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Small Agricultural Producers Linked to High Value Agri-Food Markets: The Experience of Asian Vegetables Production in Honduras

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Abstract

Proponents of broad-based economic growth strategies (growth with equity) to reduce poverty in developing countries emphasise the significance of small producers participation in high value markets. In this context, niche markets such as Asian vegetables consumed in the United States represent an excellent opportunity for Honduran producers because of the relatively small production volumes demanded and the resulting income-enhancing opportunities. However, evidence suggests that these potential opportunities are not utilised automatically; in fact it depends on particular economic, social, political and environmental conditions. This study presents how small producers have connected to high value markets through their insertion in an evolving network of contrasting relations such as interdependence, cooperation and confrontation. Expert interviews with different actors of the chain were carried out. The results show that this linkage was initially established by the private sector initiative influenced by the confluence of several distinctive elements but without direct intervention of the government and other third parties. Small producers' connection to the market has been reached through linkages with agro-exporters to whom they sell the product based on contractual arrangements which define resources access. However, outcomes are mixed and turn out complex. Pest problems have emerged in some regions due to inappropriate crop management. Moreover, the cost of inputs has increased considerably and technical support is irregularly available. For the majority of these small producers of Asian vegetables, income is stable and higher compared to small producers of staple crops. Nevertheless, most of them are still poor. Their perception is that economic gains are not fairly distributed among the various actors in the chain. Likewise, lack of trust between the parties is ever present. Remarkably, a group of producers by means of this experience has gained a better understanding of marketing activities and hence feels prepared to adopt a much more commercial approach. Consequently, this group of producers has resorted into working collectively, trying to export on their own.

Keywords: Economic growth, high value markets, network relations, poverty reduction, small producers