



Agricultural Development Plan

Agricultural Banana Cooperative For Ecuador

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Executive Summary

Ecuador is a less developed country with 70% of the population being below the poverty line. One reason may be that many small rural farmers in Ecuador don't make enough bananas to sell them in the global market. This causes a decline in industry, economy, and education. For our agricultural development plan, we are going to implement an agricultural banana cooperative for the rural banana producers in Guayaquil, Ecuador.

Our objectives for the cooperative are to increase the earning capacity of the rural farmers by providing the opportunity to sell their surplus bananas, to improve the hygiene and sanitation conditions of rural communities through training and workshops, establish the cooperative so that the farmers have ownership, establish a networking system to increase opportunities for the small farmers, and educate the people of Ecuador to improve their farming practices and standards of living.

The cooperative will be a marketing and services-oriented facility that will assemble, pack, and sell to its member's products in both the domestic market and the foreign markets. The staff will consist of community health specialists, coop specialists, and marketing specialists that will help recruit, train, and operate the cooperative for the first years of the project. At the end of our ten-year timeline the entire staff will phase out and be replaced with Ecuador natives to run the cooperative.

The estimated cost of production for this project is 20 million dollars. We will partner with CARE and FAO; both are nongovernmental organizations (NGOs). We will also partner with the Catholic Church, the Ecuador Ministry of Agriculture, and we will ask for funding from USAID and World Bank. We will also ask for financial support

from the Ministry of Agriculture. The University of Florida, which is operating a private extension service, will also help us in implementing our project. Our NGO's will help with training and operating the cooperative.

Background

Ecuador is a less developed country with over 70% of the population being under the poverty line. This kind of economy causes many problems for Ecuadorians and the sustainable agriculture within this country. Several small rural farmers, working independently cannot produce enough crops to sell globally, therefore, causing an economic crisis for their families. The small local farmers sometimes only produce enough to feed their family. This doesn't bring any extra income for them, which makes the families lack the funding to send their children to school or have clothing and supplies. Education in Ecuador is a privilege only for those who can afford it, but it is an extremely important asset that can eventually help the people in Ecuador expand their knowledge and decrease poverty. In many cases within Ecuador, the men of small farms have a different job in town to make extra money to support the family, while the women stay home and attend to the farm. This is why educating women would be an important asset to the Ecuadorian population so that production efficiency could be increased.

Ecuadorians also have poor hygiene conditions in the rural areas. The problems have very simple solutions that could be improved by the education of the population. Pragmatic education is the solution to many of the problems that plague the Ecuadorian farmer.

Bananas are the largest export for Ecuador and bring in approximately 5,528,100 dollars a year. The problem is that even though bananas are a global market, small rural

farmers individually don't produce enough of them to sell in a container to be shipped to foreign markets. Containers are basically the only way to sell bananas on the global market. There is not much of a local market for the surplus bananas produced by the rural Ecuadorian farmers. The containers are 8 feet wide by 8.6 feet tall, between 20-40 feet long, and will hold about 20 tons of bananas. This large quantity of bananas is hard for only one small farmer to produce and package. That is why we are starting a cooperative to better enable them to use this valuable resource they already have to benefit them and, thereby improve their quality of life and standard of living.

Extension in Ecuador

The University of Florida and its partners in Ecuador are starting a new extension project in Ecuador. The project is to apply a world-wide extension system that utilizes the private sector to provide assistance to commercial farmers. This program is called, Program for the Modernization of Agricultural Services, or PROMSA, which is the Spanish acronym (International Focus, 1998). This project is being funded by a loan from the Inter American Development Bank. The University of Florida's nongovernmental organizations partners are PROEXANT, which provides extension services, and International Development Ethics Association (IDEA), which is important in policy and organizational aspects of the programs development.

The implementation of this project is emphasizing farmers' productivity by having different companies help provide agricultural assistance to farmers who can pay for the services. The services that will be provided are public health aspects, such as:

nutrition, food safety, seat-belt use, and water quality (International Focus, 1998). This program is a private organization and not affiliated with any governmental agencies.

Our Development Plan's Purpose

Because of the problems in Ecuador, we would like to implement an agricultural cooperative for banana production. This would be a marketing and services-oriented Cooperative that would assemble, pack, and sell members products in both domestic and foreign markets. It would also provide members with specialized services, such as training and advice to improve the farming structure. Since many of these marketing and service areas are out of economical reach for many Ecuadorians, our plan is to develop their areas in farming practices and sell their products in the global market, thus helping to increase the economy.

We are also helping them to improve the hygiene and community health by incorporating education personnel into the payroll and mission of the cooperative. These specialists will help to educate and train local rural farmers in health and hygiene issues.

Goals and Objectives

Objectives:

- **To increase the earning capacity of rural farmers by providing the opportunity to sell surplus bananas**
- **Improve hygiene and sanitation conditions of rural communities.**
- **Establish an agricultural cooperative that the local farmers can use and will own.**

Our goal for our development plan is to establish a networking system where local farmers can sell their banana product in the global market. We would like to see income increase for the small rural families which would enable them to participate in the education system. The cooperative goals are to develop educational programs for cooperative business, to find unique resources available to organize and manage a cooperative, and to eventually become a larger cooperative with improved technology. From an educational stand point, we would like to see women become more educated in subsistence farming to help support their families. Our long-term goal is to reduce poverty and increase the literacy rate which would help Ecuador develop as a world nation. Our personnel will establish a cooperative; train the members by providing workshops, and educational materials; and carry out responsibilities of shipping products and management. They will also teach about health and education issues. The staff will help Ecuadorians realize what is working with their traditional farming and help them facilitate new, innovative ways to improve yields and reduce production costs.

The Cooperative's Location

Our agricultural banana cooperative will be located along the coast line in Guayaquil. This is in the tropical area of Ecuador where the majority of bananas are grown. We will accommodate members within a 100 km radius (approximately. 60 miles). The reason for this location is that there is a shipping dock located with easy accessibility for loading and shipping containers of bananas. The Ministry of Agriculture has helped us to obtain a location that is suitable for this kind of operation.

Implementation

To implement this project, we will first need to write proposals to present to all of the, we have identified as having potential to provide support and funding. organizations in hopes of gaining their support and funding. International programs for Agriculture and Natural Resource, which is the international program unit based out of the University of Florida that is under the office of the Vice-President for the College of Agriculture and Natural Resources, will assist us in preparing these proposals as each sponsor has a different set of guidelines. The topics for our proposals will be budget preparation, agency forms, purpose, and background information.

After we receive funding, our project will have to have a cooperative agreement. To obtain an agreement in Ecuador, we have to go through the University of Florida Institute of Food and Agricultural Sciences because they are providing the extension service. Furthermore gain this agreement, the program manager of the banana cooperative has to be active in contacting the institution and must be able to facilitate activities between the extension service and the cooperative (University of Florida IFAS). The manager must also write reports on activities done. The cooperative agreement helps to maintain a network and build communication between institutions.

To overcome the cultural pillars of language barriers our staff will be trained in foreign language training courses. The Institute of Food and Agricultural Sciences (IFAS) provides this free of charge. The staff will also spend time in Ecuador learning about the culture before this project gets underway.

Since our cooperative will provide training, the next step will be to arrange a training program. We will utilize the Food and Agriculture Organization of the United

Nations (FAO) to organize training sessions. This training will be short-term courses in farming systems and business development.

We will then begin to run the program. Our staff will be in charge of recruiting members by visiting with local farmers and holding town meetings at the church(the accepted town gathering place).

An evaluation will be set up after the program is operating to determine what further needs there are and areas for improvement.

Personnel

First 4 years:

5 Field representative/education

- **Establish a base of 240 farmers who will each participate in the program.**
- **Identify for people that would be able to fill their position after the 4th year.**
- **Provide classes to farmers about proper techniques and other pertinent issues.**

After the 4th year, one of the cooperative personnel will be replaced by three Ecuadorians every other year that will continue in the job that the replaced person had. This will help to expand the project and will allow it to become a more profitable and sustainable project. By the tenth year of this project, there will be twelve field representative/education specialists, each overseeing between 200 and 250 farmers.

Marketing specialist will also work with two local people after the first four years. Those two people will take over at the end of the eighth year. Community health specialists will establish a plan in the first year as to the long-term goals of that part of the project and how they will meet these goals. They will work on this for five years and then train

replacements and work with them for the last five years of the project. Coop specialists will work for the first five years in developing a good and efficient system. Then they will recruit four people to take over. They will all work together for three years and then will be running the coop for the last two years of the project.

Our staff will serve along the same lines as a Training and Visiting Extension system. This is the same kind of system that the government in Ecuador is trying to establish now. The staff will generate out into the public to train and recruit members to join the cooperative. There will be weekly visits to each area in hopes of educating the men and women running the subsistence farms. The cooperative will also incorporate aspects of a commodity extension system because we will be building the production capacity of the bananas in Ecuador. Our focal point in the first years will concentrate only on bananas, so our development efforts will be focused in this area.

Time Line

Our development plan will start out small, only focusing on the local coastal area of Guayaquil and the surrounding radius. We will only support bananas as the export and our focus will be entirely on educating the small farmers about banana issues.

In the future the cooperative will expand and conform to different agriculture products. It will be handed over to and totally run by Ecuadorian natives, who will staff it and illustrate the potential for developing more cooperatives around the country. Time line

The first four years will be the start-up time. After that, the locals will be running the program and taking it over in increments as outlined previously. After the end of the ten-year project, the coop should be working well and be self-sufficient. The money reserve

that the coop has made for the ten years will serve as operating money for the growth and continue success of this project

Population

The population will consist of small rural farmers who live in a 100 km radius of Guayaquil. It will be open to both men and women who will be equally trained and given operational responsibilities. The cooperative will focus on those farmers who need a boost in their income in order to maintain a sustainable life and farm.

Outcomes

Some outcomes of our project are: improved health of rural families, improved education of rural families, increased income from farm families, and the establishment of a sustainable cooperative that will benefit the local community and people.

Evaluation

The banana cooperative will be evaluated on a two-year basis. After two years, we will evaluate the income, expenses, increases in knowledge and participation, and we will determine changes that need to be made to sustain the project's success. After four years, we will evaluate any changes we have made; our net worth and progress; and replace two of our staff with trained Ecuadorians. After six years, two more staff members will be replaced and the cooperative will be reevaluated. In the same year, a second cooperative could be considered in another city, as well as adding more crops to the cooperative. In the tenth year, our staff will be entirely replaced by natives.

Budget

Category	\$ amount for year	Totals for project
Personnel 5 field rep./education 2 coop specialists 2 Community health / education specialist 1 marketing/shipping specialist	10 @ 60,000per year = 600,000	Ten years of personnel support 6,000,000
Warehouse space and facilities maintenance, utilities, shipping costs	200,000 per year	Ten years 1,000,000
Transportation 20 trucks 2 fork lifts annual up-keep Fuel	14,000 * 20 = 280,000 one time 40,000/yr 240,000/yr	40 * 10yrs = 400,000 240,000* 10yrs = 2,400,000 purchase of trucks 280,000 3,080,000
Unskilled labor 20 truck driver 40 warehouse laborers	2.5/hr * 60hr/wk * 50wks * 20 drivers = 150,000 2/hr * 60/hr/wk * 50 wks * 40 workers = 240,000	150,000 + 240,000 * 10 yrs = 3,900,000
Hygiene supplies	100,000/yr	10yrs* 100,000 = 1,000,000
Education supplies	250,000/yr	10yrs* 250,000 = 2,500,000
Recruitment materials	150,000/yr	150,000 * 10yrs = 1,500,000
Total needed		18,980,000

Funding

We will ask \$5 million from the Department of Agriculture in Ecuador, \$10 million from USAID, and \$5 million from World Bank. We will write proposals to each of these organizations to garner their support.

Partners

The Ecuador Ministry of Agriculture has agreed to partner with us on this project. They will help us identify staff to help in maintenance, shipping, and other cooperative activities. They have also agreed to provide some funding and promote the new banana cooperative. Another partner that will be important to this development plan is the Catholic Church. They can help us reach out to the public and influence the local population, convincing them to become part of the cooperative. The Catholic Church already works well with the Ministry of Agriculture and they have an established humanitarian aid network in the areas where we will be working.

These partners are very important to the project success. We have tried to incorporate as many natives of Ecuador as possible in establishing this project. We know that they are the best qualified to overcome hurdles that would arise from the pillars of their culture.

A nongovernmental organization that we will be partnering with is CARE. CARE has been active in Ecuador since the early 1960s. Their program includes projects in health care, training, family gardens, sustainable agriculture, reforestation, soil conservation, and small business development. This organization will be a strong asset in

helping to train cooperative members and educating them on how to run the cooperative in the future.

The Food and Agriculture Organization (FAO) will also be an asset because their goals are to raise the standards of living, improve agricultural productivity, and obtain better living conditions for the rural populations. They can help us in improving all of these areas and reach our objectives and goals for this project.

We will partner with University of Florida because they are working on establishing an agricultural extension program that will help our cooperative grow. The other universities in Ecuador do not have an established agriculture program right now.

Conclusions

Establishing a banana cooperative will help small rural farmers in Ecuador. It can build up the economy in a variety of ways. Increasing income for the low-income families will help reduce the poverty level as well as raising participation in education. Most of the families now can't afford to send their children to school. We hope that our greatest outcome of this development plan is educating more people in Ecuador so that the people will be able to face new challenges and obtain more opportunities in future generations.

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