CASE STUDY
Creating a Market for Artisan Cheese

Cheese producers improve practices and expand marketplace

Photo: Land O'Lakes

Lácteos Palmares employees taste cheese at the Second Cheese Festival in Tegucigalpa, sponsored by Land O'Lakes.

Lácteos Palmares has doubled the number of full-time employees and increased its sales by 15 percent.

Challenge

Fidel Caballero owns the cheese plant Lácteos Palmares and is one of many artisan cheese producers in Honduras who struggled to provide quality products for local and international markets. Although his plant has been around for more than 40 years and is considered a pioneer in cheese production, it has grown slowly due to poor infrastructure, equipment, expertise and marketing.

In Honduras, artisan cheese factories can be rudimentary and non-hygienic. Many small plants begin operating one day and close the next. But consumption of artisan cheese in the country is widespread, and there is growing demand for Honduran cheese in the United States because of its growing Central American population.

Initiative

In 2000, USAID established a business initiative designed to improve the conditions and operations of artisan cheese factories, including Fidel's Lácteos Palmares. USAID assistance motivated Fidel to invest more than $60,000 in his plant, including a new 5,000-pound cold storage area. Lácteos Palmares has also benefited from the cheese festivals USAID promoted, which brought much needed exposure for the improved products.

Results

In 2004, the Honduran Ministry of Trade and Commerce selected Lácteos Palmares from 120 contestants to feature its products in permanent displays at three major Honduran airports. As a result of USAID support, the plant has doubled the number of full-time employees and increased its sales by 15 percent. A recent appearance at the Expo Comida Latina in New York brought Lácteos Palmares new international business contacts. Fidel recently opened a store on a busy road on Honduras' north coast and may open a new processing plant to satisfy international demand.