

VEGYFRUT - A YOUNG ENTREPRENEUR REALIZES HIS DREAM

By Jan Howard, Managua

Nicaragua is the third poorest country in the Americas. Poverty affects 2.3 million people throughout the country. Most kids barely complete grade school and teen pregnancies account for one of every four births. Domestic violence, child and adolescent sexual exploitation, drug use and youth gangs are rampant. It's not hard to see how difficult it might be for a young person to plan for the future. But a USAID incentive has helped one young person beat the odds and benefit his community. In 2005, then 22-year-old, Carlos Fernando Solórzano had an idea for packaging cut fresh fruits and vegetables. When he won the first place in the USAID-funded *Idea su Empresa (Plan a Business)* contest, Solórzano used the \$10,000 prize to turn his idea into reality.

With guidance from USAID's "Launching New Ventures in Nicaragua" program, Solórzano developed a business plan and in December 2006 VegyFrut was born. The company now generates over \$1 million in sales to clients that include Esso On the Run Markets, McDonald's, TGI Fridays, and other large retailers and franchises in Nicaragua. USAID/Nicaragua formed a Global Development Alliance (public-private alliance) with the U.S.-based NGO TechnoServe, the Roberto Teran Foundation in Nicaragua, Agora Partnerships USA (a non-profit), Agora Venture Fund - Nicaragua I, and additional U.S. and Nicaraguan partners to help young entrepreneurs like Solórzano to establish or expand small businesses. The activity, entitled "Launching New Ventures in Nicaragua," created a new, Nicaraguan-based, non-profit entity called Agora Partnerships Nicaragua, which offers technical assistance to Nicaraguan entrepreneurs and provides them with the opportunity to access capital from the Agora Venture Fund. Estimated resources of the Alliance total \$4.2 million. USAID contributes \$1.7 million.

The Alliance provides education, financing, and ongoing support to competitive businesses committed to growing themselves and their communities. In 2008, 118 businesses received technical assistance from the program to develop business plans and improve management practices. Many of these businesses have increased production, entered new markets, and gained access to venture capital investment.

"The program helped us when VegyFrut was still just an idea on paper," says Solórzano. "They helped us to define our market, to figure out how the business would flow, and to assess what kind of capital was necessary to launch the business."

But Solórzano's mission encompasses more than just fruits and vegetables. VegyFrut provides 21 full-time jobs and a market for 50 farmers, many of them members of a women's agricultural cooperative, who supply the business. VegyFrut employees receive full benefits and training as do the company's suppliers. The company offers their suppliers new types of seeds and fertilizers and a steady demand for their products. The improved quality of life for employees and suppliers trickles back up to the entrepreneur. Solórzano comments,



Carlos Fernando Solórzano works with growers to develop quality products.

"I don't want to be able to buy myself a new car or house if I don't also see my workers improving their lives. But now I'm seeing that my workers are beginning to build their own houses or buy a little piece of land. They're sending their kids to school. The lives of the farmers are also improving. They are able to eat better and dress well. It fills us with pride. It's something we have done together."



One of Solórzano's employees shows off some of the packaged produce that he markets successfully in the region.