



Monthly Update – January 2010

Rural Economic Diversification Program

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a five-year initiative funded by the United States Agency for International Development (USAID) whose main objective is to increase incomes and employment opportunities in the rural communities of Honduras. USAID-RED focuses on increasing the competitiveness of Micro, Small and Medium-Size Enterprises (MSMEs) in Honduras, expanding their local sales, exports and investments and promoting an increase in the production and investments of increased value and value-added products.

USAID-RED will finalize its activities in September 2010. The USAID-RED Monthly Update is available online at www.usaid-red.org. If you would like to receive this or other publications automatically by email, you can subscribe directly on our website.

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AGRICULTURAL PRODUCTION

Technical Assistance: In January, USAID-RED technicians carried out 825 technical assistance visits.

Plantings: USAID-RED clients assisted planted 235 hectares of crops in January, including plantain – 27; jalapeño – 5.8; tomato – 18.8; sweet pepper – 5.2; cassava – 4.6; onion – 4.3; corn – 56; watermelon – 35.8; melon for export – 53.3; and cucumber for export and the local market – 11.7, among others.

Irrigation: A total of 72.4 new hectares of drip irrigation were installed and distributed between: Yoro (22), Copán (10.7), Cortés (5.1), El Paraíso (22.8), Francisco Morazán (11.5), and Ocotepeque (0.35).

Training: In the area of production, 55 training events were carried out in which 358 people were trained.

Investments: USAID-RED clients invested a total of \$236,469, destined primarily for the installation of drip irrigation systems, production infrastructure, plantain seed purchases, fumigation equipment, agricultural machinery, purchase of work vehicles, irrigation pumps and land.

Good Agricultural Practices (GAP’s): The program continues promoting GAP’s. Deep soil preparation to



Photo by Fintrac Inc.

Assessment of pH on plantain farm, Cantarranas, FM

Select Crop Sales for Assisted Producers – January 2010

Product	Volume	Sales (US\$)
Melon	4,903 M ³	722,500
Watermelon	656 M ³	56,800
Tomato	1,049,000 lb.	319,100
Jalapeño Pepper	1,439,300 lb.	294,700
Sweet Pepper	409,900 lb.	95,300
Cucumber	688,500 lb.	123,600
Plantain	716,900 lb.	110,800
Cassava	122,000 lb.	12,700

improve drainage and higher beds for different crops are being recommended. In preparation for the summer, the use of subsoilers to break the hardpan in plots is being recommended as well. For plantain and pepper crops monitoring and control of mites is being emphasized since they can become a big problem during these months. Continued the installation and expansion of drip irrigation systems; irrigation pressures and discharges are being measured in order to apply the required sheets, a critical activity during the summer. Live sorghum barriers continue to be planted to protect crops from the wind and to control virosis. The use of row covers to control virosis vectors is being introduced in new zones. Continued offering trainings on fluorescent ink and lamps to monitor fumigation coverage.

Select Results:

- Built two packing plants for plantain with capacity to pack one container per day (in Olanchito and La Lima). One of them also has the infrastructure necessary for plantain peeling.
- A producer from Gracias, Lempira, improved his corn yields from 12 qq./mz to 60 qq./mz by using techniques promoted by the USAID-RED program, representing an increase of 500%.
- A producer from Lean, in Atlántida built a greenhouse with capacity for production of 40,000 plantlets. With this infrastructure he no longer needs to pay for jalapeño pepper plantlets and he can program his plantings more effectively.
- A new exporter from El Paraíso sent a second container of sweet potato to Canada.

ADDED VALUE

Investments: Investments made on processing equipment totaled \$58,145.

Plantain fritters exporter: Sampled frozen cassava and croquettes for export with the intention of diversifying their products.

Plantain slices and ground beans (Tegucigalpa): Designed new presentation for mini-markets and convenience stores.

Pre-cut vegetables (Tegucigalpa): Pre-cut vegetable tests for chismol took place.

Plantain slices (El Progreso): Oil filtering tests took place to improve product quality.

Crushed pineapple: Developed formats for processing records needed for prerequisite programs.

Plantain and cassava processor (Choloma): Prepared plant for international certification in quality management systems including work done on quality management, GMPs and HACCP. The work performed was guided by efficiency indicators recently established. Costs and production systems were restructured completely based on the results obtained. Designed a follow-up plan to determine the improvements made in order to attain the



Revision of a Jalapeño Chile farm, Comayagua



Soil core sampler used to measure soil humidity, Comayagua



Sweet potato packing for export, El Paraíso

goals set. Defined improvement strategies for 2010.

Pre-cut vegetables (Comayagua): Collaborated on the development of a work plan for 2010, focusing on looking for new business opportunities. A strategy is being developed to fulfill the requisites of potential clients. New products have been evaluated and production costs established.

Supermarkets (El Progreso and SPS): Specifications for vegetable purchases are being developed. A strategy to increase sales volumes is being developed for USAID-RED producers with direct supply programs that have volumes higher than 100,000 pounds per month.

Ground beans (SPS): Evaluated plant to identify opportunities to make improvements including the infrastructure of processing areas. Assisted with the installation of new equipment and reviewed GMP topics with the plant's personnel.

Juices (SPS): Measured yields of orange and passionfruit juice to determine costs for these products and measure their profitability. Other bottling options were evaluated to save on the packing and facilitate bottling.

Agribusinesses assisted by FUNDER: Provided assistance with the carrot washing process. Discussed the processing flow chart due to improvements being developed in the collection center. Trained a group of more than 25 producers on postharvest practices and carrot management in order to promote this crop in the zone. Assessed the uchuva process to make GMP improvements.

OTHER CLIENTS: Defined business plans that will be developed with several value-added businesses. Continued preparing a farm and plant for GLOBALGAP certification in a southern zone of the country. An audit and pre-audit took place to evaluate and follow-up on the status of implementation of practices.

PROGRAM WITH INSTITUTIONS

A total of 175 trainings took place with 1,875 participants. Staff in this area have carried out 493 technical assistance visits with the groups that are working with the NGO's in Intibucá, Lempira, Ocotepeque, Copán, La Paz and Francisco Morazán. Trainings began on Integrated Pest and Disease Management offered by Cristino Melgar and Lorena Lastres. Select mentionable activities carried out by each NGO are below:

FUNDER: A general meeting took place where the final report for 2009 was discussed. Agreements and compromises were defined by both institutions; in addition, 125 technical visits and 32 trainings (244 participants) took place in different technical areas including soil preparation, transplant, adequate use of agrochemicals, installation and maintenance of irrigation systems and vegetable nutrition.

WORLD VISION: Developed three field days on high-yielding basic grains (corn and beans) with the participation



Testing on oil filtering for plantain slices, El Progreso, Yoro



Pre-audit of packing plant and melon farm for GLOBALGAP certification, Choluteca

of producers and technicians from several institutions. Experience exchange visits took place, 21 formal training (412 people) and 158 visits that focused on equipment calibration, installation, maintenance and operation of drip irrigation systems, adequate use of agrochemicals and disposal of crop residue.

CARITAS: A total of 29 visits took place to follow-up on good agricultural practices related to several crops.

OCDIH: A total of 19 trainings (91 participants) and 73 technical assistance visits took place that covered agrochemical management in sweet corn, installation, management and operation of drip irrigation systems, and use and calibration of application equipment.

HERMANDAD DE HONDURAS: A total of 55 visits took place during which the following topics were covered: installation of flow meters, management of family plots, establishment of barriers, calibration of irrigation systems, use and management of agrochemicals, soil preparation and harvesting.

ODECO: A total of 8 visits took place on the management of irrigation systems, weeds, and crops.

FUNLESOL: A total of 49 training events and 27 technical assistance visits took place that focused on equipment calibration, adequate use of agrochemicals, crop management, and irrigation design and management.

CESAL: A total of 27 visits took place covering crop management, use of trellising and irrigation system management.

MARKETING

- Continued providing technical assistance to 10 processors and 3 NGOs on the analysis of sales indicators for decision making. The program recommended that the information be kept electronically using established formats in order to monitor sales for certain routes and clients.
- A training workshop with 22 participants took place for FUNDER producers in Marcala, La Paz. The workshop covered Business Ethics and Business Opportunity modules.
- This month 29 market links were established. The most significant included Hermandad de Honduras with supermarkets in SPS and buyers from El Salvador, and the opening of OCDIH and ECARAI with supermarkets in SPS.
- A loan was obtained for the purchase of a truck to distribute vegetables along the north coast with a total investment of \$61,104. This purchase will improve logistics and drastically reduce distribution costs.
- Continued visiting USAID-RED technicians in several departments around the country.



Greenhouse construction with FUNDER producer, Azacualpa, Francisco Morazán



Pest sampling on lettuce with Funder producer, Azacualpa, Francisco Morazán



Business opportunities training, Marcala, La Paz

AGROFORESTRY

- A total of 33 training events with 198 participants took place that covered the plot management of cassava, plantain, rambutan, passionfruit, and Tabasco pepper.
- Field visits totaled 345 and included the following activities: establishment and agronomic management of different agroforestry systems, monitoring of harvest, postharvest, pests and diseases, transport of vegetative material from place of purchase to plantation, and marketing management, among others.
- Participated in a field day held in corn and bean demonstration plots coordinated by World Vision, Yamaranguila and USAID-RED.
- Field information was collected to create files that were sent to IFC (Institute of Forestry Conservation) in order to obtain Forestry Plantain Certificates provided by this official organization.



Plantain and bean intercropping, Jesús de Otoro, Intibucá

GENERAL

- Established the fifth alliance with the private sector, AMANCO, where the agribusinesses being assisted by USAID-RED will benefit by obtaining competitive prices for their irrigation systems and accessories to expand the technology they already possess. AMANCO offers discounts in each line of products and USAID-RED covers a percentage of the total cost. This alliance will benefit commercial scale producers, NGO technicians and beneficiaries.
- An external consultation took place to identify opportunities that will strengthen technical assistance including abilities, skills and technology, which make-up Fintrac's extension focus. Methodologies were analyzed to guarantee long-term sustainability for commercial scale producers, NGO technicians and their beneficiaries.
- An internal audit took place with the data gathered in the field to analyze project indicators. This activity is part of the quality control for the information gathered by the monitoring and evaluation team.
- Completed the program's quarterly report that includes all the indicators. The goals have been attained and exceeded in relation to the annual projections outlined, including sales (108%), employment (131%), investments (174%), and clients who have increased their annual income by at least 40% (141%).
- The results obtained by the project in 2009 were presented at an executive level and individual work plans were established for 2010.



Collection of producer data, Talanga, Francisco Morazán