EXPORTING PRODUCTS, MEETING STANDARDS AND EDUCATING PEOPLE

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For the SKILLS FOR UPGRADING Workforce Development and Global Value Chains in Developing Countries Workshop
Back in 2003 IAGSA was founded to diversify an IT company that was looking to export agricultural products to the vast United States market.

We wanted to apply our technological innovation skills to the production of top quality produce and make sure nobody got sick in the process.

The venture began with the purchase of a small cucumber export operation that had gone broke a year earlier.
Objectives

Export 500+ container loads of fresh cucumbers to the United States during the 2003 winter season (December–March).

Looking to generate net sales of US$6M FOB Miami.

We set out to be the first food safety certified vegetable operation in the country in our first production season without having grown a single cucumber in our lives.

Change the way things got done.
Challenges

- The lack of knowledge and experience in food safety.
- A workforce with one of the lowest literacy rates in Latin America.
- No government, university extension programs or local private companies to provide assistance and most of the foreign aid programs require an approval process that can last up to a year.
Getting to work

- We recruited the best local agronomists we could find.
- Hired Scientific Certification Systems (SCS) to become our food safety third party audit, train our personnel and help design our new packing plant.
- Signed on with a broker that was also a grower in the US and designed a planting strategy to complement each other and avoid competition.
Results

- Exported 605 containers of fresh cucumbers.
- Sold US$6.2 Mil
- Passed our third party audits in our fields and packing house with excellent scores.
At the end of the season we had to let go 85% of our recently trained field, food safety and packing house employees which meant we would have to go through the same ground up training process again in September of 2004.
What do we do now?

- Diversified our product offering to pickles, eggplant and hard squash in order to suit our client’s one stop shop needs.
- We started looking for products that could be grown and exported year round or with an extended export window which would reduce our off season.
Our year round solution took some time but with the signing of CAFTA–DR, we were allowed to export peppers to the US market under certain “protocols” which require us to grow our product in protected environments such as green houses.

We invested in green houses and hydroponics in order to become a year round provider of fresh colored bell peppers. Plantains have also become part of the year round mix.
Where are we headed

- We are committed to become a food processing facility within two years in order to strengthen our market presence and evolve from fresh to value added to increase revenues, and create additional year round jobs to retain our trained personnel.
Your Eggplant is in the Freezer
The USAID model has proven to be the most effective through a private company THAT IS HELD ACCOUNTABLE for their results. For every US$1.00 spent the returns from the producers are tenfold. Traditional training programs have a US$1–US$3 return rate. The EU has the LATINVEST program which provides training on demand but it takes at least one year to get your request approved. Most of the programs end up donating equipment to the growers but do not provide training or direct assistance. The government institutions that provide training like INFOP are always behind the learning curve. Direct by demand training is very effective but international regulatory and standards training is badly needed. Financial assistance can be tied to the training programs such as the Millennium Challenge account financial assistance package which required the funds to be accessed only by growers that the program had under assistance. It did not require collateral and would cover up to a 50% loss but the results proved otherwise, 82% returns for the project plus interest.