



Land. Hope. Life.

## The Enterprise Loan Fund Update December 2004

The Enterprise Loan Fund provides the capital for small loans to the families of Agros communities. Such loans are essential to these rural, farming families, who otherwise would have no access to loans for their crops or to start other small businesses. This is a typical situation for the poor of the world, because they cannot gain access to the capital they need to get ahead. Instead they can use only what they have on hand to work with—often nothing more than a few old corn seeds.

The men and women in Agros communities use such loan money to buy much needed agricultural inputs (like seeds, fertilizer, and tools), small animals (pigs, chickens, goats, etc.), or inputs for other trades (like thread for weaving). These loans allow them to increase their production, begin new work projects, sell more products, and therefore raise their incomes and improve the way their families live.

Loans from the Enterprise Loan Fund have improved the lives of at least three hundred women in the Ixil region of rural Guatemala. These rural poor Mayan women were enabled to start community banks with small loans and began their own small businesses. A community bank works together to manage the disbursement and collection of this group's loan funds. The women participants present their business plans to the leaders of their community bank and then receive their small loan to start their business. Later, the community bank leaders collect the repayments of the loans, and the process starts again.

The Enterprise Loan Fund also helps provide loans for small garden projects, like the following one in Nicaragua, where green peppers are growing six entrepreneurs.

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*Six women in the village of Futuro del Mañana looked at green pepper seeds and saw a dream. It was only an experiment, but they hoped and believed they could cultivate the seeds and bring a crop to market when peppers were scarce. In theory, they would be easier to sell then and should bring a good price.*

*For four months the women used whatever spare moments they had to sow, water and weed their plot by the river. They persisted and kept their focus despite skepticism on the part of their husbands and others.*

*Early in October 2003, the first crop of peppers was ready: 4 big buckets, filled to the brim. Among themselves, they decided to charge \$2 per bucket, but they were nervous and unsure about setting a price. If \$2 was too much, maybe nobody would buy?*



*Soon after the two arrived at the market, a woman pointed at their peppers and asked, "How much?"*

*"Two dollars," they replied shyly. The woman looked surprised. What did her look mean? Self-doubt suddenly overwhelmed the pepper growers. Maybe this was a bad idea. What did they know about setting prices, anyhow? Maybe the naysayers were right.*

*While they worried, another woman, who had not heard their original price, offered them \$3.50 a bucket. Moments later, a third woman said she would give them \$6 a bucket. She quickly shoved the money into their hands and hurried away with the peppers. Stunned, the two women watched her go.*

*Slowly it began to sink in: their buckets were gone and their work-worn hands held not eight dollars, but twenty-four. The entire crop had sold in half an hour!*

*Joyous, the women collected themselves and took some time to walk around and observe how others were conducting business. As they left, they saw one of their buckets of peppers being sold for \$8. But that was all right. They were content, knowing they would be bringing many more peppers to sell in the weeks to come.*

*These hardworking women learned how to market their peppers, yes, certainly that. All told, their crops will garner a profit this season of an astonishing \$300, as much as their family's average annual income. And they won over the skeptics. But that is not all. The six women of Futuro learned that dreams—wisely wrought, gently supported and nurtured with hard work—can come true.*

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The success and long-term impact of this loan fund are quite apparent. Not only are the families' incomes increased through these new opportunities, but the culture of their community is impacted as well. The loans are empowering to those who receive them, and enable Agros to work with them in building leadership, increasing participation in the community, and developing their administrative, financial and organizational capacities. Participants are learning to use their credit wisely and thus have developed a skill that will have a lasting effect on their families and community.

**Many families in Central America still need access to small economic development loans. With your contributions, Agros can help other men and women grow green peppers, raise goats, or open a community bank. Please join in the cycle of life that Agros offers to so many.**