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PFID-F&V

Partnerships for Food Industry Development—
Fruits & Vegetables Project

CENTRAL AMERICAN REGIONAL FINAL REPORT
MARCH 1st, 2004 – July 30th, 2006

For

USAID/G-CAP
Under Cooperative Agreement No. 596-A-00-04-00039-00
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This final report covers the period from the signing of the project on February 12, 2004 through July 30, 2006.

Background

The Cooperative Agreement No. 596-A-00-04-00039-00 between USAID/G-CAP and MSU PFID-F&V was signed on January 30, 2004 a few months before the Central American Mexico strategy was completed. A Leader with-Associates Award No. GDG-A-00-01-00001-00 was signed September 10, 2005.

Original focus. The four expected outcomes of the original work plan were as follows:

1. Facilitation of sanitary and phyto-sanitary issues currently impeding increased fruit and vegetable produce exports via capacity-building.
2. Market intelligence diagnostics of food industry demand (supermarkets, food service, and processors) for the five Central American countries.
3. Fifteen new long-term business deals/contracts made between partners within the Central America region and/or with partners outside the region.
4. $15 million in sales accrued to the business deals/contracts made between partners within the Central America region and/or with partners outside the region.

Events that lead to change. As a result of the Central American Strategy placing production and marketing assistance with the bilateral missions, a second one-year work plan covering October 1, 2004 through July 2005 was presented in October of 2004 with modifications based on the assumption that even though a market demand approach would be the underlying focus of the team, an increased emphasis would be placed on SPS issues, particularly GAPs, as a necessary component of all market activities. A final work plan covering the period from August 2005 through July 2006 was presented in August 2005. This plan reflected several significant internal and external changes that influenced the focus of the work plan.

New focus. Priorities were different than originally envisioned and results were shifted, as follows:

1. Facilitation of sanitary and phyto-sanitary issues currently impeding increased fruit and vegetable produce exports via capacity-building. *This was the primary focus and closely linked to the implementation of an Access to Market Program (AMP) which consists of the implementation of Good Agricultural Practices (GAPs)and Good Manufacturing practices (GMPs); training in business management (GBPs – Good Business Practices), technical assistance in development of new products (production) or new markets, and installation of model plots to demonstrate GAPs.*

2. Market intelligence diagnostics of food industry demand (supermarkets, food service, and processors) for the five Central American countries. *A few diagnostics were done during the first year, but given the shift to intra regional markets with a known demand for specific products no more specific market studies were done. However, a buyer's analysis was carried out both with local supermarkets and buyers in Europe and U.S.*

3. Fifteen new long-term business deals/contracts made between partners within the Central America region and/or with partners outside the region. *This is a reachable target within the context of producers having new deals with Central American supermarkets, and is a priority.*

4. $15 million in sales accrued to the business deals/contracts made between partners within the Central America region and/or with partners outside the region. *This target would shift to sales of product that has been produced under compliance with GAPs.*

Development challenge. One of the major barriers to increased income generation among Central American agricultural producers is limited access to reliable, higher value markets. Aside from traditional problems of inefficient production practices and lack of knowledge of diversified products, there is often a communication or information gap between what a farmer produces and what the market demands. Increasingly, high value markets for horticultural products are demanding assurances that the farmers meet international standards for good agricultural practices and that produce meets international safety standards. This increased emphasis on food safety threatens to widen the gap between the small farmer and high value markets. If the small and medium sized farmers are not able to implement Good Agricultural Practices (GAPs) in the short run they will be forced sell their produce directly to traditional markets, i.e. through brokers, or simply drop out. Farmers must be exposed to the changing "rules" – the new food safety standards – and then decide for themselves if they are willing to make the investment to have access to the new, more demanding, but more profitable markets.

The ultimate impact of this initiative of multiple stakeholders is evident. US buyers are increasingly demanding that the products they purchase must be grown under GAP, and regional supermarket chains are following closely behind and CAFTA stresses food safety and a "ratcheting-up" of standards. Most Central American governments and private institutions are for the most part woefully behind in implementing GAP with the possible exceptions being Hortifruti/Costa Rica and sophisticated exporting firms. If producers are not able to institute GAPS, registry/control systems and tracking/tracing procedures, not only will they not be able to enter the export market, but they will shortly be banished from local supermarket chains.

Central American governments continue to support programs that will increase rural employment and incomes. Increasing production and finding new markets is an essential part of their strategy; however they are realizing that they cannot ignore food safety issues. GAPs should be an integral part of their new strategy. USAID cannot promote export crops without fully endorsing and insisting on GAP programs for the food safety of American consumers, nor can USAID consciously promote agricultural production or rural development programs without assisting in GAP programs at all levels as part of enhancing the quality of life – thereby providing safe food for all consumers.

Results:

1. Facilitation of sanitary and phyto-sanitary issues currently impeding increased fruit and vegetable produce exports via capacity-building.

   This was the most successful part of the project and explained in greater detail in a report by Andrea Allen entitled: USAID "Access to Markets Program (AMP) – a Model Program Approach." (See attachment 1)

2. Market intelligence diagnostics of food industry demand (supermarkets, food service, and processors) for the five Central American countries.

A few diagnostics were done during the first year, but given the shift to intra regional markets with a known demand for specific products no more specific market studies were done.

3. Fifteen new long-term business deals/contracts made between partners within the Central America region and/or with partners outside the region.

    32 new contracts or "deals" (a deal is producer-crop-buyer specific) with international buyers were accomplished. 17 new contracts were made with national buyer/exporters and 22 producer groups were able to begin new contracts with national buyers. (See annex II)

$15 million in sales accrued to the business deals/contracts made between partners within the Central America region and/or with partners outside the region.

US$ 6.5 million in sales from Guatemalan producer groups. Although the programs in Nicaragua and El Salvador were the basic GAP, it is estimated that by the program end they had accumulated local and regional sales of "safe food" in excess of $500,000. (Annex II)

Specific Results for Guatemala Bilateral, Central American Regional and PFID-F&V Core Programs Combined (specific Core AMP Model results noted in parentheses) as in last workplan:

Objective. The Access to Market Program - AMP will result in more and better income opportunities for small and medium Central American farmers by increasing access to high value markets through compliance with international standards for Good Agricultural Practices. During 2005 a new program was developed that is much more complete than the GAPs – it includes training to assist small and medium farmers to become businesspersons. It is the Access to Market Program - AMP or in Spanish: *Programa de Acceso a Mercados – PAM.*

NOTE: The entire AMP – Fundación Agil model is explained in great detail in an end of project report done by MSU PFID (Andrea Allen and Mike Richards). That report is included as part of the final report. We will report on specific activities and results.

- 70 producer groups (10-12 of these from Core AMP Model) have implemented or in the process of implementing the AMP and a model farm to demonstrate CAPGAPs installed with each group.

    36 producer groups in Guatemala implemented the AMP program; 16 of them under the USAID EGAT Core grant; plus 7 in El Salvador and 7 in Nicaragua for a total of 50 groups. Funds were cut from the overall budget (further explained below) in late 2005, making it impossible to reach the 70 group level) (Annex III)

- 3000 small farmers (500 from Core AMP Model) trained and complying with CAPGAP under PIPPA standards by the end of 2006.

    2600 small farmers were trained: 73 in El Salvador; 102 in Nicaragua; 547 under the EGAT grant and 1884 under the original Guatemala project, again budget cuts reflected in the overall planned amount. (Annex III)

- In an effort to assure program sustainability after the life of the USAID project, 150 technicians (25 from Core AMP Model) will have received the basic CAPGAP training program, of these at least 10 firms (1 from Core AMP Model), NGOs or other associations will have received approval from PIPAA to begin to implement AMP to at least 50 producers groups (8 from Core AMP Model).

142 technicians form NGOs and other technical service provider were trained in total (again reflecting budget cuts) : 23 Central American EurepGAP auditors leaders; 29 GAP technicians in El Salvador; 32 in Nicaragua; and 58 in Guatemala (from EGAT).

- Model program to promote effective CAPGAP compliance among small and medium-size producers is field-tested and fine-tuned in Guatemala and readied for adoption by similar producers in other Central American countries.

  The AC/DPE program that Fundación Agil will implement with over 80 groups in Guatemala and with a select group in Nicaragua through 2008 is a direct result of perfecting the original model. (See attachment 1)

- Estimated Sales of product from all farmers using CAPGAP:

  End of July 2006 $5 million dollars based on volume of over 10 million pounds
  End of July 2007 $20 million dollars based on increase in groups in AMP

  Sales by farmers under the original Guatemalan grant were 12.8 million pounds produced on over 3,350 acres with a net value of slightly more than US $4.7 million. Sales by farmers under the EGAT grant were 6.5 million pounds produced on over 550 acres with a net value of slightly more than US $1.8 million. Total time new jobs are 1700 (260 under EGAT) and new daily employment at 425,000 (65,000 under EGAT). (Annex II)

Principle activities:

Implementation of the Market Access Program through Fundación AGIL and PIPAA

CAPGAP In early 2005, the MSU PFID-F&V/Central America Office began implementing a trial program with 20 Guatemalan producer groups in GAPs through Fundación AGIL and its alliance with PIPAA, the Agricultural and Environmental Integral Protection Program - a public/private entity that certifies producers and verifies compliance on a continuing basis according to specific export markets standards. Since that initiative, progress has been made to develop and refine the program on the following fronts:

1. A workshop was held with technicians and buyers from the Central American Retail Holding Company (CARHCO), Fintrac, PIPAA, Fundación AGIL, MSU-PFID, and Zamorano to develop Central American specific GAP standards based on FDA and EurepGAP exigencies, initially named Central American Produce Good Agricultural Practices—CAPGAP. These standards now form a basic part of the implementation program. CARCHO continues to express interest in adapting the new standards.

2. Revisions were made to the original training program to include training in business development and, in specific technical assistance in development of new products or new markets, and

3. A design was developed to install field plots to demonstrate GAPs.

The result is a new program that is much more complete than simply implementing GAP standards. This more expansive program is called: *Aseguramiento de la Calidad y el Desarrollo*

de Pequeñas Empresas (AC/DPE) ("Quality Assurance and Small Business Development"). Producer groups implementing this program at all levels will have better access to high value regional and international markets, allowing them to compete more efficiently, and thereby increasing on-farm incomes.

The AC/DPE program has five components:

1. A modified GAP based on EurepGAP and FDA standards that more closely fits the reality of Central America called CAPGAP, and which already has generated considerable interest on the part of CARCHO;
2. Good Post Harvest Practices (including packing),
3. Good Business Practices (a manual developed by Fundación Agil),
4. A basic specific assistance package in production and marketing, and
5. The installation of model GAP farms within each group.

This program is described in great detail in the report by Andrea Allen (attachment 1).

Supermarket case study A front-page article in the New York Times entitled: "Supermarket Giants Crush Central America Farmers" was published December 28th 2005 and, although not directly stated, was definitely anti supermarket, with a bias towards the small, poor farmer versus the "rich" supermarkets. MSU assisted the reporter by setting up meetings with our counterparts in La Fragua. As a result, much of the MSU PFID-F&V/Central America Office time during the first part of 2005 was dedicated to trying to improve relations between the MSU PFID-F&V and CARCHO. Seven separate meetings were held with top level CARHCO management and it was decided to carry out a case study of Central American producers that deliver products to CARCHO to determine their relationship with the supermarkets.

A three man team (Rick Clark, Mike Richards, a social anthropologist, and Jorge Mendez, a Guatemalan ag/marketing expert) carried out a series of field visits in all Central American countries; all visits were arranged by the local CARHCO office. A total of 27 interviews were carried out over a two-month span with 17 days in the field. Over 22 hours of taped interviews were transcribed as were over 3 hours of video tape. The principle sections were:

- The Supermarket system in Central America;
- Mechanisms used in the buying and selling of Perishables in Central America supermarkets;
- The producers: Scheduling product delivery and payment, Good agricultural practices, Entry to the supermarket system – before and now, Generating a business culture in the producers-discipline, commitments and loyalty fomentation; and;
- Reflections on the capacity to successfully supply Central American Supermarkets.

Small farmers do have access to the supermarkets as long as they are willing to and capable of following standards, norms, and regulations set forth by the supermarkets. Those who work with supermarkets have shown marked increases in household income and improvement in their livelihood and infrastructure. The difficulty was in grower's having to change their traditional operation into a very structured, much disciplined business in a transparent partnership with the supermarkets. The supermarkets also have a practically guaranteed source of supply that can be decreased; increased or the variety or product changed according consumer demands. In the long running case of Costa Rica (they have producers that have been delivering product for over 25 years) the producer–buyer relationship is practically one of a family with each side profiting from their venture in a fair and just manner. An underlying concern of the supermarket however, is the

ability (or inability) to guarantee a supple of safe food to their customers. The supermarkets are putting forth an effort to be able to go direct to the producers so they are able to trace back all products. The ability to trace product back to the consumers is, however, not enough, they also have to be assured that the product has been grown under good agricultural and manufacturing practices. The principle finding was that:

> "Without question, Central American farmers can produce fruits and vegetables in accordance with all the standards required by the buyer (supermarkets) and, given the opportunity, they will supply high quality, safe products, delivered in required volumes, when and where the buyer wants."

Budget cuts:

In 2005, MSU PFID-F&V received $300,000 from USAID/Guatemala which was budgeted for implementation of AMP with additional producer groups in Guatemala and new groups in Nicaragua and El Salvador. After a two month shutdown, waiting additional funding, an aggressive program in Nicaragua and El Salvador was begun, through such organizations as Technoserve, CLUSA, Zamorano, CRS, etc. and in coordination with La Fragua and Hortifruti/Nicaragua. We received funding of $600,000 from the USAID regional office, however, we assumed, based on the Modification of Assistance that we would receive the entire amount from the USAID Regional Office ($1,100,000) and that the $600,000 from USAID/EGAT and USAID/G-CAP bilateral was additional funding. However, this was not the case and we did not receive the total amount form the regional office, so we had to:

- Eliminate consultancies and studies ($25,000) within the EGAT projections and brought the number of groups in Guatemala up from the 13 originally projected to 16. Eliminate seven additional groups in Guatemala budgeted under the USAID G-CAP bilateral funds. Fundación Agil had also begun preliminary work with CRS to jointly support 5 groups in Guatemala and with IICA to jointly support groups in the Trifenio area – these were eliminated.

- Only implement the initial diagnosis and basic training portions of GAPs (not the AMP) in El Salvador and Nicaragua – eliminating recording keeping, business development, tracking/tracing systems and marketing and production assistance. No groups in Nicaragua or El Salvador would qualify for compliance with GAPs - it was an introductory GAP training course.

- Eliminate $50,000 budgeted for PIPAA training,

- Eliminate signed sub agreements with CLUSA/El Salvador ($10,000) and Technoserve/El Salvador ($25,000) and

- Eliminate $15,000 for training and regional meetings.

We had also begun to work on the concept of Fundación Agil "franchises" (for lack of a better word). These would be organizations or technical assistance groups throughout the region who would implement the AMP. Fundación Agil would provide all training materials; train the technicians; carry out the diagnostics (checklists); provide supervision; oversight; quality control; and verify compliance with AMP. The same idea as KFC: Agil provides the secret recipe, makes sure individual owners comply with KFC rules and allows them to use the KFC name. This was not done.

Web page

The idea for a SPS webpage was presented at the first regional meeting held in La Lima in 2004 and was well received and was then developed with input from many of the participants. Most of the links, sites, and documents pages were developed in the local MSU PFID-F&V/Central America Office, with help from consultants. During this time assistance was received from computer technicians from CAMAGRO in El Salvador and AGEXPRONT in Guatemala and the was site gradually improved during 2005. During the latter part of 2005 a professional consulting firm was hired to make another upgrade to the site and this was finished in September, again all the content for the site was developed in house in the Guatemala MSU PFID office. In June 2006 the site was translated from Spanish into English, however, Spanish still remains the prominent language (www.msfinfo.com). As of project close the site was receiving an average of 120 hits per day from over 25 countries - over 50% from United States and Guatemala, at least 15 visits from all Latin American countries and a recent increase from China and Japan; over 18,500 visits since September 2005. (See annex IV)

Major Achievements and Comments on Goals/Results

Notes on chart: As noted earlier the original work plan Goals/Activities column was revised during the second work plan and consequently the quarterly reports for 2005 and 2006 used a more consolidated "goals/activities" column. Three separate work plans were presented, each with a slightly different form for reporting actions and results, the quarterly reports also presented a modified, simpler version for reporting actions and results. We have presented a composite report, based on the latest quarterly report submitted (***in bold***) which includes accumulated information since project inception, and includes those actions presented in the final work plan but not subsequent quarterly reports. The work plan actions include results and/or comments whichever is pertinent.

I. Demand Side Activities

Goal/Activities Work Plan August 05 – July 06	**Major Achievements**	**Comments**
Export Markets and Local/Regional markets -Identify F&V's	Fruits and vegetable for extra regional trade were identified and a Bumpers Amendment "check" done on all in the first quarter.	This is something that has to be done at the beginning of all Ag marketing projects to make sure that selected crops are not in violation of the Bumpers Amendment: "SEC. 513. (b) 42 None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States"
Identify and select buyers willing to establish long term business alliances with CA suppliers	Contacts were made with regional buyers/wholesalers (particularly Wal-Mart Central America and their wholesalers, intermediaries and distributors). As a project we had a very good relationship in all 5 countries with the technical staff of CARCHO (Wal Mart Central America) Seller/buyer relations were best in Nicaragua and Guatemala, with limited success in El Salvador. Cuts in the regional budget have hampered long-range talks with buyers in countries outside of Guatemala. Very successful marketing contacts were made for Guatemalan Aliar members in Europe in early 2006	The success the team had with linking producers with buyers was based on the producers having a safe, high quality product and able to deliver in a consistent manner at the volumes the buyer wanted. The success of the Europe deal was that a delivery was made to the buyer less then a week after the first contact with them in London.
Sales	Of the 50 groups that have begun to implement GAPs under the Fundación AGIL program, they have reported sales for local, regional and international markets of approximately US$ 6.5 million.	

Goal/Activities Work Plan August 05 – July 06	**Major Achievements**	**Comments**
Promote access of small and medium size farmers to supermarket and food service chains and processors in the Central American region	Meetings were held with Wal-Mart CA personnel at all levels from field technicians to buyers to the Board of Directors, meetings were also held with other super market chains. All expressed interest in purchasing "safer" food – a major constraint is the traditional procurement systems used by most chains that don't distinguish by food quality.	Access for small farmers is only possible if they have a safe, high quality product that they can deliver in consistent volumes at a fair price. They also should be organized in legalized business with proper administrative and accounting procedures.
Improve access of small and medium-sized agro-processing/food manufacturers firms to Central American retailers and other potential buyers from the region	As the majority of effort was focused on Food Safety at the basic good Agricultural Practices level we had few incursions into the more sophisticated agro processing. Good Manufacturing Practices were included in all training courses which include cooling facilities, basic packing "loose" in boxes, and some limited prepack. Focus was more on hygiene of the workers, plant safety and plant cleanliness. HACCP and other more sophisticated controls were not taught.	
Identify F&V based on immediate opportunities for generating quick sales that will cause significant early impact on project expected results	In 2003 and 2004, we did a study on volume of produce trade within Central America to identify important crops. We continued to monitor commercial trade within the region. With the exception of Rambutan, no new crops were introduced. However, many growers begin diversifying into crops that were new to them.	We supported those crops with the most volume demand for intra regional trade and worked closely with supermarkets to build up a regional trade network. The main crops in Guatemala were winter crops; peas, beans and mini squashes.
Determine product requirements and quality specifications demanded by the market for the identified F&V's (packaging, SPS requirements, handling units, etc)	These requirements are an integral part of all GAP training and as such being offered to producer groups according to their market or clients demands.	This was conducted on a product-by-product basis for regional crops and export crops by working through buyers and supermarkets. Although at project's end we found that food safety was the bigger draw – an integral part of quality. Production and marketing specific tasks were included within the technical assistance package offered.
Ascertain the financial and operational feasibility of selected F&V's to clear the way for CA suppliers to complete long term business deals	Again, as requested by various organizations we have included basic business management training as part of the AMPs.	An important part of the overall AMP program was the introduction of Good Business Practices. This will allow producer groups and individual producer to determine the economical feasibility of what crops to plant, when to plant them and when to stop planting or shipping.

Goal/Activities Work Plan August 05 – July 06	Major Achievements	Comments
Develop supply-chain models which take advantage of successful marketing experiences and profitable agriculture activities	Supply chains models form an integral part of the intra regional trade, CARCHO had installed a very efficient model, and we assisted producer groups to fit into this model. It doesn't seem as though the procurement model will change much under Wal Mart, with the exception of Guatemala where Hortifruti systems may well be introduced.	Most producer groups that have solicited assistance in AMP already have a ready market. We helped them to refine and make more efficient their market links. The core of the regional supermarket supply chain system is having safe product delivered consistently at a fair price – this is all part of the overall AMP program.
Introduce selected feasible products to selected buyers.	New products were introduced into United States and Europe markets.	This was behind expanding product lines to United States and opening new markets in Europe.
Assist in the resolution of conflicts and claims arising from sales of distressed F&V's shipped by CA suppliers.	Fortunately we have had very little if any "conflicts." Problems with distressed produce had been worked out between buyer and grower. Installing proper accounting and shipping controls at the grower end helped immensely.	Aliar is considering implementing an insurance against risk fee – a charge per box that would help defray growers costs when a problem occurs that is not their fault – shipping delays, cooling equipment breakdown, etc.

II. Supply Side Activities

Goal/Activities Work Plan August 05 – July 06	Major Achievements	Comments
Export Markets and Local/Regional markets ***Identify CA suppliers for selected F&V's and verify their production infrastructure, level of technology and general growing conditions***	See Annex III for names of the 50 groups	By programs end we had introduced AMP program to over 50 groups.
Assure selected suppliers use proper production technology (seed, fertilizer, pesticides, water use) and comply with GAP requirements in order to satisfy market needs	This is an essential part of GAP training, 50 groups with over 2600 producers received training in GAP as well as production technology. Well over 1000 separate training events were given as part of AMP implementation.	

Goal/Activities Work Plan August 05 – July 06	**Major Achievements**	**Comments**
Supply local and regional supermarket chains, food service, and processors with non-traditional agricultural products, primarily fruits and vegetables, and grains.	Regional supermarkets and buyers have been identified and contacts have been made with producer groups.	The foundation of our alliance strategy is to collaborate with the major regional supermarket chains, national supermarkets (e.g. Super Selectos) and buyers. We introduced producers with these three outlets – using food quality and safe food as the driving point to foster deals, again traditional procurement methods hamper increased sales. In the case of the Wal Mart Guatemala branch, it is hoped that Hortifruti will establish their procurement system, befitting greatly the small farmer.
Adapt existing processing plants in Central America to process fresh cut vegetables and fruits. (dropped in second workplan)	Using funds left under the PFID Guatemala project we were able to: 1. Buy washing/transport lines for Aj Ticonel 2. Purchase a small cooling facility for Cooperative el Limon to store fresh limes 3. Upgrade a large onion packing plant for La Retana 4. Install a small cooling plant for Frutesca - a rambutan producer and 5. Assisted Aliar in purchasing packing boxes, tables and transporters.	Most of the processing is still in the rudimentary stages with the exception of Aj Ticonel and Frutesca. As part of GMPs we have provided instruction on upgrading existing facilities and constructing new facilities do that they meet FDA standards. Fresh cut processing is probably out of the reach of most small farmers, due to high level of sanitary facilities needed, HACCP controls and risk prevention. Fresh cut exports require a sizable bond – out of reach of most small growers.
Make alliances with selected suppliers that use adequate production systems, supported by infrastructure, technology and growing conditions.	We have trained a large number of technical service providers, who in turn have created alliances or agreements with suppliers and also provide AMPs. Through Fundación Agil fomented alliances with seeds companies, irrigation specialists and plastic mulch and screen manufacturers	
• Assure selected suppliers use proper post-harvest and packing technology, and proper cooling and cold chain management to preserve quality and shelf life. • Assure selected suppliers comply with industry standards for labeling, shipping and handling. • Assure selected suppliers comply with GMP certification following public and/or private standards that are in accordance with international market demands. •Assist selected suppliers to design and implement efficient transportation and logistic systems to make certain product arrives in optimum condition at its final destination. (consolidated in second plan)		All of these aspects are covered under the AMP program and were treated as part of the whole – not individually.

III. Alliances and Regional Market Linkages

Goal/Activities Work Plan August 05 – July 06	**Major Achievements**	**Comments**
Make alliances between selected suppliers and potential buyers across the region.	Supermarket alliances have been made, but we are still uncertain of the impact that Wal-Mart might have on these alliances. Producer alliances within Guatemala have been functioning very well, and should expand in the near further as the European market demands more diversified product**.**	As commented on earlier, many of traditional supermarket procurement systems do not function well when trying to access one buyer with consistent quantities and qualities at a more or less fixed price over a long period of time. The "traditional" system is to buy different products from an intermediary or buy one product form many different farmers based strictly on price or to buy in spot markets. None of these systems will easily function to purchase guaranteed safe food. For international markets there is no problem, but regional buyers will have to change their structure to make it work (following a Hortifruti/Costa Rica system).

IV. Market Intelligence and Capacity Building

Goal/Activities Work Plan August 05 – July 06	**Major Achievements**	**Comments**
Conduct Market-intelligence diagnostics of food industry demand (supermarkets, food service, and processors) for at least 3 product categories per country for the five Central American countries		Few formal studies were done during this period, although market analysis is an integral part of the AMP program – no farmers receive assistance until assured of a reasonable market for their goods.
Technical assistance and short-term practical training to farmers in production systems, packaging, labelling.		The AMP implementation course includes training in production, processing, marketing and business management as well as logistical aspects related to shipping. This training is not classroom only, but rather in field hands-on-training, and when/where producer groups require specific production or post harvest assistance, it is included as part of the course.

V. Market- Led SPS Actions

Goal/Activities Work Plan	Major Achievements	Comments
Identify key contacts for the region market interests in the following institutions: In the U.S.: FDA, USDA, EPA, third party food safety certifiers such as Primus Labs, Davis Fresh, NutraClean, and others. In Europe: Euro-GAP	Key contacts were established during the first period, in Washington, DC, from among a variety of federal organizations: USTR, USDA/APHIS; USDA/FAS, USDA/FSIS; FDA; EPA and USAID and contacts were maintained with these institutions. We have begun discussions with the JIFSAN office to coordinate efforts in food safety issues with FDA and University of Maryland; we also received updates in "Admissabilities" from the APHIS main office in Washington and maintained close ties to counterparts in EPA and FDA. The msfinfo.com web site provides links, sites, and information to all major US government agencies and their important sites.	Many of these contacts are on a personal basis and hard to establish sustainability, however, PIPAA has very good links to FDA, and most buyers in the US are very knowledgeable about US government agencies and have contacts. European buyers are very aware of EurepGAP and inform their growers. The msfinfo site has over 150 "hits" per day of people seeking key contacts and information.
Identify key personnel in the Ministries of Agriculture and Health as well private and regional institutions involved in ensuring compliance with public and private SPS standards	Through the CORECA CAC meetings we established contacts with contacts with all 7 agricultural ministers or their representatives. All expressed interest in our AMP program.	Fundación Agil through PIPAA, MAGA, CORECA CAC and personal contacts with Hortifruti, IICA and other private organizations have access to Ministries of Agricultural throughout Central America, and since they keep changing are better at identifying key contacts than we could be.
Identify SPS inspection and certification service providers (including water quality and pest diagnostic services).	We determined that a principle factor in GAP and GMP diagnostics and training was that no one company offered the type of course we required, a consistent standardized training package that included third part certification, so we created one by training Fundación Agil technicians. They have begun training and we have also begun training course to certify third party auditors in Guatemala, El Salvador and Nicaragua under a EurepGAP certified trainer company based in Costa Rica. PIPAA has also provided technical assistance. Over 140 technicians received some type of formal GAP training	
Promote joint efforts between public and private institutions to train farmers on specific market-oriented SPS standards, across the region.	Through the AMP program and Fundación Agil this has been met in all Central American countries – in some countries better than others, but there is a greater awareness of SPS...	This goes hand in hand with the above; we worked with public sector institutions (MAGA, IICA) and private sector (Hortifruti, Technoserve, etc.) to increase the local capacity to offer GAP implementation programs.

Goal/Activities Work Plan	Major Achievements	Comments
In cooperation with the public and private sector, design inspection programs to upgrade the status of SPS compliance in small and medium farms in preparation for industry inspection/certification as a requirement to close a business transaction.	Carried out a number of technical meetings and workshops principally with PIPAA, CARHCO, and EAP, CropLife, Ministries of Agricultural and other technicians to design a Central American GAP program.	This is the foundation of the Access to Market Program - AMP, and the basis for the Fundación Agil AQ/ADP program.
Conduct pre-audits and implement corrective actions to ensure compliance with public and/or private food safety standards (GAP, GMP, EURO-GAP, HACCP, etc)	PIPAA conducted over 50 diagnostics of producer groups and made preliminary visits to other sites in conjunction with Fundación Agil.	As part of the GAP training plan is the incorporation of PIPAA or similar organizations to carry out audits of producer groups to verify compliance with the private sector standards.

Training and Technical Assistance Activities - only appeared in Original Workplan

NOTE: in many activities these two functions are interchangeable: the same technical assistance provider may conduct formal classes or hands on training.

Goal/Activities	Major Achievements	Comments
Conduct seminars and/or short courses on basic post-harvest practices to train selected suppliers in the maintenance of product quality and the preservation of product shelf life. Provide TA in product-specific post-harvest handling and management techniques to guarantee required market shelf life.	No formal post harvest courses were conducted; rather, the project has concentrated on organizing food safety courses as related to GAP and GMPs.	As part of the CAPGAP design we incorporated more post harvest practices and produce quality than is in either the FDA or EurepGAP model.
Improvement of production systems to assure consistent delivery of volumes and quality of selected F&V's.	Through the GAP courses we provided assistance to the producers.	This activity was closely tied to overall GAP implementation, particularly as related to IPM. We did little direct intervention in production. Most growers production systems are fine they just have to be tweaked which can be done through GAP implementation.
Carry out hands-on training of selected suppliers on packaging, labeling, unitization and shipping (land, air and sea) requirements to comply with product specifications demanded by the market.	Provided technical assistance activity on as needed basis. Assisted producers in packaging for mangos, rambutan, and plantains and in logo design for a variety of groups.	Packing is an integral part of GMPs and product tracking and traceability of product is a strong emphasis in the GAPs. Export controls are covered under the GBPs. A main part of the msfinfo website covers exports.

Goal/Activities	Major Achievements	Comments
Teach selected suppliers and exporters the fundamentals of understanding how the market operates---- from brokers to retailers (transactions, sales process, PACA, etc).		We concentrated more on the food safety part of produce and did not get deeply involved in marketing as explained above. Most of the growers involved in the GAP program were working with experienced buyer/exports. Dealing with markets is an important part of GBPs
Develop and/or enhance the negotiating skills of selected suppliers and exporters, and train them on how to apply basic negotiation techniques.	Not done this was dropped from the second work plan	
Conduct training sessions for selected suppliers and exporters on basic business management and financial analysis of small to medium farm enterprises oriented to exports.	This was done at the producers level	Basic business management and financial analysis for small and medium farm enterprises is an integral part of the Access to Market Program.
Train selected suppliers and exporters on production and post-harvest practices that comply with public and/or private food safety standards (Euro-Gap, GAP, HACCP, GMP, etc.).		This is an integral part of the Access to Market Program.
Train potential suppliers and exporters on the use of available sources of information to identify market opportunities.	The www.msfinfo.com website has been very successful in this area as had been the introduction of new buyers into new areas.	
Use attendance to produce industry events (PMA, FMI, United Fresh Fruit and Vegetable Association, Fruit Logistica, etc.) to link selected suppliers and exporters with potential buyers, to expose them to new developments in the produce industry and to teach them how to develop business networks to increase their opportunities in the market.	Twelve Central Americans attended the PMA Summit conference in Anaheim, CA for the purpose of creating working arrangements with the Fragua-Hortifruti groups to conduct training for farmers on GAP and GMPs. Seven persons attended the FMI trade meetings in Chicago. Five CARCHO members assisted a second FMI	We dropped this as being too costly; however, the FMI seemed to be better suited to Food Safety activities and to supermarkets than the PMA.

Goal/Activities	Major Achievements	Comments
Take advantage of short courses offered by MSU on International Food Safety to train CA professionals that will work with selected suppliers and exporters to assist them to comply with SPS requirements set by the different countries importing F&Vs from CA.		

Annex I

New long-term business deals/contracts

Producer Group	FRUVEG, Miami USA	The Greenry, Holland	Redbridge, England	National Exporters	National Market	Product
ASODERE	•	•		•		French Beans
SANTO TOMAS	•	-	-	•		Sugar Snap peas
ASDIAES	•	•	•	•		Snap peas, snow peas
APAC	•	•	•	•		Snap peas, snow peas, Zucchini y Blackberries
AGRISEM	•			•		Snow Peas, French beans and Zucchini
COOP. Nueva Esperanza	•			•		Snow peas French Beans,
ASOMAM				•		Snow peas,
ASIPA				•		Broccoli
BUXUP					•	Onions, peanuts
ADEMSA	•	•		•		Snow peas, French Beans
ASOINAPA	•	•	•	•		Snow peas, French Beans
ASOCIACION Esperanza	•			•		Snow peas
FINCA FILANDIA	•				•	Rambutan
COOP. RINCON GRANDE					•	Strawberries
XEATZAN ALTO	•			•		Snow peas
COOP. El Limón, COELMON	•				•	Dried key limes
GRUPO LOS CUBES					•	Chayote squash
GRUPO VALENCIA					•	Black beans
ADEPA			•	•	•	Snow peas and Vegetables
ADACH				•		Snow peas, French Bean
COOPERATIVA ZUNIL					•	Vegetables
COOP. La Llave de Almolonga					•	Vegetables
GRUPO El Amanecer, Pacorral				•	•	Snow peas, Carrot
AGRICOLA MILPAS ALTAS					•	Lettuce
APRHO					•	Vegetables
LA ALAMEDA					•	Vegetables
INVERSIONES DIVERSAS					•	Sweet Corn
SAN JOSE XEPATAN				•		Snow peas
AGROPECUARIA GALCON					•	Tomato
ACDICACK				•	•	Snow peas and carrot
FRESCA VERDE					•	Tomato
GRUPO CHIMAZAT					•	Strawberries
GRUPO EL SEMBRADOR					•	Potato, Tomato
APIORIENTE					•	Honey
LAGUNA DE CAYUR					•	Vegetables
LA CUMBRE					•	Vegetables

ALIANZA AGROINDUSTRIAL Y ARTESANAL RURAL –ALIAR
SALES AND JOB GENERATION REPORT
(January 2005 to June 2,006)

TRIMESTRE	**AREA**	**PRODUCTION (POUNDS)**	**SALES PRICE QUETZALES**	**TOTAL DAILY WORKERS**	EMPLOYEMENT **GENERATED**
TOTAL JANUARY – MARCH 2005	522.1	3,102,880	14,642,045.98	124,962	500
TOTAL APRIL – JUNE 2005	313.3	2,238,100	4,798,699.00	54,700	223
TOTAL JULY – SEPTEMBER 2005	174.8	1,341,206	2,874,340.00	19,850	79
TOTAL OCTOBER – DECEMBER 2005	350.5	1,488,532	2,964,712.00	56,910	229
TOTAL JANUARY – MARCH 2006	351.0	3,149,200	7,287,150.00	60,580	242
TOTAL APRIL – JUNE 2006	232.0	1,489,952	3,192,168.00	46,400	185
TOTAL	**1,943.6**	**12,809,870**	**35,759,114.98**	**363,402**	**1,458**

SALES AND JOB GENERATION REPORT

SUMMARY
(16 E-GAT GROUPS)

TRIMESTRE	**AREA**	**PRODUCTION (POUNDS)**	**SALES PRICE QUETZALES**	**TOTAL DAILY WORKERS**	EMPLOYEMENT **GENERATED**
APRIL-JUNE 2006	83.5	1,887,700	4,165,950.00	16,700	66.8
JANUARY- MARCH 2006	99.0	1,873,200	3,960,950.00	19,800	79.2
OCTOBER - DECEMBER 2005	143.0	2,795,100	5,863,975.00	28,600	114.4
TOTALS	**325.5**	**6,556,000**	**13,990,875.00**	**65,100**	**260.4**

ORGANIZATION	LOCATION	PRODUCERS
Asociación de Desarrollo Empresarial Rural ASODERE	San Martin Jilotepeque, Chimaltenango	63
Asociación de Desarrollo Agroempresarial SANTO TOMAS	Chichicastenango, El Quiché	32
Asociación de Desarrollo Integral Agua Escondida ASDIAES	Tecpán, Chimaltenango	90
Asoc. Pequeños Agricultores Comalapences de Productos No Tradicionales APAC-PNT	San Juan Comalapa, Chimaltenango	34
Asociación de Agricultores Integral El Sembrador AGRISEM	Uspantán, El Quiché	130
Cooperativa Nueva Esperanza	San Sebastián, Huehuetenango	76
Asociación MAM de Agricultores para el Desarrollo Integral ASOMAM	San Sebastián, Huehuetenango	196
Asociación de Desarrollo Agropecuario Artesanal Chichalum ADACH	Chiantla, Huehuetenango	75
Asociación Integral de Pequeños Agricultores ASIPA	Sipacapa, San Marcos	32
Asociación de Desarrollo Agropecuario Integral Buxup ADAPA	Buxup, Jacaltenango, Huehuetenango	26
Asociación de la Mujer Maya Guatemalteca ADEMSA	Cubulco, Baja Verapaz	13
Asociación Integral de Agricultores de Pachojop ASOINAPA	Cubulco, Baja Verapaz	63
Asociación Esperanza	Chuinimachicaj, Patzún, Chimaltenango	25
Finca Finlandia	El Tumbador, San Marcos	1
Cooperativa Rincón Grande	Rincón Grande, Zaragoza, Chimaltenango	20
Xeatzán Alto	Patzún, Chimaltenango	18
Cooperativa El Limón	Marajuma, Morazán, El Progreso	50
Los Cubes	Aldea Los Cubes, Palencia, Guatemala	42
Valencia	Cantón Valencia, Jutiapa	22
Asociación de Desarrollo de Patricia, ADEPA	Patzicia, Chimaltenango	14
	No. of producers	1022

EL SALVADOR GROUPS		
ORGANIZATION	**LOCATION**	**PRODUCERS**
LIMONARCE	Cantón El Sunza, Acajutlà El Salvador	1
FINCA DON JOSE	Cantón Baquerano, La Paz Zacatecoluca	1
COOPERATIVA ACOPO	Cantón Los Planes, Municipio La Palma, Chalatenango	47
El Salvador -PROEXAL	Colonia Escalón, San Salvador	1
FINCA BETHANIA	Cantón Concepcion, Municipio El Carmen Cojutepeque	11

LA RAQUEL	Lipolulu, Jinotega, Nicaragua	8
LOS PANCHOS	San Benito Chinandega, Nicaragua	15
SAN RAFAEL DEL NORTE	Jinotega, Nicaragua	12
PRODUCTORES DE AYUDA EN ACCION	Quezalguaque, El Leon, Nicaragua	21
LA LAGUNA	Municipio del Viejo, Chinandega, Nicaragua	8
MATAGALPA	Matagalpa, Jinotega, Nicaragua	16
	No. of producers	**102**

USAID/EGAT GUATEMALA GROUPS		
ORGANIZATION	**LOCATION**	**PRODUCERS**
COOPERATIVA ZUNIL	Zunil, Quetzaltenango	30
ALMOLONGA	Almolonga, Quetzaltenango	45
GRUPO PACORRAL	Aldea Pacorral, Tecpan Chimaltenango	18
APIORIENTE	Ipala, Chiquimula	28
AGRICOLA MILPAS ALTAS	Santo Tomas Milpas Altas, Sacatepequez	17
ASOCIACION DE PRODUCTORES DE HORTALIZAS APRHO	Patzicia, Chimaltenango	68
LA ALAMEDA	El Tejar, Chimaltenango	47
INVERSIONES DIVERSAS	Monjas, Jalapa	15
SAN JOSE XEPATAN	Patzun, Chimaltenango	60
AGROPECUARIA GALCON	Aldea Santo Tomas el Alto, Antigua G. Sacatepequez	14
ASOC. DE CAMPESINOS PARA EL DESARROLLO INTEGRAL CACKCHIQUEL -ACDICACK-	Aldea Chiquez, Santa Apolonia, Chimaltenango	25
FRESCA VERDE	Jocotenango, Sacacatepequez	15
GRUPO CHIMAZAT	Aldea Chimazat, Santa Cruz Balanya	15
GRUPO EL SEMBRADOR	Santa Cruz Verapaz, Alta Verapaz	120
CRS GRUPO LA CUMBRE	Olopa, Chiquimula	15
CRS LAGUNA DE CAYUR	Olopa, Chiquimula	15
	No. of producers	547
	GRAND TOTAL	1744

Statistics generated the 2006/07/19

Top 25 Browsers

Explorer	4576	84.01%
Firefox	340	6.24%
Other	228	4.19%
Konqueror	97	1.78%
Safari	97	1.78%
Mozilla	44	0.81%
Netscape	17	0.31%
Opera	17	0.31%
AOL	11	0.20%
Java	5	0.09%
Avant Browser	4	0.07%
AvantGo	4	0.07%
Crazy Browser	2	0.04%
Curl	2	0.04%
Camino	1	0.02%
libWWW	1	0.02%
Lynx	1	0.02%
Total	**5447**	

Top 25 Operating Systems

Windows XP	3906	71.71%
Windows 98	482	8.85%
Windows 2000	384	7.05%
Other	279	5.12%
MacOS X	129	2.37%
Linux	115	2.11%
Windows ME	84	1.54%
Windows NT	29	0.53%
Windows 2003	12	0.22%
MacOS PPC	10	0.18%
Windows 95	8	0.15%
FreeBSD	6	0.11%
Windows	3	0.06%
Total	**5447**	

Top 30 Extensions

United States	2721	36.24%
Guatemala	1083	14.42%
Numeric	782	10.41%
Mexico	443	5.90%
Peru	382	5.09%
Colombia	362	4.82%
Chile	322	4.29%
Commercial	212	2.82%
Argentina	212	2.82%
El Salvador	151	2.01%
Networks	138	1.84%
Spain	94	1.25%
Venezuela	66	0.88%
Nicaragua	63	0.84%
Costa Rica	58	0.77%
Germany	43	0.57%
Ecuador	41	0.55%
Organizations	37	0.49%
Seychelles	36	0.48%
Bolivia	29	0.39%
Dominican Republic	24	0.32%
China	23	0.31%
United Kingdom	19	0.25%
Canada	18	0.24%
Brazil	17	0.23%
Panama	16	0.21%
Japan	13	0.17%
France	11	0.15%
Netherlands	6	0.08%
Israel	6	0.08%
Total	**7509**	

Top 25 Robots

Google	1101	53.39%
Yahoo	412	19.98%
MSN	304	14.74%
Proxy Cache	62	3.01%
Whois Survey	42	2.04%
MS-WebDAV	33	1.60%
Robot	33	1.60%
Gigablast	26	1.26%
Ask Jeeves	15	0.73%
WiseNutBot	8	0.39%
Girafa	8	0.39%
Alexa	5	0.24%
PicSearch	5	0.24%
Turnitin	3	0.15%
Download Accelerator	2	0.10%
Thunderstone	1	0.05%
IBM Crawler	1	0.05%
LOOP	1	0.05%
Total	**2062**	

Accesses	
Total Visits	18729
Total Unique	7509
Past year	18729
Past month	3925
Past week	802
Past day	153

Top 30 Visited Pages			
Home	3697	19.74%	
BPM	1895	10.12%	
Documentos	1565	8.36%	
BPA	1268	6.77%	
Acceso a Mercados	801	4.28%	
BPM - Acopio en Campo	567	3.03%	
BPA - Terreno	547	2.92%	
Enlaces	516	2.76%	
	484	2.58%	
BPA - Pesticidas	447	2.39%	
Búsqueda Links	391	2.09%	
Sitios oficiales	390	2.08%	
Enlaces: Sector Privado	385	2.06%	
Enlaces: Sector Gubernamental	374	2.00%	
Enlaces: Información Agrícola	304	1.62%	
Inicio	304	1.62%	
BPA - Semilla	271	1.45%	
Mercados - Ingreso	260	1.39%	
Participantes	237	1.27%	
Mas noticias . . .	217	1.16%	
Mercados - Salida	210	1.12%	
BPM - Preenfriado y limpieza	210	1.12%	
Búsqueda Links	196	1.05%	
BPA - Agua	191	1.02%	
Contactenos	190	1.01%	
BPM - Transporte	189	1.01%	
BPM - Clasificación y Trazabilidad	177	0.95%	
Encuesta	176	0.94%	
BPA - Trabajadores	173	0.92%	
Fotografia Portada	160	0.85%	
Total	**18729**		

Top 25 Origins		
Not specified	5162	68.74%
www.google.com.co	317	4.22%
www.google.com.pe	301	4.01%
www.google.com.mx	235	3.13%
www.google.cl	168	2.24%
www.google.com.ar	144	1.92%
www.google.com	142	1.89%
www.google.co.ve	87	1.16%
www.foex.gob.sv	83	1.11%
www.google.es	72	0.96%
search.latam.msn.com	62	0.83%
www.google.com.gt	60	0.80%
www.google.com.ec	56	0.75%
www.whois.sc	42	0.56%
search.yahoo.com	36	0.48%
www.google.com.sv	35	0.47%
www.usaid.gov	35	0.47%
www.google.co.cr	27	0.36%
search.msn.es	23	0.31%
www.google.com.ni	22	0.29%
images.google.com.mx	19	0.25%
www.pfid.msu.edu	18	0.24%
www.google.com.bo	18	0.24%
search.msn.com	17	0.23%
www.google.com.do	15	0.20%
Total	**7509**	

Consultant list

Julian Veleaz	Marketing
Jack Heidecke	Review Contacto computer centers
Jorge Mendez	GAPs; case study
Javier Silizear	GAPs; web site
Fernando Marroquin	GBPs
Mike Richards	case study
Stephen Neel	cold chain
Elhadi Yahia	cold chain
Juan Carlos Granados	regional trade studies; web site
Marcel Roehrs	web site
Ulysses Sanchez	infrastructure designs (latrines, packing sheds)
Gerson	case study
Filiberto Escobar	GAPs, rambutan study
Manuel Lopez	web site
Ever Camacho	web site
Cristina Guzman	packaging

Major Presentations

Zamorano sponsored MIP conference
Case study:

1) The CARHCO Board of Directors
2) For the CCA Agricultural Fair in San Jose, Costa Rica;
3) For the Hortifruti Agricultural fair in Managua, Nicaragua and
4) For La Fragua producers, Guatemala

Nicaragua MSU PFID Food Safety conference
Guatemala MAGA staff as part of an overall USAID meeting,
University Rafael Landivar students as part of their marketing program
Food Safety CORECA - CAC, in Managua, Nicaragua
AMP program USAID/EGAT in Washington D.C. and
FDA – University of Maryland Food Safety Institute – JIFSAN in Washington, D.C.

Workshops/training

Initial Regional SPS meeting La Lima, Honduras 2004
GAP Regional meeting, Antigua 2005
Cold Chain course, Guatemala
Latu Systems El Salvador
GAP train the trainers course Guatemala
Introduction to GAP for technicians: Technoserve's AgroLempa and Clusa's PROEXSAL, in El Salvador also in Nicaragua for assorted NGOs
Formal training in EurepGAP to members of Fundación AGIL staff and a PFID consultant
Training courses with Technoserve (18 participants) and Clusa (19) technicians in El Salvador

Trips outside the region

Initial government offices Washington DC (FDA, EPA, USDA, USAID)
PMA Anaheim regional representatives
FMI Chicago 2004 Aliar representatives
FMI Chicago 2005 CARCHO representatives
European marketing – Aliar
FDA, JIFSAN, USAID/EGAT explanation of CAPGAP program Washington
China USDA ERS