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ACDI

AGRICULTURAL COOPERATIVE
DEVELOPMENT INTERNATIONAL

COOPERATIVE MANAGEMENT
STRENGTHENING PROJECT
OPG-515-0248

FINAL REPORT

SEPTEMBER 1992

SUBMITTED TO:

RURAL DEVELOPMENT OFFICE
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SAN JOSE, COSTA RICA

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ACDI Costa Rica
Cooperative Management Strengthening Project
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Final Report

Introduction

This report is not a compilation of technical accomplishments, nor is it an evaluation. The former can be found in the file of quarterly reports, and the latter can be found in the mid-term evaluation and any subsequent update. An evaluation should be written by an objective outsider, and this report is being written by a participant.

At the time of the mid-term evaluation, in mid-1991, the project was well ahead of its quantitative goals in terms of outputs, services to the clients, etc. This continued until the end of the project, in mid-1992, at which point the output report also shows all quantitative goals, in terms of services delivered, were surpassed.

Here we attempt to tell a series of stories about the philosophy behind the project, the reasons for choosing particular clients, the kinds of problems the clients share, how each of the major clients serve their regional constituencies, and how they impact the Costa Rican export picture within and beyond the time frame of this project.

Despite the elegant proposal language, input-output charts, and statements of goals and purposes in previous documents, nowhere in the paper trail left by this project is there a proper description of the principal goal/method which fired the imagination of the people in the trenches: "cambio mental," or mental change.

Our immodest hope was that farmers would learn to think of their organization as a business, not a political tool for funneling subsidies and cheap credit; that they would learn faith in business planning tools to reduce risk and make investing their scarce capital reasonable; that they would replace their politically oriented employees with sharp-pencil types with vision and the ability to turn a profit and pay back the bank; and that they would see themselves as producer participants in a world market for high-quality products, where the consumer constantly dictates higher standards, and the competition can be expected to find cheaper ways to produce.

We saw eyes open and lights go on, sometimes the result of our exhortations, but undoubtedly mostly due to the changes in the world around us. We learned lessons about peculiar crops, markets, people, organizations, and the Costa Rican farmer as a business person and exporter, which we summarize here.

The time frame

This project began in April of 1989, and was completed in September of 1992, 42 months later. The main technical effort took place in the period January 1990 to March of 1992, however, a period of 27 months. The first nine months of the project were largely spent in re-organizing our staff, re-writing our budget, and helping the Mission and FEDECOOP come to an uneasy truce after 20 months of re-defining the rules of the coffee credit project. This unfortunate series of events is described fully in the mid-term evaluation.

Although we lost an employee in the cross-fire, and his removal cost us many headaches and set-backs, the coffee credit portion of the project was greatly improved and our costs were reduced, while our staffing level was substantially increased by adding locally hired people to replace an expensive expatriate adviser. The nine month start-up delay was unavoidable, and in hindsight, well worth the time lost. The coffee credit project continues until March of 1993. This report is therefore focused on our assistance to NTAE groups.

The human input

The professional staff for the NTAE activity, leaving aside administrative functions, consisted of one half-time marketing specialist, one half-time management specialist, and starting in January, 1990, one full-time financial analyst, for a total of two full-time person equivalents. These were supplemented by short-term consultants and farmer-to-farmer volunteers.

Choice of NTAE client farmer groups

Given our small field staff, we knew from the start we would have to balance the attributes of clients and make hard choices. We were told by the Mission, wisely, to avoid start-up groups, with their heavy time commitments and shaky production bases. We likewise wanted to avoid groups which were made up of non-resident farmer/investors, and we tried to work away from the Meseta Central, below 800 meters altitude, where farm incomes are low and technical needs are great. At the same time, we wanted to work principally with groups currently producing sizable amounts of product, representing substantial current or potential market share, and involving substantial current or potential numbers of farmers.

We found what we were looking for, with some interesting permutations which seem to be typically Costa Rican. Four clients that best meet the above parameters are listed, along with their products and annual sales, in Figure 1. The list of all the groups contacted and assisted is summarized in Figure 2.

FIGURE 1
ACDI COSTA RICA
 PROJECTED SALES OF FOUR NON-TRADITIONAL CLIENTS

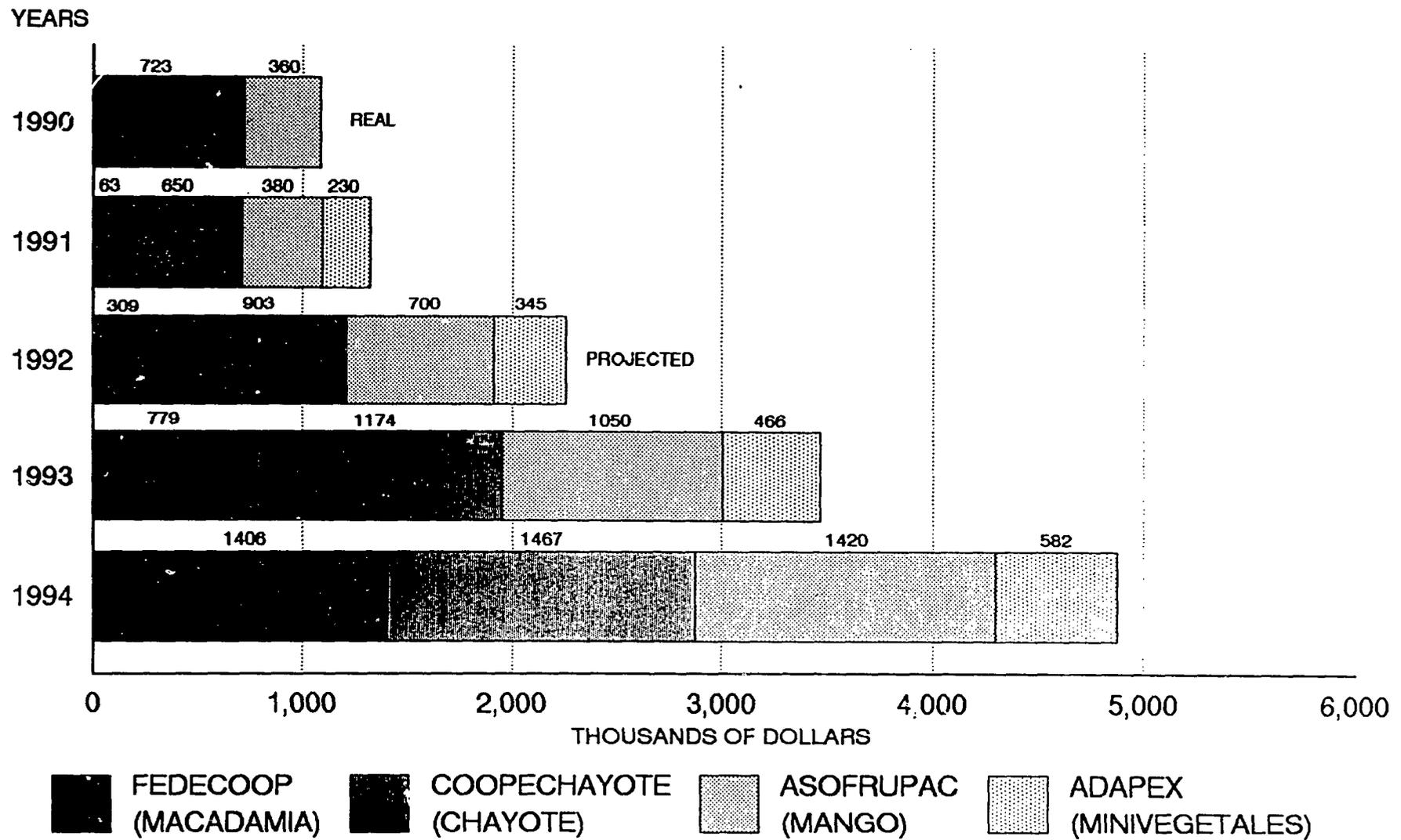
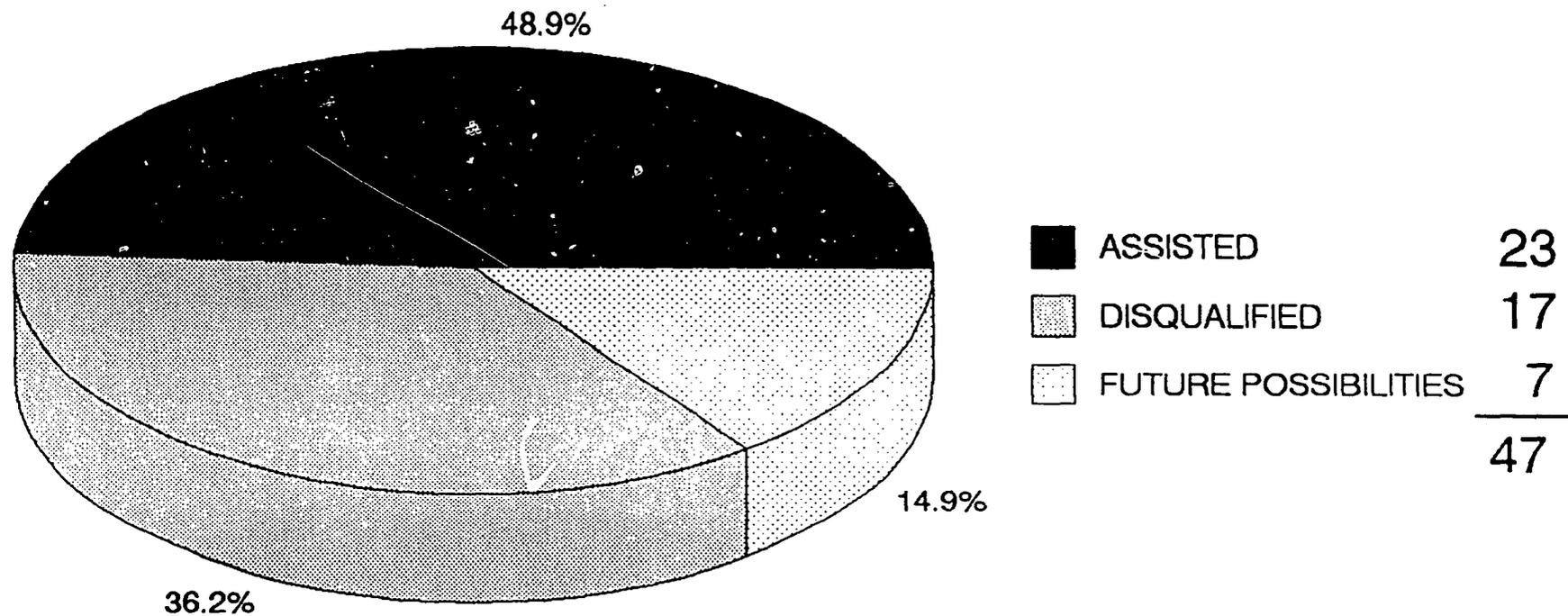


FIGURE 2
ACDI COSTA RICA
NTAE COOPERATIVES CONTACTED AND ASSISTED

COOPERATIVE	HAS DIAGNOSTIC	NOT QUALIFIED	POSSIBLE FUTURE CLIENT	ASSISTED BY ACDI
COOPEINDIA R.L.	X			X
COPELLANOVERDE R.L.	X			X
COOPEPLANT R.L.	X			X
COPELLANOGRANDE R.L.	X	X		
APACONA	X			X
ORCOOPES	X	X		
COOPEPELPA R.L.	X	X		
COOPEMARTE R.L.	X	X		
COOPECHAPU R.L.	X	X		
COOPEMALANGA R.L.	X	X		
COOPEGOLFITO R.L.	X	X		
COOPEPAQUERA R.L.	X	X		
COOPEFRUTAS R.L.	X			X
COOPEIPECA R.L.	X	X		
ASOCIACION EL PORVENIR	X	X		
CENTRO AGRICOLA TURRIALBA	X	X		
UNAINDIO	X	X		
COOPEGERMANIA R.L.	X		X	
COOPETALAMANCA R.L.	X		X	
ASOCIACION DE ESPARRAGUEROS	X			X
COOPEAMPARO R.L.	X			X
ADAPEX	X			X
ASOFRUPAC	X			X
COOPECHAYOTE R.L.	X			X
COOPETIERRABLANCA R.L.	X			X
ASOC. PRODUCTORES DE MORAS	X		X	
COOPEMADEREROS R.L.	X	X		
COOPETARCOLES R.L.	X	X		
COOAGROS	X			X
COOPECUAJINIQUEL R.L.	X	X		
LINIEROS DEL PACIFICO	X	X		
* COOPETILARAN R.L.	X			X
* COOPEARAGON R.L.	X			X
* COOPESANVITO R.L.	X			X
* COOPESANCARLOS R.L.	X			X
* COOPESABALITO R.L.	X			X
* COOPEAGUABUENA R.L.	X			X
* COOPEAGRI R.L.	X			X
ASOC. DE PRODS. DE PALMITO	X			X
ASOC. DE PRODS. LOS LAGOS	X	X		
ASOC. DE PRODS. DE PIMIENTA	X			X
COOPESANBLAS R.L.	X		X	
ASOC. AGRICULTORES DEL VALLE	X		X	
ASOC. PRODS. VILLA HERMOSA	X		X	
ASOC. CAMPESINA LAS LAGUNAS	X		X	
COOPESANCARLOS (ROOT CROPS)	X			X
COOPEAGRIMAR (VEGETABLES)	X			X
TOTAL	47	17	7	23

* FEDECOOP LOCAL COOPERATIVES WITH MACADAMIA

FIGURE 3
ACDI COSTA RICA
NTAE COOPERATIVES CONTACTED
OPG 515-0248
CUMULATIVE TO SEPTEMBER 1992



The Main clients: how they fared and what we learned

1) ASOFRUPAC, mango growers from Orotina

ASOFRUPAC is made up of 135 mango farmers of all sizes and backgrounds. In the Costa Rican vernacular, they should be called an "arroz con mango," meaning an unusual mixture. In other words, their membership is heterogenous, including small subsistence farmers as well as wealthy absentee investors, and every kind of social level in between. This works, but in decidedly Costa Rican fashion. They represent at least 25% of Costa Rican mango plantings, although their young trees are producing only a fraction of their eventual adult potential.

ASOFRUPAC began with a heavy dose of paternalism and subsidy from PINDECO-Del Monte. In 1990 we helped ASOFRUPAC obtain a much more advantageous marketing agreement with another exporter, which paid them a higher price and turned over the "CAT," or export incentive of 20% above the invoice price. (20% because all mangos go to Europe, 15% is the incentive for North America).

In 1990-91 we had researched and written a feasibility study for ASOFRUPAC to build a hot-water treatment plant in order to reach the U.S. market. Hot-water dipping, under USDA inspection, is required for control of the Mediterranean Fruit Fly. We enjoyed the cooperation of USDA in Mexico, where we took the manager and a board delegation to see how the system worked in person.

It is likely that the first hot water plant to be built will be in the Guanacaste area, where the producers have greater current volume and deep pockets. This will work to the advantage of the ASOFRUPAC members, since they can learn from the experience of others (both technically and in marketing to the U.S.) while the young ASOFRUPAC crop comes on.

After completing the hot-water treatment study, we became concerned with helping the group as an organization and a business in its current configuration, anticipating huge increases in volume in future years as the young trees owned by the members begin to reach full production.

After many sessions with the manager and key leaders, we realized that ASOFRUPAC has a very heterogenous membership and more than ideal turnover on its board, thanks to the Costa Rican Law of Associations. Given the fact we had too little staff to get embroiled in the Old West-style wranglings on the board, we agreed with the manager that the best use of our resources would be to help them learn to run their packing business efficiently and handle increased volumes of product. Before they learn to

drive a car, analogous to the hot water treatment plant, they should learn to ride their bicycle, which would be analogous to their existing packing and cooling operation. In mid-1991 they asked us to help them avoid cash-flow problems at peak harvest, a side-effect of the increased product volumes they are experiencing each year.

Under the new marketing agreement, ASOFRUPAC has improved its equity position by owning CATs, which mature in one year from date of issue. Their liquidity is reduced unless they keep adequate cash reserves, borrow for the peak season, or obtain advances from their broker.

At the same time, as their young trees mature, they have a bigger crop each year. Tree crops in general have a tendency to produce higher yields in alternate years. Also, seasonal peaks created by weather and variety mix can create a traffic jam at the packing house. As a result, packing house management needs a weekly plan for managing packing materials, labor, and transportation, based on previous years experience and intelligence from the field.

These factors working together caused a cash flow crunch in 1991. They could not pay their members as soon as in previous years, thus threatening their member support base. In the fruit packing and shipping business, product volume is a crucial variable. Annual units packed must reach target levels in order to cover costs and assure a reasonable packing cost per unit. Relatively small percentages of volume loss can create much higher per-unit costs. Learning to manage all these variables is a headache for any fruit packing and shipping business. It is especially hard for an expanding young firm which is doing more of its own logistics each year.

Therefore our approach to the 1992 financial projections began with the analysis of projected product flow. The peak months of March and April are crucial for ASOFRUPAC, because volume and packing expenses rise sharply, while there is at least a two-week lag in payment for product.

If all the variables in packing house management are not juggled adeptly, then ASOFRUPAC would have to cash in part of their CATs at a discount, borrow from their shipper, convince the members to wait longer for their product payment, or a combination of these. Once they are able to show how they manage these variables on paper, in a business plan with historical figures of performance, they will be able to negotiate a stand-by line of operating credit with a bank, eliminating some of the uncertainty for their members.

We had introduced ASOFRUPAC to our counterpart organization, UNIBANC, in 1991. UNIBANC administers a line of credit known as PIPA/MAG, which is funded by BID specifically for agricultural

groups involved in new crops. This would be the ideal source for a line of credit, and UNIBANC expressed a strong interest in ASOFRUPAC. (UNIBANC also participated in the \$2 million credit package for COOAGROS, see below).

ASOFRUPAC underwent a change of managers in early 1992. As our project came to a close, interest rates were still quite high, and it appeared the new management wanted to work without the line of credit in 1992, while keeping the option open for 1993.

Assuming the exportable crop volume and price assumptions hold, and if the above mentioned April cash flow crunch is managed in keeping with the assumptions, we projected a year-end cash-on-hand amount of \$27,000, with a net profit of \$95,000 for the year, representing 14.7% on gross income of \$647,392.

Our approach to these technical projects is to leave behind useful business planning documents which, with updating, could serve as road maps for farmer organizations in years to come. We have done this for future mango producers by providing ASOFRUPAC with improved marketing contracts, the hot water treatment feasibility study, and the packing house financial planning study. We would have liked to help them install a computerized accounting system designed for a mango packing house, but our project ran out before the ASOFRUPAC offices could be re-modeled to provide solid floors and adequate wiring for the needed hardware.

We learned several things from ASOFRUPAC. Costa Ricans of very different social backgrounds can work together effectively, if not always smoothly, stretching the limits of the "common bond" as an essential ingredient for success. Yet until the product volume builds to a "critical mass," this group will continue to resist making any big investments. The crop has enormous potential for Costa Rica, and is ideal for farmer-owned packing houses similar to highly successful ones run by tree-fruit growers in the U.S.

There are several regional clusters of mango producers on the north Pacific coast of Costa Rica who have similar problems, needs, and geographical proximity. CONAPROSAL of Guanacaste is one example. Many farmers have put off deciding how to market their mangos because their volume is still low. There is good land for mangos still available, including outstanding quality land in the lowlands between Puntarenas and Quepos, currently cropped to rice, which is losing its government subsidy.

Costa Rica can produce top quality mangos in the February and March window, beating Mexico to the winter market by 6 weeks, and greater earliness can be forced through cultural practices. Therefore Costa Rica is in a good position to become a leading

producer at the world level, as it has done in macadamia, palm heart, and ornamentals.

2) Coopechayote of Ujarras, Cartago

Our assistance to Coopechayote began in 1988 with a farmer-to-farmer volunteer who identified the genetic deterioration of their local seed, resulting in their research and development seed project. They now produce their own certified seed, and only members have access.

In 1990 we sent the manager to Florida, along with a staff member, where they identified new marketing outlets with the help of our U.S. member cooperative, Seald-Sweet, located in Vero Beach. This had an enormous impact on chayote sales in 1991, which were up by 70%, giving them their first million-dollar sales year and boosting membership to an all-time high.

The 1991 cooling project was the result of Coopechayote's attempt to open up the Southern California market with container loads sent by ship. Unforeseen delays can stretch shipping time from 11 days to more than 15 days, at which point chayotes which are not pre-cooled begin to deteriorate. Coopechayote has had difficulty penetrating this market because of these delays. In fact, they had lost two ocean container loads to spoilage and the manager was on the ropes with the members when we got involved.

There is good demand at attractive prices in the Southern California market, and that market has demand and price patterns which can complement the Florida market, especially at certain times of the year.

To establish technical design parameters, we brought in a cooling engineer from California, who also gave the COOAGROS group design assistance for their expanded vegetable processing and freezing plant.

The feasibility study analyzed the investment in pre-cooling, which could extend shelf-life another 5 to 10 days. Aside from helping to open an attractive new alternative market, pre-cooling can increase average prices received. The U.S. fruit and vegetable industry customarily pays a premium for pre-cooled products, either in a higher price or by an added cooling fee.

The cooler studies (technical and financial) resulted in almost immediate bank financing for the project, which was constructed in May, 1991.

The financial study featured a new, expanded format for presenting projected financial ratios of the enterprise, with explanations which are useful in training members and management in financial planning and management. A sensitivity analysis was

also included to help management plot the usefulness and additional profitability of the cooling facility.

As the first chayote cooler in Costa Rica, the facility established a new standard for the rest of the country. Added to our previous assistance in finding a new set of more reliable buyers in the U.S., 1991 results were substantially improved over 1990, meaning higher volume of sales, higher average price received per box, and higher returns to an increased number of farmer members.

We learned many things from Coopechayote. After we had gained their confidence and were working well with them, we heard that they have a reputation for being impossible to work with. We were told they are considered the hillbillies of Costa Rica, conservative and distrustful of outsiders, clannish and suspicious. In fact they are concentrated in an isolated valley and the members are very homogenous, all 2-to 5-hectare family farmers, and all 180 member families are somehow related and descended from a handful of settlers from 400 years ago. Socially, they are the opposite of the crazy-quilt Mango group.

We learned that stereotypes are not very useful in predicting the acceptance of new ideas and technology, nor business success. Probably the biggest stimulus to their decision to build a cooler was our taking them to Orotina to see the ASOFRUPAC mango cooler in operation. For farmers, seeing is believing. The two groups had never heard of each other. While ASOFRUPAC had mastered the science of pre-cooling fruit, Coopechayote had developed the best computerized accounting and grower payment system we had seen outside the U.S. Now the two groups actively exchange information on a range of topics such as loading, transportation, brokers, packing supplies and methods, accounting, etc.

After 10 years of steady growth, Coopechayote now exports more than 30% of Costa Rica's chayotes, and continues to expand. Since Costa Rica produces 75% of the chayotes sold in the U.S., Coopechayote supplies 20% of the U.S. market.

3) COOAGROS IOF Frozen Vegetable Plant, Tierrablanca, Cartago

This project was placed in our lap by our counterpart, UNIBANC, which had previously tried to interest the German GTZ, whose consultants couldn't make it work. It represented two significant challenges: restructuring the existing ownership and financial situation of the business (a division of COOPETIERRABLANCA), and modernizing the operation to take advantage of opportunities for new frozen vegetable markets in Costa Rica and the U.S.

COOAGROS had the following problems:

- a. Under-utilization of the existing factory space.

b. Product line oriented to various small volume local market items, often using raw product of non-members which is trucked in from long distances.

c. Equipment suited for small volume, high labor operations.

d. Under-utilization of locally produced agricultural commodities which often represent a raw product surplus and therefore low prices to the member farmers, especially potatoes and onions.

e. Orientation toward low-margin, traditional local markets, and a lack of exporting experience.

f. Lack of modern freezing and packing equipment, such as an IQF line. IQF technology is essential to export vegetable products.

g. Need to train farmers to grow new, non-traditional export products (broccoli, cauliflower, snow peas, brussels sprouts) to satisfy export demand and reduce their exclusive dependence on local market, traditional crops.

h. Need for export buyer contacts.

i. Need for management training in IQF technology and export marketing.

Despite this long list of challenges, the operation has several advantages. The existing plant is a large, modern building. There is good management of the existing business, and substantial owner equity to attract new financing.

ACDI has provided technical consultants in the new freezing technology and plant design as well as marketing contacts in the U.S. There is burgeoning unmet demand in the local market for IQF french fries, and the farmer members have large tracts of good land to grow additional vegetable products.

Once our financial feasibility study was completed, our counterpart institution, BANCOOP/UNIBANC, offered financing for the restructured new operation, using the BID/PIPA lending program, and the Minister of Agriculture and the Banco Popular are also participating.

The project requires a total of \$2.2 million in investment. Production would be about 6 million pounds of product per year, with a value of about \$2 million, of which a conservative estimate of one-third of the dollar value would be for export. The borrowed funds are projected be repaid with interest over ten years.

Once this project is under way, it can be duplicated in a very similar frozen vegetable export project in the same soil/climate situation: Coopeagrinar of Zarcero. This group has been is a client "on hold" for major technical assistance from ACDI, since they have been tied up in complicated bi-lateral negotiations between the GOCR and Italy, which has offered to finance the construction of a plant similar to that of COOAGROS.

The COOAGROS deal was set to go forward in late 1991, with all the bank loans in place. However, the investor partners withdrew their offer to participate with \$500,000 in equity capital. We do not know their reasons for withdrawing, however they were Colombians and may not have qualified in the view of the banks.

On February 26, 1992, we delivered an updated, fourth version of the financial projections, complete with analyses of break-even, internal return, and three different combinations of financing COOAGROS has used these in negotiating with a new potential investment partner, Embotelladora del Valle, which is the local Coca-Cola bottler. This potential partner has a natural tie-in with the fast food market, not to mention deep pockets and a sterling reputation.

By the end of our project the deal was still under negotiation. When we began to close down at the end of March, our financial analyst, Jose Antonio Murillo, went to work for Dole-Standard Fruit. He has since prepared a fifth version of the financial package for COOAGROS, as a private consultant, with our support. With interest rates coming down dramatically and the fast food market continuing to grow by leaps and bounds, we expect COOAGROS will get into the frozen french-fry business, with or without a joint-venture partner.

The COOAGROS experience illustrates that an old dog can learn new tricks. The 800-member COOPETIERRABLANCA is one of the old-line, political, inefficient cooperatives, and the previous situation of COOAGROS is symptomatic. Yet the new COOAGROS is structured as a tax-paying joint-venture with private investor partners, on a 50-50 basis, and is designed to be technically state-of-the-art. The people are saying they want to be yuppy farmers and socialism is dead.

4) Macadamia packing plant study

We have been working with FEDECOOP on macadamia since 1985, when we helped make the first production loans. In 1987 we sent a FEDECOOP delegation to study production and packing in Hawaii. In 1989 we brought in an outside consultant, formerly with Del Monte, to do a background study on macadamia in Costa Rica.

In 1990, at the request of FEDECOOP, our staff evaluated the design and operation of the major macadamia packing plant in

Costa Rica, Macadamia de Costa Rica, which was financed for the Rojas Cortes interests with a \$2 million AID-backed private bank loan. This plant is now operating at near capacity but is handling only 15% of the eventual product volume projected from Costa Rican trees currently in the ground. Therefore there is room for several similar packing plants. Coincidentally, FEDECOOP has about 14% of Costa Rican macadamia currently in the ground, meaning they will need a packing plant about the size of the one under study.

Due to the excellent personal relationship between Jorge Cespedes of our staff with the Rojas Cortes family, we were able to have the cooperation of the competitors to the projected FEDECOOP plant. Macadamia de Costa Rica is currently handling the first production of FEDECOOP members, but may not always have the capacity to do so as their own new plantings come into production.

FEDECOOP assigned an agricultural economist to work with us on cost estimates for equipment and plant, and we have received some information and help from the Blue Diamond almond cooperative (an ACIDI member) and USDA in Hawaii. Because of the young age of the macadamia plantings of the seven FEDECOOP local cooperatives, volume will probably not justify plant start-up until 1994, however this gives adequate time to locate, import, and build locally a number of very specialized processing and product handling machines, as well as giving time for proper shakedown and de-bugging of the new plant.

The macadamia market has been soft for the past year, and the results are only now coming in for the 1992 crop to determine if this is more related to world events, the on-off annual cycle of nut crops worldwide, or long-term overproduction.

FEDECOOP management is committed to building a plant and three regional collection centers. However, FEDECOOP is experiencing its third year in a row of low coffee prices and the member cooperatives are necessarily focused on serious coffee problems. The board of FEDECOOP has 30 voting local coffee cooperatives, yet only 7 of these are active in macadamia, and they tend to be smaller cooperatives from north and south of the meseta central. Therefore management of FEDECOOP is waiting for the appropriate time to make a macadamia project proposal to the entire board. It may be desirable for FEDECOOP to create a spin-off corporation made up of only the macadamia groups.

Of the various diversification crops tried in the first phase coffee credit program, such as guanabana, cardamon, cacao, and avocado, macadamia is the only clear winner, in spite of the currently soft market. If the current crisis of low coffee prices tells us anything, it is that diversification into high-value, high technology crops is an absolute necessity for Costa Rica.

Unfortunately, FEDECOOP is distracted by its own financial condition and internal politics. This is a subject for a separate report. There is no more valid saying for work with cooperatives than "when poverty comes in the front door, love goes out the window." This is true in any number of cultural settings. Nevertheless, FEDECOOP is bigger, stronger, and more capable than anything like it between Mexico and Colombia.

Here again, as is the case with all of our other financial feasibility studies, they are structured to be easily updated, and they are a road map for the future.

5) ADAPEX mini-vegetable group, Cipreses de Oreamuno, Cartago

We provided ADAPEX with a weekly training session in business and finance for board and management over a six-month period. We also provided them with a consultant in pesticide use and standards for the U.S. market.

We brought in a retired professor in post-harvest handling from U.C. Davis, who lived in Cipreses for a month. He solved their persistent problems with bad arrivals in the U.S., showing them how to manage their cooling, storage, and packing operations, and making controlled test shipments to compare the results of different methods. The manager said the professor saved them from going out of business.

In 1991 we helped ADAPEX do its financial projections and a mini-business plan, which they used to obtain a credit line with ACORDE for up to \$50,000 over three years. We also provided ongoing backstopping to them as needed, in coordination with CINDE, which provided agronomic assistance.

It appears that the mini-vegetable business may not represent a comparative advantage for Costa Rica, given a small winter market window and high costs of air transportation. This has in fact been the experience of the strawberry growers in recent years. The group is close to the COOAGROS freezer plant, however, and may have the opportunity to supply specialty vegetables for frozen exports. They could also be potential producers of raspberries and fresh herbs. One of our most important results was arranging a visit to ADAPEX by the owners of the second largest fresh herb shipper in the U.S., who proposed making ADAPEX a winter supplier to their market.

6) Potential root-crop producer clients in San Carlos area

Through UNIBANC we met with these groups, which are small and dispersed, but taken together represent a substantial fresh and frozen export market to the U.S.

Costa Rica is the biggest cassava exporter to the U.S., with annual exports exceeding \$8 million per year. Yet the cassava farmers tend to be small-scale, low-income farmers with no adequate marketing organization of their own. With some relatively simple packing technology, these groups could together command a substantial volume and export directly, eliminating some very difficult and unreliable local middlemen. This is exactly what we have helped Coopechayote to do. Coopechayote is a model cooperative for small producers of an ethnic product with good export demand but a complex distribution system based on small, unreliable buyers and middlemen.

Unlike chayote production, which is geographically concentrated, giving natural rise to a central facility, cassava is dispersed along the Atlantic coast from Limon north to Nicaragua. There are also a number of failed groups, some with previous AID funding, which tend to lessen farmer interest.

This remains an area of great organizing potential for a future project with the resources to make a concerted effort over some difficult geography.

7) Other NTAE producers in the lowlands

UNIBANC and IDA helped us make up a list of 83 groups, of which 20 looked most interesting. Of these, 16 produce root-crops such as cassava, tiquisque, name, and nampe. The other four produce passion fruit, palm heart, and black pepper. We gave some initial advice to the palm heart and black pepper groups, but our project was winding down even as we discovered them.

We also made contact with an interesting reforestation/treecrop group being organized in Turrialba. Their goal is to use marginal, deforested lands to produce fast-growing trees which can be harvested in under 10 years and used for telephone poles and construction, thus avoiding the importation of Honduran poles. Here again, we could not get involved due to lack of time and staff resources toward the end of the project, when we were doing updates of our existing studies, in order to help with financing arrangements.

8) Women's Agricultural Groups

Our consultant Sophia Wilcox found a number of nascent groups working in various phases of food production and processing, about 20 of which might be of interest, out of which a half dozen or so could be important models. ACDI hoped to become involved in providing management and marketing training to the most viable of these groups, and a concept paper was prepared to that end, but no funding was available.

How ACDI bows out

It is important to note that ACDI represents over 4,000 U.S. affiliate cooperatives with more than one million farmer members. We will continue to have relations with client cooperatives in the spirit of cooperation between cooperatives. We will have future projects in technical assistance, training or pure commercial exchange with Costa Rican coope atives, whether AID is involved or not. There is a trend among our U.S. farmer-cwned organizations to source product from overseas, especially fruits, vegetables, nuts, and juices.

One of our best, although unplanned achievements was guiding the professional maturation of our former non-traditionals financial analyst, Jose Antonio Murillo. Jose was snapped up by Dole-Standard Fruit immediately, with no time off for a rest. He continues to be financial planning advisor to COOAGROS in his spare time, which we have supported.