

# Promoting Value Chains in Urban Agriculture for Local Development in Quito

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**Local government support to urban agriculture in Quito was born as a response to food insecurity in the poorest areas of the city, and was later expanded to the entire Metropolitan District. The production technology used has been adapted to the diverse climatic zones (between 500 and 4,800 metres above sea level, see also the article in UA Magazine no. 22).**

The Participatory Urban Agriculture Project, AGRUPAR, has been working in the area since 2002, focusing on food security and promoting food processing, access to micro-credit, microenterprise management and marketing and sales.

At first, the various products grown by the productive units promoted by AGRUPAR provided fresh and healthy foods to the producing families and generated surpluses that encouraged solidarity-based exchange processes and small sales at the gardens or in the neighbourhood. Over time, some urban farmers began to sell in specialised areas called Bio Trade Fairs, set up by AGRUPAR, or formed networks of farmers to deliver organic produce baskets.

In this way, a process of adding value to urban agriculture started. In addition to facilitating the Bio Trade Fairs, this includes the following aspects:

- Improved harvesting and post harvesting activities, to meet the quality standards for commercialisation, thus involving farmers in further processing and marketing. These activities include cleaning, washing, shelling, sorting, drying, processing and milling of the surplus product, as well as taking into account that a certain percentage of the product will not qualify for sale in the fresh market, due to its shape, size, colour or ripeness.
- The use of containers, packaging and labels identifying the enterprise, and business cards, price lists and recipes.
- The use of appropriate slaughter techniques (for animals) with emphasis on the application of good manufacturing processes, the cold chain and marketing controls.
- Obtaining organic certification for those production units that generate more surpluses and improved access to other markets (sales to embassies, private and public institutions). The cost of this is shared equally between AGRUPAR and the farmers.

- Supplying meals prepared with organic foods and animals from the farms in the productive unit, which contributes to the cultural recovery of certain foods.

Experience so far shows that there is a need to focus more on capacity building and supporting the value chain (development) processes: you cannot demand that the farmers “do well” at something that they “know nothing about” with resources “they don’t have”.

For this reason, it is important to consider the adoption of alternative technologies that reduce or eliminate dependence on external resources. AGRUPAR encourages productive units to rationalise the use of labour throughout the year by horizontally diversifying production and vertically integrating the agricultural process. This involves all stakeholders from the family, association or solidarity group that is in charge of the activities prior to the production process and the post-harvest activities, such as processing and marketing.

## Microcredit

A critical factor that was incorporated in the value chain is access to microcredit for the urban farmers who had no credit to meet their specific needs. Starting in 2009, AGRUPAR implemented a self-managed microcredit scheme in the form of the Grassroots Investment Societies (*Sociedades Populares de Inversión*, or SPIs in Spanish). This is adapted to the needs and characteristics of the urban farmers and gives an additional push to their business activity. To join the 35 SPIs currently in operation in Quito, the urban farmers each contribute between \$10 and \$20, depending on their financial situation. However, thanks to the high profitability of the sale of organic vegetables (especially the greenhouse-grown kidney tomatoes), the SPIs were able to raise enough capital themselves. A study carried out in 8 SPIs, which have 120 urban farmer members, shows that their accumulated capital for 2009 amounted to \$50,800.

## Looking to the future

The use of alternative and appropriate technologies made it possible to process the surplus products, keep food longer, decrease losses and extend the sales period. The organisation of promotional events, such as trade fairs and business meetings, has allowed the producers involved in the value chain to learn about businesses, establish contacts with key members, and to make their own decisions.



Packed vegetables at the Bio Trade Fair  
Photo: Jatun Ayllu, AGRUPAR 2010

The kidney tomato (*Solanum lycopersicum*) delivered the highest value addition, and was therefore considered the most promising product by the farmers. The productive enterprises supported by AGRUPAR include various certified vegetables such as carrots, radishes, beetroot or beets, lettuce and broccoli. These are marketed in organic produce baskets and at Bio Trade Fairs. In addition there is now a wide range of processed products, such as pickles, jams and jellies, sauces, tarts, sweets, nutritious cakes, snacks (such as broad beans, banana and potato chips), glazed fruit, toasted corn, granola, honey by-products, natural condiments, cookies, bread, cheese, yogurt, slaughtered or roasted guinea pigs, free-range slaughtered chickens and a healthy food catering service. In 2009, the Bio Trade Fairs marketed 28,675 kg of produce valued at \$69,500 and distributed 722 organic produce baskets worth more than \$5,000.

To date, 56 productive enterprises have been created, involving 228 urban farmers (165 women), who have gained recognition and consumer loyalty by diversifying the range of products available at the Bio Trade Fairs. By looking for ways to add value to their production, they have innovated and

strengthened their organisation, and have overcome many problems, such as the acquisition of sanitary registration certifications (these are very expensive) and occupancy permits for spaces where they can establish points of sale in secure areas. However, these types of problems require continued support from AGRUPAR and other authorities, in order to ensure the continuity of an activity that represents an important source of income for the urban farmers who, in a traditional and small-scale manner, process and market their production surpluses.

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#### Notes

(1) For more information on the SPLs visit  
<http://www.cepesiu.org/38.0.html>