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CAN HAITI'S PEANUT VALUE CHAIN SURVIVE US GENEROSITY?

Political economy analysis

Camille Chalmers, Guelsonne Calixte, François Gérard Junior Denart,
Tonny Joseph, and Marc J. Cohen

CONTENTS

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ACRONYMS AND ABBREVIATIONS

APC	American Peanut Council
ANATRAF	Association nationale des transformateurs de fruits (National Fruit Processors Association)
BRH	Banque de la République d'Haïti (Bank of the Republic of Haiti)
CNSA	Coordination nationale de la sécurité alimentaire (National Food Security Coordination Agency
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross domestic product
IHSI	Institut haïtien de statistique et d'informatique (Haitian Institute of Statistics and Informatics)
IPC	Integrated phase classification
MARNDR	Ministère de l'Agriculture, des Ressources naturelles, et du Développement rural (Ministry of Agriculture, Natural Resources, and Rural Development)
MFK	Meds & Food for Kids
NGO	Nongovernmental organization
PAPDA	Plateforme Haïtienne de Plaidoyer pour un Développement Alternatif (Haitian Advocacy Platform for Alternative Development)
PCD	Policy coherence for development
PNSAN	Plan national de sécurité alimentaire et nutritionnelle (National Food Security and Nutrition Plan)
RUF	Ready-to-use food
UN	United Nations
USDA	United States Department of Agriculture

USAID	United States Agency for International Development
WFP	World Food Programme
WTO	World Trade Organization

EXECUTIVE SUMMARY

In March 2016, the US government announced a donation of 500 tons of dry roasted peanuts to drought-stricken Haiti. Haitian civil society organizations and international nongovernmental organizations (NGOs) expressed alarm that this constituted dumping highly subsidized peanuts on the Haitian market, threatening rural Haitians' livelihoods.

PAPDA and Oxfam carried out research to better understand the Haitian peanut value chain, including its gender division of labor, and its importance to rural livelihoods and consumers, and the political economy of the US donation. We reviewed relevant literature; carried out research in four of Haiti's 10 departments, interviewing 186 value chain stakeholders and conducting focus group discussions; and interviewed donor and NGO representatives and US agricultural policy makers.

We found value chain actors face a number of serious constraints, including nonexistence of state support; weak organization, particularly among farmers; use of traditional production methods; and lack of access to irrigation and inputs, including herbicides to control aflatoxin. This last poses a severe risk to Haitian consumers, many of whom rely on local peanut butter (*manba*) as a breakfast staple. Nevertheless, with the right policies and agricultural programs, Haiti has the potential to achieve self-sufficiency and pursue export opportunities.

Similar to other studies, we found that value chain actors carried out production, marketing, and processing in a context of poverty and vulnerable livelihoods. Most had peanut-related earnings insufficient to cover living expenses, requiring them to engage in additional income-earning activities, both on and off the farm. However, most expressed satisfaction with their peanut value chain endeavors. Women in particular reported achieving a measure of economic empowerment, notwithstanding limited earnings.

The US peanut value chain, in contrast, features highly subsidized production, precision technologies, and politically well-organized farmers who engage in unabashed rent seeking. This leads to surpluses that current legislation obliges the US government to purchase and store, and pressures to develop foreign markets and use peanuts in food aid. But surplus dumping is incoherent with US agricultural aid aimed at boosting Haitian peanut productivity and overcoming aflatoxin issues.

We conclude by recommending that the Haitian government increase support to the value chain through research, extension, training, credit, promotion of cooperatives and farmer and trader organizations, and assistance in detecting and preventing aflatoxin. We also encourage the US and other donors to continue providing aid to the value chain, while avoiding agricultural trade policies that undermine such assistance.

1. INTRODUCTION

On March 31, 2016, the United States Department of Agriculture (USDA) announced a gift to Haiti of 500 metric tons of dry-roasted peanuts to "help feed nearly 140,000 malnourished kids for a full school year."[1] This gift has been called a "poisoned chalice"[2] by several Haitian NGOs, including the Haitian Advocacy Platform for Alternative Development (Plateforme Haïtienne de Plaidoyer pour un Développement Alternatif, PAPDA), the JE NAN JE platform, Tèt Kole Ti Peyizan Ayisyen (TK), and Solidarite Fanm Ayisyen (SOFA),[3] and has been criticized by many international NGOs, including Oxfam.[4] These organizations accuse the US government of dumping surplus US peanut production on the Haitian market, which they believe could spell disaster for Haitian farmers and negatively impact the well-being of impoverished Haitians.

However, the USDA defended this donation, made possible "thanks to U.S. farmers and agricultural innovation," highlighting its usefulness in combatting hunger in children and food insecurity brought about in part by "a crop-withering drought in Haiti."[5] According to USDA officials, the fact that the donation represented just 1.4% of Haitian peanut production proved that there could be no negative effects on Haitian farmers.[6]

In Haiti, peanuts[7] are a crop with high commercial value and potential markets both locally and internationally. Peanut butter, *manba* in Creole, is an important

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1 Wood, S. *USDA Provides Nutritious U.S. Peanuts in Humanitarian Effort for Haiti*, March 31, 2016, [Online]. [https://www.usda.gov/media/blog/2016/03/31/usda-provides-nutritious-us-peanuts-humanitarian-effort-haiti]

2 The authors wish to stress that the term "poisoned" is used here metaphorically. They recognize that US peanuts are produced according to food safety standards that are much stricter than those of Haiti and that US peanuts are not literally toxic.

3 "Don de pistaches: Un cadeau empoisonné", *Le Petit Journal Haïti*, April 19, 2016, [Online]. [https://lepetitjournal.com/haiti/actualites/don-de-pistaches-un-cadeau-empoisonne-78521]

4 Offenheiser, R. C. "Dumping Nuts," *The Hill*, May 11, 2016, [Online]. [https://thehill.com/blogs/congress-blog/279249-dumping-nuts]

5 Taylor, A. "What U.S. Peanut Donations Mean to Haiti," Letter to the Editor, *The Washington Post*, May 1, 2016, [Online]. [https://www.washingtonpost.com/opinions/what-us-peanut-donations-mean-to-haiti/2016/05/01/1fe8a27c-0d61-11e6-bc53-db634ca94a2a_story.html?utm_term=.9b8d23195cd3]

6 McFadden, D. "Donation of Surplus Peanuts from US Dismays Haiti Farmers," Associated Press, April 15, 2016, [Online]. [https://www.apnews.com/4a491348c53043e28d6887c67d83fb99]

7 *Arachis hypogaea,* also known as groundnuts or goobers.

source of protein in Haiti and is a daily staple of the Haitian diet, commonly consumed at breakfast.[8]

Throughout Haiti, small-scale farmers grow peanuts using traditional methods and with little or no government support. Local peanut trading and processing offer economic opportunities to rural women. Although a certain number of obstacles stand in the way of expanding production, along with some serious food safety concerns, such as high levels of aflatoxin, these problems are by no means insurmountable, and there are real opportunities to improve the value chain. In this context, the donation of highly subsidized US peanuts appeared to many Haitians and advocates for rural development in Haiti as surplus dumping, or even an attempt by the US to establish itself in the local market, to the detriment of the livelihoods of impoverished Haitians.

In order to better understand the Haitian peanut value chain and its importance to rural livelihoods and local consumer habits, as well as the factors underlying the US donation, PAPDA and Oxfam carried out a study, specifically aiming to:

- examine the political economy of the peanut value chain in Haiti, highlighting the number of households who rely on it, as well as domestic policies
- reveal the different roles of men and women in the sector
- explain the role of peanuts in Haitians' daily eating habits, food security in Haiti, and the treatment of malnutrition in children
- explore the political economy of peanuts in the United States, the factors underlying the donation to Haiti in 2016, and the inconsistencies between US aid and trade policies
- support advocacy by Oxfam and its Haitian civil society partner PAPDA on the question of US aid to Haiti, future US agricultural legislation, and US agricultural policy.

This report will first look at the political and economic context of the peanut production sector in Haiti. We then discuss the peanut value chain itself, including production, trading, processing, and questions relating to gender, consumption, and health risks. We will then explore the constraints and opportunities of the value chain. Finally, we present the results of our field

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[8] Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, Agricultural engineering thesis at Université d'État d'Haïti, in collaboration with Université Laval (Canada), p. 31, 50, [Online]. [https://akosaa.fsaa.ulaval.ca/fileadmin/Fichiers/Ressources/Memoires/Memoires_Leaders_FSAA/Memoire_Point_du_Jour.pdf]

research in Haiti and an analysis of the political economy of the US donation. The final chapter offers our conclusions and recommendations.

2. BACKGROUND: THE FACTORS UNDERLYING THE PEANUT DONATION

SHORT-TERM ECONOMIC FACTORS: THE PERFORMANCE OF THE HAITIAN AGRICULTURAL SECTOR

The drought that struck Haiti from 2015 to 2017, exacerbated by the global weather phenomenon, El Niño, hit the Haitian agricultural sector hard. Numerous harvests were lost across the country, worsening the already precarious situation of tens of thousands of Haitians. In certain regions of the country, agricultural losses were as high as 70% of output,[9] an alarming fact given that the sector employs over half the working population.[10] The drought plunged a large proportion of Haitians into poverty and brought the number of people suffering from severe food insecurity to1.5 million in 2015, according to the UN World Food Programme (WFP).[11]

A study for the US Agency for International Development (USAID) indicates that the drought impacted men and women differently: women tend to farm marginal land and therefore suffered greater losses in agricultural production and revenues than men. Additionally, poor yields reduce women's opportunities to engage in trading activities, which in Haiti are carried out primarily by women.[12]

Haitian authorities, NGOs, and donors took a range of measures to combat the drought-induced food insecurity. Among these were enhanced WFP food aid programs and its "cash for work" activities, school meals programs set up by

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9 Reliefweb. *Caribbean Drought 2015-2017*, [Online]. [https://reliefweb.int/disaster/dr-2015-000091-hti]

10 International Fund for Agricultural Development. *Haiti: The Context*, [Online]. [https://www.ifad.org/en/web/operations/country/id/haiti]

11 World Food Programme (WFP). *El Niño, Drought Blamed as Severe Food Insecurity Doubles in Six Months in Haiti*, February 9, 2016, [Online]. [https://www.wfp.org/news/el-nino-drought-blamed-severe-food-insecurity-doubles-6-months-haiti]

12 Rames, V., Jean-Gilles, S. and Seisun, C. *USAID/Haiti Gender Assessment Report prepared by Banyan Global*, Port-au-Prince: USAID/Haiti, 2016, p. 76-78.

WFP and France,[13] the Haitian government's National Food Security and Nutrition Plan (PNSAN),[14] and the United States' peanut donation.

In 2015, the Haitian agricultural sector performed poorly, shrinking by 5.4% as compared to the 2014 financial year.[15] This was the sector's worst performance since 2008 (-7.43%), a year when the country was hit by four major hurricanes.[16] While the Haitian government claims to prioritize agriculture within the country's economy, the added value of the agricultural sector continues to shrink, dropping to $1.8 billion in 2015, its lowest level since 1997. The sector's share of GDP fell from 29.5% in 1997 to 23.3% in 2011, dropping again to 20% in 2015. This decline in the value of agricultural GDP cannot alone explain the drop in agriculture's proportion of overall GDP, as the development of the industrial and service sectors is also a factor.[17]

However, in 2016, the agricultural sector's performance improved as compared to the previous year. In particular, the added value of the "Agriculture, forestry, livestock and fishing" branch grew by 3% (Figure 1),[18] as improvements in rainfall significantly boosted agricultural production.[19]

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13 UN Office for the Coordination of Humanitarian Affairs. *Humanitarian Bulletin Haiti*, no. 62, June 2016, [Online]. [https://reliefweb.int/sites/reliefweb.int/files/resources/ocha_haiti_humanitarian_bulletin_62.pdf]

14 Inter-ministerial Advisory Board for Food Security (Conseil interministériel pour la sécurité alimentaire, CISA) and National Food Security Coordination Agency (CNSA). *Actualisation du plan national de sécurité alimentaire et nutritionnelle (PNSAN)* (final version), March 2010, [Online]. [http://agriculture.gouv.ht/view/01/IMG/pdf/VERSION_PNSAN_12_Mars_2010.pdf]

15 Haitian Institute of Statistics and Informatics (IHSI). *Les comptes économiques en 2016*, [Online]. [http://www.ihsi.ht/pdf/comptes_economiques_en_2016.pdf]

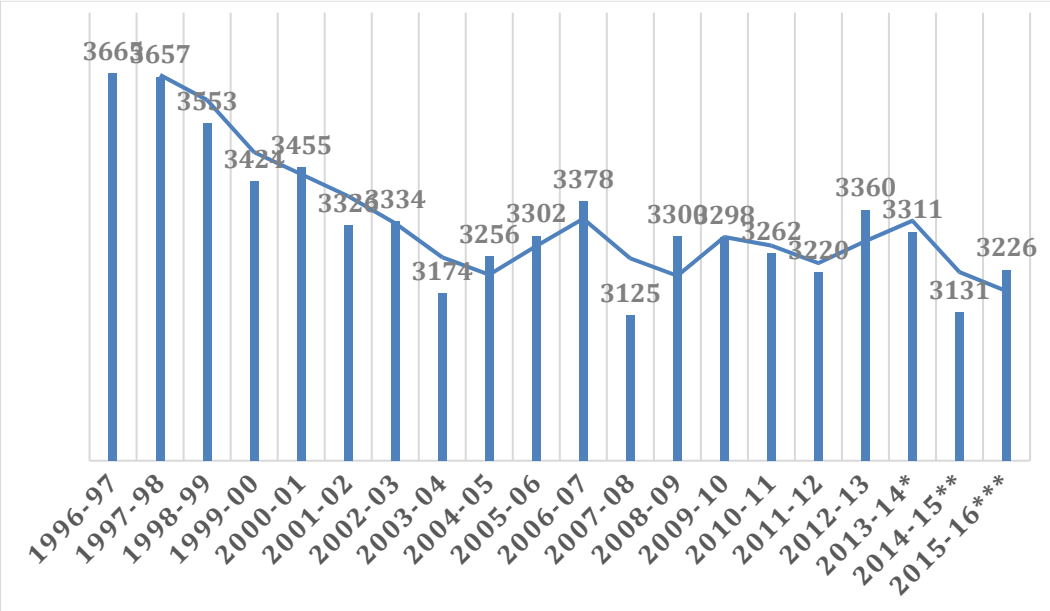
16 See *id.*, *Les comptes économiques en 2009*, [Online]. [http://www.ihsi.ht/pdf/comptes_economiques_en_2009.pdf]

17 IHSI. *Les comptes économiques en 2016*, *op. cit*.

18 *Ibid*.

19 CNSA, *Haïti: Perspectives sur la sécurité alimentaire*, July-December 2016, [Online]. [http://www.cnsahaiti.org/Web/Bulletin/2016/Bulletin-Perspectives_Aout-2016.pdf]

Figure 1. Changes in the added value of the agricultural sector, 1996-2016 (millions of gourdes, adjusted for inflation)



Source: IHSI.
Legend: * – semi-finalized, ** – provisional, *** – estimates.

STRUCTURAL FACTORS: AGRICULTURAL AND TRADE POLICIES, PRESSURE FROM DONORS FOR MARKET LIBERALIZATION

In collaboration with several bilateral donors, the International Monetary Fund and the World Bank developed structural adjustment programs in order to resolve the solvency problems of indebted countries suffering from economic and financial crises brought about by a deterioration in the international financial situation. This set of programs, later extended to several poor countries receiving international financial aid, was supposed to spark renewed growth, boost development previously hampered by government interventionism, and bring about national and international market liberalization.

The Haitian government implemented this neoliberal program from the beginning of the 1980s. It not only consisted of recommendations on economic policy, but also aimed to radically transform the country's economy. The measures set out specifically aimed at budgetary austerity, producer price deregulation, the depreciation of the gourde (Haiti's currency), the tightening of monetary policy,

and liberalization through rolling back government intervention and privatizing public companies, regardless of their profitability.[20]

Over the period from 1983 to 1995, the government undertook several "recovery" measures (see box). These measures included substantially liberalizing agricultural trade: prior to 1995, Haiti imposed customs duties of 40 to 50% on agricultural imports. Current customs duties range from 0 to 15%. For peanuts, the rate is 7.9%. In contrast, the United States imposes customs duties of 163% on imported peanuts.[21]

Recovery measures: 1983-95

The recovery measures can be divided into three groups:[22]

1. Measures to stabilize and consolidate public finances: focused on public administration and public companies; the construction and maintenance of public works, such as, irrigation systems; agricultural loans; and reducing public spending and domestic loans.
2. Measures to stabilize the economy: most of these are limited to liberalizing the gourde's value vis-à-vis the US dollar by adopting a floating exchange rate, liberalizing interest rates, and applying tight monetary policy in order to control inflation and the exchange rate, to the great detriment of growth and economic recovery.
3. Measures to dismantle the tariff system: these consist of taking apart the trade protection system by removing non-tariff barriers to imports and import bans, and opening up all avenues to external trade.

Haiti's main aid donors and the international financial institutions have long pressured the Haitian government to focus its development strategy on exports (for example, t-shirt manufacture) rather than agriculture. They claim that the

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[20] See for example: World Bank. *Haiti: The Challenges of Poverty Reduction*, Washington: World Bank, 1998, 2 vols.; Fatton, Jr., R. *Haiti's Predatory Republic: The Unending Transition to Democracy*, Boulder, CO: Lynne Rienner, 2002, and *Haiti: Trapped in the Outer Periphery*, Boulder, CO: Lynne Rienner, 2014.

[21] McGuigan, C. *Agricultural Liberalisation in Haiti*, London: Christian Aid, 2006, [Online]. [https://www.christianaid.ie/sites/default/files/2017-08/agricultural-liberalisation-haiti-january-2006.pdf]; Famine Early Warning Systems Network (FEWS NET), *Haiti Staple Food Market Fundamentals*, March 2018, [Online]. [http://fews.net/sites/default/files/documents/reports/Haiti%20MFR_final_20180326.pdf]; Swanson, A. "Trump's Claims of Unfair Tariffs Ring Hollow to US Trading Partners," *Seattle Times*, June 11, 2018, [Online]. [https://www.seattletimes.com/nation-world/nation-politics/trumps-claims-of-unfair-tariffs-ring-hollow-to-u-s-trading-partners/]

[22] National Coalition for a Moratorium on International Agreements (Coalition nationale pour un moratoire sur les accords internationaux). *Haïti dans l'impasse des politiques de libéralisation commerciale, l'opportunité d'un moratoire aujourd'hui*, 2011, [Online]. [http://www.papda.org/article.php3?id_article=959]

country can always import food, even in an era characterized by high and volatile global food prices.[23]

HAITI IN 2020: A SUCCESSION OF CRISES

Since we carried out our research in 2017, social, economic, and political conditions in Haiti have all significantly worsened. There is broad consensus that to resolve these multiple crises, the appropriate strategy is one that focuses on agriculture and rural development as a driver for sustainable livelihoods and overall development.

Since July of 2018, Haiti has faced socio-political upheavals leading to unprecedented economic difficulties in the country. The crisis deepened at the end of September 2019 with the country-wide shut down ("*peyi lock*"), which immediately caused price rises in basic necessities, businesses closures, and accompanying job losses.[24] The rate of inflation fluctuated around 17%[25] and unemployment reached approximately 14% among the working-age population.[26]

In a statement in November 2019, the Haitian central bank, the *Banque de la République d'Haïti* (BRH), released alarming figures revealing negative GDP growth at rates between -0.6% and -0.1%.[27]

Ranked among the countries with the worst levels of poverty, inequality, and corruption (168 out of 180 according to the latest ranking from the NGO Transparency International), Haiti has suffered from chronic instability since the popular uprising of July 6 and 7, 2018, following a gasoline price spike.[28]

This crisis dates back to the January 2010 earthquake. If a solution is not found soon, it could provoke a humanitarian emergency plunging 4 million Haitians into

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[23] See: Fatton, Jr., R. *Haiti: Trapped in the Outer Periphery*, *op. cit*., p. 7-9, 73-79, 102-105; Collier, P. *Haiti: From Natural Catastrophe to Economic Security, A Report for the Secretary-General of the United Nations*, January 2009, [Online]. [https://www.focal.ca/pdf/haiticollier.pdf]; Lundahl, M. *The Political Economy of Disaster*, London: Routledge, 2013.

[24] Taft-Morales, M. "Haiti's Political and Economic Conditions, Updated March 5, 2020," *Congressional Research Service Report*; French Office for the Protection of Refugees and Stateless Persons (Office français de protection des réfugiés et apatrides, OFPRA). "Haïti: Les manifestations violentes de février 2019," March 26, 2019.

[25] *Ibid*.

[26] World Bank estimates, [Online]. [https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=HT]

[27] BRH. *L'Économie haïtienne en graphes*, Novembre 2019. Port-au-Prince : BRH.

[28] Taft-Morales, M. "Haiti's Political and Economic Conditions, " *op. cit*.; on inequality, see United Nations Development Programme (UNDP). *Income Gini coefficient,* 2019, [Online]. [http://hdr.undp.org/en/content/income-gini-coefficient]; on corruption, see Transparency International (TI). *Corruption Perceptions Index 2019,* Berlin: TI, 2019.

a catastrophic food situation. According to the latest data collected by Haiti's National Food Security Coordination Agency (CNSA) in collaboration with the Food and Agriculture Organization of the United Nations (FAO), WFP and Concern Worldwide, rising prices, socio-economic difficulties, and a drop in agricultural production led to increased food insecurity in 2019.[29]

In October 2019, CNSA conducted an analysis using the integrated food security phase classification (IPC). Nineteen agencies and organizations participated in the study, including Haitian government agencies, UN agencies, donor and technical agencies, and several national and international NGOs (including Oxfam). The analysis revealed that over one in three people in Haiti are in urgent need of food aid, that is, around 3.7 million people.[30]

According to the report, the situation has worsened in rural areas since the previous analysis in December 2018, the rate of food insecurity in these areas having increased by 15% in less than a year. For the first time, an IPC analysis was also conducted in urban areas, revealing that over 850,000 people suffer from food insecurity in the Port-au-Prince metropolitan area. The most affected areas are the lower Nord-Ouest department (province) and the most vulnerable areas of Cité Soleil. According to the IPC scale, these two zones are classified as phase 4 (emergency) on a scale of one to five, which means that families are suffering extreme food deficits. In total, it is estimated that over one million people are in IPC phase 4 across the country. If nothing is done, the situation may become worse and new zones could end up in an emergency situation in 2020.

Furthermore, with the exception of certain neighborhoods in urban areas, the rest of the country is classified as phase 3 (crisis). The departments of Artibonite, Nippes, and Grande-Anse, as well as some neighborhoods of the Croix-des-Bouquets commune (district) near the capital have particularly high rates of food insecurity.

This rise in food insecurity can be traced to an increase in the price of basic foodstuffs of over 22%; a decline of around 24% in the value of the gourde against the US dollar (year on year); sociopolitical troubles; and a loss of security, which has significantly reduced people's access to food.

Moreover, in rural areas, the El Niño phenomenon exacerbated the 2018 drought, which lasted into the first half of 2019. This led to a drop in agricultural production of about 12% as compared to the previous year.

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[29] CNSA. "Synthèse de l'analyse de classification de la sécurité alimentaire," October 2019.

[30] *Ibid*.

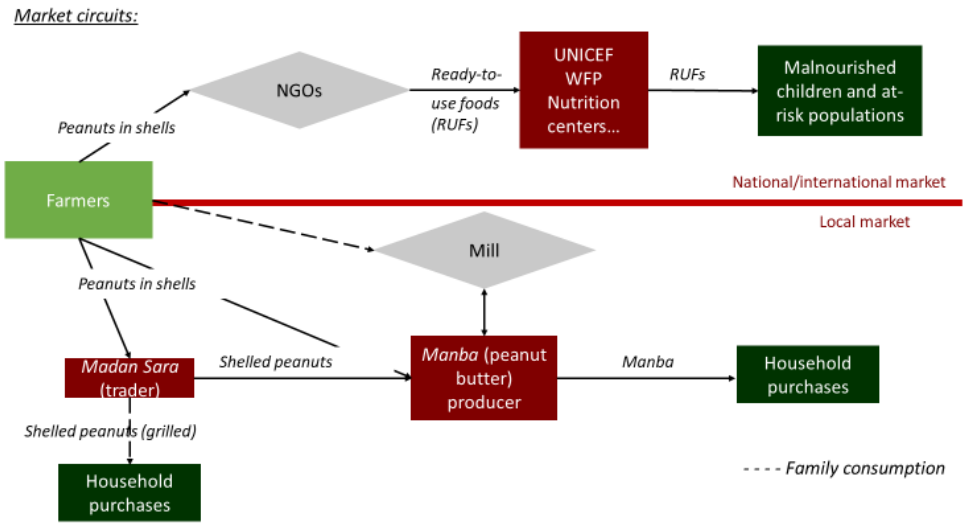
Given the severity of the situation, urgent action is required to support the poorest families and those most affected by food insecurity. It is also vital to combine emergency interventions with rehabilitation efforts in order to effect more sustainable, structural change to families' food and nutritional security.

This study on the peanut value chain was finalized in this alarming context, and should be understood through the prism of the food insecurity described above.

3. THE PEANUT VALUE CHAIN IN HAITI

The production of peanuts is spread across the entire Haitian territory. As well as offering an important source of income for all those involved in the value chain, peanuts are widely consumed in Haiti. Figure 2 presents the value chain.

Figure 2. The Haitian peanut value chain



Source: Oxfam-in-Haiti.

OVERVIEW OF THE VALUE CHAIN

According to the Republic of Haiti's Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR), in 2016 the departments of Nord-Est, Artibonite, and Centre, respectively, produced 27%, 26%, and 22% of national peanut production (that is, 75% of total production). Furthermore, over 70% of the total surface area of the peanut harvest in 2016 was in these three departments (27,000 hectares out of 38,000).[31] The communes with the greatest output are: Gonaïves in Artibonite; Belladère, Thomonde, Thomassique, and

[31] MARNDR. *Résultats des enquêtes nationales de la production agricole, Année 2014*, Port-au-Prince: MARNDR, no date, p, 30-31.

Cerca-la-Source on the Central Plateau; Grand Bassin, Capotille, and Ouanaminthe in Nord-Est; and Petit-Goâve and Gonâve Island in the department of Ouest.[32] Production is concentrated in the dry zones of these departments and takes place over three farming seasons: spring, fall, and winter.[33] MARNDR's figures also indicate that peanut production takes up 97% of the land planted to oil seed crops in the country.[34] In 2016, the average yield was 0.47 tons per hectare (t/ha),[35] just 28% of the worldwide average yield of 1.7 t/ha.[36]

Haiti has 35,000 peanut farmers working plots of between 0.1 and 0.5 ha. Most of them own or lease their land.[37] They mainly rely on hand-held tools such as hoes and very few inputs, often using only seeds and labor.[38] Farming families clear the land and dry and store the nuts themselves, selling 95% of their production at local markets.[39] They consume the unsold 5% themselves or use it for seed.[40]

Unshelled peanuts are sold across the entire country. Certain high-production zones supply several markets. For example, peanuts from the Grande-Anse department are sold in several of the country's urban centers: Port-au-Prince, Cayes, Jacmel, Saint-Marc, and Jérémie.[41] Peanut processing is a common activity across the country but is more concentrated in urban and suburban areas.[42] As a general rule unshelled peanuts are not exported, but a certain portion of the peanuts produced in areas near the border are exported to the

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32 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 33.

33 MARNDR. *Résultats des enquêtes nationales de la production agricole*, *Année 2014*, *op. cit.*, p. 30-31.

34 MARNDR. *Recensement général de l'agriculture,* Port-au-Prince: MARNDR, 2009.

35 MARNDR. *Résultats des enquêtes nationales de la production agricole, Année 2016*, Port-au-Prince: MARNDR, no date, p. 15-16.

36 USDA Foreign Agriculture Service. "World Agricultural Production," *Circular Series WAP* 7-19, July 2019, [Online]. [https://apps.fas.usda.gov/psdonline/circulars/production.pdf]

37 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 37 (citing TechnoServe figures). According to Point du Jour (p. 52), other studies estimate the number of farmers at 150,000.

38 Fondation Fonkoze and Mennonite Economic Development Associates (MEDA). *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, Waterloo, Ontario: MEDA, 2014, p. 15, 18; Schwartzbord, J., Ianotti, L., and Smith, C. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti: A Formative Survey*, Study conducted as part of the doctoral thesis of Schwartzbord, J. R. *Aflatoxin Contamination, Human Exposure and Opportunities in the Haitian Peanut Value Chain*, Cornell University, 2015, ch. 4, p. 55-81.

39 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 37.

40 Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*, p. 18-19.

41 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 35-36, 38.

42 *Ibid*., p. 39-40.

Dominican Republic.[43] Also, a few metric tons of imported peanut butter can be found on the market, despite local production of several thousand metric tons.[44]

According to a study of the peanut sector on the Central Plateau, the peanut "is a common crop in Haiti, appreciated by farmers for its resilience"[45] to drought. For this reason, "none of the farmers interviewed could remember ever having lost an entire yield due to weather conditions."[46]

This study observed that the variety of peanuts most commonly grown in Haiti is the Valencia. It matures two months and 20 days after planting, providing two harvests per year if there has been enough rain, and three with irrigation.[47] However, most Haitian peanut cultivation is rainfed.[48]

Despite its significance, the peanut value chain is still largely unstructured in Haiti and relies on non-specialized farmers, dispersed production, numerous intermediaries, and a great deal of artisanal processing.[49] Agricultural economist Frantz Roby Point du Jour points out that farmers are little inclined to organize despite there being "some farmers associations […]," since farmers are very spread out, making coordination difficult.[50] Moreover, the value chain is not sustainable under its current production conditions, which lead to significant soil erosion due to runoff and winds in farming areas.[51] The government clearly does not prioritize peanut production in its current agricultural policy.[52]

Potential demand is at least 40,000 tons of peanuts per year,[53] while current supply is around 30,000 tons.[54] Current prices are higher than those of 2000, due to the marked gap between domestic supply and demand, as well as high inflation. There are also significant seasonal changes in prices; between harvest

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43 *Ibid*., p. 35. The agricultural economist Frantz Roby Point du Jour informed us that he was unable to obtain precise data on the exports [Email, November 2019].

44 *Ibid*., p. 32.

45 Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*, p. 13.

46 *Ibid*., p. 15.

47 *Ibid*., p. 13

48 Point du Jour, F. R. [Email, November 2019].

49 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 37, 43, 49.

50 *Ibid*., p. 48.

51 Bargout, R. N. and Raizada, M. N. "Soil Nutrient Management in Haiti, Pre-Columbus to the Present Day: Lessons for Future Agricultural Interventions," *Agriculture and Food Security,* vol. 2, no. 11, 2013, p. 2-3.

52 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 48.

53 *Ibid*., p. 32.

54 *Ibid*., p. 31.

and planting, prices vary between 25% and 257% depending on the region.[55] For example, an Oxfam agricultural project focused on the peanut and cassava value chains in northern Haiti found that in 2014, sales of peanuts just after harvest generated little revenue for farmers. On the other hand, if they stored their harvest for between two and three months, prices rose and profits improved by 25%.[56]

Production on the Central Plateau

On Haiti's Central Plateau, a typical farmer plants 15-20 marmites (pots) of peanuts and can expect to harvest 5-12 barrels (i.e., 200-480 marmites).[57] In this area, very few inputs are used and planting and harvest are mainly carried out via manual labor (2,500-3,000 gourdes per hectare).[58]

Market values vary widely on the Central Plateau: 50 gourdes per marmite prior to harvest, versus 35 post-harvest. As a result, the profit margins of small-scale farms also vary, generally between 15% and 25% of costs, according to factors such as the sales price, the weather, and the quality of inputs.[59]

The socio-economic profile of peanut farmers in northern Haiti

Two studies carried out in northern Haiti came to the same conclusions. Firstly, for famers participating in the Oxfam project mentioned earlier, 85% of growing costs were related to labor, especially erosion control on hillsides. The rest (15%) went to seed purchases (see Table 1).[60]

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55 *Ibid*., p. 32.

56 Oxfam-in-Haiti. *Internal Monthly Report*, Project on Sustainable Improvement of Secondary Value Chains (Cassava and Peanuts) in Limonade and Fort Liberté Communes (Nord-Nord-Est Corridor), December 2, 2014.

57 See: Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit*., p. 18. [The marmite (pot) is a traditional measuring instrument which is not standardized and can be changed at will].

58 *Ibid*., p. 18-19.

59 *Ibid*., p. 19.

60 Oxfam-in-Haiti. *Internal Monthly Report*, *op. cit.*

Table 1. Costs and revenues of peanut farmers in Northern Haiti

Activities	Units	Quantity	Price per unit (gourdes)	Total price (gourdes)	Percentage of costs
Peanut sales	Marmite	254	60	15,240	
Total (gourdes)				15,240	
Cost of production					
Soil preparation	Labor	1	2,000	2,000	18%
Seeds	Marmite	21	80	1,680	15%
Planting	Labor	1	1,000	1,000	9%
Weeding (twice per season)	Labor	2	1,800	3,600	32%
Harvest costs	Konbit 8 people	6	500	3,000	27%
Total (gourdes)				11,280	
Gross profit margin (gourdes)				3,960	

Source: Oxfam-in-Haiti. Internal project reports, Cassava and Peanut Project, Northern Haiti (2014).

Secondly, a research team from Cornell University and Washington University in St. Louis, led by the toxicologist Jeremy Schwartzbord, studied 109 peanut farmers in the Nord and Nord-Est departments, in the communes of Bas-Limbé, Novion, Plaine-du-Nord, Port-Margot, and Ouanaminthe (Capotille):[61]

> *Our survey of 109 farmers showed that the majority practice subsistence agriculture and rely on a limited set of traditional*

[61] Schwartzbord et al. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti*, *op. cit.*

> *manual tools. Only 5.7% of farmers reported access to fungicides to control foliar pathogens. No farmers had access to irrigation. Forty percent of farmers cited inaccessibility to credit as a constraint to production, and overall our profile is suggestive of a very resource-limited farming system. Twenty-three percent of participants were aware of Aflatoxin […]*[62]

Moreover, the study found that none of the participants belonged to a formal farmer's organization. Out of the 109 farmers, just 11% sold their peanuts via a cooperative. On the other hand, 70% hired laborers to plant, weed, and harvest. Eighty-three percent of Schwartzbord et al.'s sample, planted the Runner variety of peanuts. Almost all of them (98%) grew other crops along with peanuts (rice, cassava, sugar cane, corn, bananas, or beans), while 57% depended on non-agricultural jobs.

Schwartzbord and his colleagues observed a similar socio-economic context to that seen in other studies carried out in Haiti.[63] Almost three quarters of their subjects were men.[64] The average size of households (6.5 people) was higher than that of the national average of 4.6 members per household.[65] Among the participants, 64% declared either having only primary school education, or not having attended school.

Schwartzbord et al. encourage prudence when interpreting their data on farmers' revenues, because of errors in sampling and statements from farmers. Some do not keep precise records of their costs and income, while others are hesitant to share them. However, the research team established the geometric mean of the annual income of all the subjects (including both revenue from peanut production and other sources) at $863, that is, $2.29 a day, an amount below the World Bank poverty threshold for Haiti, which is $2.41 a day.[66]

Furthermore Schwartzbord and his co-authors found that on average, total household spending is twice as high as individual farmers' total revenue. Spending is mainly on food, education for children, and healthcare. However the

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62 *Ibid*., p. 55.

63 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*; Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*

64 Schwartzbord et al. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti*, *op. cit.* Cf. Pluviose, L. *Economic Impact of Cooperative Peanut Marketing on Subsistence Farming in Haiti*, State College: Pennsylvania State University, 1991.

65 Verner, D. and Egset, W. *Social Resilience and State Fragility in Haiti: A World Bank Country Study*, Washington, DC: The World Bank, 2007.

66 World Bank. *The World Bank in Haiti*, [Online]. [https://www.worldbank.org/en/country/haiti/overview]

gap between income and expenses aligns with the fact that 80% of participants declared that other family members contribute to household expenses.

ANALYSIS OF GENDER DISPARITIES IN THE PRODUCTION AND SALE OF PEANUTS[67]

Production

Oxfam's project in northern Haiti found that peanut growing remains very much a secondary activity for most farmers. Since the closure of the Institute for the Development of Industrial Agriculture, which provided technical advice on the use of high-yielding Valencia peanuts, peanut farming in the north has received no technical support.

Furthermore, the Oxfam project found that in general, men carry out 70% of all peanut farming activities (from planting to harvest), and women 30%. Men do the bulk of soil preparation, planting, cultivating, and harvesting, activities in which women are little involved (less than 20% participation). However, women carry out over 75% of sales activities.

Sales

The same Oxfam project in northern Haiti found that a multitude of intermediaries, such as Madan Sara and other small-scale operators, take part in moving unshelled peanuts from farmers to processors, under very difficult transportation conditions. Almost 100% of these intermediaries are women. Trade takes place in the informal sector and marmites are used as the purchasing and sales unit. By the end of the circuit, the price of peanuts more than doubles.[68]

Similarly, according to a study by Fonkoze and Mennonite Economic Development Associates, customers in Port-au-Prince buy peanuts grown on the Central Plateau at the Lascahobas market: "Like many agricultural markets in Haiti, the production and trading flows are heavily segmented and small quantities from very small farms move between multiple traders through many rural markets on their way to their final consumers."[69]

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[67] Drawn from Oxfam-in-Haiti. Internal reports, Cassava and Peanut Project, Northern Haiti, 2014.

[68] *Ibid*. Madan Sara are petty traders who buy and sell various types of products and link rural areas to cities and towns. Almost all of them are women. See, for example, WFP. *Market Analysis: Haiti*, Rome: WFP, 2016, p. 6.

[69] Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*, p. 13.

PROCESSING[70]

Almost all peanut production is processed: 95% is used to make peanut butter (*manba*) and 5% is grilled or made into peanut brittle and *carapina* (peanuts coated in a mix of sugar and other condiments). There are numerous processing units.[71] In some areas of the country there are great numbers of artisanal units and small motorized units, but very few industrial or semi-industrial plants.

Processors, of which there are around 10,500, make up a fairly diverse group, amongst whom there are very few specialized processors.[72] They can be divided into two groups:

Peanut butter manufacturers[73]

This is the largest group, with around 8,000 enterprises. It includes:

- 7,650 artisanal manufacturers using small hand mills which can only process 55kg of nuts a day, but who account for 65% of production.
- 250 artisanal manufacturers with small motorized mills with a capacity of 300 kg per day. These units are mainly found in the department of Nord, around Cap-Haïtien, Quartier-Morin, and Limonade.
- 100 organized manufacturers using motorized mills with a capacity five to 10 times higher than the previous type. Among this group, only six operate on an agro-industrial scale (Boulangerie Adventiste, Rebo, Dory, Verone, and Itala in Port-au-Prince, and Pidy in Saint-Marc). There are also 14 establishments run by Catholic sisters, the most well-known of which is Terezya in Hinche, and around fifty women's organizations across the country (in particular in Nord, Ouest, Sud-Est, Sud, and Grande-Anse departments).

Most of these manufacturers are part of the National Association of Fruit Processors (ANATRAF). This organization has the support of ACTED and other NGOs working in the country.

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70 See: Jean, J. C. and Saint-Dic, R. *Étude filière de l'arachide produite à La Gonâve*, Service chrétien d'Haïti (SCH), 2005.

71 MARNDR. *Résultats des enquêtes nationales de la production agricole, Année 2014*, *op. cit.*

72 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 39-40.

73 Drawn from Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit*., and TechnoServe. *Haitian Peanut Sector Assessment: Strategic Industry and Value Chain*, Washington, DC: TechnoServe, 2012.

Peanut brittle, grilled peanut, and *carapina* manufacturers[74]

These manufacturers, estimated to be around 2,500 in number, are generally small traders (80% women) without capital or equipment. As a result, the portion of peanut production used by this group is very small. However, the grilled peanut, appreciated for its nutritional value and many qualities, is very popular on the local market. Sales of *carapina* are also expanding, and it can now be found on the street along with grilled nuts.

Processed products

Peanuts are processed and sold in various forms and under various names:[75]

- Grilled peanuts, as the name indicates, are made by heating the peanuts on high heat until golden and adding salt.
- Peanut brittle is made by grilling peanuts in a syrup until a thick paste forms. The mix is then poured into an oiled dish to create a bloc a little over an inch thick. Once cooled the block is cut in to small pieces.
- Peanut fudge nougat and peanut brittle are generally made starting with the same mix of peanuts in cooked syrup. Whether the product is called a fudge nougat or a brittle depends on how it is consumed. Peanut fudge nougat is eaten with the juices while peanut brittle is made into pieces or strips.
- *Chanm-chanm* is a mix of peanuts and corn ground into a powder and mixed with sugar and sometimes flavored with spices like cinnamon.
- *Manba* is the word for peanut butter in Haitian Creole. It is often spicy, with added habanero or Scotch bonnet chili peppers.
- Ready-to-use foods (RUFs) are also made from peanuts. Two NGOs make these: Zanmi Lasante ("Nourimamba") and Meds & Food for Kids (MFK) ("Médika Mamba"). These products help treat children suffering from severe malnutrition.[76]

Oxfam's project in northern Haiti observed that all peanut processing activities are carried out by women.[77]

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74 Jean, J. C. and Saint-Dic, R. *Étude filière de l'arachide produite à La Gonâve*, *op. cit.*

75 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 34.

76 Partners in Health. *Fighting Poverty, Fighting Malnutrition in Haiti*, October 2, 2013, [Online]. [https://www.pih.org/article/nourimanba-malnutrition-haiti-poverty]; MFK. *The Solution,* no date, [Online]. [https://mfkhaiti.org/]

77 Oxfam-in-Haiti. Internal reports, Cassava and Peanut Project, Northern Haiti, 2014.

PEANUT CONSUMPTION IN HAITI

Schwartzbord et al. note that "peanuts contribute to diet quality in Haiti as a source of protein and fat, particularly among food insecure individuals unable to access animal-sourced foods."[78] Peanut butter is a staple in the everyday diets of Haitians, in particular as part of breakfast and especially for school children.

PEANUT QUALITY AND SAFETY: THE AFLATOXIN PROBLEM

There are a certain number of risks and problems relating to quality and safety wherever peanuts are produced. These include allergies, recurrent kidney or bladder stones, rancidity, oxidization, and microbiological risks such as salmonella. Contamination by aflatoxin constitutes a particularly serious risk for peanuts produced in Haiti.[79]

Peanuts can be contaminated by mold that is invisible to the naked eye and which produces a carcinogenic toxin called aflatoxin. Aflatoxin ($C_{17}H_{12}O_6$) is a mycotoxin produced by mold growing on grains stored in hot and humid conditions (*Aspergillus flavus, Aspergillus parasiticus*). It is therefore advisable to avoid eating marked, blackened, rotten, or moldy peanuts.

Aflatoxin causes harm both in humans and animals and is highly carcinogenic. If ingested in large quantities, it can cause serious poisoning and illnesses, including liver cancer.[80]

Many food products destined for human or animal consumption may contain aflatoxins, sometimes in high doses.[81] Given that aflatoxins can be found in a great variety of foods and considering their toxic effects, it is vital to be able to detect levels with sufficient accuracy to meet the acceptable range norms established in various countries.

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78 Schwartzbord et al. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti*, *op. cit.*, p. 62.

79 The authors thank toxicologist Jeremy Schwartzbord for information on quality and safety problems in peanuts. Regarding bladder stones, see: Copelovitch, L. "Urolithiasis in Children," *Pediatric Clinics of North America*, vol. 59, no. 4, August 2012, p. 881–896, [Online]. [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3426770/]

80 Mahnine, N. *Étude de la contamination des produits céréaliers par les mycotoxines: cas des aflatoxines, de l'ochratoxine A, des fumonisines et des mycotoxines émergentes*, Doctoral thesis for the Université Mohammed V, Rabat, Morocco, July 4, 2017.

81 Kumar, P., Mahato, D. K., Kamle, M., Mohanta, T. K., and Kang, S. G. "Aflatoxins: A Global Concern for Food Safety, Human Health and Their Management," *Frontiers in Microbiology*, vol. 7, 2017, p. 2170, [Online]. [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5240007/]

Measures can be taken against this toxin, such as harvesting plants as soon as they have ripened, drying peanuts as quickly as possible on a clean surface, and properly sorting and storing them in a dry, hygienic location.[82] The level of aflatoxin in peanuts can be controlled using proper sowing and harvest management techniques, in particular spraying fungicides in fields and adequately drying the harvested nuts. However, as pointed out by Schwartzbord et al.,[83] small-scale farmers often have difficulties accessing fungicides, due to scarcity and high prices. In addition, the effects of fungicides on human health and the environment must likewise be managed.[84]

Tests confirm that aflatoxin is a very severe problem affecting peanuts grown in Haiti.[85] The Haitian population in urban and rural areas shows signs of aflatoxin exposure, and reported peanut consumption is the best food predictor of such exposure.[86] Furthermore, Schwartzbord and his colleagues note that Haitian peanuts do not meet international food safety standards, and the country is not well prepared to prevent toxicological outbreaks.[87]

Although small-scale Haitian farmers appreciate peanuts for their drought resilience, peanut plants under water stress are more likely to be contaminated by aflatoxins.[88] If supply is limited, contaminated nuts have more chance of remaining in food sources and are more likely to be eaten by those who are most

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82 Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*, p. 25-27.

83 Schwartzbord et al. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti*, *op. cit.*, p. 69.

84 Pennsylvania State University Extension. *Potential Health Effects of Pesticides*, September 13, 2017, [Online]. [https://extension.psu.edu/potential-health-effects-of-pesticides]; McGrath, M.T. *What are Fungicides?*, 2016, [Online]. [https://www.apsnet.org/edcenter/disimpactmngmnt/topc/Pages/Fungicides.aspx]; Carrington, D. "Alarming Link Between Fungicides and Bee Declines Revealed," *The Guardian*, December 29, 2017, [Online]. [https://www.theguardian.com/environment/2017/dec/29/alarming-link-between-fungicides-and-bee-declines-revealed]. On organic control, see: [https://aflasafe.com/]

85 Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*; Schwartzbord, J. R. and Brown, D. L. "Aflatoxin Contamination in Haitian Peanut Products and Maize and the Safety of Oil Processed from Contaminated Peanuts," *Food Control*, vol. 56, October 2015, p. 114-118.

86 Schwartzbord, J. R., Leroy, J. L., Severe, L. and Brown, D. L. "Urinary Aflatoxin M1 in Port-au-Prince and a Rural Community in Haiti," *Food Additives and Contaminants: Part A*, vol. 33, no. 6, 2016, p. 1036-1042; Jeanty, Jr., G. "Du beurre d'arachides contaminé dans les rayons des supermarchés," *Le Nouvelliste*, June 12, 2012, [Online]. [https://lenouvelliste.com/lenouvelliste/article/146069/Du-beurre-darachides-contamine-dans-les-rayons-des-supermarches]; see also: Filbert, M. E. and Brown, D.L. "Aflatoxin Contamination in Haitian and Kenyan Peanut Butter and Two Solutions for Reducing Such Contamination," *Journal of Hunger & Environmental Nutrition*, vol. 7, nos. 2-3, 2012, p. 321-332.

87 Schwartzbord, J.R., Emmanuel, E., and Brown, D.L. "Haiti's Food and Drinking Water: A Review of Toxicological Health Risks," *Clinical Toxicology*, vol. 51, no. 9, 2013, p. 828-833.

88 Holbrook, C.C., Kvien, C. K., Rucker, K. S., Wilson, D. M., Hook, J. E., and Matheron, M. E. "Preharvest Aflatoxin Contamination in Drought-Tolerant and Drought-Intolerant Peanut Genotypes," *Peanut Science*, vol. 27, no. 2, July 2000, p. 45-48.

nutritionally vulnerable. This phenomenon is exacerbated when adverse weather events lead to general shortages in food supply in Haiti.[89]

In June 2015, Feed the Future, Partners in Health, MFK, and Abbott Laboratories organized a workshop on mycotoxins in food in Haiti. During this event, Professor Dan Brown from Cornell University stated that "peanut butter in Haiti contains amounts of aflatoxin well above the threshold of 20 parts per billion established by the US Food and Drug Administration."[90] In another presentation for this workshop, Professors Lemâne Delva and Bénédique Paul of the School of Agronomy and Veterinary Medicine at the State University of Haiti, were unequivocal: "[G]iven this, the country's regulatory bodies, in particular the relevant ministries (agriculture, trade, and public health), are, in our opinion, obliged to act quickly to establish norms and standards for this industry."[91]

Besides the workshop, USAID has provided assistance to Haitian peanut growers. Between 2007 and 2017, USAID supported appropriate seed selection and production of aflatoxin free peanuts in Haiti through a series of projects involving US and Haitian universities, NGOs working in Haiti, and other partners (see Chapter 6 for more detail).

SUMMARY

Economically speaking, peanuts represent a significant source of income for famers, processors, and above all women, who account for 80% of the people selling peanuts on a retail basis (grilled nuts, *manba*, peanut brittle, etc.).[92] At the same time, peanut products are a key element in the diet of the majority of the Haitian population.

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89 The authors thank Dr. Schwartzbord for this point.

90 Jeanty, Jr., G. "Du beurre d'arachides contaminé," *op. cit.*

91 *Ibid*.

92 Jean, J.C. and Saint-Dic, R. *Étude filière de l'arachide produite à La Gonâve*, *op. cit.*

4. CONSTRAINTS AND OPPORTUNITIES

The peanut sector in Haiti is faced with a certain number of fundamental constraints. However, there are also clear opportunities for value-chain actors.

CONSTRAINTS

Production constraints

Some of the major constraints on production are as follows:

- a lack of local, regional, and national organizations to represent the interests of small-scale farmers
- small-scale farmers' limited capacity to invest in their farms
- a lack of agricultural insurance and loans and the absence of government subsidies
- the large number of intermediaries between small-scale farmers and the consumer market, and the resulting price increases, and therefore rising profits, at each step up the value chain
- highly limited access to added-value through processing
- the use of traditional techniques and outdated tools; manual agriculture and non-motorized mechanical methods
- the absence of public research, extension, and training services for small-scale peanut farmers
- an almost total lack of any stable, enduring organization to provide reliable information about prices and markets, in order to help farmers, entrepreneurs, and potential investors make decisions
- low storage capacities, not only in terms of infrastructure and techniques, but also for financing farming (since without adequate storage, farmers are obliged to sell their harvest in order to finance their farming activities).

Processing difficulties

In addition, electricity is available almost exclusively in large cities and is intermittent; electricity supply is practically absent in rural areas, with less than 10% of households connected. Therefore processing companies must provide their own electricity in order to properly process their product and keep it fresh. This gap in public service means extra costs and "diseconomies" of scale. Lastly, handling fuel for generators increases the risk of pollution and product contamination.

Market access difficulties[93]

Across Haiti, agriculture generally faces difficulties accessing markets. These problems, which were already prevalent prior to the 2010 earthquake, can be summarized as follows:

A marked lack of infrastructure

Many roads are in poor condition. In the majority of farming areas, products must be carried by people or animals for over an hour to reach a tertiary or secondary road, where they are loaded onto dilapidated trucks and driven for several hours before reaching the local market.

Difficulties ensuring regular supply

Agricultural production in Haiti is made up of a great number of small farms producing a range of crops. As a result, all value chains have serious difficulties ensuring a regular supply of products of a certain standard. It is therefore difficult to guarantee consistency in raw products to be sold to industrial processors, local supermarkets, or for export (all three of which require highly standardized products).

A lack of internationally recognized norms and reliable quality control systems

The persistent weakness of Haitian institutions creates serious deficits in terms of regulatory and legal quality control frameworks, and there has been no change for over half a century. The majority of laws are outdated or incomplete. Bills and regulatory propositions have been developed, but have never been presented to parliament. The lack of coordination between the public institutions charged with

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[93] See: MARNDR. "Plan d'investissement pour la croissance du secteur agricole, Annexe 7," *Développement des filières et renforcement des systèmes de commercialisation*, Port-au-Prince : MARNDR, 2017, p. 4-7, [Online]. [https://agriculture.gouv.ht/view/01/IMG/pdf/annexe_7.pdf]

applying norms exacerbates this problem. For example, while MARNDR's Tamarinier laboratory has the required equipment to detect aflatoxins in products, the lack of standardized procedures and properly trained staff makes systematic analysis difficult.

OPPORTUNITIES

However, there are also real opportunities for peanut production in Haiti:

- the sector has potential for growth, added value, and job creation that should guide its development
- up to 95% of production is processed, meaning over 200% added value
- domestic demand exceeds current supply
- there is also a large domestic market for derived products
- product processing plants offer significant job creation opportunities
- the Dominican Republic, where peanut farming is waning, represents a potential export market[94]
- with support, more could be made of market opportunities and the resulting profits
- new techniques for farming steep lands could better protect the environment
- the Haitian diaspora in many countries in the Americas could also represent a significant development opportunity worth exploring.

[94] Polanco, M. "Maní: un cultivo que se colocó en picada en el país," *El Caribe*, August 21, [Online]. [https://m.elcaribe.com.do/2018/08/21/mani-un-cultivo-que-se-coloco-en-picada-en-el-pais/]

5. FIELD RESEARCH: DESIGN AND RESULTS

In order to gain a greater understanding of the peanut sector in Haiti, the co-authors affiliated with PAPDA carried out a survey in 2017. This chapter describes the survey's methodology, data, and results.

METHODOLOGY AND DATA

Prior to carrying out the survey, the authors conducted a detailed literature review, which deepened their understanding of the Haitian peanut value chain. They also conducted some interviews with experts on the sector.

For the survey, we interviewed 186 people chosen via convenience sampling from the metropolitan region of Port-au-Prince, the Central Plateau, and the Nord and Nord-Est departments (see Table 2).[95] Among those interviewed, 88.7% (165) were farmers, 4.3% were traders (Madan Sara), 2.7% were small-scale processors, and 4.3% conducted another economic activity in the peanut value chain. In this sample, 85.3% of household heads were men.

In addition, we conducted eight focus group discussions.

LIMITATIONS OF THE STUDY

Our study has several limitations that readers should bear in mind:

- Similar to other studies of the peanut value chain in Haiti, we found that peanut farmers are scattered across the rural landscape and do not have strong organizations, so finding a representative random sample of those farmers is difficult.
- That said, our survey respondents include a disproportionately large number of farmers, so their views and self-reported reported circumstances likely dominate our findings.

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[95] We covered the following communes: Hinche, Ouanaminthe, Thomassique, Cerca-Cavajal, Maïssade, Capotille, Ferrier, Fort-Liberté, Petit-Goâve, Grand-Goâve, Léogâne, Bas-Limbé, Port-Margot, and Plaine-du-Nord.

- We did not survey a large enough group of processors of varying sizes to ask about differences between smaller- and larger-scale enterprises on such matters as product quality and safety, purchasing imported peanuts, access to credit, and contact with policy makers.
- We only spoke with a few Madan Sara, and this means we cannot make any broad generalizations about their circumstances or views.
- Due to resource limitations, we did not do research in either the Artibonite department or the southern peninsula, so our sample is not nationally representative from a geographic perspective and excludes one of the key producing areas (Artibonite) from consideration. As a result, we may have missed some important points we could have learned in those parts of the country.

Table 2. Persons interviewed by department and profession

Role in the value chain	Department				Total	M Number and %	F Number and %
	Centre	Nord-Est	Ouest	Nord			
Farmers	37	47	45	36	165	135 (82%)	30 (18%)
Madan Sara	4	0	4	0	8	2 (25%)	6 (75%)
Grilled peanut traders	1	0	0	0	1		1 (100%)
Peanut butter traders	0	0	1	0	1		1 (100%)
Processors	2	3	0	0	5	2 (40%)	3 (60%)
Carapina manufacturers	1	0	0	0	1	1 (100%)	
Others	5	0	0	0	5	1 (10%)	4 (90%)
Total	50	50	50	36	186	141 (76%)	45 (24%)

Source: PAPDA Survey of the Peanut Value Chain in Haiti (2017).

RESULTS

As other studies of the sector have also observed,[96] our survey showed that peanut growing, processing, and trading are all carried out in a context of poverty, and farming methods remain traditional:

- The revenue generated by growing or processing peanuts is insufficient to cover the cost of living. Some involved in the value chain conduct other activities in order to meet their needs. These activities include driving motorcycle taxis, selling other products, and growing other crops such as cassava, yams, bananas, beans, corn, and other vegetables. This situation is similar to that of small-scale rural farmers in other parts of the Caribbean.[97]
- Among farmers, various methods and tools are used to cultivate the land: plowing (32.1%), *konbits*[98] (55.8%), agricultural machinery (7.9%), and other tools (4.2%).
- Almost 37% of men interviewed were illiterate; the rate was 44% for women.
- The participants had six children on average.

The average age of participants was 51 years. Farmers had been working the land for an average of 24 years, while the Madan Sara had practiced their profession for an average of 13 years. The average was 20 years for grilled peanut traders, 12 years for processors, and 11 years for other workers in the value chain.

Many of the people surveyed advocated for some governmental support for their activities. However, none had received any support from the Haitian government or from any local or international organization.

Also, 97% of the participants stated they did not belong to any association of peanut growers, processors, or Madan Sara. This lack of support and organization leaves them unable to adequately face the major challenges of their sector, such as vermin and drought management and properly drying and storing

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96 Fonkoze and MEDA. *Analyse des chaînes des valeurs pour la pistache et le piment dans le Plateau Central d'Haïti*, *op. cit.*; Point du Jour, F. R. *Contribution à l'étude de la filière arachide en Haïti*, *op. cit.*; Schwartzbord et al. *AF Control and Livelihoods Among Peanut Farmers in Northeast Haiti*, *op. cit*.

97 Paul, J.-L., Bory, A., Bellande, A., Garganta, E., and Fabri, A. "Quel système de référence pour la prise en compte de la rationalité de l'agriculteur: du système de production agricole au système d'activité," *Les Cahiers de la recherche-développement*, no. 39, 1994, p. 7-19.

98 *Konbit* is a Creole word for a traditional, community-based collective work group in rural areas in Haiti.

peanuts. Furthermore, without the support of associations or allies, they are unable lobby the government.

Among the farmers surveyed, 59.4% owned the land they work, while 15.8% were tenants and 24.8% sharecroppers (a practice called *demwatye* in Creole). On average, each person used three quarters of the land for peanut growing. Of course, the use of traditional methods for tilling and weeding the land means these small-scale farms have difficulty competing against large international producers. As for the type of peanuts, all farmers planted the "*pistach peyi"* (the Runner variety[99]). Over 97% did not use fertilizer on their land, and 93.3% used no irrigation. Almost 51% reported little difficulty finding seeds and 74.5% reported regularly combating insect pests. Cultivators normally weed their plots twice before harvesting a crop. Each farmer employed 14 people on average (including an average of six girls) during planting and 21 people during harvest (including an average of nine women). Lastly, 97% had no loans from banks or microcredit institutions.

Storing the harvest can pose significant problems for small-scale farms. Only 42.4% of farmers in the sample had storage facilities.

Despite these difficulties, of the 139 respondents who answered our question on satisfaction with their engagement in the peanut value chain, 74.1% indicated that they were satisfied or very satisfied with their activity, only 4.3% reported being dissatisfied, and 21.6% said they were somewhat dissatisfied[100] (see Table 3). Some of the women interviewed reported that their activity gave them a kind of financial independence; they could use it to cover some household expenses and invest the profits from their work. Similarly, a survey carried out in 2018 for MFK in the Nord-Est department revealed that female peanut farmers used the profits from their harvest to meet the basic needs of their families, such as food, healthcare, and school fees.[101]

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99 Point du Jour, F. R. [Email, November 2019].

100 On job satisfaction theory, see: Hackman, J.R. and Oldham, G.R. "Motivation Through the Design of Work," *Organizational Behavior and Human Performance*, vol. 16, no. 2, 1976, p. 250-279.

101 MFK. *Enquête sur les femmes productrices d'arachide à Ouanaminthe (Sanane-au-Lait, Savane-Longue et Gens-de-Nantes dans le cadre du projet AFLAH)*, 2018, [Online]. [https://aflah.fsaa.ulaval.ca/fileadmin/Fichiers/Photos_Aflah/ENQUETE_RAPPORT_SUR_LES_FEMMES_final_May_25.pdf]

Table 3. People's level of satisfaction with their role in the value chain

Role in the value chain	Dissatisfied	Somewhat dissatisfied	Satisfied	Very satisfied	Total
Farmers	2	28	69	22	**121**
Madan Sara	3	0	1	4	**8**
Grilled peanut traders	0	0	1	0	**1**
Peanut butter traders	1	0	0	0	**1**
Processors	0	1	0	1	**2**
Carapina Manufacturers	0	1	0	0	**1**
Others	0	0	0	5	**5**
Total	**6**	**30**	**71**	**32**	**139**

Source: PAPDA Survey of the Peanut Value Chain in Haiti (2017).

In spite of its constraints and problems, the peanut value chain is vital for those Haitians who rely on it for income, as well as for local consumers. This is why the US donation announced in March 2016 raised such concern.

6. GIFT HORSE OR TROJAN HORSE: THE POLITICAL ECONOMY OF THE US PEANUT DONATION TO HAITI

The US government has provided monetary and other support to domestic peanut farmers since the New Deal of the 1930s. However, the structure of US peanut production has changed dramatically over time. In 1949, over 180,000 family farmers grew, on average, five hectares of peanuts, with an average yield of about one ton per hectare. But seven decades later, just 6,500 farms plant an average of 100 hectares to peanuts, with an average yield of 5 tons per hectare (nearly three times the global average yield).[102] US production is heavily concentrated in a handful of southern states, with Georgia alone accounting for almost half of the output.[103]

Most US peanut farms also grow other crops and are complex operations that utilize the latest agricultural innovations, including improved peanut varieties, as well as very high levels of mechanization and little labor.[104] Most US peanut farm operators enjoy higher than average incomes, are very well-organized politically, and have used their political influence to maintain an extremely generous set of subsidies despite their affluence, thereby engaging in what agricultural economists Barry Goodwin and Vincent Smith have called "naked rent-seeking."[105]

The 2014-2018 version of the US government's peanut program provided the average producer with $75,000 in subsidies annually (50% more than the median US household income), even though that average peanut famer's net worth totals $1.5 million. Peanut cultivators are eligible for double the limit on federal government payments that go to producers of all other supported crops, with a married couple eligible to receive up to $500,000 per season. Payments totaled $900 million annually between 2014 and 2016, and accounted for almost half the

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[102] Goodwin, B.K. and Smith, V.H. *Reflections on the US Peanut Program: It's Nuts,* Washington, DC: American Enterprise Institute, 2018.

[103] Schnepf, R. "US Peanut Program and Issues," *Congressional Research Service Report* R44156, September 27, 2016.

[104] Goodwin, B.K. and Smith, V.H. *Reflections on the US Peanut Program*, *op. cit.*, p. 4.

[105] *Ibid*., p. 4-5.

value of the US peanut harvest.[106] In addition, the government sets a price floor, and if market prices fall beneath it, the government will take the farmer's crop instead of collecting on marketing assistance loans, charging US taxpayers the cost of storing the now publicly owned peanuts.[107]

Following the World Trade Organization's decision that US cotton subsidies violated its rules, the 2014 US farm legislation provided substantial incentives for cotton farmers to shift to growing peanuts.[108] But US peanut subsidies may also face challenges at the World Trade Organization (WTO), since they have led to substantial increases in output that may reduce world prices. The United States is now the world's fourth largest peanut producer.[109]

Thanks in no small part to all this government largesse, US peanut production greatly exceeds domestic consumer demand. The glutted home market and the high cost of storing government-acquired goobers has led to efforts to move surpluses overseas. US exports rose 55% following the enactment of the 2014 farm legislation, and the United States is currently the third largest global exporter,[110] shipping 20-30% of the harvest abroad.[111] There is also Congressional pressure to push both whole peanuts and peanut butter into domestic and international food aid as a way to save on storage costs (which may reach more than $50 million in 2020-2021) and move surpluses off the market.[112]

The American Peanut Council (APC) is a peanut industry trade association that represents growers, shellers, brokers, product manufacturers, and suppliers.[113] As an official "cooperator" with USDA's Foreign Agriculture Service, APC receives $2 million in government funds annually to develop export markets.[114]

During debate over renewal of US farm legislation in 2018, Goodwin and Smith argued,

> *The current peanut program represents an extreme among extremes as agricultural subsidies go. Therefore, major*

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106 *Ibid.*

107 Schnepf, R. "US Peanut Program and Issues," *op. cit*.

108 *Ibid*.

109 *Ibid.*; Goodwin, B.K. and Smith, V.H. *Reflections on the US Peanut Program*, *op. cit.*.

110 *Ibid*.; Schnepf, "US Peanut Program and Issues," *op. cit.*

111 According to APC data; see [https://www.peanutsusa.com/export-promotion/export-promotion.html]

112 Shields, D.A. "US Peanut Program and Issues," *Congressional Research Service Report,* August 19, 2015.

113 See [https://www.peanutsusa.com]

114 Shields, D.A. "US Peanut Program and Issues," *op. cit.*

> *changes are needed, if not to eliminate such an unmerited waste of scarce taxpayer resources, then at least to bring levels of support into line with what other (generously supported) commodities currently enjoy. Continuing this out-of-control fiscal train wreck is, to put it mildly, simply nuts.*[115]

There is broad consensus across the US political spectrum that peanut subsidies are excessive, represent bad public policy, and are not helpful to developing countries that grow their own peanuts.[116] Yet the political clout of US peanut farmers and their allies, including friendly members of the US Congress, meant that new farm legislation in 2018 pretty much kept the "unmerited waste of scarce taxpayer resources" intact. As Goodwin commented in a December 2018 presentation on the new farm law, "Peanuts are the place to be in these programs."[117]

Despite political pressure to offload subsidy driven overproduction onto the world market, Haiti has not offered much of a target of opportunity. The country relies primarily on its own production to meet domestic demand.[118]

This contrasts sharply with the situation for rice, another crop in subsidy-driven surplus in the United States. Haiti is the second largest global market for US rice exports,[119] and with the country's virtual elimination of import tariffs in 1995 under pressure from the United States and international financial institutions, imports now account for 80-90% of consumption.[120] According to the US Department of Commerce, in 2017, US rice accounted for 96% of Haiti's imports by value.[121]

In the six years prior to USDA's 2016 donation, US peanut exports to Haiti averaged a bit less than 100 metric tons annually, accounting for just 0.03% of

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115 Goodwin, B.K. and Smith, V.H. *Reflections on the US Peanut Program*, *op. cit.*, p. 16.

116 Oxfam interview with US Senate Agriculture, Nutrition, and Forestry Committee Democratic staff, 2016; see also [https://haitiadvocacy.org/wp-content/uploads/2016/05/Final-Letter.pdf]; [https://spectator.org/all-commodities-are-equal-but-some-are-more-equal-than-others/]

117 Presentation at the International Food Policy Research Institute, [Online]. [https://www.youtube.com/watch?v=c2O-OOyrXNM&index=4&list=PLegdWbb3KnJ9LPnROkPumzpAhqxFUasHK]

118 FAO data from [http://www.fao.org/faostat/en/#home] indicate unofficial figures of just 18 tons of imported shelled peanuts in 2015, along with 36 tons of peanut butter.

119 US Department of Agriculture/Economic Research Service, *Rice Yearbook 2019,* [Online]. [https://www.ers.usda.gov/data-products/rice-yearbook/rice-yearbook/#U.S.%20Rice%20Trade]

120 Cohen, M.J. "*Diri Nasyonal ou Diri Miami?* Food, Agriculture and US-Haiti Relations," *Food Security* vol. 5, no. 4, 2013, p. 597-606; Cochrane, N., Childs, N., and Rosen, S. *Haiti's US Rice Imports, A Report from the Economic Research Service*, RCS-16A-01, Washington, DC: USDA, 2016, [Online]. [https://www.ers.usda.gov/webdocs/publications/39144/56601_rcs-16a-01.pdf?v=0].

121 US Department of Commerce. "Haiti – Agricultural Sector," February 14, 2019, [Online]. [https://www.export.gov/article?id=Haiti-Agricultural-Sector]

US overseas sales each year (see Table 4). There was a major spike in 2016, driven almost entirely by the donation (over 80% of US peanut tonnage exported to Haiti that year), and the share of total US peanut exports going to Haiti tripled as a result. In the two years since, US exports have fallen to a trivial level in both volume and value. Moreover, while US peanuts represented 83% of Haitian imports in 2016, the figure was 23% in 2015 and just 12% in 2017.[122] This suggests that the 2016 donation represents one-time dumping rather than a concerted effort to develop a market for US peanuts in Haiti.

Spokespersons for USDA and the UN insisted that the 2016 peanut donation would have little impact on Haitian producers, in light of the ongoing drought and since the donation only accounted for a mere 1.4% of Haiti's typical annual peanut harvest. USDA communications director Matt Herrick said that the US government and UN would subject the US peanuts to strict monitoring in Haiti to ensure that they only went to the targeted school children. For its part, WFP, which implemented the use of the US peanuts in school feeding, argued that the donation would "make a difference in improving the diets" of those children.[123]

Herrick dismissed the possibility of incorporating Haitian peanuts into school feeding, noting the problem of aflatoxin and pointing out that "the only factory in Haiti that produces peanut-based food rations to address the current health and nutrition crisis has routinely had to import aflatoxin-free peanuts."[124]

Table 4. US Peanut Exports to Haiti, 2010-2018

Year	Metric tons	% of US exports	Value ($)
2010	215	0,09	439 613
2011	36	0,02	80 509
2012	108	0,04	296 728
2013	119	0,02	358 591
2014	60	0,01	142 442

[122] Authors' calculations based on APC data posted at [https://www.peanutsusa.com/export-statistics.html] and FAO data posted at [http://www.fao.org/faostat/en/#data].

[123] McFadden, D. "Donation of Surplus Peanuts from US Dismays Haiti Farmers," *op. cit*. [Mr. Herrick is a former spokesperson for Oxfam America].

[124] *Ibid*.

2015	54	0,01	130 069
2016	**617**	**0,09**	**1 617 998**
2017	38	0,01	124 485
2018	22	Negligible	84 417

Source: APC data posted at [https://www.peanutsusa.com/export-statistics.html]
Notes: Includes blanched, inshell, kernels, peanut butter, and processed peanuts.
The 2016 data include the 500 metric ton donation.

Despite these assurances and explanations, press accounts in 2016 pointed out that Haitian peanut farmers viewed the donation primarily as an effort to introduce cheap US peanuts into the Haitian market, to the detriment of their own livelihoods.[125] Such perceptions undoubtedly stemmed from the long and bitter history of an unequal agricultural relationship between Haiti and the United States.[126] This not only includes the devastating displacement of local *diri nasyonal* (Haitian produced rice) by *diri Miami* from the United States, but also the disastrous story of the eradication of the Creole pig. Following the outbreak of African swine fever among the Dominican Republic's pigs in 1978, the US government pressured the Haitian authorities into agreeing to the slaughter of all of Haiti's pigs as a measure to prevent the spread of the disease to the United States. USAID efforts to replace the locally adapted breed with new US hogs proved unsuccessful, as the American pigs could not survive in local conditions. The costs associated with the new pigs also proved excessive in light of the income farmers were able to earn from them. As a result, low-income Haitian farmers lost their main form of savings, at great cost to their living standards.[127]

For its part, the Haitian government declared that it would not approve additional shipments of food aid containing US peanuts. On June 29, 2016, a group of representatives of Haitian and international NGOs met with the Minister of Agriculture and advisors to the Prime Minister to discuss the concerns of farmers and Haitian civil society regarding the negative impact of US dumping disguised

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125 *Ibid.*; "Haiti's Peanut Producers Oppose 500-Tonne US Donation," *Al-Jazeera,* August 28, 2016, [Online]. [https://www.aljazeera.com/news/2016/08/haiti-peanut-producers-oppose-500-tonne-donation-160828045625248.html]; Oswald, T. "Haitian Farmers to the U.S. Government: 'No to Free Peanuts!,'" *Huffington Post,* July 23, 2016, [Online]. [https://www.huffpost.com/entry/haitian-farmers-to-the-us-government-no-to-free_b_579262dee4b0a1917a6e91a5]

126 Cohen, M.J. "Diri Nasyonal ou Diri Miami?," *op. cit*.

127 See: Gaertner, P. "Whether Pigs Have Wings," 1990, [Online]. [http://faculty.webster.edu/corbetre/haiti/misctopic/pigs/gaertner.htm]; Smith, J.M. *When the Hands are Many: Community Organization and Social Change in Rural Haiti,* Ithaca, NY: Cornell University Press, 2001; Farmer, P. *The Uses of Haiti,* Monroe, ME: Common Courage Press, 2003. [We are grateful to Dieudonné Raymond for his valuable insights on the Creole pig story in Haiti].

as humanitarian assistance on the Haitian peanut value chain and the livelihoods of the producers. The Minister and the staff confirmed that they would refuse to accept additional donations. They also said they would work with USDA to develop a means to prevent leakage of the donated peanuts from the school feeding program.[128]

Whether the purported humanitarian peanut shipment to Haiti aimed at expanding the global market for US peanuts on a long-term basis or was merely a one-off exercise in surplus dumping, it represented a serious risk to the coherence of US policy. According to Barry, King, and Matthews,

> *Policy Coherence for Development (PCD) is achieved when policies across a range of domestic policy areas support, or at the very least do not undermine, the attainment of overseas development objectives. PCD seeks to represent the interests of the poorest developing countries within developed country policy-making processes and seeks to ensure that investments in overseas aid are not undermined by damaging non-aid policies.*[129]

These authors point to high levels of domestic agricultural support in aid donor countries that depress world market prices and create pressures for dumping surpluses overseas as a quintessential example of policy *incoherence* for development.[130] The US peanut donation to Haiti offers, at least potentially, a paradigmatic example. It is difficult to see how the US government and WFP could have created a foolproof way to keep the donated peanuts isolated from local markets, especially given the informality of the exchanges in those markets and the degree of poverty and food insecurity that pervades rural Haiti. This is a crucial point, because such leakage would put the US peanuts into competition with local produce. Also, given seasonal fluctuations in local peanut prices, an uncontrolled jump in supply could cause a further decline in prices and the profit margins of small-scale farmers.[131]

According to FAO's estimates, Haitian peanut production fell 39% between 2013 and 2018,[132] but periods of prolonged drought probably contributed to the decline. Neither FAO nor the Haitian government have published data on actual

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[128] Some of the authors of this report attended the meeting with Haitian government officials.

[129] Barry, F., King, M., and Matthews, A. "Policy Coherence for Development: Five Challenges," *Irish Studies in International Affairs*, vol. 21, 2010, p. 133.

[130] *Ibid*., 136.

[131] The authors thank Frantz Roby Point du Jour for pointing this out.

[132] See [http://www.fao.org/faostat/fr/#home]

production (as opposed to estimates) for 2014-2018, so it is not possible to calculate the exact impact of the donated US peanuts on Haitian production.

Regardless, the donation threatened to undermine longstanding US and WFP efforts to support Haitian farmers, including important aid to peanut producers. A major focus of USAID's work involved supporting Haitian peanut farmers in providing safe, locally produced peanuts to MFK and Zanmi Lasante for use in RUFs. The projects also provided Haitian peanut growers with extension advice and access to inputs such as improved seeds, fertilizer, and fungicides, in order to bolster their productivity. In addition, USAID supported the training of Haitian agronomists specialized in the production of aflatoxin-free peanuts[133] and funded research on the role of women in the peanut value chain.[134]

WFP has pioneered procurement of Haitian-produced food for its large-scale school meals program. That covers 485,000 students at 1,700 Haitian schools, mainly in rural areas.[135] In addition, WFP staff informed the authors that they obtained RUFs for response to Hurricane Matthew in 2016 from MFK, which sources peanuts locally whenever adequate aflatoxin-free supplies are available.[136]

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[133] Fulmer, A., ed. "Haiti Peanut Research Report," *University of Georgia Extension Bulletin* No. 1499, October 2018.

[134] Fulton, J., Aliyar, F., Chisi, M., and Welch, E. *External Evaluation of Feed the Future Innovation Lab for Collaborative Research on Peanut Productivity and Mycotoxin Control,* Washington, DC: USAID, 2016, [Online]. [https://pdf.usaid.gov/pdf_docs/PA00MFGK.pdf]

[135] WFP. *WFP Haiti Country Brief*, Rome: WFP, 2017, [Online]. [https://reliefweb.int/report/haiti/wfp-haiti-country-brief-march-2017]

[136] Authors' interviews with WFP and MFK staff, 2016.

7. CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The case of the United States peanut donation to Haiti perfectly illustrates the clash between two kinds of agriculture: small-scale farming of arid lands, subject to neoliberal policies and deprived of technical and financial support, and over-developed agriculture with cutting edge technology and protection for farmers.

These two models operate in sharply contrasting political contexts: a Haitian agricultural sector without government support on the one hand, and a heavily subsidized American agricultural sector on the other. As we have seen, 6,500 already prosperous American farmers access annual subsidies of 900 million dollars, while in Haiti, over 35,000 poor farmers have no access to subsidies or any form of governmental assistance. This is how imbalances easily arise in international trade between countries of the Global North and countries of the Global South.

Although the donation of 500 metric tons of peanuts to Haiti was officially supposed combat food insecurity and malnutrition in Haitian children, a closer look reveals an underlying desire to open up the Haitian market to US peanut growers, or at a minimum, to dump excess production, which could have detrimental effects on the standard of living of Haitian peanut farmers. The donation thus worked against US government efforts to reinforce peanut production in Haiti, since it was liable to give a competitive advantage to international producers over local ones. In the long term therefore, the donation could lead to an increase in peanut imports.

If this occurs, it could have devastating consequences for the livelihoods of thousands of Haitians and the local industry, which is of great importance to the Haitian people. The literature review on peanut production in Haiti and the survey conducted in the departments of Centre, Nord, Nord-Est, and Ouest for this report, reveal that the majority of people working in the peanut value chain are satisfied with their activity. Most of the women interviewed throughout the chain reported that their involvement enabled them to contribute to everyday household expenses, opening the way toward financial independence. Furthermore, since peanut plants are relatively drought resistant, they constitute a kind of insurance for Haitian farmers who have no formal insurance. Lastly, peanuts are highly important in Haiti, both culturally and in terms of nutrition. Given this, self-sufficiency in peanut production should be a top priority for the country's food

policy, and should be higher on the agenda of the Haitian government's agricultural policy.

RECOMMENDATIONS

- The Haitian government must assist the peanut industry in order to gain greater benefit from the new market opportunities, by supplying or supporting:
    - research, education, and technical training in peanut production;
    - access to loans for farmers, as well as traders;
    - access to environmentally friendly fungicides as well as training on how to use them safely. This could include developing biological control mechanisms for aflatoxins, such as Aflasafe, a product developed by the International Institute of Tropical Agriculture in Nigeria. Made from the aspergillus fungus responsible for producing aflatoxin, Aflasafe is already available in Africa;[137]
    - assistance for cooperatives and farmers' associations, as well as traders' organizations;
    - investment in infrastructure and the protection of natural resources;
    - an aflatoxin detection service.
- It would be advisable for the Haitian authorities to take the necessary measures to protect local farmers against the devastating effects of subsidized imports and dumping. As Haiti is classed as one of the Least Developed Countries, according to WTO rules, it is allowed to provide this protection by establishing a tariff system for an indefinite duration.
- Given the high levels of aflatoxin in Haitian peanuts, it is advisable to avoid consumption of marked, blackened, rotten, or moldy peanuts. The government must therefore introduce a program to raise awareness amongst consumers.
- The Haitian government must urgently establish national standards and develop existing food safety norms. Furthermore, it must make sure that food processors are able to procure raw materials of sufficient quality to ensure the safety of their products. Only with better standards and regulatory controls, incentives, and investments can the public health risk posed by

[137] See: [https://aflasafe.com/aflasafe/what-is-aflasafe/]

aflatoxin be minimized and Haitian peanuts be made safe for domestic sale and competitive on the international market.

- Farmers in the sector are advised to organize in order to push their claims, lobby for their political interests, obtain loans and agricultural insurance, and act collectively to ensure a fairer distribution of the added value in the industry.
- Donors such as the United States should continue to support the sector, while avoiding trade policies that conflict with their development aid, dumping in particular.
- All key bodies involved in Haitian national affairs (in particular, the government, cooperatives, and banks) along with donors and international NGOs and organizations must invest in the peanut industry or provide support to its key operators, since it represents a reliable economic, cultural, and nutritional pillar of Haitian society.

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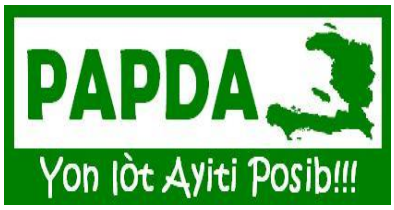

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