Feasibility Study: Food Cooperative in Monteverde, Costa Rica

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Outline

● Background
  ○ The Monteverde Region

● Objective
  ○ Client background
  ○ Project Statement

● Methods
  ○ Spatial analysis
  ○ SWOT
  ○ Evaluative Matrix

● Results
  ○ Feasibility conclusions

● Next Steps
  ○ Future scope of project statement
Background
Monteverde, Costa Rica
Objectives
Project Statement

- Monteverde, Costa Rica
- Client: Fabricio Camacho
  - Manager/Associate Director of the UGA Costa Rica Campus
  - Community Leader
- Organic Farmers Cooperative
  - High quality, organic
  - Local
Sectors

- Main sector: Farmers Market Cooperative
- Sectors of economy: Local, fresh, organic food
Methods
Spatial Analysis

- Geographical information systems (ArcMap 10.7)
- Land was mapped and quantified using the field calculator tool
- Assumptions:
  - All data is accurate and the most up to date
- Constraints:
  - Only government reported and registered land included
## SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Climate/Environment</td>
<td>● Knowledge Gap</td>
</tr>
<tr>
<td>● Existing Infrastructure</td>
<td>○ Farmers, laws</td>
</tr>
<tr>
<td></td>
<td>● Funding</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Tourism</td>
<td>● Government/Contracts</td>
</tr>
<tr>
<td>○ Farms/Tours, Education, Economy boost</td>
<td>● Degradation of land</td>
</tr>
<tr>
<td>● Singular Coop in area</td>
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<tr>
<td>● Decrease in processed food</td>
<td></td>
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<tr>
<td>Objective Function</td>
<td>Functional Unit</td>
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<tr>
<td>--------------------</td>
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<tr>
<td>Land use</td>
<td>Crop acres/year</td>
</tr>
<tr>
<td>Food Consumption</td>
<td>Food kg/person/year</td>
</tr>
<tr>
<td>Population Use</td>
<td>People use/year</td>
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</tbody>
</table>
Results
Current Agriculture

- Coffee and Dairy largest industries
- Small-scale farms
  - Commercial vegetables, fruits, and herbs
  - Poultry and hogs
- 1.24 acres of land to feed one person per year
  - * 5,000 people = 6,200 acres needed
  - 4,243 acres/ 6,200 acres = 70%
Proposed Cooperative Structure

- Farmers Market Cooperative
- Distribution Cooperative
Cooperative Case Studies: Costa Rican Coffee Coop

- Voluntary certification programs
  - Upgrades Produce
- Willingness to Pay
Cooperative Case Studies: North Nicaragua Coop

- Tourist Sales
- Farmers Survey
  - Security
  - Low price vulnerability
- 73 days to full pay
  - Immediate cash options
Proposed Cooperative Structure: Monteverde

- Administrative Board
- Supervisory Board
- Members/Assembly
Proposed Cooperative Structure: Monteverde

- Initial credit to produce food
- Farmer’s Market
- Locals: Lower prices
- Tourists: Higher prices
- Consumers
- Consistent Payments
Start-Up Economics

- Coops are created, owned and operated by the shareholders, meaning the start up economics are slightly different than typical businesses

Steps:

1. Establish a steering committee and carry out feasibility studies
   a. Strong leadership = success
   b. Education

2. Create a business plan and recruit members
   a. Producer, consumer, multi-stakeholder?
   b. Members = building blocks of coop
Startup Economics Cont.

Steps Cont.

3. Secure financing
   - Capital from member equity
   - Donations/Organizations

4. Launch
Social Impacts Case Studies

● Access to a Diverse Diet
  ○ Successful implementation brings access to local foods, public awareness (Bacon, 2005).

● Community-oriented Mindset
  ○ Having a community project will help communication, awareness, positive peer pressure (Abebaw, 2012).

● Economic Improvement
  ○ Optimization models show how selling to tourists and the remaining to locals conclude in harvest sell out (Bacon, 2005).
Social Impacts Continued

- **Education**
  - Monteverde suffers from overused farmlands (Abebaw, 2015)

- **Attracting Tourist with sustainable values**
  - Preserving a way of life is feasible marketing the eco-tourism in Monteverde (Valkila, 2009).
Feasible if...

1. Food supplemented by outside resources
2. Members and community support
3. Take the next steps
Next Steps

1. A board and set of community leaders needs to be determined
2. A continuing feasibility study
   a. logistics of transportation
   b. community support
   c. food production on large and small scale farms
   d. Costs estimates
3. The implementation of a distribution cooperative investigated
4. Further investigation into startup cooperatives is recommended
Questions?
References


