

# Honduran Oil Palm Cooperative Doubles Capacity, Opens Plant With Food for Progress Program Help

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Since 2008, a cooperative of 154 oil palm farmers that comprise the Aguan Valley Palm Producers Association (APROVA) more than doubled their profits and their fruit collection capacity and opened their own refinement plant with assistance provided by TechnoServe under USDA's Food for Progress (FFPr) Program.



**A member of the Aguan Valley Palm Producers Association holds the fruit from which palm oil is extracted. (Photo by TechnoServe.)**

Before this FFPr project began, the farmers lacked access to scales and a centralized collection center. Their disorganization put them in unfavorable negotiating positions and hurt their earning power.

Recognizing that APROVA needed a clear business strategy to succeed, TechnoServe submitted an FFPr proposal that USDA accepted in fiscal year 2005. USDA donated 4,000 tons of soybean meal and 9,350 tons of wheat to TechnoServe to sell in Honduras. The funds generated from the sale were used by TechnoServe to help APROVA develop their organizational, financial, administrative and marketing capacity.

With TechnoServe's support, APROVA grew its assets by 185 percent, implemented a quality control and accounting and auditing system, and put into place a clear business plan. In April 2009, APROVA made additional strides by obtaining funding from USDA through the Inter-American Institute for Cooperation in Agriculture to open its first palm oil processing plant. The plant processes up to five tons of palm oil per day. Now, after selling their fruit to a processing plant, which extracts the palm oil and sells it back to APROVA, the farmers can refine their own oil, thus increasing their share of the profits.

The plant also extracts oil components that can be used to create commercially valuable products such as glycerin and soap. In addition, APROVA is now recognized by the national palm oil industry for its progress and sustainability, and the cooperatives membership has increased.

*For more information about TechnoServe's development work, visit <http://www.technoserve.org/>.*