



## SUCCESS STORY

### Expanding Agricultural Lending to Help Feed Haiti



Photo credit — HIFIVE

The director of SOCOLAVIM is excited about the new agricultural products. **“The equipment finance product is important as it touches all of the agricultural value chains. Equipment, like rice hullers, can have a big impact on productivity and profitability for farmers. With this type of loan, more will be able to have the equipment they need and won’t have to exhaust all of their savings to do so.”**



Photo credit — HIFIVE

Iliette Delcane (right) sells the rice she has grown in a local market. A SOCOLAVIM loan has helped her expand production as well as diversify and increase her market inventory to include other vegetables. Monise Jean (left) is a restaurateur who buys the rice, cooks it and sells typical Haitian meals from her stall. Her loan from SOCOLAVIM has helped her buy more local rice, expand her business and save for the future.

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Increasing agricultural production and revenue are important goals in Haiti, where even though 65% of the population is employed in agriculture, food shortages are still common. A key element in expanding production is increasing the availability of agricultural credit from Haiti’s financial institutions. However, convincing financial institutions to expand agricultural lending can be difficult because they perceive it as high-risk for the institution. USAID/Haiti’s HIFIVE<sup>1</sup> project is addressing these issues with new risk mitigation and incentive structures.

Le Levier, a federation of 20 credit unions with 200,000 member-clients, participates in an innovative USAID credit guarantee program that provides 50% risk coverage for a variety of agricultural credits.<sup>2</sup> Le Levier’s participation is particularly important because its member credit unions are located throughout Haiti and are often the primary source of financial services in rural areas. USAID’s HIFIVE program provided technical assistance grants to train Le Levier and its member credit unions in agricultural lending. Working together, Le Levier and its members identified promising agricultural value chains in the rural areas they served. At the beginning of 2011, they launched new loan products to finance value chains as diverse as beans, market garden vegetables and rice, as well as agricultural equipment and additional products are under development. Now with more than 70 new agricultural credit agents trained, Le Levier is ready to respond to the needs of the agricultural sector.

One Le Levier member is SOCOLAVIM, which is based in St. Marc with three branches that extend into the rice-producing province of Artibonite.<sup>3</sup> Iliette Delcane is a new SOCOLAVIM client who has worked in the rice sector for 15 years as both a grower and a merchant. Having just received her first loan, a loan made possible by this partnership, she is more optimistic about her future. **“Now I can finally plan long term and be able to increase the profitability of my activities,”** she says. **“By having more to invest, I will have higher earnings and more savings.”**

**“With the training we have received from Le Levier and the loan products now available, we hope to expand our portfolio and to become one of the largest microfinance lenders for agriculture in Haiti.”**  
—Prophet Fils-Aime, SOCOLAVIM Director

Through its work with Le Levier and other financial institutions, USAID/Haiti is helping more financial institutions introduce agricultural lending into their portfolio. Greater access to finance for those in the agricultural sector will improve their livelihoods and food security, increase employment and expand exports. This impact also has important long-term effects in rural areas, where it helps reduce harmful environmental practices and encourages rural populations to remain in the countryside by assuring them a better life.

<sup>1</sup> HIFIVE is the Haiti Integrated Finance for Value Chains and Enterprises project, funded by USAID and implemented by World Council of Credit Unions (WOCCU) and AED.

<sup>2</sup> Currently eight of the 20 Le Levier members participate in the program. Others are expected to join.

<sup>3</sup> Rice is an important staple in Haiti. Although local production has fallen as imports have taken over the market, local rice is preferred despite its higher price.