



Doing business in Haiti's food and beverage sector: Twelve local agribusinesses share their perspectives

Agriculture is considered by many to be a priority sector for Haiti, with the potential to reduce rural poverty and increase food security.¹ An estimated two-thirds of Haitians depend on agriculture and the sector accounts for more than 25% of Haiti's GDP.² After a contraction in 2011 due to poor harvests, agriculture production is expected to rebound and become a key driver of the 7.8% GDP-growth predicted in 2012.³

In October 2011, Peace Dividend Trust (PDT) co-sponsored an all-day networking event with *Le Nouvelliste* newspaper and the *Association touristique d'Haiti* to promote the Haitian food and beverage sector. More than 30 local agribusinesses had stalls promoting their products and the event was attended by 44 national and international organisations interested in local purchasing.⁴

PDT interviewed owners and managers of 12 of the agribusinesses exhibiting at the event to gain insight into this crucial sector. This report, based on the interview responses, examines where the businesses source their products, the customers they sell them to, and the challenges facing agribusinesses in Haiti. It is aimed at buyers interested in purchasing Haitian food and beverages and organisations supporting the Haitian agribusiness sector.

The businesses interviewed (described in Table 1) include a range of vendors, from a five-person agricultural group selling fruit and vegetables to the 350-person beverage manufacturer, Sejourne. As such, the results provide a diverse range of perspectives on doing business in Haiti's food and beverage sector.⁵

Key findings

- The businesses featured in this report represent a truly local sector, with little to no imports and many businesses adding value to their products within Haiti.
- Poor infrastructure, and poor transport in particular are critical issues for the smaller agribusinesses.
- Businesses are optimistic about growth in the next six months, particularly through the development of export markets.

1. See Farmer, P., *Haiti After the Earthquake*, PublicAffairs (2011) and Mills, C., 'The Importance of Agriculture in Confronting Hunger, Poverty, and Unemployment in Haiti.' *The Huffington Post*, 13 February 2010.
2. CIA World Factbook
3. <http://www.imf.org/external/np/sec/pr/2011/pr11470.htm>
4. Hosting networking events such as the Food and Beverage Expo is one of PDT's many activities aimed at linking local businesses with national and international buyers. For further details about PDT's services, please visit Haiti.BuildingMarkets.org.
5. Since the sample is small and so the results should be interpreted as highlighting the experiences of particular businesses, rather than as a generalisation to the food and beverage sector as a whole.

1. Food and beverage: A local sector

All of the businesses interviewed reported that they source the majority of their products from within Haiti, with six businesses working with Haitian goods exclusively. Raw materials and goods came from nearly every region of Haiti, with just one business sourcing only from Port-au-Prince.

For the six businesses that do import, levels were quite low ranging from 5% to 30% of raw materials. Businesses typically imported from neighbouring countries in the Americas, such as the Dominican Republic, the United States, Canada and Brazil. Two of the businesses import goods from as far away as Taiwan and China for items such as specialised farming equipment and bottles for alcohol.

Ten of the businesses process their raw ingredients in Haiti, adding value to the final product. Examples include making jam, producing flour and roasting coffee beans.

This suggests that money spent with Haitian agribusinesses remains in the country. This is in contrast to other sectors, for example suppliers of construction materials, where businesses source a lot of inputs from abroad.⁶

2. Who buys from local agribusinesses?

Despite the variety of businesses surveyed, all had a similar customer base. Nine of the businesses surveyed listed domestic supermarkets as their biggest customers. The three smallest businesses also sell their products directly to consumers. The larger businesses have noticeably more varied clientele, selling to schools, national and international organizations, and national and international businesses.

Events such as the Food and Beverage Expo play an important role in connecting agribusinesses with potential buyers. All of the businesses said the event helped them find new customers. The representative from Café Selecto was particularly impressed, saying, *“the Food and Beverage Expo was the most professional and well organized trade fair in Haiti. The exhibition allowed us to find and maintain new clients from a wide range of sectors and fields.”*

Among the businesses interviewed, Haiti's large international community did not represent a significant customer base. This is probably the result of international organisations purchasing from supermarkets, rather than sourcing directly from suppliers. However, half of the businesses have either received support or worked alongside international organizations, providing support. Two of the agribusinesses, for example, are participants in USAID's Water Initiative for National Natural Environmental Resources (WINNER) program, an initiative designed to increase farmers' crop yields.

6. For more information about the local construction sector and NGO procurement, see PDT's report: Rebuilding Haiti: A survey of buyers and builders two years after the earthquake (<http://haiti.buildingmarkets.org/reportsandmetrics>).

Case study: Supermarket leads in buying local

The newest supermarket in Haiti is also a champion in buying local. Stocking over 300 Haitian products from fresh produce and poultry to rum, Caribbean Market is making a concerted effort to promote the food and agriculture sectors in Haiti.

“Strengthening local production is the only way to grow the Haitian economy,” explains Samer Tahmouh of Caribbean Market, the largest supermarket in Haiti. *“In all the corners of Haiti-Jeremie, Cap Haitien, the Artibonite - you have people producing and looking to make a living. Making this living viable and sustainable is one of the most important things we, as a supermarket, can do.”*

Tahmouh describes the process of local procurement as one with huge potential for growth, if one is willing to invest in infrastructure and training. *“I work directly with the farmers and the suppliers, helping them to improve their product. I sit down with them and explain packaging and preparation to them- everything from bar codes to proper cleaning techniques. We also discuss protection of products- how to prevent bruising and rotting. It requires an initial commitment of time and effort, but in the end the dividends are enormous. Sourcing locally means a quicker supply chain and a more sustainable presence. It’s the only way for Haiti to grow as a country.”*

Discussing the local market’s potential for growth, Tahmouh is equally optimistic. *“The amount of items sourced locally could be exponentially increased. Road rehabilitation is key- you have suppliers 15 kilometers away losing one-third of their crop because of lack of transportation. The rural areas are huge providers of everything from fish to mangoes to rice; but they need a way to get to Port-au-Prince. Once you have the necessary infrastructure, the impact to the Haitian economy will be enormous.”*



3. Challenges for local agribusinesses

3.1 Transport

The biggest challenge facing the businesses interviewed is transportation; eight stated that poor roads and difficulties finding appropriate vehicles posed a significant problem.⁷ The lack of roads, particularly in rural regions, leads to difficulties in getting goods and resources to markets or processing centres. Beyond the lack of roads, two of the smallest businesses are adversely affected by volatile pricing and unreliability in the transportation market. This was not a problem for the larger businesses that are able to manage their own transportation with their own fleet of vehicles.

3.2 The earthquake

Despite the devastation caused by the January 2010 earthquake, most of the business owners interviewed reported little lasting impact on their businesses. One business, Confiserie Piddy, noted that, *“after the earthquake, there was a lot of disorder and confusion between buyers and suppliers. The Food and Beverage Expo helped us reconnect with our base and find new clients.”* Eight stated that their business operations had not been affected at all by the quake, the offices of three of the businesses were destroyed and have since changed locations, but no other significant impacts were reported.

Additional challenges

Other challenges mentioned by the businesses include:

- **Human resources** – one business mentioned struggling to find experienced, reliable employees in the rural regions.
- **Financing** – access to finance presented a challenge for businesses, especially those looking to expand.
- **Price increases** – one business stated that rising prices of materials is adversely affecting business.
- **Local importers** – one business felt that Haitian businesses selling imported goods posed the greatest challenge.

4. Perceptions of the future

Most businesses were very optimistic about the future; all but one business expected revenue to increase within the next six months, and nine expected that the number of employees would also grow. The business that didn't expect revenues to rise explained that this was due to a decrease in the availability of raw materials. The same business stated that they expected the number of employees would also decrease in the next six months.

Several of the businesses saw export markets as their best opportunity for growth. The two liquor producers interviewed had specific markets that they are targeting; one is hoping to export to Italy, and the other to Japan. Two of the businesses mentioned the quality of their goods as providing them with a competitive edge, with one aiming to seek out gourmet markets for its produce.

7. Poor transportation infrastructure has long been recognised as key problem for Haitian agribusiness. See, for example Haiti Coffee Supply Chain Risk Assessment, World Bank (2010).

These businesses are looking to grow an export in a competitive market. The majority of the businesses interviewed could identify significant competitors; only two of the businesses reported a lack of clear competitors. The two businesses that grow and sell coffee identified other Haitian agribusinesses in particular as their strongest competitors. For the smaller agribusinesses, it was other NGO-supported agricultural groups that provided the most competition. Six of the businesses felt that they competed with other international producers but only one business, a small producer of fruit and vegetables, stated that this represented their biggest source of competition.

5. Conclusion

The perspectives of twelve different owners and managers of Haitian agribusinesses outlined in this report present a picture of a food and beverage sector with a high local impact and healthy levels of competition. Despite the challenge of poor transportation, these businesses are optimistic about the future and the possibility of opening up new export markets in particular.



Photo Captions (in the order of appearance):

Haitian-grown produce on display at the Food and Beverage Expo held in October 2011.

Photo Credit: Scott McCord for Peace Dividend Trust. 2011

Ivresse de Tropiques a local manufacturer and vendor of liquor and cremas at the Food and Beverage Expo held in October 2011.

Photo Credit: Scott McCord for Peace Dividend Trust. 2011

Table I: Businesses interviewed at the Food and Beverage Expo

Business Name	Activities	Year founded	Number of Employees
Aspvefs (Association des Producteurs et Vendeurs de Fruits du Sud)	Production and sale of fresh and dried fruits	1999	26-50
Berling S.A.	Production and sale of rum and liquor	1999	26-50
Café Selecto	Production and sale of coffee	1997	200+
Confiserie Piddy	Production and sale of jam, peanut butter, jelly and roasted coffee	1954	11-25
FACN ⁸ (Federation Association Coffee Native)	Coffee exportation, production and sale of fruits, vegetables, and rice, and chicken raising	1995	26-50
Ivresse de Tropiques	Production and sale of liquor and cremas	2004	1-10
Ranch le Montcel	Restaurant and accommodations in Kenskoff	2003	26-50
Odemar ⁹ (Organisation pour le Developpement des Masses Rurales)	Production and sale of agriculture goods (fruits, vegetables), incorporating educational and environment initiatives	1999	1-10
Rebo S.A.	Production and sale of coffee	1996	100-200
Séjourné	Beverage producer (bottled water, energy drinks, juice, soft drinks)	1916	200+
SPIA (Société de Production Industrielle et Alimentaire)	Production and sale of pasta goods	1985	200+
Sohaderk ¹⁰ (Solidarité Haïtienne pour le Developpement de Kenskoff)	Production and sale of agriculture goods (fruits and vegetables), livestock farming, and incorporating educational, environmental, and health initiatives	1995	11-25

8. Supported by Mission Taiwan Technique

9. Supported by the USAID WINNER project

10. Supported by the USAID WINNER project

Peace Dividend Trust (PDT) is a non-profit organization that builds markets, creates jobs and sustains peace in developing countries by championing local entrepreneurs and connecting them to new business opportunities. For all questions about this report please contact our team (haiti@pdtglobal.org).

To find out more about local businesses in the food and beverage sector that can meet your needs, get in touch with the Peace Dividend Marketplace in Haiti:

- visit our Business Portal at www.haiti.buildingmarkets.org,
- call us on (509) 29-41-10-01,
- email us at Haiti@pdtglobal.org, or
- visit us at JBE's Plaza, Blv. 15 Octobre, Tabarre, Haiti.

Project undertaken with the financial support of the Government of Canada provided through:



Agence canadienne de
développement international

Canadian International
Development Agency