THE RECIPROCITY FUND

EL TABERNAL MEXICO



El Tabernal is an association that produces, packs, and commercializes mangoes for the international market. Constituted in 2005, the organization harvests Ataulfo and Tommy Atkins mango varieties. These varieties are productive after two years of sowing. The organization collects mangoes from 200 families (60% belong to Zapotec and Ikoots indigenous peoples) that collectively own 1,500 hectares, seven hectares per farmer on average. El Tabernal owns an additional 250 hectares among its principal associates.

The Zapotecs call themselves "Binnizá," meaning "people that come from the clouds". The Zapotecs live on the Tehuantepec isthmus, the country's narrowest part, in the southern part of Oaxaca state. Before the Spanish conquest, the Aztecs and Mexicas used this region as a primary route to reach Central America². The Zapotecs often sow maize for consumption and mango, melon, watermelon, and sugar cane for commercial purposes. Most Zapotecs live in poverty and only own small parcels.



The Ikoots are commonly known as Huaves³. Huaves are assumed to originate from Peru or Nicaragua, and during the Spanish conquest, they didn't represent a threat to the colonists as they were a peaceful community. During the 1910 Mexican Revolution, some young Huaves were recruited to enlist in the army. This conflict considerably reduced their territory. Regarding economic activities, men are primarily dedicated to fishing and agriculture, and women to trading and weaving. Over 60% of mango producers selling to El Tabernal belong to indigenous communities. These indigenous communities maintain their language, garments, festivities, and governance structures.

¹ Etnografía del pueblo zapoteco del istmo de Tehuantepec: Gobierno de México, 2017.

² ¿Qué fue la cultura mixteca?: Concepto.

³ Etnografía del pueblo Huave: Gobierno de México, 2017.

El Tabernal offers packing services to meet export standards for mangoes. This includes trained staff and high-tech equipment. The organization processes around 5,000 tons yearly, with roughly 60% coming from small farmers and the rest from the organization's orchards. El Tabernal started exporting to the US in 2012, which has led to solid growth, savings, and reinvestment into infrastructure. In 2020, El Tabernal renovated its facility to enhance competitiveness. The facility is certified to comply with USDA, FSMA, Global GAP, and SMETA standards.

El Tabernal is the first packing facility in the municipality certified to export mangoes to the US through distributors, generating fair compensation for mango producers and employment. The facility is in a strategic area due to its high production capacity, where few companies provide packing services. El Tabernal has become Oaxaca's seventh largest mangoes exporter, with almost 7% of the total exports. El Tabernal is the largest in the municipality, with only two more competitors in the territory with less processing capacity.

El Tabernal has four clients, two of whom have been clients for 12+ years: World Market Enterprises and Agrytropical Supply, representing 39% and 27% of sales, respectively. El Tabernal establishes contracts with its clients, and the fruit that doesn't meet their standards is sold locally. Clients pay up to two weeks after the fruit is delivered.

El Tabernal only operates from February to May, the best commercial window for exporting mangoes, as higher prices are paid for the fruit. During this period, mango prices range from USD \$0.41 to \$1.17 per kilo, compared to USD \$0.05 the local market offers.

Fresh mangoes are delivered to the facility and immediately inspected to assess the quality and ensure the fruit is not affected by pests or disease. Later, the accepted mangoes are washed and manually reviewed again to discard bruised fruit and grade them (i.e., Extra, Category I, and Category II) depending on their size. After categorization, the fruit is washed with hot water for 60 to 90 minutes to kill infection or pest. Fresh mangoes are then polished and dried for final selection. Finally, the fruit is packed in export standard cases and loaded in cold rooms awaiting shipment. These conditions must be kept during shipment.

Impact Background

Mexico is the world's sixth biggest mango producer⁴, the first in mango export⁵, and Oaxaca is one of the leading mango regions in the country⁶. Before mangoes, the land was used primarily for livestock grazing, which took a heavy toll on the land. Mango orchards, on the other hand, claim fewer natural resources while generating more income than cattle. Consequently, hectares harvested and export volumes have been steadily upward⁷.

Over 60% of Oaxaca's population (2.5 million) lives in poverty, and 20% in extreme poverty.⁸ This has motivated many people to migrate to the city or the US.⁹ 80% of Oaxaca's population works in informal jobs with an average monthly income of USD 180, and only 40% of women have a job.

Impact Delivery

El Tabernal tackles this problem by providing income for farmers and temporary formal jobs for unemployed workers during the harvest season.

⁴ El mango, producto estrella en México: Gobierno de México, 2021.

Exportaciones de mango fresco: Tridge, 2022.

⁶ Registran mangos en Oaxaca récord en exportaciones: Gobierno de México, 2015.

Oaxaca, sólido productor agrícola y gastronómico, 2017.

⁸ Medición de pobreza en Oaxaca:CONEVAL, 2020.

⁹ Observatorio de migración Oaxaca: Gobierno de Oaxaca, 2021.

Farmers are paid, on average, USD 0.75 per kilo of mangoes, compared to the local market, which pays USD 0.05. Last year, exporters' mango purchases from small farmers accounted for USD 1.5M, around USD 7,500 per farmer. Exporters purchase mangoes from these smallholder farmers because El Tabernal provides technical assistance to help them maintain and improve the quality of their harvests. More importantly, El Tabernal links smallholder farmers to a global market.

El Tabernal charges exporters for the processing and packing of the mangoes, and exporters pay directly to the farmers. The organization negotiates fair mango prices with exporters on behalf of farmers, paying in advance for their harvest for the rest of the season. Beyond income, farmers also get access to credit solutions and cheaper agri inputs. El Tabernal purchases these in bulk, which later are sold to small farmers at cost.

As mentioned earlier, El Tabernal's operations generate jobs for the community during the mango season. The monthly income of a person working at the packaging facility is over USD 1,000 during harvest season. A person working at El Tabernal can earn between USD 17 and 58 daily, depending on the hours worked. On average, a worker earns USD 41 for an 8-hour shift. Workers earn nearly 1.2x the annual minimum wage in the four months the plant operates. El Tabernal provides around 250 temporary employment opportunities (50% women) in the packing facility

for youth to develop talent and work experience for four months. The employees at the facility receive constant specialized training for food production and handling.

The organization also has ten fixed administrative employees and generates over 1,500 jobs to maintain and manage the crop. The jobs at the facility are offered first to small farmers' families who work with the organization. 30% of El Tabernal's seasonal factory staff are farmers selling mangoes to the association. The balance usually works in fishing or the beef industry when El Tabernal does not seasonally employ them. The board comprises women with experience in business management, finance, agronomics, and food-handling safety.



The organization is leading environmental practices regarding using non-chemical products in crops, reforestation, water management, and 2 hectares of forest conservation. It is also implementing a safe agri-inputs container collection among small farmers.

El Tabernal supports several indigenous organizations and projects, such as financing a cultural association (Asociación Cultural Guidxiyaza) that maintains rescues and promotes the oral tradition and all the manifestations of art as the legacy of Andres Henestrosa, the first indigenous Zapotec native of Ixhuatan promoting indigenous literature in Mexico. El Tabernal also organizes a yearly book fair in the region to encourage indigenous literature and arts.

Outcome

Improvement of livelihood

- Employment opportunities for the youth.
- Fair prices for mangoes represent higher incomes for small farmers.

Environmental preservation

- Pollution reduction due to organic production of 200 hectares.
- Conversion to agroecological agriculture and reforestation actions.
- Water management to avoid direct and cross-contamination of flora and fauna.
- Conservation of a reserve with original vegetation of low forest.

THE RECIPROCITY FUND

EL TABERNAL

Culture preservation

- Promote and participate in the indigenous communities' events, helping conserve the culture and traditions.
- Finance multiple literary projects among the communities' artists and writers.