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NICARAGUA

U.S.-funded project to stimulate growth in Nicaragua

Rural businesses in western Nicaragua will receive U.S. aid to reduce poverty through economic growth.

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EL SAUCE, Nicaragua - Deep within this agricultural Mecca, past fields of sesame seeds and cotton, dairy farmer Brenda Maria Palacios López is on the verge of an economic breakthrough.

After years of struggling to earn profits, Palacios is joining forces with 25 other small farmers to take part in a U.S.-funded project intended to stimulate growth and reduce poverty in Central America's poorest nation.

"As a small producer and a woman who wants a bright future for myself, my children and the country, I think it's excellent," said Palacios, 58. "I see this as a helping hand that will make me stronger."

The remote farm is among several in the western region of the country that will benefit from American dollars as part of the U.S.-sponsored Millennium Challenge Corporation. Nicaragua is set to receive \$175 million over five years to help rural businesses with technical assistance and development, promotion of goods and access to regional and international markets.

Funds also will be spent on road improvement, attracting investment and property title regularization for some 30,000 plots of land that are without legal titles, making access to credit difficult.

"It's basically an award, what we obtained," said Bernardo Callejas, a regional manager for ProNicaragua, an investment promotion agency tied to the distribution of Millennium funds. "The idea is to reduce poverty through growth."

AID ALLOCATION

Along with Nicaragua, Honduras and El Salvador also are set to receive funds.

Nicaragua's funds will be dispersed in the western departments of León and Chinandega because of its productive and commercial potential. Project managers also plan to make use of the country's two main maritime ports on the Pacific, Port of Corinto and Port Sandino.

"The potential for growth and the need is there," Pereira said. "The idea is to spend the money where it's most useful and also where there are needy people."

El Sauce is in the heart of the Maribios volcanic range that provides the soil with rich nutrients.

Though it is recognized as the best agricultural area, rural farmers here have long struggled to make a profit. Poverty is widespread, with many people living in brick shacks and relying on bicycles for transportation. Dirt roads make it difficult to transport goods.

MILLENNIUM MODEL

Victor Ganoza, director of rural business projects, said Palacios' farm will serve as a model for Millennium funds.

"We'll help plan pastures, improve the way she manages cattle and keeps records," Ganoza said. "We'll also provide training and technical support for the other farmers."

"Most important, we're going to teach them how to milk good, quality milk so that they can sell their milk to a collection center in El Sauce," he said.

Elsewhere in El Sauce, the buzz of swarming bees cuts through the rural silence. The sound is from bees making organic-certified honey.

The bees produce some 500 barrels, weighing a combined 330,000 pounds, of the sweet goo each year, but exporting the product is costly. So bee farmers struggle to make money.

"All the producers are poor," said Angel López, 37, president of the 52-partner Association of Beekeepers of El Sauce. "All they have is bees."

The association also will receive about \$470,000 in Millennium funds to improve farms and production so producers can move from selling in bulk to selling consumer-size portions to buyers as far away as Belgium.

"Here we are just starting, unlike other countries where the industry is fully developed," said López. "We want to see quality and quantity. We need all the help we can get."

Palacios, a petite woman with a shock of gray hair but the energy of a teenager, got into the farming business in 1983 when she purchased about 10 acres and planted corn and

other produce. Today, Palacios grows a variety of crops and raises chickens and pigs on 100 acres. Her livelihood, though, is dependent on 20 dairy cows.

"The ranch survives because it's self-sustaining," Palacios said. "In the countryside, you have one good year and one bad year."

"I love this land," she said, petting one of her cows. "That's why I'm working with my colleagues to see what we can do together."