



National Cooperative Business Association

January 4, 2005

Letters to the Editor
The New York Times
229 West 43rd Street
New York, New York 10036

To the Editor:

“Supermarket Giants Crush Central American Farmers” (December 28, front page) correctly notes that small farmer cooperatives in Guatemala need help to compete in today’s marketplace. Unfortunately, that message gets lost in the author’s focus on one co-op that, without much help, has been unable to adjust to modern business demands.

As a result, the reader is left with the impression that cooperatives cannot help Guatemala’s small farmers serve that country’s increasingly important supermarket industry. In fact, cooperatives, backed by a modest amount of government and private aid, are perhaps the best hope Guatemala’s small farmers have as they attempt to compete in the global economy.

Cooperative development has been boosting the prospects of small farmers worldwide for more than 40 years. It provides the very things the story says Guatemala’s farmers need: expertise in modern methods, access to markets, and credit to invest in irrigation and fertilizers. In addition, it has created sophisticated regional and national co-ops that help small farmers negotiate with multinational chains and provide the quality and quantity of goods these megabuyers demand.

There are many examples of Guatemala’s small farmers succeeding when they receive a modest amount of cooperative development assistance. Federations of small farmer co-ops helped by a Canadian organization are successfully producing spices for Arab and Asian markets, exporting snow peas to the United States, and transforming the Guatemalan forestry industry. Dairy farmers organized into co-ops by U.S. dairy giant Land O’Lakes, Inc. built four new plants in one year and increased milk production 25 percent.

The importance of government financial assistance in these examples can’t be overemphasized. Land O’Lakes’ work with Guatemalan dairy co-ops was funded by the

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U.S. Agency for International Development, while Canada's Société de Coopération Pour le Développement International was supported by the Canadian International Development Agency. Even the struggling co-op highlighted in the story did better when it had help from a government-provided agronomist.

In this country, government support for overseas cooperative development remains embarrassingly low. Current funding is substantially below the \$8 million per year recommended by Congress. With more help from the United States and others, Guatemala's co-ops might be credited for the success of small farmers, not blamed for their failure.

Sincerely,

A handwritten signature in black ink that reads "Paul Hazen". The signature is written in a cursive style with a large initial "P".

Paul Hazen
President, National Cooperative Business
Association
Board Chair, U.S. Overseas Cooperative
Development Council