



Peru



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small business with the potential of earning a reasonable living.

Through MEDA's work, farmers who once lived in poverty will be able to provide their family with necessities like nutritious food, clothing, health care and education.

Discovering New Markets

Background

The economy in Peru is similar to its geography – broad and varied. There is excellent fishing on the coast, minerals in the mountainous areas and farming in the mainland, but these markets are not meeting their full potential. A lack of proper infrastructure has led to inconsistent investment and minimal growth in trade. Politically, Peru has had a history of challenge and change. With varying governments and political ideologies has come a struggle for economic and social stability. From territorial disputes with neighboring countries, to uprisings, to election corruption, the nation's recent history is laden with conflict. The main social challenge facing Peru is still poverty and massive unemployment.

MEDA's Assessment

While the country is ripe for growth, access to markets makes it a challenge for small businesses. There is a good market for artichokes and peppers, but farmers are unable to reach competitive markets on their own. Today's global market is more complex and it is becoming increasingly difficult for the small farmer to compete. Larger marketing companies want to source their products from larger farms where there is consistent quality of production and less people with whom to deal. The small farmer is easily left out of the market.

MEDA has developed a software system that allows groups of small farmers to join together and be treated like a larger farm. This innovative software package gives the farmer and the marketing companies useful information like when to expect crops, in what quantity and in what quality. This enables them to plan and get the best price and the best quality to market.

This information is invaluable. In the past, marketing companies could get up to 100 farmers bringing their crop to a central depot at the same time; when they were expecting it a week later. If the company knew of the different timing, they could pre-sell the crops and have trucks ready. Instead, farmers would get a lower price and in some cases, their produce would spoil as they waited for it to get to market.

In the past many farmers eked out a subsistence income on their small plots of land, barely growing enough to feed their family, not nearly earning enough for basic necessities such as health care, education and other essentials. Today families understand that farming is a small business with the potential of earning a reasonable living. By addressing the agricultural process through a long-range plan, the farming community will be sustainable in the future.



Outcome:

Families living on the farm will:

- *Be able to bring their small farm production into the larger market systems*
- *Be assisted in finding new markets for their traditional crops*
- *Improve their agricultural practices for higher quality and better yields*
- *Receive small loans to upgrade equipment and inputs*
- *Participate in agricultural training programs increasing their ability to use their land wisely*
- *Benefit from larger and well managed market networks*

Cost:

Life of Project: \$2,000,000

Funder/Partner: U.S.
Agency for International
Development (USAID)

MEDA Match Needed:
\$225,000