



**TechnoServe**  
BUSINESS SOLUTIONS TO POVERTY

# WORLD

A Newsletter For Friends Of TechnoServe • Summer 2012

What does it mean to be competitive? In business, competitiveness implies that an enterprise is responding to market demand; is doing so at a cost that allows it to earn a profit; and can succeed even as other businesses enter the same markets.



We LOVE competition, so much so that our updated mission statement (see the back page for details) highlights our role in building competitive farms, businesses and industries. Competitive enterprises can thrive in market-based economies and be sustainable engines of economic growth and progress.

This month's World newsletter describes our efforts to make Uganda's cotton industry more competitive. We worked with a processor to begin producing a new, more profitable product that would position the business to succeed in the long run. We also helped develop the skills of the smallholder farmers who sold their cotton to the processor, because a competitive business needs competitive suppliers.

In Honduras, TechnoServe's efforts targeted Garifuna women who are both farmers and processors. They grow cassava and use it to make a bread called casabe. By training them in business skills and supporting the purchase of new processing equipment, TechnoServe helped the cooperatives improve the quality of their casabe and connect to better markets.

The proper support can help businesses of all sizes to become competitive – and create economic growth that lifts families out of poverty. When you donate to TechnoServe, you help set this process in motion. Thank you for your support.

*Bruce McNamer*  
President and CEO

## Cotton Business Creates New Opportunities in Uganda

For farmers like Samuel Baale, chairman of Bulongo Farmer Business Group in eastern Uganda, cotton is vital to life. The area's main cash crop, cotton helps pay for homes, provide food and send children to school. And the market for Samuel's cotton comes from one major buyer: Mutuma Commercial Agencies Ltd.

Ugandan entrepreneur Amos Mugisha launched Mutuma in 1999 as a cotton processor and oil miller. In 2005, he bought a cotton gin factory in the community of Kiyunga, where local farmers supply cotton to be processed, or "ginned," into lint and seeds. The cotton seed is further processed into cooking oil and seed cake for animal feed.

Mutuma quickly became an economic engine for the Kiyunga area, employing nearly 250 people at peak processing season and buying cotton from thousands of smallholder farmers. But the business faced a number of challenges. Local producers lacked farming and business skills that would help them increase their yields. They were disorganized, making it difficult for Mutuma to collect their cotton. And the business was exporting all of its cotton lint, meaning that much



Samuel Baale, chairman of Bulongo Farmer Business Group, has learned critical farming skills such as spacing his seeds properly and planting them in rows.

of its potential value was being realized elsewhere.

In 2008, TechnoServe began working with Mutuma and another cotton gin to improve the competitiveness of Uganda's cotton industry. After conducting an analysis of the industry landscape, TechnoServe identified a promising new market opportunity for Mutuma: absorbent cotton wool for the medical industry.

As with Mutuma, most other Ugandan gins exported their cotton lint at low profit margins. Only one domestic business was producing absorbent cotton

*(continued on page 3)*

# New Technologies, New Opportunities for Garifuna Women in Honduras

By Victor Ganoza, Honduras country director



Digna Bernárdez stands in the Binadu Uwenedu processing plant, which is producing a higher quantity and quality of casabe with TechnoServe's support.

In my experience, one piece of technology can address multiple problems for smallholder farmers struggling to make a living. I believe we can shift away from old ideas of Honduran agriculture, which rely on basic farming practices, and instead focus on establishing the right business environment for smallholders.

Among Honduras's poorest farmers are the Garifunas, an Afro-Caribbean ethnic group found in the country's northern coastal communities. TechnoServe sees the Garifunas as potential entrepreneurs, struggling to run small businesses in places where basic tools such as finance, technology, training and access to markets are unavailable.

Digna Bernárdez, who is Garifuna, now runs a successful cassava processing center in a small rural town in the department of Colón. She is a member of the Binadu Uwenedu cooperative and produces about 1,500 units of cassava bread, known as casabe, each week. She has customers in nearby cities and her casabe is also available at Wal-Mart stores. She is not only a charismatic leader, but also an engaged, energetic and warm woman.

So how did a poor farmer in a remote community build a successful cassava-processing factory? A business environment was created that

gave her a chance.

TechnoServe's Enhancing Entrepreneurship of Garifuna Women in Honduras program matched a \$1,000 investment by the cooperative to purchase cassava processing equipment, and Digna and her fellow members received support to respond to market opportunities. For example, Digna received training that helped strengthen her business skills. She had access to expert advice and adapted technologies that helped her improve the factory's efficiency and produce a higher quality and quantity of casabe.

With a sound business plan and the new mill, she was able to enter the market with a well-priced, high-quality product that is now in demand. Her story suggests what is possible once we put away old notions and start looking at small farming in Honduras as a business opportunity.

**With a sound business plan and the new mill, Digna was able to enter the market with a well-priced, high-quality product that is now in demand.**

Other farmers like Digna have benefited from similar support. The project has directly assisted more than 100 smallholder farmers, and 500 more have benefited indirectly from the services provided in the processing plants. TechnoServe has helped the cooperatives set up five cassava processing plants, with each group contributing an investment of \$1,000 to improve infrastructure and ensure better processing practices.

Traditional cassava processing is labor-intensive. As a result of this new equipment, the casabe production has increased by 400 percent compared to a year ago. The cassava is of better quality and the cooperatives can charge

a higher price. Cooperative members have doubled their monthly incomes and the finished product is being exported internationally.

With the increased capital, the cooperatives have been able to extend loans to their members. TechnoServe has helped them to establish a community banking scheme called a "caja rural." Before establishing this system, accessing formal credit was nearly impossible for the farmers.

Recently, I attended a training session in Ciriboya, where I interviewed Mirna – an extraordinary cooperative leader.

"I take pride in what we've managed to do," Mirna said. "Some of the women who work in the processing plant now have become independent and provide for their children. Together, we have formed an association with 25 members."

I asked this amazing lady where she would like to be in five years. Without any hesitation, she said, "I want to be the biggest and best cassava processor in Honduras." I am sure this will happen.

It is my belief that the world has many more women like Digna and Mirna. We just need to find them.

*The "Enhancing Entrepreneurship of Garifuna Women in Honduras" program is supported by PIMCO, with additional funding from the Manhattan Beach Community Church.*



Casabe is a thin flatbread made from cassava. TechnoServe is helping more than 100 smallholder farmers to produce casabe more efficiently.

## New Cotton Business Opportunities in Uganda *(continued from page 1)*



With TechnoServe's assistance, Mutuma has built a new production facility to make absorbent cotton wool.



Moses Kwijuka, finance manager for Mutuma Commercial Agencies, talks with TechnoServe business advisor Stephen Anecho.

wool, leaving plenty of room for another player in the market. Working closely with Amos and the rest of Mutuma's management team, TechnoServe business advisors helped develop a business plan that would allow the company to capitalize on the opportunity.

Mutuma secured financing for machinery and began constructing a new production facility in 2009. In the meantime, TechnoServe worked to organize farmers in the area and develop their capacity to supply Mutuma with seed cotton. Our advisors helped form or strengthen farmer business groups that allowed producers to aggregate their crops, access finance and receive support services more easily.

Farmers received training on best production practices, such as planting seeds in rows, spacing them properly and spraying their cotton plants to control pests. The trainings also showed farmers how to better produce and market staple crops such as maize (corn) and beans. The improvements helped farmers increase their yields by double or more, in some cases. Moreover, TechnoServe helped Mutuma's staff to deliver these trainings to farmers, ensuring that the knowledge will reach future generations.

"TechnoServe trained the trainers," said Moses Kwijuka, finance manager for Mutuma. "Even when TechnoServe is gone, the trainers will be in a position to train others."

Samuel Baale and his fellow producers from the 100-member

Bulongo Farmer Business Group have realized the benefits from these training sessions. Before working with TechnoServe, the group collectively produced six tons of cotton. In the most recent growing season, the group sold 30 tons to Mutuma.

Samuel used to produce about 660 pounds of cotton per acre. Today, his productivity has improved to 2,600 pounds per acre, and his income from cotton has risen sixfold. With the additional money from cotton, Samuel started a small store and bought an additional two acres of land to cultivate. He is building a new house and paying school fees for his eight children.

As for Mutuma, the company has benefited from the improved productivity and organization of its suppliers. In the most recent season, Mutuma produced more than 3,500 bales of cotton lint – a 42 percent increase from 2008, when TechnoServe began working with the business. Mutuma has built a strong reputation with small-scale cotton farmers. In total, the business buys cotton from about 6,000 farmers,

including 3,700 farmers organized into groups with TechnoServe's assistance.

In June 2011, the new production line for absorbent cotton wool began operating. Already, the product is the main driver of Mutuma's profits, with margins three times higher than those for cotton lint. Mutuma sells the absorbent cotton wool to hospitals and clinics in Uganda, and the business is exploring opportunities in export markets.

With a promising new business and an organized and productive group of suppliers, Mutuma is poised to improve the livelihoods of even more farmers and employees in the coming years.

To see more photos from this story online, go to [my.technoserve.org/uganda](http://my.technoserve.org/uganda).



Mutuma is an economic engine for the region, employing nearly 250 people at peak processing season and buying cotton from thousands of smallholder farmers.

# TechnoServe Introduces Updated Mission and Vision

Last year, TechnoServe began the process of examining and redefining our brand. We wanted to find out how staff, partners and supporters thought about TechnoServe – our strengths, our challenges, our opportunities, the factors that distinguish us from other organizations.

After a great deal of research, a group of TechnoServe leaders from across the globe gathered late last year to discuss the results and chart a new course for the brand. We wanted to define our identity in a way that rang true with our founding principles, but also reflected our growth and evolution. Although the language is updated, the new vision and mission statements reflect the spirit of TechnoServe throughout our 44 years.

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**Our vision:** *We will be the most effective catalyst and partner for transformative, on the ground, market-based solutions to poverty.*

**Our mission:** *We work with enterprising people in the developing world to build competitive farms, businesses and industries.*

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These two statements capture who we are, what we do and what we aspire to be. Our vision and mission help ensure that we do our work with purpose. The updated brand is a work in progress, and we look forward to sharing more early next year.



## WAYS YOU CAN SUPPORT TECHNOSERVE

### 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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Paul E. Tierney, Jr., Chairman  
Bruce McNamer, President and CEO

For more information, contact us at 1 Mechanic Street,  
Norwalk, CT 06850 • (203) 852-0377 or (800) 999-6757  
e-mail: [technoserve@tns.org](mailto:technoserve@tns.org) web: [www.technoserve.org](http://www.technoserve.org)

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

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