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ECUADOR

CASE STUDY

Small Farmers Become Micro-Entrepreneurs

Direct access to markets brings new opportunities to rural families



Photo: Carana Productive Network

“El Frailejón”, a small dairy producers’ association, received technical assistance and training on new technology and procedures to improve the quality of their products.

“We are very proud. Our dreams have come true. We will sell our product to two large companies, increasing our income and improving the living conditions of many families in this area,” said Saúl Paspuezán, president of one small dairy producers’ association.

Telling Our Story
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Challenge

In the Northern Ecuadorian provinces of Imbabura and Carchi, many rural families make a living from dairy farming. For years, these small farmers, each of whom has no more than 20 cows, could not directly access markets to sell milk at fair prices. Instead, they sold through intermediaries who set the prices, kept a portion of the profits, and often failed to pay on time. The hard work of the small producers was not reflected in their incomes, and they could not improve their living conditions.

Initiative

A USAID program in Northern Ecuador has been working with small dairy producer associations to help the dairy farmers enter commercial markets, as well as providing technical assistance and training to improve the quality of their products. The assistance to the dairy sector began with the participation of two important Ecuadorian anchor firms, Industria Lechera Floralp S.A. in Imbabura and Industria Lechera Carchi S.A. in Carchi. The firms signed an agreement with four small producer associations, which bring together 190 micro and small dairy producers. USAID provided dairy equipment to the associations and trained the small producers in pasture and cattle management, cattle nutrition, and cold chain management. In addition, USAID provided technical assistance to the anchor firms to improve product design and quality, mitigate environmental impact, and improve marketing.

Results

Thanks to the USAID program, the small dairy producers are selling fresh, high-quality milk directly to both anchor firms. As a result of productivity gains and improvement in the quality of the milk, the producers increased their income by 90%, from \$141 per month to \$269. The project also encouraged the associations to formalize their structure which led to increased membership.

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