

Memorandum of Understanding Between AGRIDEV and EXPORT FIRM A Mango Production and Marketing Activity

Context and rationale

Haitian *Françisque* mangos have reached the shelves of both mainstream and niche markets in the U.S. following the acquisition of organic and fair trade certifications for mango producer groups and one key exporter. Organising formal producer associations and federations was undertaken by the Hillside Agriculture Programme beginning in 2000, and those initial efforts paid off with the establishment of new supply relationships. The termination of the Hillside Agriculture Programme in 2007 left some activities in process but not yet sustainable, particularly those related to producer group management in order to meet organic and fair trade certification standards. In the interim, Export Firm A and its associates have endeavoured to maintain and sustain the producer relationships and have succeeded in re-establishing previously lost fair trade and organic certifications. Maintenance and strengthening of those relationships and continuance of the certifications programme is key to continued growth of exportable mangos and increasing producer incomes.

The Haitian mango supply chain faces a number of challenges and difficulties. The principal challenges include:

- ▶ The mango producer groups established under the Hillside Agriculture Programme have struggled to maintain the established internal control systems that enable the organic and fair trade certifications. This is due in part to withdrawal of critical programme support before the required management changes were fully adopted, as well as increasingly stringent requirements by certifiers, particularly for organic produce.
- ▶ Haitian (exportable) mango production is well below potential, with insufficient plantings, and 50-70 per cent of the fruit damaged or of poor quality due to problems during the harvest, transport, treatment, and packing stages.
- ▶ Post-harvest practices are deficient, including farm-level picking and transport techniques, inadequate preparation for shipping to the packing plants, as well as deficiencies in washing, hot water treatment, sorting, and packing at some of the plants. All of these deficiencies combined contribute to the high loss and rejection rates stated above. Previous training programmes were targeted toward mango farmers, when in fact the production is often sold to Madame Saras¹ before harvest and managed by hired pickers.

Scope

The specific objective of this partnership is to support ongoing work by Export Firm A and associates in producer group compliance with fair trade and organic certification requirements, address post-harvest issues, and make investments in new mango production to expand supply over the medium and long term. A more general indirect objective of this

¹ Informal traders who buy from the farm gate at very low prices.

agreement is to strengthen the sustainable market link between producer groups and Export Firm A such that the producer groups, or other groups in the same zone, will be able to increase the supply of mangos, reduce post-harvest losses, and maintain the required procedures and internal control systems largely on their own.

Specific work activities under this agreement to be undertaken by the sellers (mango producer groups) include:

1. Provide necessary support/labour for the collection of ___ dozen of good quality organic mangoes from participating farmers between the months of March-July ___.
2. Allocate, maintain, and supply the necessary labour force for the planting of ___ hectares of mango orchards on land that belongs to participating farmers between the months of March-September___.
3. Purchase mango seedlings from a private nursery to be developed with the support of Agridev.
4. Maintain mango orchards according to best production practices as developed and recommended by Agridev.
5. Organise the harvest according to a schedule that will be established with the buyer, and supply the necessary labour to properly harvest and pack mangos.
6. Organise collection so that it complies with the quality standards required by the technicians and the quality requirements of the buyer.

Specific work activities under this agreement to be undertaken by the buyer (Export Firm A) include:

1. Develop and negotiate an advance purchase contract with the sellers specifying the prices, quantities and quality characteristics of mangos to be supplied by the sellers.
2. Purchase supplies of mangos collected and meeting quality requirements.
3. Provide transport from field collection centres to the packing plant according to an agreed schedule with seller.
4. Hire and train a field supervisor who will oversee the field collection, field packing, and transport activities.
5. Partially subsidise the maintenance of mango orchards established by sellers through payment of a periodic survival subsidy, possibly using fair trade premium as a source of funds.
6. Facilitate communication between producer groups and the certifying organisations (FLO and Ecocert).
7. As appropriate, support producer training activities in internal control systems management and certification compliance, post-harvest practices, and mango production activities.
8. Assist sellers to open accounts in a local financial institution for sales proceeds and other payments.

Specific work activities under this agreement to be undertaken by WV/Agridev include:

1. Train sellers in the importance of technical aspects of the organic and fair trade certification processes, in collaboration with Export Firm A and its associates.

2. Provide technical and financial support for establishing mango orchards, including supply of seedlings, design of production plans and farmer training in mango production best practices.
3. Cost share with buyer the tree survival payment for two seasons.
4. Cost share half the salary of the buyer's field supervisor for one season.
5. Develop and support system of collection and transport of mangos from the trees to the collection centres.
6. Ensure compliance of the groups and exporter in meeting the terms and conditions of the contracts/agreements established for fruit procurement during the season.
Troubleshoot as necessary.
7. Assist sellers and buyer to address issues raised by the organic and fair trade certifiers.
8. Provide timely responses to issues as they arise, particularly when other intermediaries compete for the same harvest.
9. Train sellers in administrative procedures and accounting
10. Maintain a continuous field presence throughout the entire mango harvest season, moving from location to location around the region as the season progresses.

Budget

The agreement included a budget to implement the agreement.