

***Public Sector Financial Institutions in  
Coffee-producing Countries:  
The Experience of FIRA***

**Contents**

- **BACKGROUND**
  
- **COFFEE IN MEXICO**
  
- **APPLICATION OF THE FIRA MODEL**
  
- **RESULTS AND FACTORS CONTRIBUTING TO PROJECT SUCCESS**

**FIRA is an institution with around 55 years of experience in providing integral support for rural development needs...**

- 4 Federal Government Trusts administered by the Central Bank



FONDO	(1954)
FEFA	(1965)
FEGA	(1972)
FOPECA	(1988)

- FIRA's main functions include:
  - Credit
  - Guarantees
  - Training
  - Technical assistance and Technology transfer

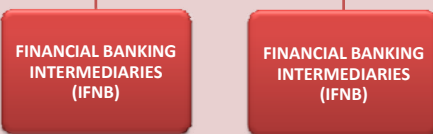


**FIRA provides financing as a second-tier development bank but its operations are backed by an integral support system...**

1,250 Employees  
136 Offices  
5 CDT  
2,114 Trained technicians  
261 Qualified officials



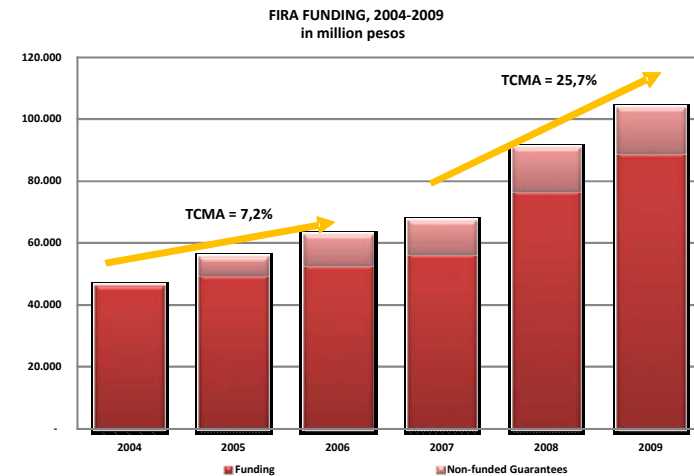
67 IFNB  
20 BANKS  
RURAL FINANCING



FINAL CREDIT RECIPIENTS 2009  
1,6 million persons



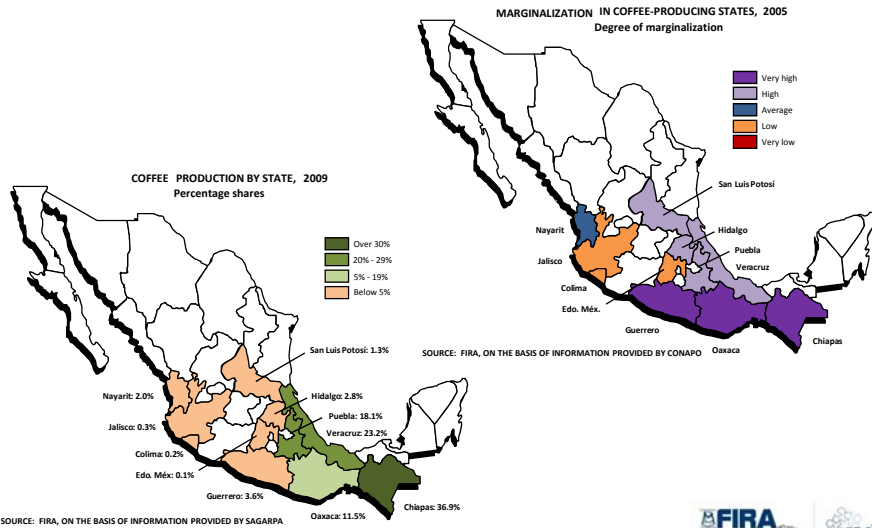
FIRA funding at the end of 2009, including non-funded guarantee operations, totalled 104 billion Mexican pesos (US\$7,7 billion)...



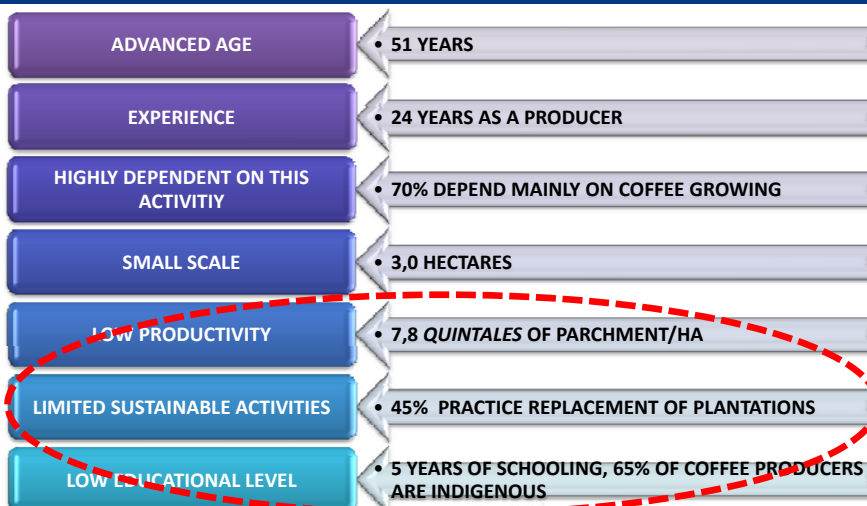
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Coffee production in Mexico is concentrated in States with high and very high marginalization rates, which makes the potential impact of support to the production chain of particular interest for public policy...



Characterization of primary coffee producers in Mexico indicates diverse and complex problems...



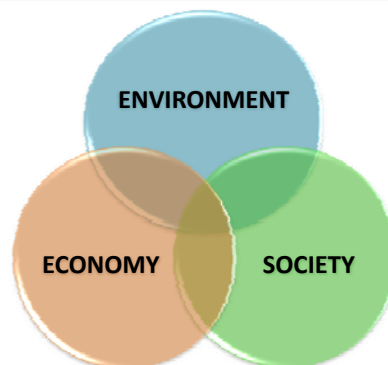
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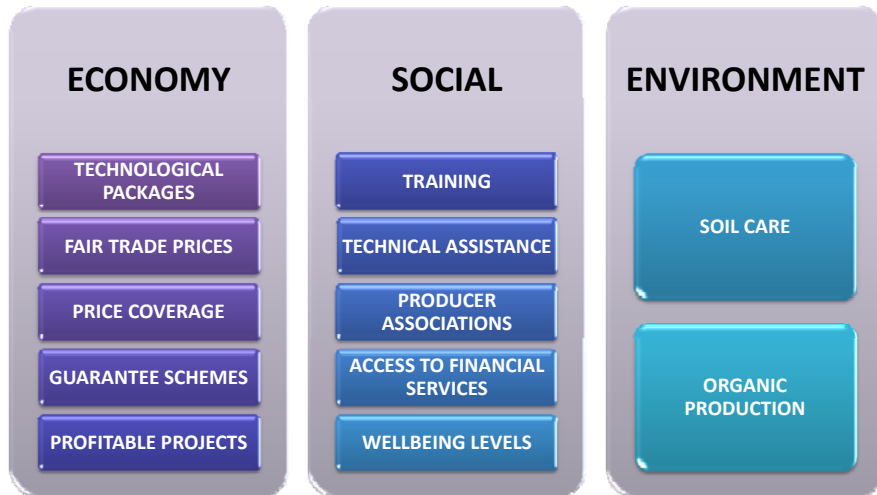


In accordance with the FIRA Model, agricultural and rural development is based on sustainability criteria in the use of resources...

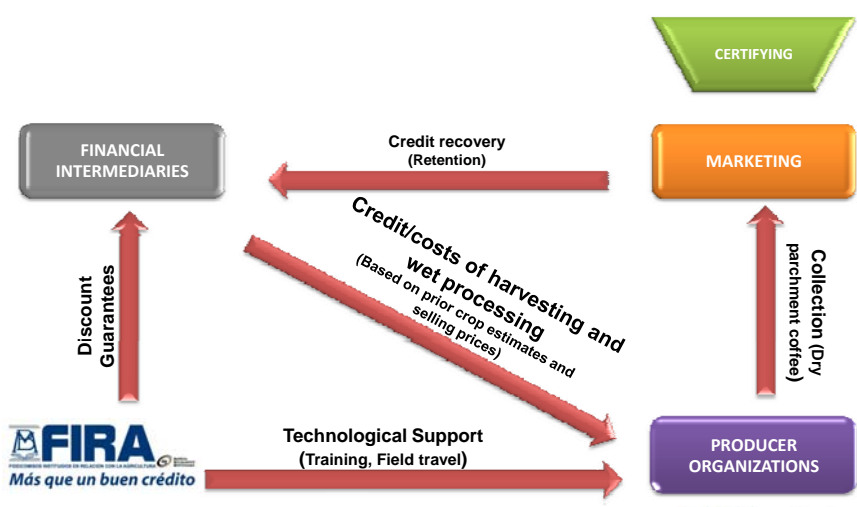
## SUSTAINABILITY



FIRA is *more* than a good credit provider: It provides a range of services that have a direct impact on a number of sustainable projects...



In general, the FIRA Model is for developing suppliers based on producer organizations, encouraging commercial activities and medium-term primary production...

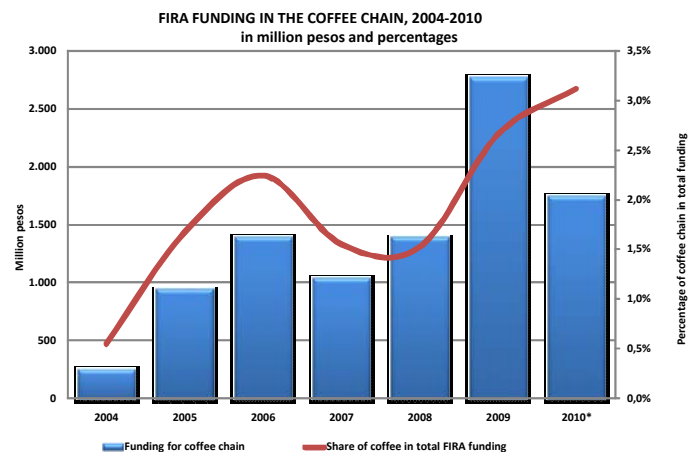


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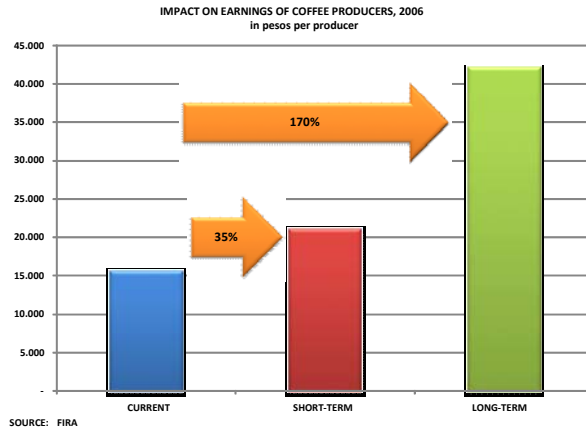
FIRA has managed to provide support for the coffee chain with financing of nearly 2.800 million Mexican pesos in 2009 (slightly over US\$200 million) but there is still ample potential for expansion...



\* SITUATION AT 30 JULY 2010  
SOURCE: FIRA



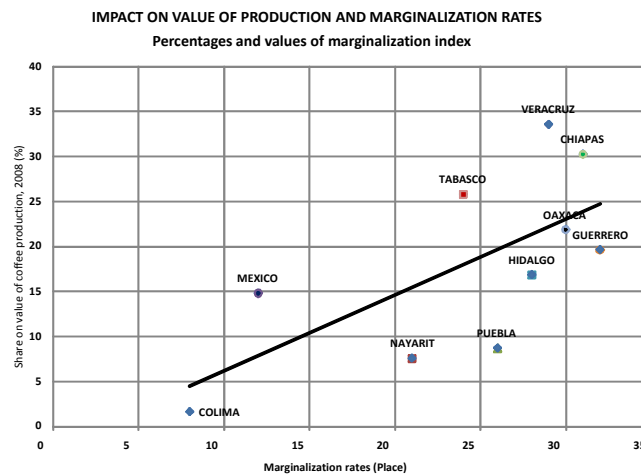
The impact of coffee projects based on contracted agricultural schemes and development of suppliers can increase earnings as much as 1,7 times...



SOURCE: FIRA



Financial support has focused on Federal bodies with the highest marginalization rates, reinforcing the overall impact of FIRA operations...



SOURCE: FIRA, ON BASIS OF INFORMATION PROVIDED BY SAGARPA AND CONAPO





Finally, it is very important to bear in mind the six key factors for success in financing the coffee chain in Mexico...

- 1 • ORGANIZATION
- 2 • TOP-TO-BOTTOM FINANCING
- 3 • TRUST (FULFILMENT OF CONTRACTS)
- 4 • APPROPRIATE POLICIES AND COMPLEMENTARY SUPPORT
- 5 • DIFFERENT SUPPORT PROGRAMMES (FOR PROJECTS INTEGRATED INTO VALUE CHAINS)
- 6 • TRAINING (FIRA AND *EMPRESAS TRACTOR*)



Many thanks !!!



**RODRIGO A. SÁNCHEZ MÚJICA**  
**Director General**

[www.fira.gob.mx](http://www.fira.gob.mx)

01 800 999 3472

01 800 999 FIRA

