

Description of the “Aldea” (Village) of Chirijuyú

Chirijuyú is located in the municipality of Tecpán, Department of Chimaltenango, at km 77.5 of the Interamerican Highway, approximately 20 km south of the city of Tecpán. It is situated 7,500 feet above sea level. The village was founded in 1887 and was the first village of the municipality of Tecpán. It has been subdivided twice since its founding in 1887, once in 1952 and once more in 1954. Chirijuyú has a population of 4,500. It has electricity, piped water, primary and secondary schools that enroll 575 children, and a health center.

The name Chirijuyú comes from the Kaqchikel language and means “Behind the Mountains.” The main languages spoken in Chirijuyú are the Mayan language Kaqchikel and Spanish.

Before the 1980’s, the farmers of Chirijuyú, like most in the central and western highlands of Guatemala, were poor subsistence farmers, producing white corn, wheat, and beans. To earn cash, families used to migrate annually to other regions in search of wage labor. During 1985, the community made contact with a government program that built mini-irrigation systems, and an irrigation system was built in Chirijuyú’s fields in 1986 thanks to the program and a \$20,000 loan to members of the community who had formed a producers association with 43 members. The loan, from the National Agricultural Development Bank, was backed by a trust fund financed by USAID. Technical assistance for the construction of the irrigation system was also provided by USAID through its Highlands Agriculture Development Systems Project.

The irrigation system enabled the association to grow vegetables to sell to agricultural exporters. In 1993, some producers in the community decided to begin the cultivation of lettuce, snow peas, broccoli and cabbage. Their yields were low, however, due to their lack of experience and technology. Nevertheless, in 1995 the group signed a deal to sell their products to McDonalds. This motivated the producers to apply new production technologies to comply with the high quality standards required by McDonalds.

Starting in 1997, Chirijuyú producers focused mainly on lettuce cultivation. Today, the community has twelve formal, tax-paying, agricultural enterprises. The two biggest enterprises in the community are “Manantial de Verduras” and “Labradores Mayas.”

Background on “Labradores Mayas”

Labradores Mayas is a producer organization formed in 1993 by 60 small-scale farmers located in Chirijuyú, municipality of Tecpán, department of Chimaltenango. This highlands region offers soils and microclimates that allow the production of a wide variety of fruits and vegetables that can be grown in short cycles.

Before 1993, the members of Labradores Mayas were working independently or as part of other associations. The producers realized that the best way to succeed and grow was to associate and sell their products together so that they could reach the volumes and quality required by the regional supermarket chains and other large buyers.

The main objective of Labradores Mayas was to design a business model that allowed the association to avoid the use of intermediaries (known in Guatemala as “coyotes”) and sell directly to wholesale and retail buyers. They sought greater stability in sales contracts and volumes, less fluctuation in sale prices, the creation of a product brand with better quality, and the assurance of a market before the planting cycle began.

The group initiated activities in 1993 selling their produce to the “La Terminal” wholesale market in Guatemala City. As with most wholesale markets, prices fluctuated greatly and it was difficult to obtain sales contracts. Based on their experience, Labradores Mayas recognized that their ability to produce high quality produce could satisfy more demanding buyers. Beginning in 1997, they talked with distributors of fresh produce to supermarket chains such as “La Despensa de Don Juan” in El Salvador. The Guatemalan distributor DISVEGUA was the first buyer from Labradores Mayas that required high quality product and the use of good agricultural practices. DISVEGUA required that the produce from Labradores Mayas be delivered in plastic boxes and that it meet certain standards in sizes and levels of ripeness.

The next step for Labradores Mayas was to export their products directly to the supermarket chain “Super Selectos” in El Salvador. In 2003, they began supplying Super Selectos with a weekly supply of celery, carrots, cauliflower, beets, and different types of lettuce for more than two years. The deals with DISVEGUA and Super Selectos led to rapid growth in volume and product quality for Labradores Mayas’ members. Labradores Mayas earned an additional 15% to 30% above wholesale market prices by selling directly to the supermarket chain. This motivated them to continue looking for new business opportunities.

PACKING PLANT

The market dynamics that require producers to meet higher quality standards and comply with sanitary and phytosanitary standards to remain competitive led Labradores Mayas to seek out training and technical assistance on food safety and good agricultural practices. Beginning in 2002, USAID, through its Supply Chain Alliance Program implemented by AGEXPORT, has provided Labradores Mayas technical assistance and training on good agricultural practices, good manufacturing practices, and good business practices. The assistance helped the association comply with the standards recommended by the “Programa Integral de Protección Agrícola y Ambiental” (PIPAA), a GOG program that certifies that suppliers are implementing those good practices and thus helps them sell to new markets, including international buyers.

Labradores Mayas decided that if they were going to reach new, better paying markets for their produce, they needed their own warehouse (“centro de acopio”) and packing plant. In 2002, Labradores Mayas received a \$50,000 loan from BANCAFE and built their own warehouse and packing plant.

Thanks to the technical assistance received from AGEXPORT to obtain PIPAA certification and to the hard work of its members, Labradores Mayas was able to obtain sales contracts to supply vegetables to Walmart Centroamérica beginning in 2005. Today, Labradores Mayas supplies 25% of Walmart Centroamérica’s total purchases of vegetables in Guatemala, producing for the private Walmart brand “Del Fresco” for carrots, lettuce, celery, and broccoli. The sales to Walmart represent 60% of Labradores Mayas’ total production.

By selling packaged products directly to supermarkets and other buyers, Labradores Mayas has increased its annual sales by a factor of 14, jumping from \$45,500 in annual sales in 2001 to \$650,000 in 2006. The association now has 66 members and generates 207 jobs:

- Packaging plant and administration: 30 people (23 women and 7 men)
- Field: 198 people (30 women and 168 men)

The income obtained by each member varies from US\$500/month to US\$3,000/month, depending on their land holdings and harvest.

The growth of Labradores Mayas has benefited the community in several ways:

- Education: All the children of the members and workers of Labradores Mayas are able to attend school.

- Health: The members and workers of the association have received training on personal hygiene measures which are applied not only in their fields and in the packing plant, but also at home. The members have noted a decline in illness from contagious diseases since implementing the hygiene practices. Agricultural diversification has also helped the diet of the families, leading to better nutrition and health. Chirijuyú now has a health center and a doctor.
- Housing: The members of the association have improved the construction of their houses. Most of them are made out of concrete blocks and cement instead of adobe.