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PO-AGF-199-61

ACTION MEMORANDUM

April 7, 1976

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TO: AA/TA, Mr. Curtis Farrar
FROM: TA/AGR, Leon F. Hesser *lfh*
Subject: Small Farmer Marketing Problems Project

Problem: During the joint TAB-LA Bureau Conference in Cali, it was recommended that TAB direct more resources to the study of small farm cropping systems.

Discussion: ROCAP has requested TAB/AGR/ESP identify a marketing Specialist to work at CATIE (Tropical Agricultural Center for Research and Training) as a member of an interdisciplinary team conducting cropping systems research at CATIE and in the five Central American countries - Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. The specialist's responsibilities would be to develop methodologies for identifying, analyzing and solving marketing problems forced by small farmers utilizing present as well as new cropping systems to be developed as a result of the ROCAP/CATIE project. This request provides an opportunity for TAB/AGR/ESP to study the subsistence farmer decision making criteria relative to the marketing of his products and the existing marketing system within various national, ecological and ethnic situations in Central America under existing production conditions and when new higher income production systems involving non traditional crops are developed.

This project is consistent with TA/AGR/ESP's study of the problems of small farmers and it is closely associated with the study of technical change in agriculture and its effects on the level of employment and the distribution of income, especially the incomes of the rural poor.

ROCAP has supported regionwide general marketing studies of basic food crops and non traditional products through SIECA, and an expert marketing technical assistance program through ICAJTI and SIECA. The basic grains study was utilized by the C.A. Ministers

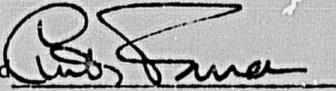
of Agriculture as background analysis upon which a regionwide decision was made to become self-sufficient in basic grains by 1980. The non traditional product study identified five high profit production opportunities - tomato, chile peppers, peanuts, pineapple and yucca - that can be produced on small farms. The CATIE/ROCAP cropping systems research will be focused on the development of improved cropping systems, combining one or more basic food crops with one or more non traditional products into reliable high profit technological packages adapted locally specifically for use by large numbers of small farm operators. The requested marketing specialist would be involved with the marketing problems associated with these crops in local, regional and export markets.

The market specialist will work on methodologies and analyses of marketing situations at CATIE and in a nearby test area of small farms. He will also be expected to conduct studies in three or more of the five Central American countries where CATIE will assist national researchers conduct cropping system field trials under different ecological, production and infrastructure situations on small farms.

Another output of this project will be a research report summarizing the methodologies developed by the investigator during the project. This report will be useful to TAB in its efforts to understand the small farmer's marketing situation and approaches to the solution of his problems as a means of assisting him significantly increase his income.

Eighteen technician months of services are involved in the project at an estimated cost of \$96,450.

Recommendation: That you approve the attached project proposal.

Approved 

Disapproved _____

Date 4/26/76.

TA/PPW J Gunning 