



## Making Things Grow in Argentina

**2009—Buenos Aires, Argentina:** The Quebrada de Lules, also known as Lules Ravine, located in northern Argentina, is an extremely fertile region for cultivating fruits and vegetables such as strawberries, blueberries, tomatoes, peppers, and citrus fruits.

To help increase profits through modern water management in Tucumán province, the 200 producers who live in the region turned to the Provincial Agricultural Services Program (PROSAP), a well established initiative of the Argentine Government that has received funding from the World Bank for almost a decade.

"We are a group of 13 small-scale producers who joined forces three years ago to form a cooperative," says Andrés Urzagaste, a strawberry producer and member of the "6 de Agosto" Cooperative. **"We started out with three hectares, but thanks to the support of PROSAP we now farm 30 hectares and have doubled the kilos of strawberries we grow per hectare. The quality of the fruit has improved as well, since we are using the best agricultural practices available."**



With the modernization of water management in Tucumán, farmers are able to improve their harvests and increase their exports

Just a few kilometers down the road, in the Tafí Valley, Horacio Romano, another producer, highlights how he has benefited from the program. **"In addition to cultivating lettuce and beans, we are now planting garlic. Since it is grown in the winter, it helps us combat migration,"** he said.

Producers making high quality wines, groups of young entrepreneurs generating innovative ideas for agriculture, and cooperatives learning how to manage their resources sustainably are all examples of innovation spreading rapidly across Argentina thanks to PROSAP's success.



## A Farming Tradition

Rich soils, a temperate climate, adequate precipitation and good access to sea transport have all contributed to the strong agricultural tradition in Argentina, and this sector has been key to Argentina's economic growth in recent years.

The agribusiness sector represents up to 18 percent of the country's GDP, 60 percent of its total exported goods and 20 percent of its employment. Despite these figures, the industry has its weak points, including a relatively low level of technological development, outdated infrastructure, a high rate of rural migration, and insufficient plant health regulations.

The Argentinean Government, with the support of the World Bank and other international credit-granting organizations, has begun to increase public spending on agriculture in order to achieve more sustainable and equitable agricultural growth.



Alvaro Soler, task team leader for PROSAP and Beatriz Nussbaumer, agricultural specialist

## Satisfying Local Needs

To participate in the national program, provinces must submit a 10-year agricultural development plan. PROSAP then provides producers services and resources to improve basic infrastructure such as rural roads, irrigation, and electricity, to create stronger regional economies, generate employment and increase exports.

**"This tool has great potential since it covers a broad range of areas and offers clients many different instruments,"** said Alvaro Soler, task team leader for the World Bank. **"This policy of decentralization strengthens provincial strategies and allows them to work more efficiently towards satisfying local needs,"** he added.



## Young Entrepreneurs

One outstanding example of the program's broad-based scope is the Young Rural Entrepreneurs group, which seeks to promote entrepreneurship among 18- to 35-year-olds from all walks of life.

**"We can't talk about innovative businesses without mentioning young people, not only as recipients but also as active agents of transformation and change,"** said Jorge Neme, PROSAP's coordinator, adding that **"the richness of the project is how it takes tools from the corporate world and adapts them to the context of rural Argentina."**



At the Development Centers, young people can participate in workshops, learn from other experiences, and discover their own strengths to be rural entrepreneurs

Since the launch of this specific project in June 2005, 2,800 young people have been trained at the centers, while 1,700 others have received specialized technical assistance for their businesses.

**"I came to find some direction and to meet other people who work in the same area as me. The course helped me with my sales,"** said Oscar Cuenca, an 18-year-old student who took part in training offered at the Lomas de Empedrado Center in Corrientes province. The young craftsman has followed in his uncle's footsteps, and now works with thread and leather to make saddles.

**"We want to give young people the opportunity to build a life in the place they were born, and to slow migration to the big cities,"** explains Neme.

## More Investment on the Horizon

New financing of \$300 million for the second stage of PROSAP has already approved by the World Bank Board of Directors, and will be launched in the coming months. This new phase aims to increase small and mid-scale producers' competitiveness, productivity, and sales, through technical assistance, training, infrastructure investments, and projects to promote innovation. It is yet another opportunity to strengthen agricultural development and improve the lives of thousands of rural families in Argentina.