



**TechnoServe**  
BUSINESS SOLUTIONS TO POVERTY

# WORLD

A Newsletter For Friends Of TechnoServe • Fall 2011

We're stronger together than we are alone.

That's one of the lessons from this month's story on tomato farmers in Tanzania. Alone, they lacked bargaining power and had difficulty selling to markets that would pay them a fair price. Most small-scale farmers struggled to earn a decent living from their tomatoes.

But when dozens of those farmers came together in producer business groups, a transformation occurred. As a group, they could sell their tomatoes in bulk for better prices. They gained access to critical products and training that allowed them to grow more and better tomatoes. And the advantages of numbers grew as multiple business groups joined together to sell their tomatoes at a single market collection point.

TechnoServe also benefits from bringing a group of people together around a common goal. Our impact on global poverty is the result of thousands of individual contributions from staff, donors, partners and of course the men and women we work with each day on the ground. Taken individually, these actions may seem insignificant. But they add up to so much more than the sum of the parts.

You, our supporters, are a critical piece of this equation. Your donation – whether it's \$25, \$250 or \$2,500 – helps TechnoServe identify promising opportunities to make a difference, carry out our work on the ground and operate more effectively as an organization. Just like those tomato farmers in Tanzania, we find strength in numbers.

Thank you for supporting our mission. Together, we can create a lasting difference in the lives of poor people in the developing world.

*Bruce McNamer  
President and CEO*



## Tomato Farmers Reach New Markets in Tanzania

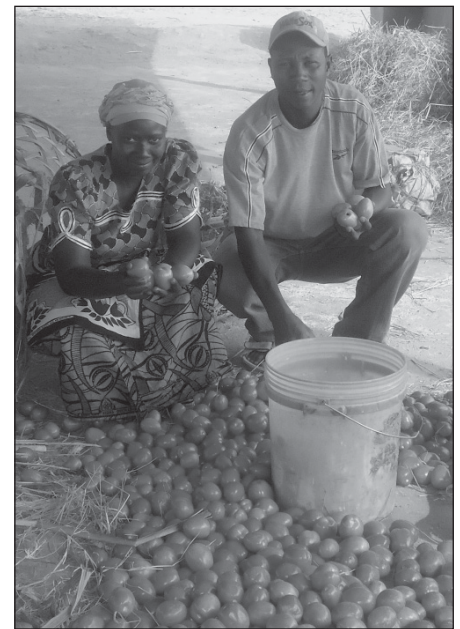
Martha Mtenda once struggled to make a living through her half-acre farm in the village of Mbigili in Iringa, a region in Tanzania's Southern Highlands.

The 39-year-old mother of four grew food crops to feed her family, but earned little income from her tomato crop because of poor quality and limited access to markets. Martha, like many farmers in her community, had no choice but to accept the low prices offered by middlemen who would visit her farm.

"Life was hard," Martha said. "I could not afford to send my children to school, nor could I afford health care for my family. We only had two meals a day and could barely afford proper housing."

In early 2010, TechnoServe held a meeting for Martha and other farmers in her community. Our business advisors explained how the farmers could benefit by selling their produce together through a business group. In March 2010, Martha and others formed the Mlamke Producer Business Group. Through the group, Martha and nearly 50 other members have received training on both tomato production and basic business skills, and have set up a market collection point where they can bring their tomatoes to be sold in bulk.

By selling through the group, Martha receives a price three times higher than what she earned previously. With the extra income, she is able to send her children to school and feed them a wholesome diet. She also



Martha Mtenda and Daudi Yusuph are earning higher incomes by selling their tomatoes through a market collection point.

upgraded her mud and grass thatch house to a more secure brick home.

Thousands of families are benefiting from similar improvements through the Sustainable Horticulture for Income and Food Security in Tanzania (SHIFT) program, funded by the U.S. Agency for International Development. The SHIFT program aims to more than double the incomes of 9,000 smallholder farmers by connecting them to better markets and boosting their productivity.

TechnoServe is assisting tomato, avocado, cocoa and mushroom producers in three regions of Tanzania,

*(continued on page 3)*

# Haitian Farmers Benefit From New Loan Program



TechnoServe's training program is showing farmers how to produce and harvest high-quality mangoes.

Haitian mango farmers like Orelia Charles receive the best price for their fruit by selling it when ripe. But they have a powerful incentive to harvest too early and sacrifice much of the value of their mangoes.

"My family needs money before we get paid for our mangoes," said Orelia, who also grows sugar cane, beans and corn on her plot in Gros Morne, a municipality in northern Haiti.

In order to get mango farmers the cash they need before and during the harvest, TechnoServe has helped launch a pilot loan program for farmers, who have difficulty accessing credit in Haiti. So far, 125 farmers have received loans averaging \$50 each.

This loan program is part of the Haiti Hope Project, an initiative to help 25,000 farmers realize the value of their high-quality native mangoes. Haitian farmers produce about 500 million pounds of mangoes annually, but fewer than five percent reach the lucrative export market. With proper training and market connections, more of these farmers will use their mango trees to create sustainable incomes for their families.

Haiti Hope brings together public and private partners including The Coca-Cola Company, the Multilateral Investment Fund of the Inter-American Development Bank, the U.S. Agency for International Development and the Clinton Bush Haiti Fund. Through Haiti Hope, TechnoServe is helping smallholder farmers to produce and harvest higher-quality mangoes. Together with our partners, we are forging connections with mango exporters and other industry and government stakeholders to help Haitian mango farmers reach better markets.

A key element of Haiti Hope is extending credit to farmers, a part of the population that is largely excluded from the Haitian financial system. TechnoServe is partnering with Sogesol, a local financial institution, to implement a loan program that meets the needs of Haitian farmers.

In designing the loan product, TechnoServe consulted with the leadership of the farmer business groups in the two locations where the pilot program is taking place. These group leaders provided input on the terms of the loans, and they helped identify which farmers should participate in the program.

In April, the pilot program was launched in Gros Morne, with 75 farmers receiving loans totaling nearly \$3,900. The loans allowed the farm-

ers to prepare for the coming harvest and sell their mangoes only after they had ripened. In June, Sogesol disbursed another 50 loans totaling nearly \$2,600 in a second location, Petit Rivière de l'Artibonite. These loans gave farmers cash for the final expenses for the mango harvest.

**Through Haiti Hope, TechnoServe is helping smallholder farmers to produce and harvest higher-quality mangoes.**

The loans are designed to be a good business decision for both the farmer and Sogesol. They are repaid in three to six months at an interest rate of 2.5 percent a month – the lowest rate in the market for loans of this type. Of the 75 borrowers in Gros Morne, all have repaid their loans.

TechnoServe and Sogesol launched a second round of loans in October for another 400 farmers. In the coming year, TechnoServe hopes to draw on lessons from the pilot and expand the program to even more Haitian farmers.



Farmers in Gros Morne, Haiti, receive loans as part of a TechnoServe pilot program.

## Tanzanian Tomato Farmers *(continued from page 1)*



The Mlamke market collection point makes it easier for tomato farmers to connect to buyers.

one of the world's poorest countries. Our advisors are training these producers in best agricultural practices and helping them to form and strengthen business groups of 30 to 70 farmers. TechnoServe also is working with food processors, avocado exporters and tomato traders to enhance the efficiency of their operations and create demand for smallholder tomato and avocado growers.

These small-scale farmers face a number of obstacles to earning higher incomes. On their own, smallholder farmers have poor bargaining power. They typically sell to the informal market for low prices. For tomatoes, the largest vegetable crop in Tanzania, a TechnoServe study showed that farmers earn only 10 percent of the crop's value when selling to the fresh market, and only 2 percent when selling to the processed market.

By banding together in business groups, the farmers are able to sell their produce in bulk, connect to better markets and realize more of the crop's value. The business groups offer a forum to improve farming skills through training and demonstration plots. And the members of business groups are better able to access critical inputs and services such as seeds, fertilizers, irrigation systems and credit.

TechnoServe also has facilitated the construction of market collec-

tion points, physical structures where farmers can bring their produce to be sorted, packaged and sold. Each collection point is owned by a producer business group but also serves several more, giving the farmers even greater bargaining power.

**By selling through the group, Martha receives a price three times higher than what she earned previously.**

The collection point makes it easier for farmers to connect to buyers, and the structure helps protect easily damaged tomatoes. TechnoServe has assisted tomato farmers in building a total of 15 collection points in the three regions.

Farmers such as Daudi Yusuph have seen the benefits of selling through a market collection point. A member of the Mlamke Producer Business Group, Daudi was able to improve the quality of his tomatoes and expand production after receiving training from TechnoServe. And he earns a higher price by selling through the collection point.

As a result, Daudi, 32, was able to move his family of five into a brick house and send his children to

school. Daudi has become a leader in his community and offers trainings to help other farmers solve production challenges.

"Everything has changed for my business and my family," Daudi said. "I have the certainty of a ready market for my tomatoes, and good prices that enable me to realize a profit."

The SHIFT program has a special emphasis on strengthening the role of women in the targeted industries and improving food security in individual households. TechnoServe has helped more than 1,100 women establish permaculture gardens, also known as kitchen gardens. These small plots of land give families an opportunity to grow vegetables near the house and eat a nutritious diet year-round.

Martha Mtenda is among the women who have built a permaculture garden, and she has seen the benefits of having a reliable source of wholesome food for her family. Martha is saving money through a newly established bank account, and she hopes to grow the size of her farm and increase her income further.

"For me, success means seeing results of the lessons I am learning continuously from TechnoServe," Martha said. "I can now say that farming as a business pays."



Martha Mtenda is sending her children to school and feeding them a wholesome diet thanks to the income she earns from tomatoes.

# Turn Your IRA Distributions Into Tax-Free Donations to TechnoServe

Thanks to new legislation, it is possible to make tax-free charitable gifts directly from your traditional or Roth individual retirement accounts (IRAs) through December 31. If you are at least age 70-1/2, the Federal government now permits you to rollover amounts from your IRA to

TechnoServe without claiming any increased income or paying any additional tax. These tax-free gifts could be \$100, \$1,000, \$10,000 or any amount up to \$100,000 in one year. If you would like additional information, please contact Darlene Brown at [dbrown@tns.org](mailto:dbrown@tns.org) or 1-800-99-WORKS.

## TechnoServe Maintains Charity Navigator Four-Star Rating

When you donate to TechnoServe, you can be confident that your money is being put to effective use. That's the message from Charity Navigator, the premier evaluator of U.S. charities.

Charity Navigator recently unveiled an expanded rating system that evaluates accountability and transparency, in addition to financial health. With the bar set higher, the total number of four-star charities decreased by 20 percent. Yet TechnoServe not only maintained its four-star rating, it earned a perfect score for accountability and transparency.

TechnoServe has received the highest rating from Charity Navigator for five consecutive years, placing it among the top five percent of U.S. charities.



Your donations allow TechnoServe to assist businesses like the Floricultura El Clavel cooperative, a group of 12 women who cultivate and sell flowers in Intibucá, Honduras.

### WAYS YOU CAN SUPPORT TECHNOSEERVE

#### Direct Contributions

Gifts of cash, real estate or personal property will support our work in developing countries.

#### Appreciated Stock Contributions

Gifts of stock or other investments which have recently grown in value can be more advantageous than cash as they can leverage your tax benefits.

#### Memorial and Honorary Gifts

Contributions can be made in memory or honor of a relative, friend or colleague. Your gift will be acknowledged to the honored person or family.

#### Bequest Contributions

By including a gift to TechnoServe in your will, you can provide a meaningful contribution to either current operations or TechnoServe's endowment.

#### Pooled Income Fund Contributions

Contributing to TechnoServe's Pooled Income Fund results in income for you proportionate to your contribution and a tax deduction based on the estimated principal that will be left to TechnoServe.

#### Charitable Gift Annuities

A charitable gift annuity contract with TechnoServe provides a guaranteed lifetime income for you and a tax deduction based on the estimated principal that will be left to TechnoServe.

#### Charitable Remainder Trusts

A charitable remainder trust naming TechnoServe as a beneficiary can provide income for you and a tax deduction based on the amount that will be left to charity.

*For more information please write (address below) or call Darlene Brown at 1-800-99-WORKS.*



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BUSINESS SOLUTIONS TO POVERTY

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TechnoServe is a private, nonsectarian, nonprofit organization, as defined by IRS code section 501(c)(3). TechnoServe is a member of Global Impact. Contributions to TechnoServe are tax deductible to the extent permitted by law.

Since its inception in 1968, TechnoServe has helped to create or expand thousands of businesses, benefiting millions of people in more than 40 countries.