

Proposal to Redirect USAID Funding Toward a Central American "Winter Vegetable" Export Initiative Aimed at Lowering Fruit and Vegetable Prices to US Consumers and Increasing Economic Development in Guatemala, El Salvador and Honduras

Objective: To re-program existing and future USAID funding from ongoing private sector and agricultural projects in Guatemala, El Salvador, and Honduras into a large-scale "Winter Vegetable" initiative. The goal of this initiative is to increase fruit and vegetable exports from these countries to the U.S. by 100% during the October-March period, thereby decreasing U.S. supermarket prices for these products by 25%.

1. Targeted Fruits and Vegetables for Production and Export

The program will focus on high-demand winter crops that are currently imported in large quantities to the U.S. during the colder months. These include:

- **Vegetables:**
 - Bell peppers (green, red, yellow)
 - Tomatoes (roma, cherry, vine)
 - Cucumbers
 - Zucchini
 - Squash (butternut, acorn)
 - Leafy greens (lettuce, spinach, kale)
 - Green beans

 - **Fruits:**
 - Avocados
 - Papayas
 - Mangoes
 - Pineapples
 - Bananas
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2. Projected Quantities for 25% Price Reduction

To achieve a 25% price reduction in U.S. supermarkets, an oversupply strategy will be required. Based on USDA data, approximate current U.S. imports during the October-March period are as follows:

Crop	Current U.S. Import (Tons)	Targeted Increase (Tons)
Bell Peppers	400,000	800,000
Tomatoes	600,000	1,200,000
Cucumbers	500,000	1,000,000
Zucchini	300,000	600,000
Avocados	1,000,000	2,000,000
Papayas	200,000	400,000

3. Project Implementation Strategy

A. Production Plans: The program will allocate funds to expand agricultural land dedicated to export crops across the three target countries:

- **Guatemala:** 150,000 acres
- **El Salvador:** 100,000 acres
- **Honduras:** 150,000 acres

Production will be distributed across smallholder farms and larger commercial farms, ensuring a diversified and resilient supply chain.

B. Production and Export Partners: Each country will collaborate with established agricultural cooperatives, private agribusiness firms, and export companies, including:

- **Guatemala:** AgroAmerica, Mayacert, Cooperative Integrated Agribusiness
- **El Salvador:** PROESA, AGEXPORT
- **Honduras:** Honduran Exporters Association, Zamorano University Agribusiness Division

C. U.S. Importers and Retail Partners: Engagement with key U.S. supermarket chains and importers is crucial for market penetration. Potential partners include:

- Walmart
- Kroger
- Costco
- Whole Foods
- Sysco
- U.S. produce distributors (e.g., Robinson Fresh, Lipman Family Farms)

D. USAID Funding Reprogramming: To finance this initiative, USAID would need to redirect funds from existing private sector development and agricultural sustainability programs into the following areas:

Program Area	Estimated Budget Allocation (\$)
Infrastructure development	\$300 million
Training & capacity building	\$150 million
Logistics & transportation	\$200 million
Quality assurance & certification	\$100 million
Marketing & distribution	\$150 million

4. Expected Outcomes and Economic Impact

- **Increased Export Revenue:** An estimated \$2 billion in additional annual export revenue for Central America.
 - **Job Creation:** More than 500,000 new agricultural jobs in the region.
 - **U.S. Consumer Benefits:** A projected 25% price reduction for key fruits and vegetables.
 - **Enhanced Food Security:** Diversified sources of fresh produce in the U.S.
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5. Implementation Timeline

Phase	Timeline
Planning	Q2 2025 - Q4 2025
Infrastructure	Q1 2026 - Q3 2026
Pilot Production	Q4 2026 - Q2 2027
Full Rollout	Q3 2027 - Q4 2028

Conclusion: This proposal presents a strategic opportunity to optimize USAID funding by fostering economic growth in Central America while simultaneously benefiting U.S. consumers. The "Winter Vegetable" initiative aligns with economic and diplomatic interests, offering a sustainable and mutually beneficial agricultural export program.