

Let Agogo | Laiterie Leogane - Maxime & Guimaldo Cidrac, owner and production manager (brothers)

Mentoring Guide | Prepared following the November 2011 visit by Dale Vernezze & Evan Keller (author)

Information Gathered:

1. All three (1 govt, 2 private) of the schools they sell milk to are a part of the World Food Program (WFP) contract, so they essentially have one big client.
2. The WFP contract is with the national franchise (which has 20-30 franchisees in Haiti), not with Laiterie Leogane.
3. The WFP tests their product monthly (one bottle from each batch) and make random inspections of the processing plant as well. So far they've had no major problems with these quality control inspections.
4. They buy milk (at \$20HD/gallon) from four men who represent a total of 40 farmers.
5. Farmers who provide the milk are constantly trying to cheat by adding fillers. They test the milk for the proper density each time a farmer brings it in to sell.
6. Finding enough quality milk is currently their biggest challenge.
7. Vanilla flavored 8 ounce bottle of sterilized milk is their main product, but they sometimes produce chocolate and coffee flavors as well. These 8 ounce servings are sold in glass bottles and have a 9 month shelf life at room temperature.
8. The WFP requires financial statements, so they've recently hired an accountant to produce them.
9. They have 3 street vendors who come to pick up the product (some on credit) and pour it into plastic cups when customers buy from them. The franchise provides posters and carts for street vendors and gets a percentage of the sales.
10. They sell milk to a Total market in Leogane, the only store which has been successful in retrieving the bottles.
11. With the franchise's go-ahead, they are considering opening a second location in Grand Goave, where they are in discussions with a group of 80 farmers. Training is the only type of assistance the franchise would offer in this endeavor.

Observations:

1. They were positive, engaged, and eager to receive mentorship and reached out via email afterwards.
2. Increasing their street vendor network could provide much-needed revenue stream when school is out for the summer.
3. During the school year, they claim that they can sell as much milk as they could possibly produce to schools through the WFP. So increasing production of their current product should be the focus rather than diversifying to cheese or ice cream. If they had the working capital to do so, they could stockpile during the summer in order to increase their school-year sales.
4. They want to find more qualified farmers, but we're not sure they've done all they can do to find them.

Questions:

1. What challenges are you currently facing in your business?
2. What do you hope your business will be like in two years? How many new jobs do you hope to create? What positive impact would you like your business to have on the community?
3. Have you been participating in the RED training classes? How have they affected your business?
4. How does the Total market retrieve your bottles from customers? Can we visit them together?
5. Have you made a decision about the Grand Goave location? How did you arrive at your decision?
6. Has your new accountant produced financial statements?
7. How are you doing in your search for new farmers? Can we discuss ways to seek them out?
8. What costs are associated with bringing on new street vendors?
9. How much do your current street vendors sell per week? How many summer street vendors would you need to recruit to keep up with production at the school-year level?

Recommendations for the mentee:

1. Before launching a new location in Grand Goave, write a thorough feasibility study and business plan. Do not proceed unless there is a strong financial case to do so.
2. Recruit more street vendors and market vendors to sell your products. This can help improve summer sales.
3. Save money during the school year so that you can increase summer milk production to increase sales when school resumes.
4. Spend more time and effort seeking out local farmers. Interview all the farmers you know and other businesses that buy milk.

Recommendations for the mentors:

1. Connect with American dairies. Evan should explore connections with TG Lee (and bring them product samples).
2. At Maxime's request, Dave Genzink is reaching out to Ed Eveliene, a dairyman from Washington State who had previously been connected with Let Agogo. In particular, they want to learn if there's a way to store milk at room temperatures in packaging less expensive than glass. They also want general production help.
3. Visit the Total market in Leogane to find out how they retrieve the bottles.
4. Brainstorm with them on how to find more milk farmers.