



HAITI IMPACT ALLIANCE

A new wholesale export model
connecting smallholder farmers
to the global economy.



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A new wholesale export model connecting smallholder farmers to the global economy, starting with moringa and cotton.

The Smallholder Farmers Alliance (SFA) and its international affiliate, Impact Farming (IF), have led the way in applying a social enterprise approach to improving the yields and profits of small-scale farmers in Haiti. Success has resulted in two significant new export opportunities that cannot be managed within a non-profit structure: the major expansion of moringa production and the reintroduction of cotton, both as sustainable export crops.

The Haiti Impact Alliance (HIA) is a new kind of agricultural value chain enterprise that will attract both philanthropic grants and capital investment through a hybrid structure that blends the two existing non-profits with a new for-profit export, marketing and financing company. The SFA and IF are partnering with the Initiative for Smallholder Finance to design the HIA as a wholesale export operation that will directly benefit smallholders, involve them as shareholders and connect them to the global economy.

The SFA model currently involves farmers volunteering through cooperative structures to grow, transplant and nurture trees as a way to earn better seeds, tools and training for their field crops. In addition, women farmers are empowered through specialized support in literacy and micro-credit services.

The HIA model will enable first stage processing, improved infrastructure, increased export and marketing capacity, efficient data management, access to farm financing and specialized agricultural research, in both moringa and cotton.

MORINGA

The SFA established a Haitian moringa export market over the past year and there is now an opportunity to significantly expand operations, to the benefit of smallholder farmers.

To date, tens of thousands of moringa trees have been planted, whereas women farmers process the tree leaves into powder form. The resulting moringa powder is incorporated into the new Moringa Green Energy shots that are manufactured by Oakland-based Kuli Kuli and currently sold at all 435 Whole Foods Market stores throughout the U.S.

Having paved the way with this proof of concept, the SFA has received purchase orders for increased amounts that will require expanding from one to four smallholder farming cooperatives growing and processing moringa leaves. To this end the SFA has developed a training program for smallholder farmers to cultivate moringa trees and harvest their leaves. A second training component is focused on women farmers learning how to manage a modular solar-powered moringa



Smallholder farmer harvesting moringa leaves in Haiti.



processing facility to be fabricated from recycled shipping containers. This expansion will also require the planting of an estimated 500,000 more moringa trees.

In addition to their leaves, the oil pressed from moringa tree seeds is highly valued by the cosmetics industry. The SFA plans to include moringa oil processing as part of its growth from one to four smallholder farming cooperatives that are growing and processing moringa. The SFA's training program (mentioned above) includes training for seed harvesting and the training component for women farmers includes processing the beans into oil using the same solar powered moringa processing facility the SFA is fabricating from recycled shipping containers.

COTTON

Cotton was once the fourth largest agricultural export from Haiti before it disappeared by the late 1980s. A newly released study entitled "Cotton: Export Market Potential for Smallholder Farmers in Haiti," recommends its reintroduction based on six factors:

- **Best practices.** There is an opportunity to build a new farming model that incorporates the recent body of developing country best practices—including adjustments for climate change—that address smallholder cotton cultivation;
- **Adaptability.** This new model can incorporate the social enterprise principles already developed by the SFA over the past seven years, including creating a cotton value chain that maximizes efficiency and benefits smallholder farmers;
- **Malleability.** By starting from scratch, the model can be designed so that the training, support and research system for cotton is based on combining production for export and local markets through an emphasis on rotation and/or intercropping;
- **Adoption.** The fact that cotton grows well in Haiti (noting that changes in rainfall and temperature there are within the range of those faced by best practice examples from Asia and Africa) and there are large numbers of smallholder farmers interested in cultivating this crop again;
- **Organic production.** The reality that most farmers in the country are already organic by default, and so certification will not be as onerous as on chemically-treated land; and
- **Impact.** With the introduction of 3 anchor operations of 500 smallholder farms each, and with a conservative projected catalytic impact of 5,000 additional farms per operation, the projected output (based on assumptions that may change) within 5 years could be 8,185 US tons annually (based on a maximum of half of any one farmer's land being assigned to cotton) with a total value conservatively estimated at between US\$11.5 million and \$14.3 million depending on market fluctuations and organic versus conventional.

Global outdoor lifestyle brand Timberland was a sponsor of this study and hopes to potentially become a customer, purchasing cotton for their own supply chain.



Smallholder farmers harvesting cotton in Haiti, 1956.



About Smallholder Farmers Alliance

The Smallholder Farmers Alliance (SFA) applies business solutions to help feed and reforest a renewed Haiti by establishing market-based farmer cooperatives, building agricultural export markets, creating rural farm businesses and contributing to community development. www.HaitiFarmers.org



About Impact Farming

Impact Farming works with smallholder farmers internationally to scale business solutions that integrate sustainable food production with increased tree cover and self-financed community development. Impact Farming also supports the work of the Haiti-based Smallholder Farmers Alliance. www.ImpactFarming.org



About The Initiative for Smallholder Finance

The Initiative for Smallholder Finance (ISF) is a multi-donor and investor platform for the development of financial services for the smallholder farmer market. ISF engagement is most useful in developing high-potential, yet nascent financial structures, that lack either an “anchor” investor or funder or whose development sits between a set of organizations. www.InitiativeforSmallholderFinance.org