



SUCCESS STORY

Trading Potatoes for a Better Lifestyle

USAID's Integrated Services for Potato Traders Improve Mali's Potato Exports.



Photo by: Vina Verman

While Kadiatou Traoré strengthens her own business, she is also helping West Africa become more economically independent. Mali's neighboring countries generally import potatoes from South Africa and Holland. USAID assistance helps to build ties between West African buyers and suppliers who can satisfy that demand closer to home. Through USAID's assistance, partner potato traders have increased their sales by 550,000 pounds in the 2007-2008 potato season alone.

The guarantee fund set up by USAID and partner financial institutions has allowed potato, rice, and mango value chain actors to obtain \$665,000 in financing between September 2007 and February 2009.

Kadiatou Traoré was first introduced to potato trading 20 years ago by one of her friends who sold potatoes in the local markets of Sikasso, a town in the south of Mali. Kadiatou purchases potatoes from wholesalers and farmers and resells them in the local market. Until recently, she was selling just over 5,000 pounds of potatoes monthly with a working capital of approximately \$200. With such little cash flow, she has seen minimal business growth, static profits, and lived hand to mouth over the years. As a widow, Kadiatou depends on her income to take care of her family and pay for her children's school.

Recently Kadiatou's business started to boom. In late 2007, USAID helped Kadiatou to obtain a loan for \$700, enabling her to purchase nearly 9,000 pounds of potatoes per month – almost doubling her previous inventory. With higher volumes, she can export her potatoes to neighboring West African countries. Incomes from export are twice that of local sales as local markets are often flooded with potatoes, driving prices down.

USAID established a guarantee fund with its partner financial institutions BND and Kafo Jiginew to enable value chain actors like Kadiatou to have access to credit. USAID helps potential borrowers in completing and monitoring loan applications until loans are received. In 2008, Kadiatou obtained another loan for more than double the value of her previous loan. Now, with approximately \$1,700 in loans in addition to the capital she has built, Kadiatou is selling an average of 35,200 pounds a month. With USAID's assistance Kadiatou has moved from Sikasso's small, informal, local market to the international arena.

"I lost my husband, but I did not lose my courage to work hard to support my family," she said. "Since receiving the loans, I have purchased land where I can start building my house and have been able to independently send my four children to school."

Financing is only part of USAID's integrated approach. USAID helps increase competitiveness across the potato value chain by improving quality, organizing producers to sell larger volumes, conducting market surveys, building linkages with sub-regional buyers and improving post harvest handling through modern warehousing. From improving access to loans to helping Malian traders negotiate trade agreements and contracts, USAID's integrated services help Malian potatoes feed sub-regional markets.