



## **Fact Sheet**

# Chiquita Home-Ownership Projects

**June 2008**

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### **Overview**

Chiquita Brands International encourages home ownership for its workers in many of the communities where it does business. The idea of helping workers acquire their own homes had been nurtured for a long time but the first formal steps for bigger projects were taken in 1998 in Panama and Honduras. In Honduras, the Nuevo San Juan project was set in motion to respond to the devastation caused by Hurricane Mitch.

Following the success of this initiative Chiquita decided to extend the housing projects to other areas where the company is present. Currently, we have homeownership programmes in Costa Rica, Guatemala, Honduras and Panama. To date, with Chiquita's help, over 2000 employees have become homeowners.

### **Objectives**

The objective of Chiquita's housing projects is to improve the living conditions and community services available to its workers and their families through safe, affordable worker-owned housing, located with good access to nearby urban centres. This has permitted the reduction or even closure of the isolated farm housing provided historically by the company. In most of the communities where Chiquita workers live, the company provides daily transport to the farms, in order to make the transition easier for the workers.



## **The projects**

### ***Honduras – Nuevo San Juan***

On 6 October 2002, after three years of planning, FUNDESULA (Foundation for the Development of Sustainable Communities in Sula Valley), with the financial assistance of Chiquita (\$3.2 million) and the government of Honduras (\$1.4 million), opened the doors to



Phase I of this new community called Nuevo San Juan. Within the municipality of La Lima, it lies outside the flood plain and the farms, but no farther than 14 kilometres from the workplace.

Fifty families, whose company-provided houses were the most severely damaged by Hurricane Mitch, received keys to the first set of houses. By the end of 2003, 600 families who used to live in six of the division's 13 housing communities had moved into their new homes.

Phase I of the project, completed at year-end 2003, provided 600 families with new homes. Phase II was completed in 2005 and saw the construction and delivery of 1350 new homes for company workers in two sites; 1192 in Nuevo San Juan and 158 in Cobb. In 2006, a further 300 houses were added to Nuevo San Juan, in coordination with a government subsidized home-ownership programme.



## *Guatemala*



Chiquita's housing project in Guatemala is a programme similar to the Nuevo San Juan development in Honduras. By the end of 2005, the project had a model home and signed commitments from 150 workers for houses in a first phase of a 330-unit project. The Guatemalan team was able to bring down the project cost by using local contractors, buying strategic materials

in bulk and applying learning from the Honduran project.

In December 2006 the Guatemalan president, Oscar Berger, officially inaugurated the housing Project Expansion Placa I, which added 333 more houses to the previous Placa I Project. This housing Project was built to benefit workers that lived in company housing in the farms Chinook, Kickapoo, Valle de Oro y Hopy. The Project was developed through a three-party partnership between the company, the workers and the Guatemalan government, which participated through the Guatemalan Fund for Housing (FOGUAVI).

## *Costa Rica*

Costa Rica's housing project was slightly different from those in Honduras and Guatemala, in that it did not involve the development of a new community and building of new houses but a recuperation of existing houses owned by the company, as well as a funding programme. It began in 2002 with an analysis of approximately 600 company houses in a variety of residential areas. Others had to be moved from areas that flood on a regular basis. When Chiquita conducted surveys to see if employees were interested in home-ownership in Costa Rica, many worried about the costs, particularly since most employees were not accustomed to mortgages and banking relationships.



To prepare the residents for home-ownership, Chiquita arranged for Costa Rica's National Learning institute to provide free classes on family budgeting, home maintenance and even human relations to teach the employees how to work together as a community. The Costa Rican government also assisted through a housing subsidy programme for low-income families who do not own any other property. Although the amount of the subsidy varies by family income, monthly house payments amount to only 10 to 15 per cent of the residents' income, and about half of the cost to rent a house. Employees can repay their loans through payroll deductions, but they are not required to continue working for Chiquita.

### ***Panama – Bocas***

In Bocas, Panama, a similar privatisation of housing to that in Costa Rica was launched in 1998 with the collective bargaining agreement. It called for Chiquita to build 100 new homes and provide interest-free financing to make home ownership and home improvements possible. The 2003 bargaining agreement called for 130 loans for new construction and sale and improvement of company homes by 2007.

### **Safety, Affordability, Expandability**

With slight variations to adapt to the project and to the local requirements, the homes provided by Chiquita are designed and built with three primary considerations: safety, affordability and expandability. The objective is to provide a house with a durable structure that will last for at least 10 years without needing any major repairs.



The company also tries to involve as much as possible workers' representatives in the development of the projects, to ensure that these respond in an affordable way to all the needs of the families. Community engagement is one of Chiquita's main concerns, and at times has proved to be a delicate process, especially given the specificities in some of the regions and the role corporations traditionally had in the daily life and structuring of the communities. The aim of these projects is to promote dynamic communities and a sense of individual ownership while contributing to the overall improvement of the lives of workers and their families. It has been a learning process for the company and the local institutions involved. The goal is to provide the communities with the tools to play an active role throughout the process and gradually encourage them to take responsibility for their common environment when the projects are completed.

### **Building a Sustainable Community**

The community is equipped with all basic urban and community infrastructure run by the local municipality or private entities. We Care, Chiquita's non-profit employee-operated relief organization, partially funded the construction of the community's elementary school, which is run by the public school system. The company continues to provide health and educational services to its workers, when not supplied by the local government.

The company also distributes and markets fresh-cut fruit and other branded, value-added fruit products. Additional information is available at [www.chiquita.com](http://www.chiquita.com).

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