



Food for Progress Project

Impact of PROCAMPO on Agricultural Producer Groups in Guatemala

Productores del Campo Más Prósperos y Organizados (PROCAMPO) This learning brief presents findings from the USDA-funded PROCAMPO implementation of activities aimed at improving agricultural production and market access opportunities for producer groups in Guatemala. It finds that targeted, need-centered training, technical assistance, and financial support activities can substantially benefit agricultural producer groups in Guatemala by increasing sales prices and profits, while decreasing production costs. The brief concludes with recommendations for future programming.

Acknowledgements

Special thanks to the United States Department of Agriculture, which provides funding for the PROCAMPO project, and PROCAMPO's implementing partners – the Guatemalan Ministry of Agriculture, the National Coffee Association (ANACAFE), the Federated Cooperation of Credit Unions (MICOOPE), the Agronomy Faculty of the National University of San Carlos (FAUSAC), and the University of California at Davis (UC Davis).

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PROCAMPO's Learning Series

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PROCAMPO Overview

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- Strengthening the capacity of coffee and other agricultural producer groups, associations, cooperatives, and Rural Development Learning Centers by providing technical assistance to smallholder farmers
- Providing capacity-building grants to competitively selected producer groups to support agricultural development activities such as technical services, on-farm equipment, and agricultural inputs
- Expanding the outreach and availability of financial services in the agricultural sector
- Implementing trade promotion activities to enhance producer marketability, supporting farmers to obtain certifications to expand sales into new and established markets, participate in trade shows, and connect with buyers
- Providing training and technical assistance to agricultural producers on production practices, technologies, and farm management

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Targeted, need-centered training, technical assistance, and financial support activities can substantially benefit agricultural producer groups in Guatemala by increasing sales prices and profits, while decreasing production costs.

This learning brief presents significant findings from PROCAMPO's implementation of activities aimed at improving agricultural production and market access opportunities for agricultural producer groups in Guatemala.

Methodology

A comparative analysis was used to analyze quantitative survey data and qualitative data from focus group discussions. The project team gathered data from members of 50 agricultural producer groups who participated in PROCAMPO activities, including cooperatives, producer associations, and Rural Learning Development Centers, among others. A comprehensive review was used to assess the overall success of PROCAMPO's interventions, including training, technical assistance, and financial support.

Results

PROCAMPO engaged local producer groups through training, technical assistance, and financial support, resulting in increased production and market access opportunities. The following results document the primary needs of agricultural producer groups, and the extent to which PROCAMPO initiatives addressed them.

Agricultural Producer Group Needs

The needs of producer groups should be centered in implementation activities. Of producer groups surveyed regarding their primary needs, 78% reported improved infrastructure, 72% reported improved techniques and technologies, 70% reported technical assistance and training, and 60% reported access to financial services.

Additionally, agricultural producer groups identified the need for support at different stages of the value chain, where 52% emphasized marketing and sales, 28% emphasized production, and 20% emphasized post-production.



Effects of PROCAMPO Intervention

Participating in PROCAMPO intervention, such as training, technical assistance, and financial support activities, has positively impacted agricultural producer groups by increasing average product sales price and profits, while decreasing production costs.







After participating in PROCAMPO:

- Over 67% of producer groups reported an increase in average price received, with the average price increasing 50%. Notably, over 12% reported that average price received at least doubled.
- Over 85% of producer groups reported a decrease in average production cost, with an average cost decrease of 19%. Notably, over 7% reported that production costs decreased by half.
- 100% of producer groups reported an **increase in profits**, with an average profit increase of 33%. Notably, over 10% reported that their profits doubled.

PROCAMPO Intervention

These positive impacts can be attributed to the support agricultural producer groups received through PROCAMPO, where 100% received capacity-building training, 100% received technical assistance to adopt improved technologies, and 92% received financial support. Through targeted training and support, agricultural producer groups were able to improve agricultural production, strengthen farm management skills, adopt improved technologies, and expand market access opportunities.



Producer Group Feedback

Producer groups' perception of PROCAMPO was overall positive and 90% of producer groups reported that every PROCAMPO activity they participated in was beneficial.

Of the feedback received from agricultural producer groups on PROCAMPO, the following were highlighted:

- 90% found all PROCAMPO activities beneficial
- *Training*: Producer groups suggested smaller training group sizes, more training opportunities, and follow-up training.
- Technical Assistance: Producer groups suggested follow-up technical assistance and a
 greater emphasis on climate-smart technologies. Technical Assistance: Producer groups
 suggested follow-up technical assistance and a greater emphasis on
 climate-smart technologies.
- *Financial Support:* Producer groups suggested more financial support opportunities and more varied financial services options.

Conclusion

Based on the qualitative and quantitative data collected, it is evident that the PROCAMPO project substantially benefited participating agricultural producer groups, with notable impacts of increased sales price, decreased production costs, and increased profits.

Recommendations for Future Programming

Target Producer Group Needs. There is a need for future interventions to continue prioritizing the various needs of producer groups. Prior to implementation, producer groups should be surveyed to determine what their primary needs are so that targeted activities can be developed to address them. For example, for those agricultural producer groups that specify needing improved techniques and technologies, activities could include provision of high-quality productive inputs, and training on adoption of improved practices, such as use of pest/disease control measures.

Target Specific Stages in the Value Chain. There is a need for future interventions to continue tailoring activities to specific stages in the value chain, such as production, post-production, and marketing/sales. Prior to implementation, producer groups should be surveyed to determine which stage they require the most support, so that targeted activities can be developed to address them. For example, for those agricultural producer groups that require additional support for marketing and sales, activities could include training on improved negotiation techniques, promotion of agricultural trade fairs and business roundtables, and support to obtain agricultural certification.





Food for Progress Project

Certification of Agricultural Producer Organizations in Guatemala

Productores del Campo Más Prósperos y Organizados (PROCAMPO) This learning brief presents findings from the USDA-funded PROCAMPO implementation of activities aimed at improving agricultural production and market access opportunities for producer groups in Guatemala. It finds that obtaining certification substantially benefits agricultural producers, with notable impacts of increased sales price per metric ton for high-value crops and expanded presence in international markets. Certification can be a valuable intervention for organizations. The brief concludes with recommendations for future programming.

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This learning brief presents significant findings from PROCAMPO's implementation of activities aimed at improving agricultural production and market access opportunities for agricultural producer groups in Guatemala.

To obtain an agricultural certification, an independent certifying body must inspect an organization to guarantee production processes meet certain standards and requirements. which vary by certification type. The PROCAMPO project facilitates the following accredited certification types: Organic Coffee, Rainforest Alliance, Manos de Mujer, Fair Trade, Hazard Analysis and Critical Control Point (HACCP), Global Good Agricultural Practices (GAP), and Starbucks Coffee Practices (CP).

Methodology

A comparative analysis was used to analyze quantitative survey data and qualitative data from focus group discussions. The project team gathered data from 10 representatives and 20 members of the 21 organizations that obtained certifications, and representatives from AGROSANA, the organization leading certification processes in-country.

Results

With support from PROCAMPO, 21 organizations have received certification, resulting in increased sales prices and market opportunities for agricultural producers. The following results show the motivations and limitations for obtaining certification, the effect of obtaining certification on organizations and individual producers, and impact by certification type.

Motivations and Limitations of Certification

The requirements to obtain certification affect many organizations' desire and ability to pursue them. In addition to the certification requirements, organizations need to consider other motivations for and limitations to obtaining certification.

Respondents reported several motivations that affect an organization's desire to obtain certification. Of those surveyed, 85% reported **better prices**, 55% reported **market diversification**, and 45% reported **increased demand**. Other motivations reported include alignment with other standards, enablement of direct export, recognition of women's work, and improved quality of life.

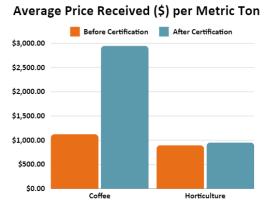
Respondents reported several limitations that affect an organization's ability to obtain certification. Of those surveyed, 65% reported **high cost**, 45% reported **changes in regulations**, 45% reported **bureaucracy**, 30% reported **volume and quality requirements**, 15% reported **legal, administrative**, and organizational requirements, and 15% reported unfair competition. Other limitations reported include lack of partner interest/commitment and adherence to good practices in line with certification standards.



Effects of Obtaining Certification

Obtaining certification has positively impacted project participants, including organizations and individual producers. Of these benefitting organizations, 100% reported increased sales price per metric ton, 100% reported an expanded buyer portfolio, 55% reported an improved market position, 35% reported increased commercial volume, and 20% reported increased organization membership.

The increase in price received per metric ton is significant. Before certification, organizations received an average of \$1,123.73 per metric ton for coffee and \$895.05 per metric ton for horticulture. After certification, organizations received an average of \$2,947.63 per metric ton for coffee and \$953.33 per metric ton for horticulture. These increases equate to a 262% and 107% increase in price received per metric ton for coffee and horticulture, respectively, from 2016 to 2024.





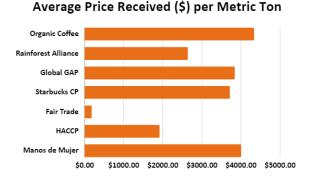
The expansion of organizations' buyer portfolio is also significant. Before certification, only 35% of sales were made to international buyers. After certification, 85% of sales were made to international buyers. This increase demonstrates a key market access opportunity for certified organizations.

In addition to these positive impacts, the negative impacts of obtaining certification need to be considered. Of the benefiting organizations, 80% reported **increased cost**, 15% reported **volume requirements**, and 10% reported **dependence on demand**. These negative effects associated with obtaining certification should be addressed in future programming.

Impact by Certification Type

Across the 21 organizations, six different types of certifications were obtained: Organic Coffee, Rainforest Alliance, Manos de Mujer, Fair Trade, HACCP, Global GAP, and Starbucks CP. The impact of certifications on organizations and individual producers varies between the different certification types.

Of the certification types, organizations with Organic Coffee, Manos de Mujer, Starbucks Coffee Practices, and Global GAP certifications had the highest sales price per metric ton. In addition, of the certification types, organizations with Organic Coffee, HACCP, Manos de Mujer, Starbucks Coffee Practices, and Global GAP sold to only international buyers after receiving certification.



Conclusion

The data demonstrates a substantial financial and market advantage for certified agricultural producers. Additionally, the perception of certifications among these organizations is so favorable that 95% intend to renew and maintain certification.

Based on the data, it is evident that obtaining certification substantially benefits agricultural producers, with notable impacts of increased sales price per metric ton for high-value crops and expanded presence in international markets. Certification can be a valuable intervention for organizations aiming to expand their presence in higher-value markets, including international domains.



Recommendations for Future Programming

Address Increased Costs Associated with Certification. There is a need for certification interventions to focus on addressing the increased cost associated with obtaining certification. Certification processes should be implemented alongside activities that aim to lower costs for agricultural producers such as targeted technical assistance, training on business management, preemptive financial planning and financing, and implementation of climate-smart and improved agricultural practices.

Focus on Certification for High-Value Crops. There is a need for organizations to increase focus on certifications for high-value crops, such as coffee. Data suggests that horticulture certifications do not have as much of an effect on increased sales price per metric ton. Further cost analysis is needed to ensure that obtaining horticulture certifications is a worthwhile investment for organizations.

Prioritize Certifications with Greatest Impact. There is a need for organizations to prioritize certifications that will have the greatest impact. While impact may vary depending on organization type and focus, data suggest that organizations with Organic Coffee, Manos de Mujer, Starbucks Coffee Practices, and Global GAP certifications have the highest sales price per metric ton and sell to exclusively international markets.





Food for Progress Project

Provision of Financial Services to Agricultural Producers in Guatemala

Productores del Campo Más Prósperos y Organizados (PROCAMPO) This learning brief presents findings from an assessment of the efficiency, effectiveness, relevance, sustainability, and impact of a USDA-funded PROCAMPO activity that provides financial services to small and medium-sized agricultural producers in Guatemala. It finds that the provision of small loans to agricultural producers in Guatemala can be an effective and efficient way to boost production and improve household income and wellness with little risk to financial institutions. The brief concludes with recommendations for future programming.

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The provision of small loans to agricultural producers in Guatemala can be an effective and efficient way to boost production and improve household income and wellness with little risk to financial institutions.

This learning brief presents significant findings from an assessment of the efficiency, effectiveness, relevance, sustainability, and impact of a PROCAMPO activity that provides financial services to small and medium-sized agricultural producers in Guatemala.

Methodology

A consulting firm carried out the study, employing a multi-layered analysis approach that integrated data from financial service providers of the Federated Cooperation of Credit Unions (MICOOPE) and 10 benefiting cooperatives in the departments of San Marcos, Quetzaltenango, Sololá, Huehuetenango, Totonicapán, and Quiché. A comparative analysis was used to analyze quantitative project data and qualitative data from focus group discussions.

Results

With support from PROCAMPO, financial services were provided and expanded to individual producers who did not previously have access to them, resulting in improved production, increased income, expanded market access, and improved quality of life. The following results show the efficiency, effectiveness, relevance, sustainability, and impact of loans distributed by MICOOPE through the PROCAMPO project.

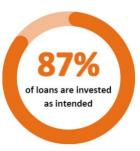
Efficiency. The agricultural loans provided by MICOOPE are implemented efficiently because they:

• Are paid back on time. Loan recipients reported that they were able to pay back their loans on time without any inconvenience 97.3% of the time, an increase from 90.2% in 2017.

 Consider risks. Loans are evaluated for risk, and loan adjustments and training are provided to producers to mitigate risks, as needed.

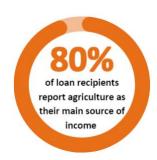
Effectiveness. The agricultural loans provided by MICOOPE are implemented effectively because they:

- Are invested as intended. Loans are invested to improve agricultural productivity, their intended purpose, among 87% of producers.
- Meet producer needs. Loans meet producer needs for capital to purchase supplies, labor, land, and improved agricultural equipment and vehicles, among others.
- Improve financial access over time. Agricultural producers are able to secure larger loans over time, which allows them to continue expanding operations to improve incomes and livelihoods.



Relevance. The agricultural loans provided by MICOOPE are relevant to producers because they:

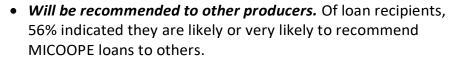
- *Finance their main livelihoods.* Agricultural activities, including horticulture and coffee production, are the main source of income for 80% of loan recipients.
- Are accessible. Loans are typically valued at \$628 or less per person, which makes them more accessible to a broader range of agricultural producers who may not qualify for larger loans due to lack of collateral or credit history.

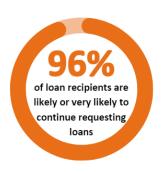


- Are feasible. Loan recipients reported satisfaction with the flexible loan terms provided by MICOOPE. Of them, 67% valued loan repayment duration, 58% valued loan interest rates, and 57% valued customer service, all of which were major obstacles for farmers prior to receiving loans from MICOOPE. The flexible loan terms provided by MICOOPE make it easier for farmers to obtain loans and pay them back on time.
- **Are in high demand.** During the last five years, 74% of loan recipients report that loans provided by MICOOPE are their sole source of credit.

Sustainability. The agricultural loans provided by MICOOPE ensure continued access to financial services that meet producer needs because they:

 Reflect a high level of customer satisfaction. Of loan recipients, 96% indicated they were likely or very likely to continue requesting loans.





Impact. The agricultural loans provided by MICOOPE greatly impacted producers because they:

- *Increase quality and quantity of production.* By investing loans into expanded cultivation area, increased mechanization, and implementation of new production technologies, 52% of producers increased their production area, 61% increased yields, 52% improved farm management, and 56% improved quality of production.
- *Improve market outcomes.* Loan recipients were able to expand into new markets, where 74% achieved better prices, 47% expanded their client portfolio, 30% increased sales, and 54% improved financial management.



- *Increase income*. Of loan recipients, 99% reported increased income, which was reinvested into:
- *Improved food security and health outcomes.* Of loan recipients, 89% reported increased quantity of food consumed, 70% reported improved quality of food consumed, 77% reported no issues paying for health care for their family, and 40% reported improved overall health of their family.
- *Improved household welfare*. Of loan recipients, 68% invested in more food for their household, 47% invested in more clothing for their family, and 33% invested in household improvements.

Conclusion

The data demonstrate a substantial financial and market advantage for producers that receive loans through MICOOPE. Based on the data, it is evident that loans provided by MICOOPE are efficient, effective, relevant, sustainable, and impactful.

The evaluators compiled the data into an unweighted composite index to quantify the project's impact. PROCAMPO's financial services activity received an overall impact index of 4.63 out of 5 points, which is considered "very good" and associated with achieving most of its desired impacts.

Financial services provided by MICOOPE can be a valuable intervention for producers seeking to improve production, increase income, and expand into new markets.



Recommendations for Future Programming

Strengthen Technical Assistance. There is a need to strengthen technical assistance to accompany financial services for loan recipients, such as training in financial literacy and business management for producers. Farmers who are successfully implementing credits should be used as a model for strengthening lower capacity producers through partnerships, training, resource sharing, and encouraging recipients to diversify their financial products to cater to the needs of the agricultural community.

Anticipate and Mitigate Future Risks. There is a need to increase focus on risk mitigation. Improved risk assessment tools need to be implemented to address the several potential risks identified by producers and MICOOPE members. These risks to agricultural productivity include climate change, market fluctuations, blight, and pests. It is important that financial service providers encourage producers to invest in climate smart production techniques that mitigate potential for crop losses.

Ensure Continued Access to Financial Services. There is a need to ensure continued presence and expansion of credit unions offering agricultural financial services. Microfinance options for low-value loans must be maintained or increased to ensure access for new and existing smallholder farmers. Additionally, there is a potential opportunity for scale-up by facilitating access to larger loans for qualified producers, aligned with the growth of their agricultural businesses.

Focus on Gender Inclusivity. There is a need to address the gender gap in financial service provisions. Loans are being distributed at an unequal rate among men and women. Of total credit distribution, 38% of loans are provided to women and 62% of loans are provided to men. To bridge this gap and ensure inclusive economic empowerment, there is a need for gender-specific interventions that focus on enhancing financial inclusion for women, such as targeted outreach, financial products designed specifically for women, and capacity-strengthening to improve financial literacy and creditworthiness. It is also essential to regularly monitor and evaluate the impact of credit distribution on the livelihoods of both men and women to ensure that the benefits of financial access are equitably shared.





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Participation of Agricultural Producers in Trade Fairs in Guatemala

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- Expanding the outreach and availability of financial services in the agricultural sector
- Implementing trade promotion activities to enhance producer marketability, supporting farmers to
 obtain certifications to expand sales into new and established markets, participate in trade shows,
 and connect with buyers
- Providing training and technical assistance to agricultural producers on production practices, technologies, and farm management

Since its inception, PROCAMPO has graduated 420 extension agents from the Certificate Rural Extension Program, provided 191 in-kind and cash grants for improved agricultural productivity, provided over \$60 million USD in agricultural financial loans to 9,757 smallholders and coffee producers, facilitated 58 contracts signed between buyers and sellers to support producer groups to expand sales and establish new markets, achieved \$6.2 million USD in sales from 2,806 MT of coffee produced by project coffee producers, trained 54,972 coffee producers and smallholders on agricultural sector productivity or food security, created 2,946 new jobs, and benefitted 72,663 individuals directly as a result of USDA assistance.

Participating in trade fairs benefits agricultural producers in Guatemala by expanding their buyer portfolio into new markets and ensuring better quality contracts that result in increased revenue.

This learning brief presents significant findings from PROCAMPO's trade promotion activity that facilitates participation of agricultural producers in Guatemala in trade fairs to expand sales into new and existing markets.

Methodology

A comparative analysis was used to analyze quantitative survey data and qualitative data from focus group discussions. The project team gathered data from representatives of 10 cooperatives or associations, representatives from 10 Rural Learning Development Centers (CADERs), and 10 individual producers who participated in trade fairs.

Results

With support from PROCAMPO, financial services were provided and expanded to individual producers who did not previously have access to them, resulting in improved production, increased income, expanded market access, and improved quality of life. The following results show the efficiency, effectiveness, relevance, sustainability, and impact of loans distributed by MICOOPE through the PROCAMPO project.

Motivations and Limitations of Participating in Trade Fairs

Respondents reported several motivations that prompt an individual or organization's desire to participate in trade fairs, but the primary one was to expand market access opportunities into segments that were previously out of reach. Respondents also reported several limitations that affect an individual or organization's ability to participate in trade fairs. Of organizations surveyed, 60% reported climate change and 40% reported absence of interested buyers. Of individual producers surveyed, 25% reported climate barriers, 20% reported unfair competition, and 15% reported absence of buyers.

Effects of Participating in Trade Fairs

Participating in trade fairs positively impacted organizations and individual producers. Of benefiting organizations, 80% reported an expanded buyer portfolio, 80% reported expected increased revenue, 80% reported an improved market position, 40% reported increased income, and 30% reported increased commercial volume. Of individual participants, 85% reported expected increased revenue, 60% reported an improved market position, 55% reported an expanded buyer portfolio, 45% reported increase in income, and 20% reported increased commercial volume.



In addition to these positive impacts, the negative impacts of participating in trade fairs need to be considered. Of benefiting organizations, 60% reported additional preparation required, 40% reported difficulty managing contracts, and 30% reported increased cost. Overall, 40% of organizations reported increased risk, as a direct result of these factors which impact an organization's ability to adequately negotiate with buyers and finalize contracts. Of benefiting individual producers, 35% reported additional preparation required, 30% reported increased cost, and 15% reported offer management. Overall, 15% of individuals reported increased risk. The risks associated with trade fair participation should be addressed in future programming.

PROCAMPO Intervention

Although some of the benefiting organizations and individual producers had participated in trade fairs prior to PROCAMPO, the assessment of their participation in trade fairs improved after the project's intervention.

This change in assessment of participation in trade fairs can be attributed to the support these organizations and individuals received. Through PROCAMPO, 95% of participants received capacity-building training, 65% received technical assistance, and 60% received capacity-building grants. Through this targeted training and support, farmers were able to strengthen their negotiation and marketing skills and were better equipped to meet tax, safety, quality, and quantity requirements.



Conclusion

The data demonstrates a substantial financial and market advantage for agricultural producers and organizations that participate in trade fairs. Additionally, the perception of trade fairs among these organizations is so favorable that 100% of organizations and 85% of individual producers intend to continue participating in trade fairs. Based on the data, it is evident that participating in trade fairs substantially benefits agricultural producers, with notable impacts of increased sales price per metric ton for high-value crops and expanded presence in international markets. Trade fairs can be a valuable intervention for organizations and individual producers aiming to expand their presence in higher-value markets, including international domains.



Recommendations for Future Programming

Address Increased Costs and Risks. There is a need for trade fair interventions to focus on addressing the increased cost and risks associated with participating in them. Trade fairs should be implemented alongside activities that aim to lower costs and risk for agricultural producers such as targeted technical assistance, training on business management, preemptive financial planning and financing, risk management training, and implementation of climate-smart and improved agricultural practices.

Continue Preparatory Training and Technical Assistance. There is a need to continue training and providing technical assistance to prepare individual producers and organizations for trade fairs and similar events. Support initiatives should be targeted based on the type of event, buyer, demands, and requirements so that their offers are aligned to ensure improved market outcomes and buyer linkages.

Connect Producers to Higher-Level Organizations. There is a need to facilitate linkages between individual producers and organization members with higher-maturity organizations. For example, CADER members can join associations, association members can join cooperatives, and so on. Support initiatives should focus on enabling producers to meet the requirements to join higher-level organizations through targeted technical assistance and training on improved agricultural productivity techniques and technologies that increase product quantity and quality. These higher-level organizations ensure agricultural producers' access to more and better market opportunities over time. These types of organizations also provide producers with additional training, tools, and resources that strengthen their capacity to enter higher-level markets.