basic grains while the coffee plants are maturing.

The reason the Penny Foundation has directed much of its efforts toward coffee is that it is one of the most profitable crops economically. For example, last year's production at San Nicolas was 900 quintals of coffee bean (the Spanish terms is

oro). Assuming a fairly low price per quintal of Q.200 (\$80),<sup>1</sup> last year's harvest was worth Q.180,000 (\$72,000), which would come to Q.2222 (\$888) for each of the beneficiary families, an average of Q.185 (\$74) per month. To this must be added the fact that each family will also have one manzana to grow corn and other crops, with a result that even in the first year of operation the beneficiaries will have achieved survival and be able to begin paying for their land.

But the prospects for San Nicolas, according to Arturo López, the agricultural engineer in charge, are considerably brighter. He believes that the new trees should boost total production some 150%, which at present prices means that the annual family income would jump to Q.5555 (\$2222), which is considerably higher than the average Guatemalan campesino. López believes the production might well be even higher, given the intensive care each individual farmer will be able to give his trees. Indeed, it is just the possibility of intensive agriculture which makes the Penny Foundation program as workable as it is.

Geographically, the coffee farms are divided mainly between two of the primary coffee growing regions of Guatemala: the south coast piedmont and the north central Verapaz region. An exception is San Cayetano in the eastern hills, the only farm located in that area. Both the piedmont and Verapaz regions have been traditional coffee producing areas for the last hundred years, and coffee cultivation is familiar to the beneficiaries. As regards altitude, San Cayetano is at 5,000 feet, an altitude at which it is possible to produce very high quality coffee, while the other farms are at lower altitudes and thus produce only medium grade coffee.

As regards ethnic composition, the Verapaz farms are nearly 100% Indian, primarily Kekchi speaking although part of the beneficiary group at San Greene speaks Pocomchi. The Kekchis more than other Indian groups have been isolated from Occidental culture, have the highest percentage of monolinguals, and have had the least opportunity to engage in entrepreneurial activities. The most common previous experience found among the Kekchis is that of small scale subsistence farmer and/or day laborer on one of the large coffee plantations in the area.

The south coast farms are made up primarily Ladinos, who are non-Indians who have either immigrated to the area from the traditionally Ladino eastern areas of the country or whose parents or grandparents were Indians who settled on the coast and

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<sup>1</sup>The rate of exchange used in this study is 2.5 quetzals for one dollar, which is both a rough average figure as well as the target rate of exchange of the present government.

whose children have become identified with Ladino culture. The Las Victorias farm is somewhat exceptional in that most of the beneficiary population are Quiche-speaking Indians, although by no means all.

### 1.2.2 Vegetable farms

The vegetable farms are all located in the central highland area of Guatemala, usually around 6,000 feet in altitude, an Indian area where nearly all the beneficiaries are speakers of Cakchiquel. The farms are mostly small and dedicated to the intensive cultivation of broccoli, Brussels sprouts, and cauliflower for export by agroexport companies. Most if not all of the beneficiaries were familiar with the agricultural techniques necessary for the production of these crops before the arrival of the Penny Foundation program, and indeed many had rented land on the farms where they are now on their way to becoming owners.

The close relationship these farms have with agroexport companies sets them apart from the coffee farms. According to Oscar Salazar, the técnico in charge of these farms, there are some eight companies involved in the export of fresh or canned vegetables, three of which are involved in one or more of the vegetable farms involved in the Penny Foundation program: ALCOSA, SIUSA, and Consolidado. These three have proven to be the most reliable in terms of honoring their contracts.

The advantage of working with these companies is the secure market they provide. The companies usually provide technical assistance during the growing season, although the amount of territory the companies' technical personnel must cover often means that they will visit the Foundation farms just once during the season. It may well be that the technical assistance provided by the Foundation is viewed by the company agronomists as allowing them to spend less time with these farms and more time with other clients who have no outside assistance. At harvest time the companies send refrigerated trucks to the farms, where the produce is cleaned and weighed, and the individual farmers paid off.

Export vegetables are profitable. One farmer in Choaquec estimated that he was able to produce 25 quintals per cuerda (one-sixth of a manzana) of Brussels sprouts and that each quintal brought Q.21 (\$8.40), meaning each cuerda produced Q.825 (\$330). His costs were Q.250-300 (\$100-120) per cuerda, allowing him to net at least Q.525 (\$210) per cuerda. He planted 10 cuerdas last year, so his net profit on Brussels sprouts was Q.5250 (\$2100), a very good income and very close to that projected for the coffee farm beneficiaries once their new coffee trees begin producing. It is worth noting that corn produces a

profit of just about Q.100 (\$40) per cuerdas, which demonstrates the advantage of vegetable crops.

Crop rotation and diversification are nonetheless necessary. The previous year's vegetable crops had lowered productivity and more pest problems, which has led to the decision in Choaquec to plant corn where vegetables were grown last year with the idea that the following year it should be possible to return to vegetables on that same land. On the other hand, most of the beneficiaries owned two or three cuerdas elsewhere and have been able to rent another three not far from the farm where last year they planted corn. So this year they have planned to plant the same vegetable crops in this non-Foundation land while their Foundation land "rests" with a corn crop.

Some farmers, perhaps all, are diversifying to some extent on their Penny Foundation land. One farmer plans to plant seven cuerdas of corn and two of wheat on the flat portion of his land where last year he had broccoli and Brussels sprouts. On another three cuerdas of flat land, where the previous year he had not planted vegetables, he plans this year to plant broccoli and Brussels sprouts, as he also plans to do with three non-Foundation cuerdas he has. On another nine cuerdas of steeper land he will also plant corn.

As regards the impact of the Penny Foundation program in the vegetable-growing areas, the results have been very straight forward. The total estimated income of the above-mentioned farmer was Q.5850 (\$2340), which represents his income from the vegetable crops plus Q.600 (\$240) from corn planted on three cuerdas he owned plus three other cuerdas he rented. This appears to be a fairly typical case among the vegetable growers.

The increase of land holdings has produced increased income for the beneficiaries, whose net gain will be even more dramatic once they have paid off their indebtedness. This income has not necessarily produced a concurrent change in life-style, which continues to follow traditionally conservative Indian patterns. However, it may allow farmers to accumulate enough capital to be able to purchase a truck, for example, which will permit even more control over the marketing of their produce.

### 1.2.3 Other farms: Montelimar

The one farm does not fit in either of the above two categories: Montelimar, the farm purchased at the request of a group of agricultural workers from the highlands. This farm is too low and too dry to produce decent coffee and is located in an area where previously cotton, sesame seed, and corn have been grown. Cotton has not proved to be profitable recently, and few farmers are now planting it, and corn and sesame are only marginally profitable.

The Penny Foundation has decided to try to convert Montelimar into mango orchards for export. This year and each succeeding year they will plant one manzana of mango until three manzanas have been planted, replacing corn each year, although it will be possible to plant rows of corn between the young mango trees for several years. The variety of mango chosen, called Tommy Adkins, has little fiber, a small pit, a normal weight of about a pound, and begins producing in five years. Other farms are already growing this type of mango, and at least one company is exporting them.

However, as a cash crop mango does not appear to be the best possible value. The Penny Foundation projections are that one manzana of mango will produce just Q.774 (\$310) once production begins after five years, which will mean an income of about Q.1550 (\$620) for the planned two manzanas of mango for each of the beneficiaries. The other two manzanas held by each beneficiary is to be planted in corn and/or sesame, which means that the beneficiaries will have no really profitable cash crop.

Since mango does not seem all that profitable, it seems clear that other crops should be looked into. According to the agronomist in charge of Montelimar, melon (and canteloupe) could be more profitably grown on part of the farm, although it would require the installation of irrigation. The melon would be grown during the dry season between November and April, which allows for two crops lasting three months each. As regards profitability, the Ujuxte farm a few kilometers from Montelimar produced a net of Q.1950 (\$780) per manzana last year. The agronomist in charge of Montelimar had projected a possible income of Q.2400 (\$960) per manzana, which does not seem unreasonable given the intensive care the beneficiaries would be able to dedicate to their melon.

The main reason melon has been rejected for the farm has to do with the expense of installing the irrigation, which would require a 30 horsepower, three-inch pump to irrigate just 30 manzanas, which refers to a section of the farm on which it would be easiest to irrigate. The system would cost about Q.25,000 (\$10,000), and it was this expense which was rejected first by the beneficiaries, who cited a nearby farmer who had lost his whole crop and the farm with it, and by the Penny Foundation directors following the beneficiaries' lead.

Although the section comprised of 30 manzanas has now been allotted to seven or eight individual beneficiaries, it would still be possible under some arrangement to produce melons through some sort of communal arrangement, particularly since this area can be used for nothing else during the dry season. It would be necessary to purchase the pump, the cost of which would be added to the debt owed by each of the beneficiaries to the

Foundation, just as all production costs are. The individual investment per beneficiary would be Q.403.23 (\$161.29) in additional costs but it should be possible to make five times amount in just one year. Although the land to be used belongs to seven or eight individual beneficiaries, it could be worked communally in the same way as the coffee plant nurseries and other projects carried out on other farms.

It is possible that melon is not the best solution for the Montelimar farm in spite of the above projections, but it seems obvious that mango is certainly not the best. The Penny Foundation must study the possible options better to determine what crops fit its program best, and very probably the Montelimar farm can be used as a proving ground in the Foundation's expansion beyond its traditional strong suits of coffee and vegetables.

### 1.3 Division of farms into parcels

The Penny Foundation has arrived at the determination that the optimal family-sized parcel is about four manzanas. This size parcel does seem to allow the beneficiaries sufficient leeway to make a profit without saddling them with so much land that they will be unable to work it efficiently or pay it off in a reasonable amount of time. There have been slight variations in this scheme, particularly where the lay of the land makes some parcel locations more productive than others. In these cases, a beneficiary with a more productive section will receive slightly less land than another with a section containing unproductive or less productive land.

The Penny Foundation where possible has attempted to keep a beneficiary's parcel in one contiguous piece, but there are numerous exceptions. In San Nicolas, for example, each farmer received a section of the already producing coffee area, plus another area not in production. In San Cayetano, which has a hitherto unproductive sloping area going down to Lake Ayarza and a more or less level area around the upper rim of the lake, the parcels include both a portion of sloping land to be planted with coffee plus a portion of level land which will be planted with corn at first but each year part of the corn will be replaced by more coffee. In another case, two of the farms in Chimaltenango, Panchita and El Florido, have the same group of beneficiaries.

### 1.4 Discussion

#### 1.4.1 Relative advantage of farm type

The coffee and vegetable farms both appear to be successful within the projection of the Penny Foundation. The coffee farms have the advantage that they are generally larger and the Foundation program is able thus to operate more efficiently,

rapidly placing land in the hands of 60-100 beneficiaries. The technical assistance is localized: each farm has its own técnico, an agricultural high school graduate who lives on the farm and works daily with the beneficiary group, whereas the vegetable farms are so small that one técnico has to take care of several farms. Another advantage of the coffee farms is that coffee cultivation is fairly well-known among Guatemalan campesinos and agricultural laborers, which facilitates acceptance of the crop by the beneficiaries.

The coffee farms also allow for a much more visible impact on the land problem, both locally as well as nationally. Most of the coffee farms are on the south, which is precisely the area of greatest unrest as regards land, and the growth of the Foundation program in this area should decrease the pressure for land to some degree. But land pressure is also strong in the highlands. The process of fractioning the land among children has resulted in farmers not having sufficient holdings to make a living, much less have enough to provide for their children.

#### 1.4.2 Farm selection and beneficiaries

The highlands are precisely the area of greatest civil conflict in recent years, and the implementation of the Penny Foundation program for people in this area should help to alleviate the pressures which led to this conflict. Both the acquisition of farms for distribution in the highlands as well as the purchase of coffee farms where the beneficiaries are primarily from the highlands should be attempted.

The process which produced Montelimar might well reoccur in relation with a coffee farm in the future. That is, a group of potential future beneficiaries could constitute itself, probably made up of the landless offspring of a town like Momostenango, and form the bulk of the beneficiaries of a coffee farm on the coastal piedmont. The Foundation would have to submit the members of the group to the usual selection procedures, but there is no reason that such a group could not take over a farm on the coast far from their town of origin.

#### 1.4.2 Selection of developed vs. undeveloped coffee farms

The Penny Foundation has purchased both producing coffee farms, such as San Nicolas, and undeveloped farms for future coffee production, such as Venecia. The Foundation's reasoning in purchasing the latter type of farm is that such farms cost less, thus burdening the beneficiaries with a lower cost land parcel to pay off, while producing coffee farms are more expensive for the Foundation to buy and thus the cost per parcel is higher.

This policy seems questionable for a number of reasons. The beneficiaries for the coffee farms are almost always people with no assets at all, many of whom are unable to make a down payment regardless of how small. Only about 75% of the Venecia beneficiaries had been able to make the Q.310 (\$124) down payment after nearly a year's operation. One potential beneficiary interviewed at San Nicolas during the drawing of lots for the parcel sites had borrowed Q.2 to be present at the drawing in hopes that some arrangement would be possible, since he did not have even the Q.100 (\$40) pre-down payment.

By purchasing a non-producing farm for coffee, the Penny Foundation saddles the beneficiaries with a four-year wait until they will begin to receive income, during which time they are in great part wards of the Foundation. It is true that they have the possibility of getting a little income from short-term cash crops, such as pineapple, but the area reserved for coffee means that these crops will not produce much in the way of income. In the meantime, the beneficiaries must work hard, usually harder than they ever have before as day laborers, with no chance to see the fruits of their labor.

A coffee farm in production provides a very different panorama. The price per parcel is more than triple at San Nicolas (Q.9700-\$3880) than that of Venecia (Q.3100-\$1240), and the down payment has been set at Q.750, of which Q.100 is the pre-down payment and Q.650 is to be paid when the present coffee crop is harvested in November. Since the estimated income per beneficiary this year will be Q.2222, it should be no problem for the beneficiaries to easily cancel the down payment and have funds to help them get through to the next harvest. Thus, the beneficiaries receive benefits from the ownership of their parcels, which translates into optimism about their future in the program. In fact, although the Penny Foundation undertakes a 10-year commitment with each farm, the San Nicolas beneficiaries may well have paid off their parcels in six or seven years, once the improved coffee comes into production.

The advantage in purchasing such farms for the Penny Foundation program seem obvious, both from the point of view of the beneficiaries as well as from the point of view of the Foundation's desire for a high rate of success. The Venecia farm and farms like it must be viewed as a much higher risk in terms of future success than the San Nicolas farm and other producing coffee farms.

## 2. Beneficiaries

### 2.1 Beneficiary profile

The Foundation program has outlined the type of person it feels is ideal for this program. The ideal participant should be a married farmer 35-40 years old with 3-4 children, who has no other profession but farming, who derives at least 75% of his income from farming, who has 4 manzanas or less of his own land, and who has no outstanding debts. In addition, the individual should be willing to live on this new parcel of land and be predisposed to cash crop diversification. He should also have an annual income that is roughly similar to that of the other participants.

This profile seems perfectly reasonable. Some of the criteria are obviously oriented toward guaranteeing the participants be steady, active, responsible farmers. Other criteria assure that the individual will be able to best take advantage of the program in that they have no debt burden. The income parity criterion assures to a great extent social parity on the part of the participants, and the 4 manzana land limit means that the new land will be placed in the hands of those that need it most.

The Foundation has been quite successful in meeting its own criteria for selection. Of 386 beneficiaries in October of 1986,

337 were married (either legally or common law), although there were 45 never married men in the participant group. The average age of the participant farmers was 35 years, although a sizable group over age 55 (about 15%) was included. In terms of family size, 17.4% had 3 children, 16.3% had 4 children, and 14.5% had 5 children. On the average, each beneficiary had 4.1 dependents.

As regards occupation, 316 participants had no other job. Total income as a criterion shows that 81.6% had incomes under Q.2000 (\$800) per year, which seems a reasonable amount for the average small farmer to earn, but 5% earn more than Q.4000 (\$1600) which seems higher than one would be led to expect. The fact that one individual was already making Q.13,000 (\$5200) from agriculture should have precluded him from participation in the project. As regards owning land, the project carefully adhered to its 4 manzana limit: no one owning more than 4 manzanas was admitted to the program, and 65.5% had no land at all. Most often they were previously resident either on or near the farm purchased by the Foundation.

#### 2.1.1. Exceptions to the profile: women beneficiaries

The design of this program, which seeks to make land available to landless and land poor agriculturalists, does not favor the participation of women as primary beneficiaries. In Guatemala, both culturally and socially, men are the principal agriculturalists, and nearly all small farmers, the target group for the program, are men.

There are exceptions, however. At least three women have become direct beneficiaries under the selection criteria of the program. On Sam Greene farm the sole female beneficiary is a non-Indian in a farm where only 21 of 128 are non-Indians. She, like the woman on San Nicolas, is a widow, whose three sons assist her in working the farm. On the Las Victorias farm, the woman was accepted on the assurance that she was capable of carrying out the hard agricultural labor required of all beneficiaries. She previously had been supporting her family doing just this sort of work.

At the same time, while most of the primary beneficiaries are men, the program is intended to serve household units, families which include women. (The 12 % of the beneficiaries who are unmarried men is questionable in this context.) As discussed in sections 2.4 and 3.1 below, additional attention to the needs of the families and to the role of women in the household is essential to reducing the turnover rate and in establishing and sustaining the farm communities. Another area of concern is the protection given to a wife for retaining possession of the land in case of death or incapacity of her husband, particularly in common law unions and when there are no children capable of doing the farm work.

Male beneficiaries interviewed in the field invariably replied that women have virtually nothing to do with the production decision-making process, a response that mirrors the traditional division of labor among Guatemalan small farmers, both Indian and non-Indian. However, many also reported that because of the amount of work to be done, for the first time their wives are now working on the farms, an observation confirmed in field visits. Women and children are working extensively in the planting and harvesting of vegetables, in the care and transplanting of the coffee seedlings, and in the harvesting of coffee.

Other women's activities, such as planting of house gardens, care of pigs and chickens (sources of both food and income) and production and sale of handicrafts, also produce potentially important sources of income for the household. The income produced by women is used primarily for family shortterm consumption, while the men's cash crop income goes to land purchase, transport, building a house, etc. Women have considerable autonomy in making the decisions affecting their household economic activities, but participate as laborers under the direction of men in the work on cash crops.

These observations suggest first that the shift from farm laborer to small farmer households may place an exceptionally large labor burden on the women in the beneficiary households, since they are doing more farm labor while continuing with their traditional tasks. The trade-offs they make between the two sets of tasks will affect the impact of this project on changes in living standards. Secondly they suggest that, to the extent that the economic decision-making in the household is separated between the productive activities controlled by the men and the household economy controlled by the women, special efforts directed at women may be needed to encourage investment in improved nutrition, etc.

### 2.1.2 Other exceptions to the profile

There are also some massive exceptions to the above profile. The Kekchi Indians on the Chivité and Sam Greene farms, particularly the former, are to a great extent monolingual speakers of Kekchi and do not speak Spanish, much less read it. As a result, the educational process of informing the beneficiaries about the Penny Foundation program must be made available in the Kekchi language. To the Foundation's credit, the técnico at both the Chivité and Sam Greene farms speak Kekchi, although they are not themselves Indians.

There are certain differences in terms of the economic ability of the groups of beneficiaries. On the farms in the highlands, the beneficiaries were often able to come up with the

down payment, usually because they were already successful small farmers on rented land already involved to some extent with vegetable cash crops. On the coffee farms, on the other hand, the beneficiaries are usually former agricultural laborers with fewer economic resources, and they have had a much more difficult time coming up with the down payment.

## 2.2 Beneficiary selection process

### 2.2.1 Process in the past: 1984-1986

At the beginning of the Penny Foundation program, the selection process was carried out by the técnico living on the farm in conjunction with the agronomist in charge of that farm. The process would begin with general introductory talks with potential beneficiaries explaining the role of the Penny Foundation, the objectives and functioning of the program, and the rights and obligations of the beneficiaries selected. The Foundation then carried out a socioeconomic study of interested candidates (See Annex No. III, "Encuesta personal para selección de beneficiarios, programa compra-venta de tierras"). The data were then tabulated by hand and the initial list of candidates selected according to parameters established by the agronomist and técnico.

This process functioned fairly well at the beginning of the Foundation program when there were few farms and potential beneficiaries to deal with, but as the program grew, the limitations of this procedure became obvious. In the first place, the process of codifying, tabulating, and analyzing the data on all the possible participants was long and tedious. More important is the fact that the subjective judgements of the técnico and the agronomist tended to carry much more weight in the selection of the beneficiaries than the socioeconomic data that were collected.

### 2.2.2 The process at present

Beginning in February, 1987, with the purchase of the María Linda farm, the selection process was altered to take into account the problems mentioned above. The process now begins with a promotion phase, which consists of establishing the initial contacts with potential beneficiaries. The agronomist and técnico meet with the potential beneficiaries in groups to explain the policies, objectives, and requirements of the program. During this phase, lasting no more than a month, the técnico informally evaluates the interest, economic capabilities, and attitude of individuals toward the other members of the group.

It should be mentioned that there are a number of activities having to do with the preparation of the farm for sale to the

beneficiaries, mostly having to do with the preparation of the land parcels in terms of location, type of land, previous crops, and so on, which often take a couple of months to complete and which must be done before the land parcels can be turned over to the beneficiaries.

Agronomic studies are carried out by Foundation personnel to determine what crop or crops will be most favorable and how the plots should be distributed among the beneficiaries, which may be in one contiguous parcel or divided into two parts. At San Cayetano, for example, which includes both steep, previously unused land sloping down to Lake Ayarza as well as fairly level, previously cultivated land, the decision was made to provide the beneficiaries with part of each type of land, the former to plant in coffee as soon as possible while the latter is planted in corn until the coffee begins to produce. Once the coffee is in production, the level land will be converted into coffee as well.

The Penny Foundation contracts a specialist to carry out a topographic survey of the entire farm, followed by the division of the farm into parcels determined by the agronomic study. Fundamental infrastructure projects are also begun at this time, such as roads and potable water. For example, a road leading down to the lake has been made passable at San Cayetano, and a potable water system is being prepared for Buena Vista.

The socioeconomic study is carried out in the second phase. Each of the potential beneficiaries fills out the questionnaire (See Annex No. III, "Encuesta personal para selección de beneficiarios, programa compra-venta de tierras), which solicits information on number of family members, educational level, property owned, annual income, business activities, indebtedness, previous participation in community improvement, and possible plans for the land parcel the beneficiary might receive. The agronomist, the técnico, and the potential beneficiaries have much more contact during this period, during which the technical personnel attempt to confirm the validity of the information provided by the potential beneficiaries.

The third phase is the computerized processing of the information collected through the questionnaire, which is carried out at the Penny Foundation using the Foundation's own computer equipment. The person in charge of computer programming is one of the Foundation's agronomists, who is himself in charge of several of the farms participating in the program and is thus particularly sensitive to the form of the data and how it should be programmed. The Foundation software prepares a list of candidates according to a weighted scale in the categories of family, economic level, indebtedness, education, community relations, and business-like orientation (see Annex No. IV, "Ponderaciones para la encuesta de selección de beneficiarios).

This list is then used by the agronomist and técnico to arrive at the definitive candidate list.

The questionnaire used by the Penny Foundation seems adequate for this purpose. However, the Foundation's computer capabilities are still rudimentary, limited at present to a personal computer with too little memory (256 kilobytes), although a Macintosh is supposed to be in the works. Still, there seems to be little excuse for not immediately upgrading the computer-based information management of the program as regards both hardware and software.

The fourth phase is a trial period in which the Foundation personnel work exclusively with the candidates selected to participate in the program in activities oriented toward improving the farm infrastructure, such as surveying and building access roads, building bridges, clearing trees and brush, planting nurseries, and so on. But this phase is just as important in establishing the capabilities of the future beneficiaries as regards how well they work and how they relate to the other beneficiaries, as well as allowing for the future beneficiary to retire from the program at this point if he wishes. Those who leave the program, at this or any other time, are noted along with their reasons for leaving, and are replaced by the next individual on the list of potential candidates. A preselected candidate may be deselected at this point by the técnico if the candidate shows signs of not fitting into the program.

The fifth phase marks the end of the selection process. The down payment is received at this time, followed by the drawing of lots to determine who among the beneficiaries is to receive each particular land parcel. This process, which the evaluation team was able to witness at the San Nicolas farm, consists simply of drawing numbers out of a hat which correspond to numbered lots on a map of the farm. At this point the candidate becomes one of the beneficiaries of the Penny Foundation program.

### 2.2.3 Discussion of the selection process

#### 2.2.3.1 Subjective vs. objective judgements.

One element in the selection process which merits consideration is just how subjective or objective this process should be. On the one hand, it is obviously essential that the Foundation not normally stray from selecting beneficiaries who meet the established criteria. But there are a number of intangibles which might justifiably cause the técnico and/or the agronomist to select an outstanding individual who does not fit one or another of the profile criteria over another individual who ostensibly fits the criteria but whose attitude or work habits lead the Foundation personnel not to select him.

### 2.2.3.2 Importance of following standard procedures

The selection has in general worked well when the standard procedures have been carried out and not so well, as in the case of Montelimar, when they were not carried out. This latter requires some comment. A group of campesinos from Momostenango in the highlands, many of whom had for years rented land near Montelimar or worked on nearby farms, attempted to rent the Montelimar farm but were told that the owner was only interested in selling, not renting. The group tried to get a loan from four banks in Guatemala City, but the loan conditions made this strategy obviously impossible.

They then attempted to borrow from the Penny Foundation, since some of them had had experience with the Foundation office in Quetzaltenango, and in this way the Foundation found out about both the farm and the group of potential beneficiaries. The Foundation, perhaps excited at the strong entrepreneurial spirit of this group, quickly bought the farm and divided it up rapidly to take advantage of the rapidly approaching agricultural season. Unfortunately, there was too little time to clear the high brush covering the farm's available land, and another part of the land had already been rented out. The group of potential beneficiaries took one look at the actual situation on the ground and then simply abandoned the farm.

The important point here is that the Penny Foundation had no time to carry out the proper selection procedures and no time to educate the potential beneficiaries about how the program worked in general. They were troubled at a very difficult situation, which indeed had been put together hastily and without the preparation to make the farm successful. But this failure has also had its salutary effects, in that the Foundation is unlikely to rush headlong into another similar situation.

It should be pointed out that Montelimar now shows signs of future success. The Foundation has had time to carry out all the necessary studies and surveys necessary to an equitable division of land. The agronomist has prepared a plan of development for converting the farm into cash crops. The selection process was carried out more carefully among the few individuals which the Foundation was able to recruit in the area.

Then, to the surprise and satisfaction of the Penny Foundation, a new group of landless young campesinos from Momostenango showed up and asked to be included among the candidates. Only a few of the original group were among them, the rest were new, but all of them show signs of staying this time, and for good reason. The land is now cleared, the individual parcels have been identified, and the agricultural development plan is prepared. In addition, the new group has had

a chance to learn about the Penny Foundation and its land market program, and the future beneficiaries are able to appreciate the opportunity the program represents.

#### 2.2.3.3 Importance of educating about Foundation program

The importance of continually educating the future beneficiaries about the Penny Foundation and the land market program cannot be over-emphasized. New candidates are continually being incorporated into the program, which means that the level of knowledge among the beneficiaries may vary considerably from one moment to the next. It is possible that some of the early desertions from the program occur precisely due to a lack of understanding as to how the program works and that this understanding could be enhanced through an improved educational process. The Foundation personnel must be aware of this problem and take steps to make sure the potential beneficiaries are continually and effectively informed of how the program works.

At present, the educational process is carried out entirely through oral presentations by the Foundation personnel, which carries with it the advantage of allowing the group of potential beneficiaries to ask questions. But it is also probable that the various members of the Penny Foundation technical staff present somewhat different information with each presentation, which would be remedied through the preparation and use of some form of standardized information packet. One simple solution would be the preparation of a printed information sheet containing the essential aspects of the program for the potential beneficiaries to study and assimilate. Another solution would be the preparation of videos or other audiovisual material, followed by the usual question and answer sessions, which would assure that the future beneficiaries receive a uniform information base.

There are also some aspects of the program which occur only in a few farms and which, very probably because of their unique nature, are not clear to the beneficiaries. For example, the San Nicolas farm contains its own plant for processing coffee from berry to bean, which will allow the farm's coffee producers to process their coffee at cost and produce savings for the farmers. Many of the new beneficiaries, however, are under the impression that the processing plant belongs to or is owned by the Penny Foundation and is not part of their property. Since the plant is the only one on the Foundation's farm, it is probable that the Foundation simply has simply not clarified this point.

#### 2.3 Financing arrangements with beneficiaries

The price of the land parcels which the beneficiaries receive is determined by the cost of the farm plus the cost of preparing the farm for the program, this latter including the

cost of surveying, tracing lots for both parcels and housing, legal costs, arrangements for potable water, and other costs of a similar nature. A base price for the parcels is then determined to which is added 12% per annum interest. When the beneficiaries take control of their parcels, they are provided with a total figure to be paid off in the course of 10 years.

Land payments on the coffee farms are scheduled to begin after the coffee comes into production. On the vegetable farms, where income is available immediately, land payments begin with the first harvest. Beneficiaries on some of the vegetable farms have attempted to make payments ahead of schedule. The Foundation has discouraged this practice, suggesting the beneficiaries use their excess income to invest in improved living standards. According to the Penny Foundation manager, the Foundation follows this policy because they will consider the program to be a success only if the access to land contributes to improved living conditions.

### 2.3.1 The land parcels

The price of the individual parcel varies according to the price paid by the Penny Foundation for the farm. The following is a partial list of farms with the total price per parcel, plus the size of parcel and crop zone:

Farm	Zone	# of <u>manzanas</u>	Cost of parcel
Choaquec	Vegetables	3.2	Q. 3767.93
El Sucúm	Vegetables	3.2	Q. 2760.00
San Greene	Coffee	4.0	Q. 1500.00
Chivité	Coffee	4.0	Q. 600.00
Venecia	Coffee	4.0	Q. 3100.00
El Florido	Vegetables	1.06	Q. 4450.00
Panchita	Vegetables	0.78	Q. 2800.00

As is obvious, some farmland is more valuable, particularly the vegetable-growing land in the highlands with close access to the capital city, while coffee land in distant Alta Verapaz is much cheaper.

The beneficiaries are supposed to make a 10% down payment before they can be assigned a land parcel. In actual fact, however, the Penny Foundation has attempted to be flexible on this point, due to the fact that many potential beneficiaries are unable to come up with the down payment, and special arrangements are made with many beneficiaries. At San Nicolas, for example, the Foundation required what they called a "pre-down payment" (pre-enganche) of just Q.100 (\$40) to enter the program, with the promise of completing the Q.750 (\$300) down payment with the proceeds of this year's coffee crop, which was expected to net each of the beneficiaries about Q.2222 (\$888) in November. Most

beneficiaries obtain the down payment money from a variety of sources, typically combining a little cash on hand, the income from the sale of a farm animal, and perhaps borrowing the rest from a relative.

The flexibility of the Penny Foundation is laudable and necessary, since it is doubtful if the Foundation would be able to find enough participants for the program if it rigidly insisted on the 10% down payment. Even after one year at the Venecia farm, just about 75% have paid the complete down payment. In general, those potential beneficiaries able to easily come up with a down payment will not fit the program profile in other ways, often by already having more than four manzanas of land.

### 2.3.2 The land parcel titling process

The land titling process begins with the purchase of the farm by the Penny Foundation. The bill of sale is sent to the General Property Registry (Registro General de la Propiedad) in either the capital or in Quetzaltenango (depending on farm location), where the title is processed in about a week. After the Foundation has the title for the farm, surveyors are contracted to measure and mark the individual plots for sale to the beneficiaries. This process, which may take as much as 6 to 8 months depending on the size of the farm and the availability of surveyors corresponds to the trial period for the potential beneficiaries. Often the beneficiaries begin cultivating the land during this time, realizing that they are not yet working their permanent plots.

The titles for the individual beneficiaries consist of legal bills of sale from the Penny Foundation to the individual beneficiaries, to which are appended the registries of the land. These titles also are registered in the General Property Registry, but because the Registry personnel are paid according to the value of the property being processed, sales of large farms are processed before those of small farms, and the registering of the titles for the beneficiaries has dragged on for months in both offices of the Registry. To date only the titles for the beneficiaries of Sam Greene, Sucum and Choaquec has been registered, although numerous others are in process.

These delays in the titling process are important at this point primarily because the inability of the Foundation to turn over documents to the beneficiaries has created doubts among some of them about the legitimacy of the land sales. (Initially there was a problem in that the long term financing scheme for the program, the cedulas hipotecarias, were to be backed by the individual parcels, but this problem has been corrected for the future.)

The transfer of title to the beneficiaries begins with the down payment of the beneficiaries following the selection process. Once the down payment has been made, the beneficiaries must pay the costs of registering their titles, which is carried out by the legal personnel of the Penny Foundation. The next farm to begin this process is the Popabaj farm, and the following is the list of expenses which each of the beneficiaries will have to pay before the process initiates:

Legal fees.....	Q. 35.00
Land sales tax (10% of parcel price).....	25.00
Legal stamps and paper.....	81.00
Notary public.....	5.00
Land registry.....	22.00
Other.....	1.00
-----	
TOTAL	Q. 169.00

The title itself consists of a legal bill of sale from the Penny Foundation to the individual beneficiary to which is appended the registry of the land. The Foundation provides the beneficiaries with a legalized photocopy of the title at this point, with the original to be turned over to the beneficiaries upon final payment of the land parcel.

If a beneficiary takes possession of his provisional land title, and if for any reason leaves the program within one year of receiving title, the title reverts to the Penny Foundation upon the preparation of a rescission contract (Contrato de Rescisión), which rescinds the bill of sale. If the beneficiary leaves the program after a year has passed, the Penny Foundation has the right to buy back the parcel from the beneficiary. To date, no one has left the program after having received a provisional title.

### 2.3.3 Production and subsistence credit

If the newly arrived beneficiaries have difficulty in making the 10% down payment, it is obvious that they will also be in need of production credit in getting started on the farm. The policy of the Foundation is to provide the necessary credit to each farmer, which becomes an account payable parallel to that of the land parcel. These accounts are kept with the same financial arrangements as the land parcels as loans at 12% interest. Production credit on the vegetable farms is payable annually. On the coffee farms the debt accrues until the beneficiaries have crop income. Applications to the Foundation for production credit are made by the beneficiaries on the farm as a group, through their Directiva (see section 3.2), based on the advice of the tecnico. The amount is divided equally among the beneficiaries.

In many cases the Foundation has also been forced to provide subsistence credit to tide the beneficiaries over until crops such as coffee come into production. The Foundation attempts to keep such credits to a minimum in order not to saddle the beneficiaries with debts which will be overwhelming and in the end not collectible. The credits are determined in such a way as to relate them to agricultural production costs and to use them to educate the beneficiaries in how to determine the actual costs of a farming venture. The credits are provided in the form of "salaries" for communal work on the farm. The beneficiary donates half his/her work time and is "paid" for the other half. (See Annex V for a coffee farm repayment capacity.)

An example of the beneficiaries' debt structure at Venecia, which is a farm which will take some time before it becomes profitable, since it was purchased without the possibility of short-term harvesting of a cash crop. The data below were provided by the técnico on the farm.

Land		
parcel cost/beneficiary		Q. 3100.00 (\$1240)
Production credit		
Pineapple for ½ <u>manzana</u>		Q. 572.57 (\$229.02)
Coffee for 1 <u>manzana</u>		Q. 510.25 (\$204.10)
Mango for ½ <u>manzana</u>		Q. 59.75 (\$ 23.90)
Subsistence credit		
Subsistence per beneficiary		Q. 98.72 (\$ 39.49)
Roofing material		Q. 177.69 (\$ 71.08)
-----		
TOTAL INDEBTEDNESS UNDERTAKEN		Q. 4518.98 (\$1807.59)
Less 10% down payment		Q. 310.00 (\$124.00)
-----		
TOTAL ACTUAL INDEBTEDNESS		Q. 4208.98 (\$1683.59)

The beneficiaries' experience with credit and indebtedness varies considerably. Some, particularly in the highlands, are members of cooperatives and have used production credit for years. One beneficiary on Montelimar also reported that he had borrowed money from the cooperative to rent land. Others have never used credit in production of their subsistence plots. Their only experience may be that they have seen large farmers suffer because of bad debts. Currently, explanations of credit and debts, and collections of payments are made on the farm. This localized system is necessary. It would be unrealistic for each beneficiary to travel to the capital to make payments. Additional training and logistical support for the técnicos may be important in assisting them in educating the beneficiaries about credit and in the maintenance of records on the farms for the Foundation and for the beneficiaries.

## 2.4 Participant turnover: why some beneficiaries leave

An individual may leave the Penny Foundation at any time. During the selection process the potential beneficiary has as yet acquired no legal or financial tie to the program and may leave for any number of reasons. But once an individual has participated in the farm's infrastructural improvements, has been selected, has made his down payment, and has acquired a land parcel, it would seem unusual that he would decide to leave the program.

The Penny Foundation has not kept careful statistics on those who retire from the program, but the técnicos estimate the percentage to be around 10%, most of whom have left either due to family pressures or because the work is too hard and the payoff too intangible. This is not an unreasonable percentage, particularly as it usually occurs in the first year of the program. Most of the técnicos and agronomists feel that the group that is in place after the first year will most likely be there throughout the life of the program. Future evaluations will be able to confirm or reject this, but in order to facilitate both internal and external evaluations, the técnicos should produce written reports analyzing all retirees in terms of reasons given, time spent in the program, and how well they seemed to fit the program.

### 2.4.1 No penalty for leaving program

It should be stated that an individual who decides to leave suffers no legal or financial penalty. His down payment is returned minus the production costs he has incurred. However, by the time most beneficiaries leave, they have acquired sufficient additional debts for agricultural production assistance that their down payment is canceled out, and they thus receive no cash when they leave but they are also not charged for expenses valued at more than their investment.

This process is carried out utilizing recognized legal processes. The Directiva, the elected representatives of the beneficiaries, draws up a legal acta, which is registered in the municipality showing the amount of the debt owed. The new beneficiary coming in to take over the parcel then agrees to assume the debt on this parcel, and this is also recorded in the same acta.

For example, a land parcel at the Venecia farm valued at Q. 3100 (\$1240) carries a down payment of 10%, or Q. 310 (\$124). The additional costs, however, are now Q. 1418.98 (\$567.59), which includes Q. 573.57 for pineapple planting, Q. 510.25 for coffee, Q. 59.75 for mango, Q. 177.63 for roofing materials, and Q. 98.78 in miscellaneous costs. Therefore, a beneficiary who leaves now

will lose his down payment, which will go to defray these costs, but he will not be charged for the additional costs.

No farms have been repossessed as yet, mostly because the program is still too new and the present group of beneficiaries has not yet had time to "fail" in their payments. Still, the mechanism exists for repossession (see 2.3.2 on the titling process).

#### 2.4.2 Reason for leaving: lack of acceptance by family

Many of those who leave cite family unacceptance of the program, particularly on the part of the wives of beneficiaries, who often rebel at the initial living conditions on the farms. The policy of the Penny Foundation for beneficiaries to live on the farm nearly always represents an extended period of hardship for the beneficiaries and their families. The farms almost never have housing already available, which means that the beneficiaries must usually erect some sort of temporary housing until they are able to construct houses. The Foundation program provides for the distribution of house lots in an "urban area" of the farm, so the beneficiaries do not need to use a part of their farmland for this purpose.

The temporary housing found at present on the farms is very poor. The typical house is a one-room shack, the walls made up poles or corn stalks and the roof consisting of either thatch or corrugated iron. (A lengthier discussion of housing will be found in Chapter 3.1.1.) Many of the beneficiaries previously enjoyed better housing, and many lived in or near towns where they had access to services such as piped water, transport, schools, and so on, and the lack of nearly all services on the farms makes life particularly difficult for wives and children. This problem has been the reason behind a number of desertions, especially where the farm is far from towns and the housing situation is difficult.

#### 2.4.3 Reason for leaving: hard work/no short term payoff

Another reason for desertions has to do with what the beneficiaries are used to in terms of work style and payment. Many of the beneficiaries, particularly on the south coast coffee farms, have spent their lives working as laborers, a job which while not offering much hope of improvement has the superficial advantage of providing a weekly paycheck. The Penny Foundation program, on the other hand, requires that the beneficiaries change their way of thinking from the weekly paycheck to the long-range benefits of working for one's self as an entrepreneur. No one who understands the program, even those who leave it, can fail to realize that in the long run, the beneficiaries and their families will be better off participating in the Penny Foundation program than continuing to work as laborers.

But entrepreneurship may not be for everyone. Many of those who leave the Foundation program complain of the long work hours, and it is definitely true that one works longer and harder in the Penny Foundation program than as a laborer on a coffee farm. As a laborer, those with less stomach for hard work can always find some way of slowing down or slacking off; one can "get sick;" one can often take a day off, although without pay. But on the Foundation program the beneficiaries are working for themselves and, to a certain extent, for each other, when there are communal projects to carry out, such as road building.

An individual who slacks off is only hurting himself, if he is not conscientious about working his own land parcel. This situation causes many beneficiaries to work harder than they have previously in farms owned by others, but for a few it is a burden they find they are unwilling to shoulder. In addition, the rewards of the Penny Foundation program are not immediate, since it may be five years before they begin to really see the payoff. Thus, some beneficiaries recall the weekly paycheck and the easier work, and they decide to leave the program.

There are cases where both of the above reasons come into play. In the Las Victorias farm, the wife of one of the beneficiaries decided that they should leave because the work was too hard but her husband wanted to stay. She then threatened to leave him, but he finally decided to stay in the program anyway, although according to the técnico, not without agonizing over his decision for some time. His wife left, but seeing that she would not be able to budge him from his resolve to continue in the Foundation program, she finally returned.

## 2.5 Attitudes on nearby farms toward beneficiaries

The attitudes of the farm owners near the Penny Foundation farms are generally negative, although there appears to be little firm basis for these attitudes. For example, farm workers near the Venecia farm complained that before the Foundation program began, they were able to leave machetes or ropes lying around anywhere in the confidence that they would be there when they returned, and that this was no longer so. To some extent, this is undoubtedly true. The Penny Foundation beneficiaries are poor people, as are most Guatemalans, and they will often not hesitate to pick up a free machete or other useful implement that someone has thoughtlessly left laying around.

But there have been no documented cases of stealing, although many from nearby farm have accused the beneficiaries on the Penny Foundation farms of it. In one case, also at Venecia, one of the beneficiaries found a lost piglet, which he then tied up in front of his house to wait for the owner to show up. When the owner finally did arrive, he complained that the pig was

stolen, although the beneficiary in this case had not only found the pig for the owner, but he also fed it free until the owner appeared.

The owners and personnel from nearby farms have also tried to plant doubts about the program in the minds of the beneficiaries. Many beneficiaries at the Sam Greene farm do occasional day labor on other farms, where they are told that they, the beneficiaries, are simply being used to build up the farm but that at some future date, the Penny Foundation will either sell the farm or throw them off and get new workers.

### 3. Organization of the program

#### 3.1 Infrastructure

One of the problems inherent in the Penny Foundation program is how to make services available for the new "town" of beneficiaries which is created when large farms are purchased to be divided among substantial numbers of beneficiaries. The San Nicolas farm, for example, has been divided among 71 beneficiaries who with their families will total perhaps 300 people, occupying a farm which had fewer than 50 living on it before among laborers and their families. According to the directors of the Penny Foundation, the program has to some extent sought farms with little infrastructure, since these farms were usually cheaper than others.

The Foundation program in cases like this one requires what might almost be called an urban planning component to deal with the needs for roads, bridges, potable water, health services, schools, and other services. The Penny Foundation has taken steps toward meeting these needs in the spirit of integrated rural development, beginning with the services of a civil engineer responsible for designing and implementing infrastructure projects, such as roads, bridges, and potable water. When possible, the program will seek outside aid to help them in implementing projects, such as the collaboration provided by the Roads Commission (Dirección General de Caminos) in providing a bridge and access road in the Chivité farm. The cost of such projects is included in the price the beneficiaries pay for their land parcels.

##### 3.1.1 Housing

Housing is clearly an important concern in the Foundation program, but it is also one with which the Penny Foundation has had ample previous experience. The Foundation has had a separate housing program for over 10 years, and interviews were carried out with field contact personnel in the Jutiapa/Santa Rosa region. The present program, apart from the land market program,

provides for houses which are two-room, cement block houses with corrugated tin roofs with about 35 square meters of floor area.

Until recently the cost of the houses was Q.1300, and financing was 10% down (Q.130) and 10 years to pay at Q.130/year or Q.11.60/month. The cost recently went up to Q.2270 to be paid off Q.227/year or Q.22/month, but the skyrocketing cost of building materials will certainly cause further changes in the cost of houses. The original funding for the Penny Foundation housing program came principally from AID, which has earmarked Q.50,000 in funds for the housing program under the rubric of "traditional Penny Foundation programs."

The Foundation is able to construct these houses in about a month's time, usually building several at the same time in the same area. In 1985, 242 houses were distributed in the Santa Rosa-Jutiapa area, and there is a waiting list of some 800 persons for the houses now being built, an indication of the popularity of the program. The field personnel indicated that they could easily "sell" 500-600 houses a year with just one more person.

The selection criteria include inspection of the applicant's present housing, which must be substandard, and the number of persons per room in the house. The Foundation prefers a nuclear family from the same general area, meaning at least husband and wife, and although they do not insist that the union be legalized, they do insist on the potential participants having title to the house site. Once all the prerequisites have been met, the houses are distributed on a first-come first-served basis.

The Foundation would like to extend variation of this program to the farms, which have designated areas where lots are distributed that are distinct from the cultivation parcels. The civil engineer indicated that the Foundation was attempting to design somewhat simpler housing in order to bring prices down, since housing material costs would make houses built with the previous design cost nearly as much as the land itself and thus double the indebtedness of the beneficiaries.

This program may turn out to be important, since one of the housing problems encountered on the farms is the resistance of participants to reside on or near their parcels. There are several reasons for this resistance. In farms such as Choquec and Sucum I and II, the small farmers who were beneficiaries of the program were those who previously had rented land on the farm for a number of years but who at the same time had already established residences in nearby villages. In other instances, the farmers live at some distance from their parcels, as much as two or three hours, but they have resisted living on their lands,

citing the lack of basic services on the farm, such as potable water or schools.

Thus, the Foundation has a problem which its own ongoing housing program might help to solve, particularly in the second of the two cases. It is highly unlikely that people living close to but not on their lands in long-established residences are going to be swayed to change their residences, and it is not nor should it be the policy of the Foundation to insist that they do so. This situation is fundamentally no different from having a common housing area with house sites distinct from the production lots. But where people live off the farm because the farm lacks necessary infrastructure, including housing, the establishment of decent housing on or near their lands would be a strong stimulus for the farmers to take up permanent residence there.

### 3.1.2 Education

Education is one of the most difficult problems which the Foundation program has encountered, since most of the farms are situated far from the nearest public primary schools, to say nothing of secondary schools. This problem is one of the principal reasons why many beneficiaries have chosen to not live on the farm but rather in villages, which are as much as two hours away from the farm but which have schools for their children to attend.

The Penny Foundation has come up with what appears to be an excellent solution to the problem, in which the beneficiaries build the school and the Foundation provides a teacher to establish the school there for the first couple of years. In any case a school must be built, but it is much easier to convince participants to undertake such a project if they know that the school will be used immediately. Once the school is established, more of the participants will be willing to reside on the farm, thus building up the farm population--and, in particular, the school age population--which will make it possible to request a Ministry of Education teacher.

Another advantage to the Foundation's establishing its own school is that it will have a little more control over the teacher than is usual in other communities. Rural teachers often arrive late at school and leave early for their homes, and although there are distinguished exceptions to this rule, the local communities have little control over the teachers, which would not be the case in the farm school.

The school program has begun on two of the farms: Venecia and Las Victorias. Both teachers have been working for the Penny Foundation in other programs and have accepted the new assignments as part of the process of rotation. The new Las Victorias teacher is ideal for this farm, which is predominantly

installation, which had arrived as a result of an agreement between the farm beneficiaries and a public sector program, coordinated in this case through the Foundation.

However, it was also true that in the case of the Venecia farm, the latrines had not yet been installed in spite of the fact that they had been received several months before, which brings up the question of whether the participants really wanted them or whether they were more or less forced on the population without sufficient preparation and without the necessary program of consciousness raising. In the case of the Sucum I farm, the latrines had not been installed because the beneficiaries of the project themselves had not taken up permanent residence on the farm sites allotted to them.

This appears to indicate poor planning, where someone at the Foundation requested the latrines on their own initiative, or where a public sector functionary was looking for some way to allocate latrines, but neither takes into account the cultural setting of the Foundation project. This is not a criticism of the Foundation, however, since there are numerous piles of cement latrine bases sitting around all over the country waiting to be installed, and in most cases the wait will be a long one.

### 3.2 Technical assistance

The Penny Foundation program is one which obviously requires substantial technical assistance in preparing the beneficiaries, many of whom were previously simple farm laborers and subsistence farmers, to be cash crop farmers. The Foundation program, as we have seen, places land in the hands of traditional small farmers who have previously either rented land or worked as agricultural laborers on generally large agribusiness plantations. In each case, the small farmer has had his own particular experience with agricultural technology over a long period of time, but it can be argued that not even the combination of the two types of experience really prepare the farmer for success on the Foundation farms.

As a small farmer renting a piece of land, the average individual will tend to plant and harvest the crops which he knows the best and those which have the most secure future, both in terms of the technology needed as well as the market. It is often the case, however, that these crops--usually corn and beans--have a low rate of return, and so while they may represent a certain security to the farmer, they are pegged to subsistence. As such, they may not allow the farmer to exploit his lands in a truly productive manner, leaving him with no way of improving his income and even with no way of paying off his loan.

The agribusiness laborer, on the other hand, works in the midst of the most productive agricultural technology and with the

products which provide the highest return on investment of time and funds. However, the laborer's position on such a plantation is one in which much of the specialized knowledge which makes such farms productive is not available to him. Decisions are made to carry out certain tasks related to specialized cash crops, and the laborer carries out these tasks, but he usually has no idea of the reasoning and knowledge behind the tasks. Left to himself with the responsibility of bringing off a successful harvest of these crops would lead to certain failure.

Thus the Foundation farmer is in a situation in which he most certainly needs technical assistance. The program is one which demands that the participants be financially successful, which means that they must break with their subsistence tradition and plant crops with a high rate of return, which in many cases may be the same cash crops they have worked with as agricultural laborers, but in order to do so they need technical assistance to fill them in on the aspects of the crop that they have not known about before.

The Foundation's policy is to provide technical assistance free of charge at the beginning of the project in the hope that the beneficiaries will realize the benefits of such assistance and will contract technical assistance on their own when the Penny Foundation's contribution comes to an end. The technical assistance is provided essentially by the técnicos and the agronomists.

One important aspect of the assistance strategy is the existence of one land parcel on each of the large farms "owned" by the Penny Foundation, which is used as a demonstration plot. Produce from the demonstration plot is sold and the income goes to the Foundation. These parcels are farmed by the tecnico for the Foundation.

Two possibilities are being considered for use of the parcels after they come into production and the investment on the parcel is repaid. The parcels will become the property of the beneficiaries on each farm. They may either manage it as a group and use the income to pay community expenses such as construction of roads, payment of a tecnico, etc., or they may turn the parcel over to the tecnico for his use while he continues to offer technical assistance to them. He will pay himself and the teacher from the income he obtains from the parcel. These options will become relevant in 6 or 7 years after the farm begins operations when the Foundation is no longer paying the tecnicos from central funds.

### 3.2.1 The técnico

In theory, each farm is supposed to have its own resident agricultural specialist, the técnico, who is a graduate of one of

the agricultural high schools. Some técnicos have more than one farm under their care when the farms are small and near to one another. Thus Oscar Salazar has Choaquec (45 manzanas), Sucum (32 manzanas), Popabaj (61 manzanas), Xejolom (13 manzanas), and Panimaquin (14 manzanas). The first two of these farms are located in the municipality of San Andres Semetabaj while the latter three are all located in Patzun, which is near Semetabaj.

On the other hand, some farms seem to require the assistance of more than one technician, which is the case of both of the farms in Alta Verapaz, Sam Greene and Chivitè, each of which has two technicians. The size of the farms coupled with the problems of access would seem to justify two technicians, since Sam Greene has 576 manzanas with 129 beneficiaries and Chivitè has 259 manzanas with 53 beneficiaries.

The técnico usually arrives at the farm shortly after it is purchased and before the beneficiaries have been selected in order to get a feel for the farm, help make the initial agronomic decisions, participate in decisions regarding the division and tracing of the parcels themselves, and other necessary preparatory work.

He then participates intensively in the beneficiary selection process, particularly once the groups of candidates have been selected but before they receive their individual parcels. During this time communal works, such as the preparation of nurseries, road building, and other necessary works are carried out under the supervision of the técnico, who gets to know the future beneficiaries well at this time. The close work and living relationship of the técnico at this time mean that his recommendations will have particular importance in the final selection process. This close working and living relationship continues for the life of the project, the técnico working as a bridge between the agronomist and beneficiaries in the implementation of the crop strategy.

The early stages of the program place the Penny Foundation in quite a paternalistic position in relation to the beneficiaries. The dependence of the beneficiaries on the Foundation begins with the land parcel but usually extends to production credit as well, with the técnico playing a key role in determining what each farmer's credit needs are and keeping track of each one's payments and indebtedness. To a great extent, the técnico decides what the beneficiaries will plant and where they will plant it and supervises their work on the new crops. In a technical sense, this predominant role should change over the years as the beneficiaries begin to dominate the technology required by the cash crops, and the técnico will become less of a supervisor and more of an advisor.

But the nature of the program is such that the técnico's role extends beyond the purely agricultural. There are non-technical problems in the Foundation program, particularly in the early stages, which the técnico is called on to resolve as the Penny Foundation's representative on the farm. If one of the beneficiaries wishes to leave the program, it is the técnico who must counsel the individual and help him to make the right decision, which may mean supporting him in staying in the program if this seems to be the individual's real desire or it may mean smoothing his departure with a minimum of disruption for the other beneficiaries. The técnico's role may call on him to mediate between neighbors in any sort of conflict, to contact agencies with programs of possible benefit to the farm, and to represent the beneficiaries in their dealings with the Penny Foundation.

The técnico works closely with the Directiva, which is the primary link between the Penny Foundation and the project participants. The Directiva is basically a committee which represents the entire beneficiary population, with officers which are elected annually. It has as its objective the coordination of collective action as regards crops, agricultural technology, product marketing, and social services. Although the quality of each Directiva is determined to some degree by the type and quality of its members, it is nonetheless possible to observe that those projects which have been in existence longer tend to have better Directivas. For example, at farms such as Venecia and Sucum I, the Directivas were interested in resolving social problems, such as education and health, as well as in the problems entailed in marketing farm products.

The técnico appoints the first group of individuals to form the Directiva, a non-democratic but necessary principle during the early days of the program when not all the beneficiaries know each other. After a year a new Directiva is elected by the beneficiaries. The Directiva has seven members, and meetings are held every two weeks.

The existence of the técnico should make it possible for the Directivas to avoid some of the abuses often found among the officers of similar organizations, although this has not always been the case. For example, certain problems appear to have arisen in the correct working of the Directivas in two farms (Venecia and Choaquec), where it was rumored that some officers of the Directiva had information available to them which allowed them to take advantage of favorable credit possibilities, but that this information was not available to those who were not officers. Ironically, a similar accusation was leveled at the non-Foundation Choaquec cooperative by the local técnico. If there is truth to the rumors, it may be the result of the fact that the técnico in charge of Choaquec is not resident there, since he has to attend other farms as well. As regards Venecia,

the rumor was that the técnico himself showed particular favoritism toward the members of the Directiva. The lesson here is that the técnicos would benefit from acquiring some basic social work skills and knowledge (see below, 3.2.3).

### 3.2.2 The Agronomist

The Foundation program has been developed on a strong technical assistance base represented by the overall direction of university-trained agronomists, beginning with the original and present director, Carlos Anzueto. Anzueto's original job as agronomist was to find farm land available for purchase, make studies of its agricultural potential, design programs for its eventual use by the participants, and all the other tasks involved in the program, in which he was assisted by the first of the Foundation's técnicos.

Ten months into the program, at just about the time when the fourth farm had been purchased, it was decided to hire a second agronomist, principally because of the need to both oversee the activities of the farms already purchased as well as to continue to look for new farms. The new agronomist dedicated his time to the former activity, leaving the Director-agronomist to continue looking for new farms. Since, several new agronomists have been hired in response to the fact that the number of farms has increased to 19 as of April, 1987. The agronomists have divided up the farms regionally so that each one supervises between four and eight farms.

The agronomist links the farms and the técnicos with the Penny Foundation central offices and coordinates and supervises all aspects of the necessary technical assistance. He usually visits each farm weekly, receives an informal report from the técnico on the past week's activities, provides technical advice on the spot or notes problems to be consulted elsewhere, brings necessary materials in the Foundation-provided pickup truck, and assists the técnico in resolving any problems he may have.

One agronomist complained that his job was made more difficult by the highly centralized administration of the program, where virtually all decisions including small disbursements of funds must be signed off on personally by the Director of the program. It is not difficult to imagine that the program is simply following the procedures established when there were just a few farms without realizing the paralyzing effect such centralization might have as the program grew.

### 3.2.3 Improving Technical Assistance: Social Workers

The agricultural technical assistance of the Foundation program appears sound, but the social organization aspects of the program have not been adequately covered. It seems no doubt that

some sort of social worker could greatly enhance this program. Social workers have the necessary training in the first place to collect and maintain those social data which will indicate how the program is progressing in relation to its social goals. One of the first tasks should be the design of surveys and questionnaires oriented toward providing this type of data.

A second task of the social worker should be in the area of group dynamics. The Directiva exists, an organization imposed on the participants by the Foundation which needs to be better defined as to its role, and part of this definition should be provided by the participants themselves helped along by the social worker. This is the institution building aspect which is crucial to the project developing a strong sense of community.

A third area of activity should be the search for sources of community improvement. It is often the case that community development fails to happen through the lack of awareness or ignorance on the part of potential beneficiaries of what programs exist and how to go about taking advantage of them. The social worker would both locate development sources on his own as well as train community leaders in how to do so themselves.

Another topic which will eventually become extremely important is what the beneficiaries should do with their extra money once the program begins to really pay off some years from now. It should be remembered that most of the beneficiaries, with the possible exception of the highland vegetable farmers, have never had excess funds to dispose of. They have not been entrepreneurs looking for the best way to use their resources, whether in improving housing, their children's education, and so on, but rather have lived from week to week trying to get by on poor wages.

These beneficiaries need to acquire a new outlook along with their land parcels so that they will be able to take advantage of their improved circumstances when their lands become truly profitable. They need to hear what others in their position have done with extra earnings, how others have used a little bit of capital in some enterprise that produced even more earnings. The social worker advocated here should become involved in efforts to teach this new outlook, either personally or by bringing the right sort of resource person to the farms.

#### 3.2.4 Outside Sources of Technical Assistance

To date the Foundation program has relied heavily on its own resources to provide technical assistance and has made a point of limiting outside technical assistance to a minimum. The reasons given by the Director have to do mainly with maintaining strict vigilance over the working of the project and not allow extraneous or harmful influences to hinder its smooth operation.

The few agencies which have been sought out to work with the Foundation are DIGESA (Dirección General de Servicios Agropecuarios), the government agricultural extension service; INAFOR (Instituto Nacional Forestal), the national forestry service; Ministry of Roads; Sisters of Charity, a group of nuns with a program near Sam Greene farm; and several agricultural credit cooperatives.

The Director indicated that the general policy for relating to other organizations and agencies was highly personal, meaning that the Foundation avoided institutional ties but rather sought out individual relationships with people working in these institutions which could be cultivated on an informal basis. The reasoning was that in this way the Foundation would only have to work with the individuals it wished to work with, which may mean those who share the same philosophy or those who are technically the most competent.

### 3.3 Decentralization of the program

The Penny Foundation is an institution which has evolved over the years since its inception, adding new programs and discarding old ones to fit the times while maintaining its commitment to its principles of stimulating enterprising individuals and groups within a context of sound business practices. In addition to the land market program, the Foundation has maintained most recently programs to lend money for both housing and economic development projects.

In order to facilitate these programs, the Penny Foundation established regional centers in four departmental capitals: Chimaltenango, Quetzaltenango, Jutiapa, and Chiquimulilla (see map of Guatemala showing these centers in relation to the land market program farms). At present these regional offices are staffed by a regional director, a few field technicians, and a secretary. These regional offices have allowed interested local individuals a greater contact with the Penny Foundation, which would be made more difficult if they were forced to make the expensive trip to the capital city.

The regional offices are not at present being utilized by the land market program, which in spite of its now representing the largest of the Foundation programs, remains centralized in nearly every sense in Guatemala City. Nonetheless, the utilization of these regional offices would bring numerous advantages. The first of these would be the possibility of better contact with potential beneficiaries. It should be noted that the original group of potential beneficiaries for the Montelimar farm knew about the Penny Foundation through its Quetzaltenango office. These offices could act as centers for identifying potential beneficiaries for farms purchased in the

area or for farms outside the area, such as the case of the Montelimar beneficiaries who are mostly from Momstenango in the highlands.

These center could also be used to provide administrative support, thus relieving the agronomist from the task of carrying messages and checks between the Guatemala City offices and the field. The técnico would be able to make the relatively short trip to the regional office by motorcycle for administrative chores. The agronomist would be able to coordinate his activities better with a regional office including secretary and telephone for messages. The communications capabilities of the regional offices might well be improved by the installation of radio communication between the office and the individual farms and between the office and the Guatemala City offices.

Another use for the regional centers would be training, principally for the técnicos of the farms in the area. Short courses in farm technology, use of pesticides, group dynamics, social work skills, and so on could be efficiently carried out in these centers. In addition, the Penny Foundation could use the centers for monthly meetings to discuss problems in the area, with the técnico from each farm participating. Again, it would be more efficient to use the regional centers than to have the técnicos come all the way to Guatemala City.

The Penny Foundation should study the possibility of either relocating some of these regional offices or establishing new offices where needed. The Chimaltenango office could be adapted to the needs of the farms in the central highlands: Sucúm, Choaquec, El Chocolate, Panchita, El Florido, Panimaquim, Xejolón, Popabaj, and María Linda. The Chiquimulilla office might well be moved to Escuintla, where it would be the center for San Nicolas, San Juan Monterreal, El Pino, Venecia, and Buena Vista. A new office should be established in Cobán, Alta Verapaz, for the Sam Greene and Chivité farms, as well as for new farms acquired in the coffee growing north. Another likely office might be in Mazatenango, where it would serve Montelimar, Las Victorias, and any new farms in the area.

#### 4. Expansion of the land market program

The expansion of the land market program can be accomplished in two ways: expansion of the existing Penny Foundation program and/or the addition of new institutions with similar programs. Both options seems reasonable and feasible.

##### 4.1 The Penny Foundation

The land sale program is now the largest program the Foundation has, due to the relatively large amounts of money made available to the program by AID, and all of this growth has taken

place in just over two years. As a result, the Foundation is being converted in a very short time from a small-time into a major player in Guatemalan development. Overall, the Penny Foundation has done a good job and promises to continue to do so, which is reason enough to suggest that AID continue to allow for further expansion of the program through increased funding.

Previous evaluations and the fields notes of AID technicians who have visited the program in the field have stressed the fact that AID has allowed the program to develop with little direct supervision on AID's part. This strategy has allowed the Penny Foundation to develop the program with a free hand, but while this may have held advantages during the initial phase, it would seem wise for AID to oversee the program more carefully as funding increases. This will permit AID to institute controls in the program's finances and ensure the implementation of organizational techniques and procedures, particularly in the areas of data processing and the analysis of farms for purchase, which appear to be important parts of the program where the Foundation is particularly weak.

#### 4.2 Cooperatives and/or cooperative foundations

In spite of the success, or because of it, it would seem logical to use the Foundation's experience to expand the program through other institutions as well as through the Foundation itself. Several of the Guatemalan cooperative federations present themselves as likely candidates for participating in a program similar to the Foundation program, although there are limits as to which of the federations and to how the program might have to be modified for the cooperative federation participation.

The advantages of the cooperatives are obvious. Like the Penny Foundation, the agricultural credit or savings and credit cooperatives at present make loans to individual farmers for their production needs. The amount of the loan is determined first by a technician's study of the individual farmer's needs in much the same way the técnico works with the Penny Foundation beneficiaries. The farmer usually is entitled to credits representing 3 to 4 times his current savings. The farmers are well known to the cooperative as well as to the other participants, and a sense of common purpose is fostered through regular meetings of the local cooperative members and consciousness-raising sessions carried out by cooperative extensionists.

The cooperatives have had problems in the past as regards loan delinquency, and some cooperative federations have apparently still not solved this problem. Two who seem much improved in this respect are the Federación Nacional de Cooperativas de Ahorro y Crédito (FENACOAC) and the Federación de

Cooperativas Agrícolas Regionales (FECDAR). Both seem to be maintaining a strict control on debt payment, making the group responsible for members' nonpayment. Both have a good education program to continually educate their members in how the cooperative works. These two federations could be involved in land sales to small farmers. They already have the loan repayment and technical assistance apparatus available, which could be expanded to take care of the increased load. They already know who the best candidates for land sales are, who is the best credit risk, who is a steady farmer, and they also know who the bad risks are.

#### 4.3 Other private development organizations

There are numerous private development organizations operating in Guatemala which could easily adapt to the program pioneered by the Penny Foundation with AID financing. Many such organizations have an integrated rural development strategy, work with small farmers in credit arrangements, provide technical assistance in establishing new crops, and in general fit the pattern of the Penny Foundation program.

It is not the purpose of this evaluation to provide an exhaustive analysis of such organizations but rather suggest that the option exists. One such organization is the Movimiento Guatemalteco de Reconstrucción Rural (MGRR), which is also an institution with experience in AID-financed programs. The MGRR has, for example, a rotating credit fund which complements its program of technical assistance, has trained rural promoters, and has worked with coffee crop improvement, basic grains, soil conservation, vegetable cultivation, fruit orchards, cattle, chickens, beekeeping, and fish culture (source, Memorial Anual de Labores, 1985). The organizational structure and much of the development policy of the MGRR is similar to that of the Penny Foundation.

#### 5. Conclusions and recommendations

This evaluation has focused primarily on the functioning of the Penny Foundation project in terms of the beneficiaries of the program. From this point of view, as a pilot project it has made a promising beginning. Landless campesinos are farming their own land and have the possibility of achieving a standard of living equivalent to that of middle class urban residents. The extensive technical assistance and credit components are essential parts of the program. The recommendations seek ways to improve the services to this target group with an eye to expanding the program beyond the pilot phase.

An expanded land market program also must of necessity confront other issues such as the organization of the program within the structure of the Foundation, the financial viability

of the program as a whole, the functioning of the land registry, and financial mechanisms to ensure the longterm viability of the land market activities being developed for small farmers. These issues, which were beyond the scope of this evaluation, are discussed in depth in the project paper like document developed for the next phase of the program.

**Recommendations:**

1. Procedural changes are needed in the purchase process to expedite the rejection or purchase of the farm. The second evaluative visit to a farm being considered for purchase, which is made by the Foundation general manager and the director of the Land Purchase Program, could be eliminated and the agricultural engineer who makes the initial agronomic evaluation of the farm could become more involved in the price negotiation process.
2. A series of guidelines, both agronomic and socio-economic should be drawn up and established as primary criteria for the initial evaluation of the farm in question. These guidelines should be sensitive to the wide set of agronomic variables encountered in different areas of the country as well as the corresponding crop possibilities.
3. If the program is to begin a new phase which includes a possible expansion, it is imperative that reliable and complete data are managed in a responsible and comprehensive manner allowing in-depth progress analysis.
4. Both the vegetable and the coffee farms appear to be profitable within the context of this program. The Penny Foundation is currently exploring alternative crop possibilities for developing Monteliman, a farm which does not fit the profiles of other Foundation farms. By exploring a variety of options this farm can be used by the Foundation as a proving ground for expansion beyond the traditional activities in coffee and vegetables.
5. The highlands are precisely the area of greatest civil conflict in recent years, and the implementation of the Penny Foundation program for people in this area should help alleviate the pressures which led to this conflict. Both the acquisition of farms for distribution in the highlands as well as the purchase of coffee farms where the beneficiaries are primarily from the highlands should be attempted.
6. The Foundation has purchased both producing and non-producing farms for coffee production. There should be greater emphasis given to producing farms, since there is less risk involved for both the beneficiaries, who do not have to survive three years without income, and for the Foundation, because of the lower

beneficiary turnover and lack of need to build the entire operation from nothing.

7. The questionnaire used to collect information from applicants for selection of beneficiaries is adequate for this purpose, but the computer capabilities for recording and processing this information are rudimentary and both the hardware and software should be updated.
8. The process of educating beneficiaries about their rights and responsibilities could be improved by preparation and use of some form of standardized information packet, either a printed information sheet or audiovisual material which could be incorporated into on-farm question and answer sessions.
9. The Foundation's flexibility in devising special arrangements for collection of the down payment is important to insure that the intended beneficiaries are served by the program, and it should be continued.
10. Additional training and logistical support for the técnicos in educating the beneficiaries about credit and in the collection and accounting of payments.
11. The técnicos should produce written reports about beneficiaries who leave which include reasons given for leaving, time spent in the program and how well they seemed to fit the program.
12. The Foundation should actively pursue the housing program on the farms in order to alleviate the poor living conditions which cause resistance to residing on the farm and contribute to beneficiary turnover.
13. The Foundation's plan to construct schools and hire teachers on the farms is an excellent solution to the problem of providing education, a priority for the beneficiaries if they are to reside on the farm. The program should be expanded.
14. The Foundation might attempt to establish its own system of health promotion, perhaps through a mobil health unit, staffed by a doctor and nurse and carrying health supplies. The unit could provide direct medical services and train local promoters among the beneficiaries. However, to be effective any initiative in the area of health and sanitation should have the active support of the beneficiaries.
15. The program would benefit greatly by the participation of social workers to monitor the program's progress toward its social goals, to provide experience in group dynamics needed to build successful Directivas and a sense of community, and to search for additional sources of assistance for community

improvement programs. The social workers also could provide important counseling and training in how to use additional income for improving living standards. This type of training may be particularly important in working with the women on the farms.

16. The Foundation's regional offices should be utilized by the land market program as centers to identify potential beneficiaries, to provide administrative support (relieving the agronomists of much of the responsibility of carrying messages from the capital to the farms, providing more direct support to the tecnicos in the region, assisting in the logistics of arranging the agronomists' farm visits), and to serve as training centers for the tecnicos in the region, both for short courses and for monthly meetings to discuss problems on their farms.

17. Although AID has successfully allowed the Penny Foundation a free hand in developing the program to date, it would seem wise for AID to oversee the program more carefully as funding increases, particularly in terms of controls on the program's finances and in the implementation of information management systems and the standardized evaluation of farms for purchase.

18. In expanding the land market program, the experience of the Penny Foundation should be used both to expand the program with the Foundation and through other organizations. Other institutions which might be viable candidates for parallel programs are Guatemalan cooperative federations and other private development organizations such as the Movimiento Guatemalteco de Reconstrucción Rural (MGRR).

**ANNEX I. FARMS VISITED BY PENNY FOUNDATION**

FARM NAME	AREA CABS	AREA HAS	TOTAL PRICE, Q.	PRICE PER CAB	TOWN	DEPARTMENT
AMALIA	0.84	37.8		0	INUEVO PROGRESO	SAN MARCOS
AMBERES	2.17	97.6	250,000	115,207	EL RUDEO	SAN MARCOS
ARABIA	4.00	180.0	850,000	212,500	LA REFORMA	SAN MARCOS
ARCOS VICTORIA	18.00	810.0	350,000	19,444	ISQUIJALA	ESCUINTLA
ARGENTINA	0.25	11.3	25,000	100,000	ISAN PEDRO NECTA	HUEHUETENANGO
ARIZONA	5.00	225.0	400,000	80,000	IGENUVA	QUEZALTENANGO
BELEN	2.12	95.4	360,000	169,811	UNION BARRIOS	BAJA VERAPAZ
BELLA FLOR	3.00	135.0		0	IESCUINTLA	ESCUINTLA
BENITEC	20.00	900.0	33,000	1,650	ITUCURU	ALTA VERAPAZ
BOLA DE ORO	1.00	45.0	130,000	130,000	IALDEA BOLA DE ORO	CHIMALTENANGO
BOLIVIA	8.50	382.5	850,000	100,000	IGUANAGAZAPA	ESCUINTLA
BRASILIA	2.70	121.5	945,000	350,000	IMALACATAN	SAN MARCOS
BUENA VISTA	0.62	27.9	40,000	64,516	ICUILAPA	SANTA ROSA
CALANCHE	7.00	315.0	250,000	35,714	ISTA. MARIA DE JESUS	SACATEPEQUEZ
CALCUTA	10.00	450.0	600,000	60,000	ISANTO DOMINGO	SUCHITEPEQUEZ
CALIFORNIA	3.00	135.0	225,000	75,000	ISAN ANTONIO	SUCHITEPEQUEZ
CAMELIAS	2.48	111.6	400,000	161,290	ICUYOTENANGO	SUCHITEPEQUEZ
CAHAJAL DE MEDINA	24.00	1080.0	1,200,000	50,000	ISN. MARTIN JILOTE.	CHIMALTENANGO
CAHAJAL DE MEDINA	24.00	1080.0	1,200,000	50,000	ISAN MARTIN JILOTEPEQUE	CHIMALTENANGO
CANDELARIA	23.00	1035.0	2,430,000	105,652	IALOTENANGO	SUCHITEPEQUEZ
CAQUISHAJAY	0.19	8.6	20,000	105,263	ITECPAN	CHIMALTENANGO
CHAAL	15.00	675.0	75,000	5,000	ICHAAL	ALTA VERAPAZ
CHAJLOKOM	1.80	81.0	20,000	11,111	ICAHABON	ALTA VERAPAZ
CHICHEN	15.00	675.0	75,000	5,000	ISAN JUAN CHAMELCO	ALTA VERAPAZ
CHICOC	5.00	225.0	45,000	9,000	ISANTA MARIA CAHABON	ALTA VERAPAZ
CHIMICUY	15.00	675.0	160,000	10,667	ISN PEDRO CARCHA	ALTA VERAPAZ
CHINACACAJ	0.19	8.6	19,000	100,000	ITECPAN	CHIMALTENANGO
CHIRIJUYO	0.08	3.6	13,000	162,500	IPARRAMOS	CHIMALTENANGO
CHIRIJUYU	0.25	11.3	20,000	80,000	ICHIJUYU	CHIMALTENANGO
CHIVITE	15.00	675.0	90,000	6,000	ICAHABON	ALTA VERAPAZ
CHONQUEC	0.74	33.3	60,000	81,081	ISAN ANDRES SEMETARAJ	SOLOLA
CHUATZUHAJ	0.55	24.8	35,000	63,636	ITECPAN	CHIMALTENANGO
CHUIJAMIL	0.26	11.6	13,250	51,224	ISTA LUCIA UTATLAN	SOLOLA
CHUQUEL	0.24	10.8	45,000	187,500	IPATZUN	CHIMALTENANGO
COCALES	1.09	49.1	128,000	117,431	ICHIQUIMULILLA	SANTA ROSA
COCALES	0.88	39.6	25,000	28,409	LA DEMOCRACIA	HUEHUETENANGO
CUMBRE DE CASTRO	0.69	31.0	45,000	65,217	CHIMALTENANGO	CHIMALTENANGO
DON TOMAS	5.00	225.0	130,000	26,000	ISAN MARTIN JILOTEPEQUE	CHIMALTENANGO
EL AMARILLO	19.00	855.0	1,500,000	78,947	IJALPETAGUA	JUTIAPA
EL AMATILLO	19.00	855.0	1,500,000	78,947	IJALPATAGUA	JUTIAPA
EL CABRO	0.47	21.0	18,000	38,571	ICASILLA	SANTA ROSA
EL CANELO	7.00	315.0	325,000	46,429	ICHIQUIMULILLA	SANTA ROSA
EL CARMEN	2.00	90.0	290,000	145,000	ICHIQUIMULILLA	SANTA ROSA
EL CARMEN	3.00	135.0	500,000	166,667	IGENUVA	QUEZALTENANGO
EL CARMEN	15.00	675.0	60,000	4,000	ISTA. MARIA CAHABON	ALTA VERAPAZ
EL CARMEN/VILLA NUEVA	25.00	1125.0		0	IPURULA	BAJA VERAPAZ
EL CHAGUITE	13.50	607.5	189,000	14,000	IJALAPA	JALAPA
EL CHOCOLATE	6.00	270.0	90,000	15,000	ISN MARTIN JILOTE.	CHIMALTENANGO
EL CONGUITO	5.00	225.0	150,000	30,000	ISAN CRISTOBAL	ALTA VERAPAZ
EL COTETE	3.00	135.0	125,000	41,667	ISAN PEDRO PINULA	JALAPA
EL COYLATITO	6.00	270.0	1,000,000	166,667	IPATULUL	SUCHITEPEQUEZ
EL CRISTO	7.62	342.9	1,500,000	196,850	ITILAJA	SAN MARCOS
EL ESFUERZO	3.11	140.0	200,000	64,309	IACATENANGO	SACATEPEQUEZ
EL GUAMUCHAL	5.00	225.0	400,000	80,000	ISTO DOMINGO	SUCHITEPEQUEZ
EL JUTE Y ANEXOS	3.00	135.0	290,250	96,750	ICASILLAS	SANTA ROSA
EL MANZANILLO	1.26	56.7	180,000	142,857	ISANTIAGO	SACATEPEQUEZ
EL MATAIANO	1.85	83.3	250,000	135,135	EL PALMAR	QUEZALTENANGO
EL PARAJE Y LA CARBONERA	9.00	405.0	720,000	80,000	IPOTREDO CARRILLO	JALAPA
EL PARAJE/LA CARBONERA	9.00	405.0	80,000	8,889	IPOTREDO CARILLO	JALAPA
EL PICHICAL	0.03	1.4	8,000	257,143	IAGUACATAN	HUEHUETENANGO
EL PILAR	7.50	337.5	650,000	86,667	ILA REFORMA	SAN MARCOS
EL PINO	2.00	90.0	150,000	75,000	IGUANAGAZAPA	ESCUINTLA
EL PURVENIR	11.00	495.0	275,000	25,000	ICHUARRANCHO	GUATEMALA
EL PROGRESO	0.39	17.6	135,000	346,154	ILA LIBERTAD	HUEHUETENANGO
EL PUJOL	8.00	350.0	480,000	60,000	ILOS AMATES	IZABAL
EL RECREO	9.00	405.0	160,000	17,778	ISAN CRISTOBAL VERAPAZ	ALTA VERAPAZ
EL ROSARIO CHCARRAMOS	10.00	450.0	1,063,000	106,300	ISAN PEDRO YEFUCAPA	CHIMALTENANGO
EL ROSARIO MOCA	2.25	101.3	125,000	55,556	ICHICACAO	SUCHITEPEQUEZ
EL SAMPO	5.00	225.0	10,000,000	12,000,000	ISN. FRAN. SAPOTITLAN	SUCHITEPEQUEZ
EL SUCUM III	0.45	20.3	34,000	75,556	ISAN ANDRES SEMETARAJ	SOLOLA
EL SUCADERO	3.09	139.0	50,000	16,181	ICHINIQUE DE LAS FLORES	QUINTANA
EL TAMARINDO	4.00	180.0	240,000	60,000	IMANIGUA	ESCUINTLA
EL TRAPICHITO	3.50	157.5	250,000	71,429	IGUANAGAZAPA	ESCUINTLA

FARMS VISITED BY PENNY FOUNDATION

FARM NAME	AREA CABS	AREA HAS	TOTAL PRICE, Q.	PRICE PER CAB	FARM LOCATION	
					TOWN	DEPARTMENT
IEL TRAFICHITO GUADALUPE	3.00	135.0	240,000	80,000	ISTA CRUZ NARANJO	SANTA ROSA
IEL TRIUNFO	1.50	67.5	350,000	233,333	ISIGUIMALA	ESCUINTLA
IEL TRIUNFO	3.00	135.0	90,000	30,000	ISANTA ROSA DE LIMA	SANTA ROSA
IEL VALLE	0.84	37.7	1,000,000	1,194,743	IEL QUEZTAL	SAN MARCOS
IESQUIPULAS	11.00	495.0	935,000	85,000	IGUANAGAZAPA	ESCUINTLA
IE.A. CUELLAR	0.11	5.0	40,000	363,636	ISALAMA	BAJA VERAPAZ
IFLORENCIA	11.00	495.0	660,000	60,000	ISAN MIGUEL PUCHUTA	CHIMALTENANGO
IHAHAI	0.94	42.3	240,000	255,319	ITECULUTAN	ZACAPA
IJOAQUINA	2.44	109.8	80,000	32,787	ISAN JOSE DEL GOLFO	GUATEMALA
IJ.L. BOUSCAYROL	0.65	29.3	75,000	115,385	ISAN ANDRES ITZAPA	CHIMALTENANGO
ILA AMERICA	4.00	180.0	500,000	125,000	IGENOVA	QUEZALTENANGO
ILA BOLSA	5.00	225.0	1,000,000	200,000	ICOLMBA	SAN MARCOS
ILA CAJETA	18.00	810.0	600,000	33,333	ISN CRIST ACASAGUASTLAN	EL PROGRESO
ILA CEIBA	2.87	129.2	1,300,000	452,962	IEL PALMAR	QUEZALTENANGO
ILA CHORRERA	20.00	900.0	2,000,000	100,000	IFARC. CABALLO BLANCO	RETALHULEU
ILA CHUSITA	4.00	180.0	175,000	43,750	ISAN PEDRO YEFOCAPA	CHIMALTENANGO
ILA COLINA	3.00	135.0	400,000	133,333	ISN VICENTE PACAYA	ESCUINTLA
ILA CONQUISTA	0.41	18.5	125,000	304,878	IGUANACAZAPA	ESCUINTLA
ILA CUMBRE	3.53	158.9	140,000	39,660	ITAXISCO	SANTA ROSA
ILA CUMBRE	0.50	22.5	50,000	100,000	IESCUINTLA	ESCUINTLA
ILA ESCONDIDA	14.00	630.0	1,400,000	100,000	IFARC. GUISCOYUL	ESCUINTLA
ILA ESPERANZA	7.50	337.5	450,000	60,000	ISAN VICENTE PACAYA	ESCUINTLA
ILA ESPERANZA	16.00	720.0	1,200,000	75,000	IESCUINTLA	ESCUINTLA
ILA ESPERANZA	40.00	1800.0	500,000	12,500	ITUCURU	ALTA VERAPAZ
ILA ESPERANZA	1.15	52.2	467,000	402,586	INVEVO SAN CARLOS	RETALHULEU
ILA GLORIA	6.50	292.5	0	0	ISTA. ROSA DE LIMA	SANTA ROSA
ILA GOMERA	2.50	112.5	170,000	68,000	ITAXISCO	SANTA ROSA
ILA JOYA	6.49	292.0	520,000	80,137	ILA GOMERA	ESCUINTLA
ILA LIBERTAD	3.00	135.0	70,000	23,333	IPALIN	ESCUINTLA
ILA MEMORIA	0.50	22.5	60,000	120,000	ITAXISCO	SANTA ROSA
ILA MEMORIA	9.50	427.5	665,000	70,000	IRIO BRAVO	SUCHITEPEQUEZ
ILA PASTORIA	4.00	180.0	250,000	62,500	IJUTIAFA	JALAPA
ILA PERLA	1.00	45.0	110,000	110,000	ISAN BERNARDINO	SUCHITEPEQUEZ
ILA SORPRESA	3.00	135.0	0	0	INVO SAN CARLOS	RETALHULEU
ILA TRANQUILIDAD	3.50	157.5	378,000	108,000	IEL PALMAR	QUEZALTENANGO
ILA TRINIDAD	17.00	765.0	1,400,000	82,353	ISAN ANDRES OSUNA	ESCUINTLA
ILA TRINIDAD	8.00	360.0	750,000	93,750	IFATULUL	SUCHITEPEQUEZ
ILA VEGA	23.00	1035.0	1,955,000	85,000	ISAN JOSE EL IDOLO	SUCHITEPEQUEZ
ILA VICTORIA SUMATAN		0.0		0		
ILA VIRGEN	1.02	45.9	50,000	49,020	ISALAMA	BAJA VERAPAZ
ILA VIRTUD	2.50	112.5	150,000	60,000	IGUANACAZAPA	ESCUINTLA
ILAS BRISAS/VUELTA GRANDE	7.00	315.0	500,000	71,429	IGUAZACAPAN	SANTA ROSA
ILAS CHILCAS	5.00	225.0	150,000	30,000	ISANTA ELENA BARILLAS	
ILAS DELICIAS	6.25	281.3	1,000,000	160,000	IEL TUMBADOR	SAN MARCOS
ILAS DELICIAS	4.50	202.5		0	IGUANAGAZAPA	ESCUINTLA
ILAS DELICIAS	2.00	90.0	130,000	65,000	IESCUINTLA	ESCUINTLA
ILAS DELICIAS	0.36	16.2	60,000	166,667	ILA DEMOCRACIA	HUEHUETENANGO
ILAS GUACAMAYAS	2.00	90.0	275,000	137,500	ILOS ESCLAVOS	SANTA ROSA
ILAS LAJAS	2.50	112.5	350,000	140,000	IALOTENANGO	SACATEPEQUEZ
ILAS MANANTIALES	8.70	391.5	1,000,000	114,943	IGUANACAZAPA	ESCUINTLA
ILAS MAMELITAS	2.00	90.0	180,000	90,000	ISTA LUCIA COTZ	ESCUINTLA
ILAS MARGARITAS	1.24	55.8	300,000	241,935	INVO. PROGRESO	SAN MARCOS
ILAS NUBES	20.00	900.0	6,000,000	300,000	ISN. FRAN. SAPOTITLAN	SUCHITEPEQUEZ
ILAS VICTORIAS	4.84	217.8	338,800	70,000	ISANTA BARBARA	SUCHITEPEQUEZ
ILAS VICTORIAS	0.12	5.4	25,000	208,333	ISN MARTIN JILOTEPEQUE	CHIMALTENANGO
ILAS VICTORIAS SUMATAN	7.00	315.0	600,000	85,714	ISAN PEDRO YEFOCAPA	CHIMALTENANGO
ILAS VIOLETAS	10.00	450.0	600,000	60,000	IEL PALMAR	QUEZALTENANGO
ILD DE IRENE	11.00	495.0	120,000	10,909	IFRAY BARTOLOME CASAS	ALTA VERAPAZ
ILUMAS DE MAGDALENA	0.50	22.5	60,000	120,000	ICHIMALTENANGO	CHIMALTENANGO
ILOS AMATES	7.00	315.0	210,000	30,000	IORATORIO	SANTA ROSA
ILOS CERRITOS ESFUERZO	0.75	33.8	200,000	266,667	IACATENANGO	CHIMALTENANGO
ILOS CERRITOS (FTN)	3.11	140.0	200,000	64,286	IACATENANGO	SACATEPEQUEZ
ILOS MORNITOS	1.75	78.8	168,000	96,000	INUEVA STA ROSA	SANTA ROSA
ILOS LAURELES	10.00	450.0	2,700,000	270,000	INUEVO SAN CARLOS	RETALHULEU
ILOS LLANOS	1.00	45.0	80,000	80,000	IGUANACAZAPA	ESCUINTLA
ILOS FATOS	14.00	630.0	5,400,000	385,714	ISN JOSE EL IDOLO	SUCHITEPEQUEZ
ILOS PLANES	0.47	21.2	75,000	153,574	ISANTIAGO	SACATEPEQUEZ
ILOS FRADOS	1.81	81.5	135,000	74,586	IEL CARRIZAL	SANTA ROSA
ILUCERNA	11.00	495.0	385,000	35,000	ISIGUIMALA	ESCUINTLA
IMADRE VIEJA	3.00	135.0	200,000	66,667	ISAN MIGUEL PUCHUTA	CHIMALTENANGO
IMALAGA AGRICOLA SANTIAGO	5.94	267.3		0	ISTO DUMINGO	SUCHITEPEQUEZ
IMANASUA	7.50	337.5	2,100,000	280,000	IMALMATIAN	SAN MARCOS
IMANELIZ	6.95	312.8	821,300	118,173	ISTO DUMINGO	SUCHITEPEQUEZ

FARMS VISITED BY PENNY FOUNDATION

FARM NAME	AREA		TOTAL PRICE, D.	PRICE PER CAB	FARM LOCATION	
	CABS	HAS			TOWN	DEPARTMENT
IMAPIA LINDA	0.48	21.6	30,000	62,500	ISAN JOSE CHACAYA	SOLOLA
IMAPIA LINDA	0.61	27.5	25,000	40,984	ISAN JOSE CHACAYA	SOLOLA
IMARIAS MONGOY	3.16	142.2	105,000	33,228	IASUNCION MITA	JUTIAPA
IMATRIZ	1.00	45.0	50,000	50,000	ISAN PEDRO PINULA	JALAPA
IMELCHOR	6.00	270.0	360,000	60,000	IGUANAGAZAPA	ESCUINTLA
IMIRAMAR	10.00	450.0	250,000	25,000	IPANZOS	ALTA VERAPAZ
IMONTE BAJO	4.00	180.0	350,000	87,500	IJALPETAGUA	JUTIAPA
IMONTE MARIA Y PENA DE ORO	3.00	135.0	600,000	200,000	IEL PALMAR	DUZALTENANGO
IMONTE RICO	0.12	5.4	100,000	833,333	ILA DEMOCRACIA	HUEHUETENANGO
IMONTE LIMAR	5.07	228.2	400,000	78,895	IPARC. CABALLO BLANCO	RETALHULEU
INATIVIDAD	1.88	84.6	600,000	313,149	IPANAJACHEL	SOLOLA
ININGARA	1.00	45.0	75,000	75,000	INUEVO PROGRESO	SAN MARCOS
INIMAYA	0.62	27.9	100,000	161,230	IALDEA NIMAYA, PATZUN	CHIMALTENANGO
INIMAYA LA VESA	0.32	14.4	32,500	101,563	IPATZUN	CHIMALTENANGO
INUEVA CONCEPCION	9.00	405.0	240,000	26,667	ISAN MIGUEL POCHUTA	CHIMALTENANGO
INUEVA JERUSALEM	1.00	45.0	110,000	110,000	ISAN PABLO	SAN MARCOS
IPACHILJA	14.00	630.0	900,000	64,286	ITUCURU	ALTA VERAPAZ
IPAJJA	9.00	405.0	450,000	50,000	ITUCURU	ALTA VERAPAZ
IPALAMA	1.91	86.0	30,000	15,707	IPATZUN	CHIMALTENANGO
IPALAXAJ	0.47	21.2	50,000	106,383	IPATZICIA	CHIMALTENANGO
IPALAXAJ	0.49	22.1	70,000	142,857	ISAN ANDRES SEMETABAJ	SOLOLA
IPALESTINA	1.25	56.3	500,000	400,000	IACATENANGO	CHIMALTENANGO
IPAMOXZAN	3.78	170.0	180,000	47,647	ITELEMAN	ALTA VERAPAZ
IPANCHITA	0.19	8.6	45,000	236,842	IPARRAMUS	CHIMALTENANGO
IPANIMACHE	0.67	30.0	18,000	27,000	ICHICHICASTENANGO	CHIMALTENANGO
IPANIMAGUIN	0.23	10.4	17,000	73,913	IPATZUN	CHIMALTENANGO
IPANQUIN	0.19	8.6	23,000	152,632	ISAN ANDRES SEMETABAJ	SOLOLA
IPAZOTS	0.31	14.0	20,000	64,516	ISAN ANDRES SEMETABAJ	SOLOLA
IPICHIGUIL	0.03	1.3	8,000	266,667	IAGUACATAN	HUEHUETENANGO
IPIEDRA CINCELADA	2.00	90.0	50,000	25,000	ISN VICENTE PALAYA	ESCUINTLA
IPIEDRA DE AGUA	27.00	1215.0	700,000	25,926	ISANTA MARIA IXHUATAN	SANTA ROSA
IPOMAC II	16.00	720.0	50,000	0	ISAN CRISTOBAL	ALTA VERAPAZ
IPORABAJ	1.16	52.2	50,000	43,103	IPATZUN	CHIMALTENANGO
IPUNTA BAJA	0.84	37.8	110,000	130,952	IESCUINTLA	ESCUINTLA
IRANCHO EL MIRADOR	0.98	44.1	90,000	91,837	ISAN RAYMUNDO	GUATEMALA
IRANCHO TROCHA	0.88	39.6	150,000	170,455	INUEVA CONCEPCION	ESCUINTLA
IRAXTANQUILA	16.00	720.0	175,000	10,938	ICHISEC	ALTA VERAPAZ
IRID BLANCO	2.00	90.0	50,000	25,000	ISAN PEDRO PINULA	JALAPA
ROSARIO CHUARRAMOS		0.0		0		
IROSELIA	2.82	126.9	250,000	88,652	ICHICACAO	SUCHITEPEQUEZ
ISAN GREENE	12.80	576.0		0	ITUCURU	ALTA VERAPAZ
ISAN ANTONIO	1.75	78.8	150,000	85,714	ISTA CRUZ NARANJO	CHIMALTENANGO
ISAN ANTONIO	1.19	53.6	70,000	58,824	ILLOS POZITOS	VILLA CANALES
ISAN ANTONIO FLORIDO	0.26	11.7	75,000	288,452	IPARRAMUS	CHIMALTENANGO
ISAN BERNARDINO	2.50	112.5	173,000	71,600	ICHIMALTENANGO	CHIMALTENANGO
ISAN CAYETANO	10.00	450.0	900,000	90,000	ICASTILLA	SANTA ROSA
ISAN FCO. PANIMACHE	4.50	202.5	450,000	100,000	ISAN PEDRO YEOCACAPA	CHIMALTENANGO
ISAN FRANCISCO	0.50	22.5	185,000	370,000	IACATENANGO	CHIMALTENANGO
ISAN FRANCISCO MIRAMAR	0.42	18.9	170,000	404,762	IACATENANGO	CHIMALTENANGO
ISAN IGNACIO	4.78	215.0	700,000	146,512	IPALACATAN	SAN MARCOS
ISAN ISIDRO	0.50	22.5	50,000	100,000	ISAN JUAN SACATEPEQUEZ	GUATEMALA
ISAN ISIDRO	0.26	11.7	25,000	96,154	IPATZUN	CHIMALTENANGO
ISAN ISIDRO	6.00	270.0	220,000	36,667	ITAXISCO	SANTA ROSA
ISAN JORGE	4.75	213.8	1,600,000	336,842	ICHICALAO	SUCHITEPEQUEZ
ISAN JOSE CALAMETE	7.00	315.0	600,000	85,714	ISAN LUCAS TOLIMAN	SOLOLA
ISAN JOSE CALDERAS- Ramiro Fallace	0.86	38.7		0	ISAN ANDRES ITZAPA	CHIMALTENANGO
ISAN JOSE EL MANZANO	2.00	90.0	60,000	30,000	IMATAQUESCUINTLA	JALAPA
ISAN JOSE LAS BRISAS	0.54	24.3	85,000	157,407	IACATENANGO	CHIMALTENANGO
ISAN JOSE PANIMACHE	7.00	315.0	250,000	35,714	IPATZUN	CHIMALTENANGO
ISAN JUAN	18.00	810.0	1,100,000	61,111	ISENANJU	ALTA VERAPAZ
ISAN JUAN AGUA ZARCA	2.00	90.0	350,000	175,000	IGUANACAZAPA	ESCUINTLA
ISAN JUAN MONTE REAL	5.75	258.8	350,000	60,870	ITAXISCO	SANTA ROSA
ISAN LUIS CHIFO	7.25	326.3	725,000	100,000	ISTA. BARBARA	SUCHITEPEQUEZ
ISAN MIGUEL LOS NARANJOS	6.50	292.5	629,000	96,769	ISN AGUST ACASAGUASTLAN	EL PROGRESO
ISAN MIGUEL MOCA	10.75	483.8	1,600,000	148,837	ICHICACAO	SUCHITEPEQUEZ
ISAN NICOLAS	34.00	1530.0	5,100,000	150,000	INUEVA CONCEPCION	ESCUINTLA
ISAN NICOLAS	6.00	270.0	750,000	125,000	ISAN VICENTE PACAYA	ESCUINTLA
ISAN NICOLAS	4.00	180.0	320,000	80,000	ISTA MARIA IXHUATAN	SANTA ROSA
ISAN PEDRO	0.50	22.5	25,000	50,000	ISAN PEDRO CARLHA	ALTA VERAPAZ
ISAN PEDRO CARLHA	9.00	405.0	540,000	60,000	ISAN PEDRO CARLHA	ALTA VERAPAZ
ISAN ROBERTO, LA ESPERANZA	3.06	137.7	230,000	75,163	ISANTA ROSA DE LIMA	SANTA ROSA
ISANTA ANA MONTERAMOS	7.25	326.3	1,500,000	206,897	IMAZATENANGO	SUCHITEPEQUEZ
ISANTA ANITA	9.84	442.8	810,000	82,317	IPURULA	ALTA VERAPAZ

FARMS VISITED BY PENNY FOUNDATION

FARM NAME	AREA	AREA	TOTAL	PRICE	FARM LOCATION	
	CABS	HAS	PRICE, D.	PER CAB	TOWN	DEPARTMENT
ISANTA ELENA CONACASTE	1.43	67.0	90,000	60,448	ISANTO DOMINGO	SUCHITEPEQUEZ
ISANTA EULALIA	6.07	273.2	360,000	59,308	IGUANAGAZAPA	ESCUINTLA
ISANTA RAQUEL	5.71	257.0	653,800	115,552	ISTO DOMINGO	SUCHITEPEQUEZ
ISANTA RITA	2.50	112.5	450,000	180,000	IEL QUETZAL	SAN MARCOS
ISANTA ROSA SUMATAN	12.00	540.0	1,500,000	125,000	ISAN PEDRO YEPOCAPA	CHIMALTENANGO
ISANTA ROSALIA	5.50	247.5	550,000	100,000	ISAN JOSE EL IDOLO	SUCHITEPEQUEZ
ISANTA TERESA	1.50	67.5	150,000	100,000	IPAJAFITA	SAN MARCOS
ISANTO DOMINGO	2.00	90.0	70,000	35,000	IALDEA SN. JACINTO	CHIMALTENANGO
ISEFACUITE	34.00	1530.0	950,000	27,941	ISENANHU	ALTA VERAPAZ
ISEXAN	27.00	1215.0	270,000	10,000	ISANTA MARIA CAHABON	ALTA VERAPAZ
ISEFAJA	7.00	315.0	650,000	92,857	ISAN PEDRO YEPOCAPA	CHIMALTENANGO
ISIN NOMBRE	14.93	671.9	75,000	5,023	ILHAAL	ALTA VERAPAZ
ISIN NOMBRE	0.34	15.3	30,000	88,235	ICHICHICASTENANGO	QUICHE
ISIN NOMBRE	3.30	148.5	75,000	22,727	ISN VICENTE PACAYA	ESCUINTLA
ISIN NOMBRE	0.65	29.3	25,000	38,462	ISAN ANDRES SEMETABAJ	SOLOLA
ISIN NOMBRE	1.25	56.3	112,000	89,600	ISAN ANDRES ITZAPA	CHIMALTENANGO
ISIN NOMBRE	9.00	405.0	540,000	60,000	ISAN PEDRO CARCHA	ALTA VERAPAZ
ISIN NOMBRE FTN-1	9.00	405.0	300,000	33,333	IFRAY BARTOLOME CASAS	FTN
ISIN NOMBRE FTN-2	10.00	450.0	220,000	22,000	IFANZOS	ALTA VERAPAZ
ISIN NOMBRE (J. Gonzalez)	0.50	22.5	60,000	120,000	ICHIQUMULILLA	SANTA ROSA
ISIN NOMBRE (Maria Carmen Del Cid)	2.25	101.3	286,000	127,111	ISAN PEDRO AYAMPUC	GUATEMALA
ISIN NOMBRE (Sr. Flores)	1.64	73.8	105,000	64,024	IBARBERENA	SANTA ROSA
ISIN NOMBRE (Jose Chalazan Chali)	0.50	22.5	0	0	ICHUZZUNUY	CHIMALTENANGO
ISIN NOMBRE-Felipe Calderon	0.44	19.8	120,000	272,727	INUEVA CONCEPCION	ESCUINTLA
ISIN NOMBRE-Roberto Asturias	0.50	22.5	250,000	500,000	IFRAIJANES	GUATEMALA
ISN ANTONIO ELENA VISTA	8.50	382.5	467,500	55,000	IGUANAGAZAPA	ESCUINTLA
ISN RAFAEL MAURITANIA	4.50	202.5	600,000	133,333	ICOLOMA	QUEZALTENANGO
ISN. FCO. EL CRISTO	1.50	67.5	400,000	266,667	ITAXISCO	SANTA ROSA
ISTA ANITA LAS CANDAS	12.00	540.0	0	0	ISN MARTIN JILOTEPEQUE	CHIMALTENANGO
ISTA ROSA PALAJUNOJ	3.00	135.0	500,000	166,667	IEL PALMAR	QUEZALTENANGO
ISTA. ROMELIA	2.00	90.0	300,000	150,000	IGENOVA	QUEZALTENANGO
ITAMARINDO	11.00	495.0	930,000	90,000	IPARC. CABALLO BLANCO	RETALHULEU
IURUGUAY	4.00	180.0	125,000	31,250	IBARBERENA	SANTA ROSA
IVENEZIA	6.00	270.0	200,000	33,333	IGUANAGAZAPA	ESCUINTLA
IVICTORIA ANSELMA	4.00	180.0	240,000	60,000	IPAJAFITA	SAN MARCOS
IXECOTOJ	1.50	67.5	150,000	100,000	ISAN ANDRES SEMETABAJ	SOLOLA
IXIFACAY	1.24	55.8	150,000	120,568	ISAN ANDRES ITZAPA	CHIMALTENANGO
IXOJOLON	0.20	9.0	24,000	120,000	IPATZUN	CHIMALTENANGO
IXOJOLON II	0.10	4.5	9,000	90,000	IPATZUN	CHIMALTENANGO
IXUXHIL JUUY	1.20	54.0	350,000	291,667	IPUEBLO NUEVO VINAS	SANTA ROSA

**ANNEX II: FARMS VISITED AND REJECTED BY PENNY FOUNDATION  
WITH SELECTED REASONS FOR NON-PURCHASE.**

**FARMS VISITED BY THE FUNDACION DE CENTAVO BUT REJECTED FOR INCOMPLETE REASON**

FARM NAME	AREA	AREA	TOTAL	PRICE	FARM LOCATION		
	CABS	HAS	PRICE, Q.	PER CAB	TOWN	DEPARTMENT	
CALANCHE	7.00	315.0	250,000	35,714	STA. MARIA DE JESUS	SACATEPEQUEZ	
EL CARMEN	2.00	90.0	230,000	145,000	CHIQUIMULILLA	SANTA ROSA	
EL CARMEN	15.00	675.0	60,000	4,000	STA. MARIA CAHABON	ALTA VERAPAZ	
EL TRAPICHITO	3.50	157.5	250,000	71,429	GUANACAZAPA	ESCUINTLA	
LA Cumbre	0.50	22.5	50,000	100,000	ESCUINTLA	ESCUINTLA	
LA VIRTUD	2.50	112.5	150,000	60,000	GUANACAZAPA	ESCUINTLA	
LAS LAJAS	2.50	112.5	350,000	140,000	ALOTENANGO	SACATEPEQUEZ	
SANTA ROSALIA	5.50	247.5	550,000	100,000	SAN JOSE EL IDOLO	SUCHITEPEQUEZ	

**FARMS VISITED BY THE FUNDACION DE CENTAVO CITING PASTURE CROPS AS REJECTION REASON**

FARM NAME	AREA	AREA	TOTAL	PRICE	FARM LOCATION		
	CABS	HAS	PRICE, Q.	PER CAB	TOWN	DEPARTMENT	
EL TAMARINDO	4.00	180.0	240,000	60,000	MASAGUA	ESCUINTLA	
FLORENCIA	11.00	495.0	660,000	60,000	SAN MIGUEL POCHUTA	CHIMALTENANGO	
LAS MANUELITAS	2.00	90.0	180,000	90,000	STA LUCIA COTZ	ESCUINTLA	

**FARMS VISITED BY THE FUNDACION DE CENTAVO CITING "NOT FITTING REQUIREMENTS" AS REJECTION REASON**

FARM NAME	AREA	AREA	TOTAL	PRICE	FARM LOCATION		
	CABS	HAS	PRICE, Q.	PER CAB	TOWN	DEPARTMENT	
EL FUJOL	8.00	360.0	480,000	60,000	LOS AMATES	IZABAL	
MONTE BAJO	4.00	180.0	350,000	87,500	JALPETAGUA	JUTIAPA	
NIAGARA	1.00	45.0	75,000	75,000	NUEVO PROGRESO	SAN MARCOS	
PUNTA BAJA	0.84	37.8	110,000	130,952	ESCUINTLA	ESCUINTLA	
URUGUAY	4.00	180.0	125,000	31,250	BARBERENA	SANTA ROSA	
VICTORIA ANSELMA	4.00	180.0	240,000	60,000	PAJAPITA	SAN MARCUS	

FARMS VISITED BY THE FUNDACION DE CENTAVO CITING CROP RESTRICTIONS AS REASON FOR REJECTION

FARM NAME	AREA		TOTAL PRICE, Q.	PRICE PER CAB	FARM LOCATION	
	CABS	HAS			TOWN	DEPARTMENT
ARIZONA	5.00	225.0	400,000	80,000	GENOVA	QUEZALTENANGO
CHILCHEN	15.00	675.0	75,000	5,000	SAN JUAN CHAMELCO	ALTA VERAPAZ
CHUIJANIL	0.26	11.6	13,250	51,224	STA LUCIA UTATLAN	SOLOLA
COCALES	0.88	39.6	25,000	28,409	LA DEMOCRACIA	HUEHUETENANGO
EL CHAGUITE	13.50	607.5	189,000	14,000	JALAPA	JALAPA
EL COTETE	3.00	135.0	125,000	41,667	SAN PEDRO PINULA	JALAPA
EL GUAMUCHAL	5.00	225.0	400,000	80,000	STO DOMINGO	SUCHITEPEQUEZ
EL SUDADERO	3.09	139.0	50,000	16,181	CHINIQUE DE LAS FLORES	QUICHE
EL TAMARINDO	4.00	180.0	240,000	60,000	MASAGUA	ESCUINTLA
EL TRIUNFO	1.50	67.5	350,000	233,333	SIGUINALA	ESCUINTLA
EL TRIUNFO	3.00	135.0	90,000	30,000	SANTA ROSA DE LIMA	SANTA ROSA
LA CHUSITA	4.00	180.0	175,000	43,750	SAN PEDRO YEPOCAPA	CHIMALTENANGO
LA CUMPE	3.53	158.9	140,000	39,660	TAXISCO	SANTA ROSA
LA GOMERA	6.43	292.0	520,000	80,137	LA GOMERA	ESCUINTLA
LA PERLA	1.00	45.0	110,000	110,000	SAN BERNARDINO	SUCHITEPEQUEZ
LA VEGA	23.00	1035.0	1,955,000	85,000	SAN JOSE EL IDOLO	SUCHITEPEQUEZ
LAS CHILCAS	5.00	225.0	150,000	30,000	SANTA ELENA BARILLAS	
LOS AMATES	7.00	315.0	210,000	30,000	ORATORIO	SANTA ROSA
MARIAS MONGDY	3.16	142.2	105,000	33,228	ASUNCION MITA	JUTIAPA
MELCHOR	6.00	270.0	360,000	60,000	GUANAGAZAPA	ESCUINTLA
MIRAMAR	10.00	450.0	250,000	25,000	PANZOS	ALTA VERAPAZ
PALAMA	1.91	86.0	30,000	15,707	FATZUN	CHIMALTENANGO
PAMOXZAN	3.78	170.0	180,000	47,647	TELEMAN	ALTA VERAPAZ
RIO BLANCO	2.00	90.0	50,000	25,000	SAN PEDRO PINULA	JALAPA
SAN BERNARDINO	2.50	112.5	179,000	71,600	CHIMALTENANGO	CHIMALTENANGO
SAN NICOLAS	34.00	1530.0	5,100,000	150,000	NUEVA CONCEPCION	ESCUINTLA
SANTA ELENA CONACASTE	1.49	67.0	90,000	60,448	SANTO DOMINGO	SUCHITEPEQUEZ
SANTA TERESA	1.50	67.5	150,000	100,000	PAJAPITA	SAN MARCUS
SEPAQUITE	34.00	1530.0	950,000	27,941	SENANU	ALTA VERAPAZ
SIN NOMBRE	1.25	56.3	112,000	89,600	SAN ANDRES ITZAPA	CHIMALTENANGO
SIN NOMBRE	9.00	405.0	540,000	60,000	SAN PEDRO CARCHA	ALTA VERAPAZ
SIN NOMBRE (J. Gonzalez)	0.50	22.5	60,000	120,000	CHIQUMULLA	SANTA ROSA
SIN NOMBRE (Maria Carmen Del Cid)	2.25	101.3	286,000	127,111	SAN PEDRO AYAMPUC	GUATEMALA
STA ANITA LAS CANOAS	12.00	540.0		0	SN MARTIN JILOTEPEQUE	CHIMALTENANGO
URUGLAY	4.00	180.0	125,000	31,250	BARBERENA	SANTA ROSA
VICTORIA ANSELMA	4.00	180.0	240,000	60,000	PAJAPITA	SAN MARCOS

FARMS VISITED BY THE FUNDACION DE CENTAVO CITING CROP CONDITIONS AS REASON FOR REJECTION

FARM NAME	AREA		TOTAL PRICE, Q.	PRICE PER CAB	FARM LOCATION	
	CABS	HAS			TOWN	DEPARTMENT
CALIFORNIA	3.00	135.0	225,000	75,000	SAN ANTONIO	SUCHITEPEQUEZ
LA CHUSITA	4.00	180.0	175,000	43,750	SAN PEDRO YEPOCAPA	CHIMALTENANGO
MIRAMAR	10.00	450.0	250,000	25,000	PANZOS	ALTA VERAPAZ
PACHILJA	14.00	630.0	900,000	64,286	TUCURU	ALTA VERAPAZ
SAN IGNACIO	4.78	215.0	700,000	146,512	MALACATAN	SAN MARCOS
SAN JOSE CACAHUETE	7.00	315.0	600,000	85,714	SAN LUCAS TOLIMAN	SOLOLA
SIBAJA	7.00	315.0	650,000	92,857	SAN PEDRO YEPOCAPA	CHIMALTENANGO

ANNEX III: ENCUESTA PERSONAL PARA SELECCION DE BENEFICIARIOS

PROGRAMA COMPRA-VENTA DE TIERRAS

1. Datos de identificación personal

1.1 Nombres y apellidos completos \_\_\_\_\_  
Como se consigna en Cédula de Vecindad

1.2 Cédula de Vecindad No. Or. en \_\_\_\_\_ Registro \_\_\_\_\_  
Extendida en \_\_\_\_\_

1.3 Lugar y fecha de nacimiento \_\_\_\_\_

1.4 Estado Civil \_\_\_\_\_

2. Datos Familiares:

2.1 Nombre de los padres:

2.1.1 Padre: \_\_\_\_\_ Nacionalidad \_\_\_\_\_

2.1.2 Madre: \_\_\_\_\_ Nacionalidad \_\_\_\_\_

2.2 Núcleo familiar

Nombre completo	Edad	Relación Familiar
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____

3. Datos educacionales

3.1 Lee y escribe SI ( ) NO ( )

3.2 Asistió a la escuela SI ( ) NO ( )

3.3 Último grado que cursó \_\_\_\_\_

3.4 Se expresa en castellano SI ( ) NO ( )

3.5 Dialecto que habla \_\_\_\_\_

3.6 Ha participado en cursillos especiales SI ( ) NO ( )

Tipo de curso \_\_\_\_\_

Duración \_\_\_\_\_

Lugar \_\_\_\_\_

4. Datos ocupacionales

4.1 En que trabaja actualmente \_\_\_\_\_  
4.2 Que otros trabajos hace durante el año \_\_\_\_\_

5. Datos Económicos

5.1 Ingreso total anual Q \_\_\_\_\_

5.1.1 Provenientes de la agricultura

Cultivos	Extensión	Producción anual	Precio por unidad	Ingreso Bruto	Total

5.1.2 Por actividades pecuarias

Especie	Cantidad	Producción de Leche	Carnes	Huevos	Alquiler	Venta	Ingreso Bruto	Total

5.1.3 Provenientes de la artesanía o pequeña industria

Producto	Mensual	Anual	Unitario	Ingreso Bruto	TOTAL

5.1.4 Provenientes de pequeños negocios

Tipo	Venta Diaria	Venta Mensual	Ingreso Bruto	Total

5.1.5 Provenientes de la prestación de servicios personales de la familia

Días de Servicio	No. Personas	Ingreso Diario	Ingreso Mensual	Anual	Total

5.1.6. Otros Ingresos (especificarlos)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5.2 Tenencia de Tierra

5.2.1 En propiedad \_\_\_\_\_ Htz. \_\_\_\_\_ Arrendamiento \_\_\_\_\_  
usufructo \_\_\_\_\_ Htz. \_\_\_\_\_ Otro \_\_\_\_\_  
(especifique)

5.3 Vivienda

5.3.1 Alquilada ( ) Cedida ( ) Propia ( )

5.4 Bienes familiares \_\_\_\_\_ Valor Total Q \_\_\_\_\_

5.4.1 Inmuebles \_\_\_\_\_ Valor estimado \_\_\_\_\_

%. \$." Muebles \_\_\_\_\_ Valor estimado \_\_\_\_\_

5.4.3 Semovientes \_\_\_\_\_ Valor estimativo \_\_\_\_\_

5.4.4 Aperos de labranza \_\_\_\_\_ Valor Estimado \_\_\_\_\_

6. RELACION COMUNAL

6.1 Ha ocupado algún cargo por elección popular SI ( ) NO ( )  
Tipo de cargo \_\_\_\_\_  
Tiempo \_\_\_\_\_

6.2 Ha ocupado cargos públicos por nombramiento SI ( ) NO ( )  
Tipo de cargo \_\_\_\_\_  
Tiempo \_\_\_\_\_

\*.# Es miembro de alguna organización SI ( ) NO ( )  
Tipo de Organización \_\_\_\_\_  
Cargo que ocupa \_\_\_\_\_

5.4 Práctica algún deporte SI ( ) NO ( )  
Tipo \_\_\_\_\_  
Frecuencia \_\_\_\_\_

5.5 Asiste a alguna iglesia SI ( ) NO ( )  
Tipo \_\_\_\_\_  
Frecuencia \_\_\_\_\_

6.6 Asiste al Centro de salud SI ( ) NO ( )  
Motivo \_\_\_\_\_

6.7 Como se llama el Alcalde Municipal \_\_\_\_\_

7. ACTITUD EMPRESARIAL

7.1 Qué extensión de tierra cree que pueda trabajar \_\_\_\_\_

7.2 Ha solicitado préstamo alguna vez SI ( ) NO ( )

A quién \_\_\_\_\_

Para que lo solicitó \_\_\_\_\_

Cuánto debe actualmente \_\_\_\_\_

7.3 Ha participado en la realización de algún proyecto económico de mejoramiento  
SI ( ) NO ( ) Tiempo de Proyecto \_\_\_\_\_

En qué consistió su participación \_\_\_\_\_

7.4 Si se le diera préstamo para comprar y trabajar la tierra, que sembraría

\_\_\_\_\_

Qué cantidad de dinero cree que necesitaría Q \_\_\_\_\_

7.5 Donde vendería su producto \_\_\_\_\_

8. OBSERVACIONES

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Lugar y fecha \_\_\_\_\_

FIRMA \_\_\_\_\_

ANNEX IV:

PONDERACIONES PARA LA BOLETA DE SELECCION DE BENEFICIARIOS

IDENTIFICACION PERSONAL:

Estado Civil: 1 = Soltero,  
2 = Viudo,  
3 = Divorciado  
4 = Unido,  
5 = Casado,  
6 = Otro.

Carga familiar:

Numero total de hijos.

Ponderacion familiar:

Codigo de estado civil + numero de cargas familiares.

DATOS OCUPACIONALES:

Trabajo actual y otros trabajos durante el año:

A = Agricultor,  
B = Ganadero,  
C = Jornalero,  
D = Sastre,  
E = Carnicero,  
F = Carpintero,  
G = Albañil,  
H = Comerciante,  
I = Burocrata,  
J = Plomero,  
K = Aserrador,  
L = Herrero,  
M = Chofer.

Ponderacion ocupacional: 64 + numero de orden de la letra  
en el alfabeto.

DATOS ECONOMICOS:

Ingresos agricolas:

Numero de cultivos, manzanas sembradas,  
ingreso anual.

Ingresos pecuarios:

Numero de especies vendidas, total de  
animales vendidos, ingreso anual.

Ingresos industriales:

Total de productos vendidos, ingreso anual.

Ingresos comerciales:

Numero de negocios, ingreso anual.

Ingresos por servicios personales:

Numero de jornales vendidos al ano, ingreso anual.

Otros ingresos:

Ingreso anual.

Fonderacion economica:

agricole:

( numero de cultivos + manzanas sembradas + ingreso anual ) \* 100

pecuario:

( especies vendidas + numero de animales vendidos + ingreso anual ) \* 75

industrial:

( Total de productos vendidos + ingreso anual ) \* 50

comercial:

( Numero de negocios + ingreso anual ) \* 25

prestacion de servicios:

Numero de jornales + ingreso anual

otros ingresos:

ingreso anual / 10

Fonderacion economica: agricola + pecuario + industrial +  
comercial + prestacion de servicios + otros  
ingresos

INVERSIONES:

Tenencia de tierras:

Cantidad de manzanas en:

Propiedad,  
Arrendamiento,  
Usufructo,

Otro tipo de tenencia.

Vivienda:

- 1 = Alquilada,
- 2 = Cedida,
- 3 = Propia.

Bienes familiares:

Valor total estimado.

Ponderacion de inversion:

tierra:

Propia \* 100 + Arrendada \* 75 + usufructo \* 50 +  
otro tipo.\*

vivienda:

Tipo de vivienda \* 100

bienes:

Valor de los bienes propios.

Ponderacion de inversion:

tierra + vivienda + bienes

RELACION COMUNAL:

Cargos por eleccion popular:

0 = No,

1 = Si, Tipo de cargo:

- 1 = Comite,
- 2 = Cooperativa,
- 3 = Municipal,
- 4 = Estatal.

Tiempo en meses de duro en el cargo.

Cargos por nombramiento:

0 = No

1 = Si, Tipo de cargo:

- 1 = Comite,
- 2 = Cooperativa,
- 3 = Municipal,
- 4 = Estatal.

Tiempo en meses que duro en el cargo.

Miembro de alguna organizacion:

0 = No

1 = Si, Tipo de organizacion:

1 = Militar,

2 = Comite,

3 = Cooperativa,

4 = Militar - comite,

5 = Militar - cooperativa,

6 = Comite - cooperativa,

7 = Militar - comite - cooperativa.

Cargo que ocupa:

1 = Socio,

2 = Directivo.

Practica de algun deporte:

0 = No,

1 = Si: Numero de deportes que practica,  
Frecuencias:

1 = Eventual,

2 = Mensual,

3 = Quincenal,

4 = Semanal,

5 = Diaria.

Asiste a alguna iglesia:

0 = No,

1 = Si: Tipo de iglesia a la que asiste:

1 = Catolica,

2 = Evangelica,

3 = Mormona,

4 = Testigos de Jehova.

Frecuencia de asistencia:

1 = Eventual,

2 = Mensual,

3 = Quincenal,

4 = Semanal,

5 = Diaria.

Ponderacion comunal:

cargo popular:

Tipo de cargo \* ( Duracion en meses ) \* 2

cargo nombrado:

Tipo de cargo \* duracion en meses

miembro de organizacion:

Tipo de organizacion \* cargo que ocupa

deportes:

Numero de deportes \* frecuencia de practica

religion:

si tiene; codigo de la frecuencia

ponderacion comunal:

cargo popular + cargo nombrado + miembro de  
organizacion + deportes + religion

ACTITUD EMPRESARIAL:

Solicitud de prestamos:

0 = No, .

1 = Si, A quien lo solicito:

- 1 = Particulares,
- 2 = Instituciones,
- 3 = Bancos.

Cuanto solicito,

Plazo solicitado en meses,

Deuda actual,

Para que lo solicito:

- 1 = Otros,
- 2 = Vivienda,
- 3 = Agricultura.

Participacion en proyectos de mejoramiento:

0 = No,

1 = Si, Tipo de proyecto:

- 1 = Laminos,
- 2 = Agua potable,
- 3 = Escuela,
- 4 = Iglesia.

Forma de participacion:

- 1 = Mano de obra,
- 2 = Herramientas,
- 3 = Materiales,
- 4 = Dinero.

Fonderacion empresarial:

Prestamos:

( A quien le solicito el prestamo ) \* 100 +  
cuanto solicito + plazo en meses + ( para que  
lo solicito ) \* 100

Proyecto de mejoramiento:

( Tipo de proyecto ) \* ( Forma de  
participacion ) \* 100

Fonderacion empresarial:

Prestamos + proyectos de mejoramiento.

FONDERACION DE CADA COMPONENTE:

Cada componente posee su respectiva ponderacion. a la cual se le calcula su sumatoria y sumatoria de cuadrados. Con estas sumatorias, al final del ingreso de todas las boletas, se le calcula a cada componente su media y su varianza, por las formulas siguientes:

$$M = Sx / n$$

$$S = ( Sx2 - Sx * Sx / n ) / ( n - 1 )$$

Donde:

M = Media

S = Varianza

n = Numero de boletas

Sx = Sumatoria de cada componente de la ponderacion

Sx2 = Sumatoria de cuadrados de cada componente de la ponderacion.

Con estos datos se procede a la estandarizacion de los datos, por medio de la formula:

$$Z = ( x - M ) / ( raiz cuadrada de S )$$

Donde:

Z = Valor estandarizado para cada componente en cada boleta.

x = Valor de cada componente en cada boleta.

- $\bar{H}$  = Valor del promedio de cada boleta.
- $S^2$  = Valor de la varianza de cada boleta.

Procediendo finalmente a calcular el porcentaje para cada componente, luego se promedian para tener un porcentaje general para cada boleta y finalmente se clasifican de menor a mayor en función de este porcentaje promedio.

Preparado por: Sergio Gonzalez.

ANNEX V: REPAYMENT CAPACITY FOR COFFEE PARCEL

Year	Total Production Costs	Financed Costs <sup>1</sup>	Interest Costs (14%)	Gross Income	Net Income <sup>2</sup>	Accumulated Principal & Interest on Production Credit	Land Repayment Schedule <sup>3</sup>	Family Labor Income <sup>4</sup>	Net Farm Income <sup>5</sup>
1	1660	1450	203	0	(1653)	1653	—	210	(1653)
2	546	470	66	0	(536)	2392	—	76	(2392)
3	942	703	98	1540	739	1922	—	239	(1922)
4	1388	1080	151	3300	2669	0	186	280	194
5	1675	1118	156	5440	4166	0	186	360	3980
6	1675	1118	156	5440	4166	0	186	360	3980
7	1675	1118	156	5440	4166	0	186	360	3980
8	1675	1118	156	5440	4166	0	186	360	3980
9	1675	1118	156	5440	4166	0	186	360	3980
10	1675	1118	156	5440	4166	0	186	360	3980

Source: Penny Foundation records for San Juan Monte Real farm

According to the farm plan outlined in the above table, the San Juan beneficiaries are unable to begin making land payments until the fourth production year. Further, a substantial initial investment is required to establish a viable coffee parcel. The beneficiaries will need four years before coffee profits provide enough earnings to repay this investment capital. After the fifth year, the beneficiaries should have no problems repaying their debt.

These data demonstrate the important role the Penny Foundation plays in rural development efforts. Without the land loans and the medium-term investment capital, it would be impossible for these same families to establish themselves as viable small farm households. Even with access to land through some other means, at present no medium-term investment capital is available in Guatemala.

Some of the coffee farms purchased by the Penny Foundation already have some older coffee trees and will provide a source of income from the first year. Almost all the vegetable farms also produce from the first year and those beneficiaries have not experienced problems repaying their land debt. In general, the Penny Foundation has been cautious selecting farms with adequate repayment capacity, especially given the intensive technical assistance they provide.

<sup>1</sup>One-half the labor costs are financed and one-half are contributed by the family.

<sup>2</sup>Net income equals gross income less the financed costs and interest costs.

<sup>3</sup>Each hectare costs approximately \$1300 including interest, land price, and closing costs spread over 10 years and paid in seven equal payments.

<sup>4</sup>Family labor income is the portion of labor financed with production credit and represents cash payments to the family per hectare.

<sup>5</sup>Net farm income does not include labor income.