

How to transform the food system by empowering smallholder farmers

Margarita project



DANONE ECOSYSTEM

Mexico's milk market



40% of Mexico's milk is produced by local family farms

which play a fundamental role in delivering a sustainable food system

yet ...

smallholder farmers face challenges

- Insufficient market access due to milk quality
- Inadequate infrastructure and financing
- Difficulty staying up to date with best practices
- Lack of skills to succeed as entrepreneurs



leading to ...



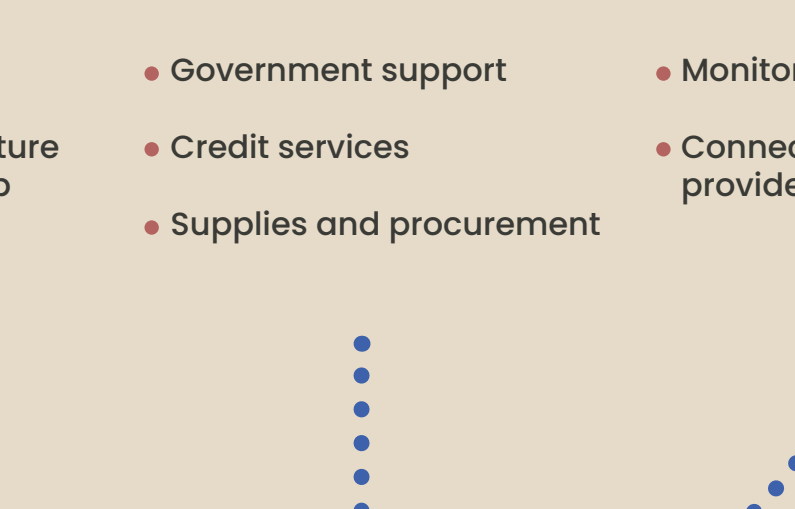
1/3 of Mexico's Milk being imported

Mainly as powdered milk

That's why a group of public and private partners joined forces to find solutions and **empower smallholder farmers**

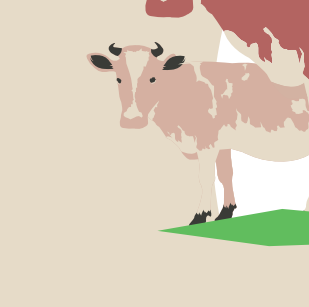
And the Margarita project was born

How it works



Smallholder farmers

join Margarita and receive comprehensive support



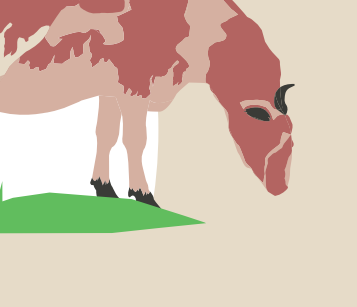
Training

- 21 hours of training in animal care
- Regenerative Agriculture and entrepreneurship



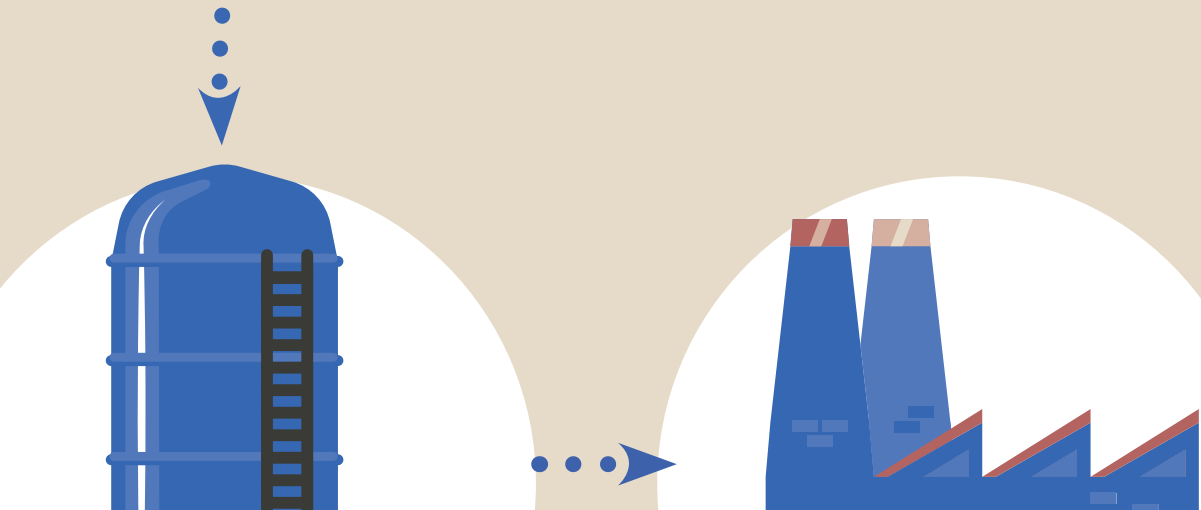
Financing

- Government support
- Credit services
- Supplies and procurement



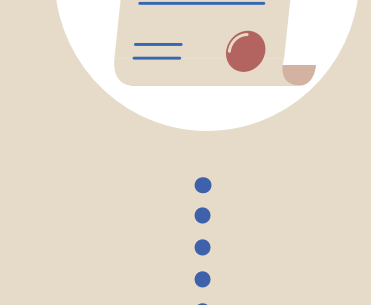
Technical Support

- Monitoring system
- Connected cow collars provided



Enhanced growth and greater autonomy for farmers

- Better farming practices to increase production
- Business skills to secure the financial robustness of farms
- Regenerative Agriculture ensures farms's sustainability



Collection center trucks pick up milk from hundreds of participating farms everyday



Milk collection

- Milk delivered to two collection centers
- Administrative support and quality assurance provided
- Milk sold to food producers: Danone, Mondelez...
- Stable channel to sell milk without limits on volumes



Milk transformation

- Milk transformed by food producers



Securing farmers' revenues

- Access to market
- Long-term contracts



Money improves farmers' livelihoods and is reinvested into farms to further enhance growth

Leading to a positive impact on the whole ecosystem



Jaime became a farmer "the day he was born." He's followed proudly in the footsteps of his grandfather and father - and yet he's also made his own way in the dairy world by surmounting challenges.

In 2014 he lost his sole milk buyer and "got kind of desperate." It was while searching for new milk buyers that he crossed paths with the Margarita Project.

"Today I can say that Margarita saved my life in milk production," Jaime says.

Partners & roles



IDB LAB
Project funding
Provides guidance & expertise

TECHNOSERVE
Recruits Farmers
Project monitoring & evaluation
Manages project micro-finance activities
Farmers training & technical assistance

DANONE DEMEXICO
Manages milk collection & leads overall project
Recruits farmers

DANONE ECOSYSTEM
Brings co-creation spirits
Provides expertise & guidance
Brings systemic and sustainable approach
Strategic support
Project funding

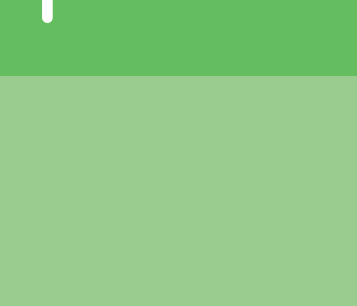


FIRA, INAES, SAGARPA
Government institutions
Co-funding & input support
Technical assistance

UNAM (UNIVERSITY)
Deploys training programs for farmers & technicians

FARMER UNION OF JALISCO STATE
Runs milk collection centers
Responsible for farmers payments

CAJA SMG
Financial intermediary
Loan support



NUUP
Technology provider
Data collection & activity planning support

MADERO
Supplier & financial intermediary
Cooling tank

Sources :

- National Agricultural Census (INEGI, Instituto Nacional de Estadística, Geografía et Informática)
- Unidad de Inteligencia de Mercado de la Comisión Ejecutiva Bovinos Leche (Market Intelligence Unit of the Milk Executive Commission)

DANONE ECOSYSTEM

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