

THE PHOENIX FUND

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A SUCCESS STORY: THE GUATEMALA PINEAPPLE PROJECT

BACKGROUND

Since 2003, Mercy Corps has worked with local partners in Alta Verapaz, Guatemala, to peacefully resolve land conflicts. Our work there has been lauded as an innovative model for "integrated land-conflict mediation" — an approach that combines conflict mediation between large landowners and indigenous families, technical support to help newly-landed communities increase their income by improving their farming methods, and advocacy for land reform at various government levels.

Numerous cases have been peacefully negotiated, with 188 now resolved through agreements between land-conflict parties. In some of these negotiated cases, the land conflict was resolved by indigenous families entering into a land-purchase agreement a large landowner. However, the majority of indigenous families, who were primarily subsistence farmers, lacked a way to generate new income to pay off their new land.

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Mercy Corps' Guatemala team wanted to see these indigenous farmers succeed at making their payments so they could eventually secure the titles to their land — a dream that had been impossible until now. We believed that if these farming families could improve the quality, quantity, and diversification of their crops and learn how to access commercial markets, they could dramatically increase their incomes. The team applied for a Mercy Corps Phoenix Fund grant to help the families do just that.

In 2005, the Phoenix Fund granted \$100,000 to help eight communities to diversify and commercialize their small-scale farming operations. The overall project goals were to help farmers generate enough extra income to make the payments for their land; to improve the food security and health of the farming communities; and to increase the economic prospects of the surrounding region, where many people live in extreme poverty.

Success was to be measured by achieving a 10% increase in the agricultural earnings of 80% of the 80 families (400 individuals) involved in the program. Program activities fell into three basic categories: Land Management, Crop Diversification and Marketing.

Land Management

The program provided assistance to the landowners to better manage their land, specifically by conducting land mapping to help each community define the soil types, altitude, and micro-climate of their land, and to choose appropriate crops that had short-term and long-term income potential. We also gave trainings and ongoing support to indigenous farming families in land preparation, planting materials and plantings, the application of inputs, harvesting and marketing. For many of the indigenous families we worked with, this was the first time they had ever had access to this kind of farming information and support.

Crop Diversification

The second program activity trained farmers on how they could diversify their crops. The farming families, who once grew only beans or corn for their own subsistence, received support to grow high-value crops such as pineapple and bananas, and to produce honey and other items for sale. Each family chose at least two short-term crops and two long-term crops (based on the land maps) to diversify their production potential over the next five years.

Marketing

We also helped individual farmers to organize into legal production associations, so they could link their crops to commercial markets.

A SMART DESIGN

The Mercy Corps team designed this project to utilize the existing land-conflict mediation programs' infrastructure and resources. Doing so, we knew, would extend and enhance Mercy Corps Guatemala's services to local beneficiaries.

The Phoenix Fund enables early stage economic development in the poorest parts of the world.

We also used the “Train the Trainer” approach to maximize the program’s efficiency and the number of people we were able to reach with new knowledge and skills. Each community selected four model farmers, or “trainers.” After receiving intensive agriculture training and support from Mercy Corps and our local technical assistance partners, these model farmers then trained another 10 ‘partner’ or ‘trainee’ farmers in their communities. This approach allowed the program to train the maximum number of farmers in each community.

Mercy Corps Guatemala also partnered with Agexpront, a Guatemalan enterprise specializing in connecting local entrepreneurs to local and international markets. Agexpront helped the farming associations to come into compliance with international market regulations, branding, specifications, and quality control.

SUCCESS!

Among the marginalized indigenous communities in Alta Verapaz, the Guatemala Pineapple Project led directly to an increase in income, production diversity and self-employment. Communities involved in the project also found that, as a result of the project’s success, families now had greater food security and fewer residents needed to leave the area to find work.

Specific results:

1. Far surpassing the goal of achieving a 10% increase in earnings for 80% of the 80 families, the average income rose by almost 40% for the majority of the 80 families.
2. In one of the two communities, 199,313 pounds of pineapple were harvested in a single quarter. The resulting sales were \$10,970.97, which applied to paying for 20% of the farming families’ newly acquired land titles.
3. Product Diversification:
 - a. One community harvested 87 containers of honey and sold them for an income of \$287, a full year’s income for some families.
 - b. Mercy Corps helped another community acquire a micro-credit loan to raise cattle and increase their incomes.
 - c. A bakery project, which supported fifteen women selling bread to local markets, achieved 20% profitability. For these women, the project generated needed income for their families’ medicine, schooling and other pressing household expenses.

A BRIGHT FUTURE

The Guatemala Pineapple Project achieved its goals on several different levels. It exceeded its metrics for success for generating new income and increasing food security and economic prospects for the communities. It also met a fundamental Phoenix Fund measure of success: It led to greater things.

The Phoenix Fund communities, with the help of our Mercy Corps team, obtained a forward contract with Montesol, a major fruit and vegetable supplier in Guatemala, to buy five hectares of pineapple in one of the Alta Verapaz communities.

Then in March 2008, the success of the Guatemala Pineapple Project helped Mercy Corps secure major funding from Wal-Mart and USAID to bring a similar project—with a total budget of \$2.2 million—to 600 additional indigenous farmers in the region. In establishing these partnerships with Wal-Mart and USAID, Mercy Corps’ Guatemala team demonstrated that there is a market for the pineapples produced by small farming communities and that value chains can be created to bring these communities into the market where they can earn the income to secure their land and improve their lives.

Thanks to the Phoenix Fund and its donors, the Guatemala Pineapple Project grew from a \$100,000 pilot program to a major \$2.2-million partnership. It scaled up, increasing the number of people helped from dozens to hundreds. Turning great ideas into solutions, the Phoenix Fund is a powerful tool for innovation and entrepreneurship within Mercy Corps.

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**You must be the change
you wish to see in the world.**

~ Gandhi



Be the change