



Monthly Update – August 2009

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: During the month of August, USAID-RED technicians made 753 technical assistance visits.

Plantings: A total of 45.85 hectares were planted by USAID-RED clients including 28.5 of plantain, 2.8 of jalapeño pepper, 0.8 of tomato for processing, 2.0 of Nathaly pepper, 8.2 of cassava and 1.8 of pineapple, among others.

Irrigation: 54.8 hectares were installed with drip irrigation including 10 in Yoro, 0.3 in Atlántida, 30 in Ocotepeque, 5.0 in Lempira, 5.0 in Colón, and 4.4 in other departments.

Training: A total of 41 training events on production took place where 374 people were trained, 231 men and 143 women.

Investments: During the month of August, USAID-RED clients invested a total of \$75,569 mostly on installation of drip irrigation systems, production infrastructure and plantain seeds.

Good Agricultural Practices (GAP's): USAID-RED continues promoting good agricultural practices. Technical assistance was provided on management of planting



Photos by Fintrac Inc.

Lettuce training, Intibucá

INVESTMENTS

The investments made by USAID-RED clients and NGOs during the month of August totaled \$128,169. The areas with the highest investments are provided in the table below.

Description	US\$	% of Total
Processing equipment and infrastructure	20,800	16.2
Irrigation equipment and infrastructure	32,264	25.2
Production infrastructure	37,253	29.1
Postharvest equipment and infrastructure	26,000	20.3
Others	11,852	9.2
TOTAL	128,169	100%

programs, soil preparation with an emphasis on bed making, management and control of diseases that affect all crops, equipment calibration practices, and training on safe use of pesticides. Trainings on disease management for NGO producers and technicians were coordinated throughout the country by FHIA personnel. Producers have been trained on plantain surgery and deleafing to lower black sigatoka inoculums and reduce the cost of systemic fungicide applications. Continued installing and expanding drip irrigation systems and providing training on the maintenance of the systems. Reinforced root sampling to check soil humidity in order to manage irrigation adequately and avoid hydric stress that affects crop yields. Drainages were designed, fertilization and fumigation programs delivered, harvest and postharvest practices have been followed-up on, among others.

ADDED VALUE

Trainings: A total of 13 training events took place with the participation of 79 women and 78 men. The topics covered included postharvest practices and vegetable handling, good manufacturing practices and handling of food products, production of wines and marmalades, production of fried green plantains and fried slices, and basic microbiology.

Investments: Program clients invested \$50,100 on processing equipment, infrastructure for processing plants and equipment to market and exhibit vegetable products.

Plantain and processed cassava: The availability of plantain and cassava for processing has increased. Changes were made to the process flow and infrastructure of the cassava line that contributed to the safety of the products and a reduction in cross contamination risks. Improved efficiency has been achieved by reducing the use of oil. Prerequisite programs are being updated and preventive maintenance and industrial safety programs are being developed. Exports continue at a rate of 20 containers per month.

Supermarkets (Yoro and Cortés): Finished training personnel that work with perishable products, improved the appearance of fresh product shelves and improved vegetable quality dramatically.

Fried green plantains (Atlántida): Plant capacity has increased by 50% with changes to the process flow (utensils such as a decoring machine and a table to wrap trays, structuring the process).



Plantain nursery, Copán



Innovative microbusinesses, Atlántida

Several clients: Technical assistance visits have taken place that focus on improving plant efficiency, analysis of process flow, standardization of product quality, reduction of costs, loss reduction, and a longer shelf life. In addition, established equipment needs, revised and developed program prerequisite and ISO 22000 manuals, identified business opportunities and market channels, and developed new products.

PROGRAM WITH INSTITUTIONS

A total of 112 trainings and 342 technical assistance visits took place this month. The investments reported totaled \$2,960 made by organizations and their beneficiaries. USAID-RED consultants continued training technicians and producers.

FUNDER: A visit and national field day were held in Güinope, El Paraíso on carrots with the participation of technicians and producers from Lepaterique, Jutiapa, Azacualpa, and Intibucá; visits and local demonstrations were held in several zones; continued assisting technicians and beneficiary producers on installation of greenhouses, production of local substrates, contour plowing, liming, bed making, identification and control of pests and diseases in several horticultural crops. A total of 97 visits to different technical units and 35 formal trainings took place with 305 men and 35 women participating.

WORLD VISION: A total of 145 visits and 28 formal trainings with 245 men and 48 women took place; orientation was provided on basic practices in horticultural crops and basic grains, including the following activities: establishment of plantain and cassava, installation of nurseries, development of organic fertilizers, soil preparation, plantlet production and use of local substrates, irrigation installation and management, use of barriers, IPM, fertilization and potato seed management, among others.

CARITAS: A theoretical and practical training took place for technicians from different zones at the Merendón training center and Escuela Agrícola Pompilio Ortega de Santa Bárbara. A total of 35 visits and 20 trainings for 268 participants took place at four technical units in Francisco Morazán and La Paz. Technicians were trained on horticultural crops and the following activities: crop management, water source identification and capacity, design and maintenance of irrigation systems, IPM, and soil preparation.

OCHDI: A visit took place with technicians from the zone of Intibucá to see horticultural and fruit crops, greenhouses and processing plants. A total of 16 visits and 10 trainings for 40 men and 15 women took place; activities also took place on cabbage, Lamuyo pepper, tomato, Tabasco pepper and potato; specifically covering basic practices



Potato harvest, Intibucá



Field day, Intibucá

during nursery development, cultural practices, transplant, and IPM.

Global Village: A total of 16 visits and 3 trainings took place which covered plantain, potato, broccoli, carrots, cabbage and activities such as soil preparation, topography studies, design of irrigation systems, planting densities and plantlet production using local substrates, among others.

Hermanidad de Honduras: A total of 19 visits and 9 trainings took place with 114 men and 92 women on horticultural crops, plantlet production, development of local substrates, establishment of demonstration plots, planting densities, and others.

Other organizations: Continued assisting Plan de Honduras, ODECO, FUNLESOL, and CESAL by training their technicians and visiting their producers.

AGROFORESTRY

- In August, 2.21 hectares of horticultural crops were planted with a total of 26 producers from the high plains, in addition 14 producers from the coast established 15.71 hectares with different crops and 600 meters with wood trees.
- A total of 14 new clients joined the program and began field activities in the Atlantic zone and 7 in the high plains for a total of 67 clients in the high plans and 73 along the coast.
- During this month, 35 training activities took place with 172 participants and marketing assistance was provided in the zone of La Esperanza, obtaining an income of Lps. 80,912.

MARKETING

- A workshop was offered on Business Skills to the operations committee of PDA San Francisco de Ocotepeque, World Vision. This group will train, evaluate and supervise the tasks of each one of the communities they assist. Established links with zone producers.
- A total of 13 market links were established including links between an escarole lettuce producer from La Esperanza with an exporter of vegetables and a fast food chain, four plantain producers with a slices processor, and a pepper producer with a supermarket in Siguatepeque.
- Provided assistance with the development of two feasibility studies one to obtain financing for a chips processor and the other to buy equipment and vehicles for their product's sales routes.
- Evaluated the current distribution and markets of Hermanidad de Honduras and FUNDER with the objective of exploring other future distribution channels. In addition continued gathering information on the market and marketing opportunities for potato, which started during the month of July.



Assessment of broccoli crop, Intibucá



Field day on lettuce management, Intibucá



Marketing Plantain Harvest, Yoro

GENERAL

- Began perforating a well as part of the activities of the Alliance between INALMA and Empresa Asociativa Campesina 25 de Marzo and continued meeting with input providers about establishing a financing option that is favorable for the plantain production project.
- Established a co-investment fund for plantain with Empresa Asociativa Campesina 6 de Marzo to buy an irrigation pump and accessories; this contribution will provide irrigation to 30 manzanas that are being financed by BANADESA. USAID's contribution represents 6% of the total investment.
- To strengthen the technical capacity of the NGOs that the program currently assists, the fund for agronomist kits is now larger since the demand for assistance was much higher than what was initially projected. The use of this type of field tool improves the decision making capacity of the technicians and the producers being assisted.
- Designed a new fund to participate in the hiring of two technicians from World Vision Honduras that will expand the program's coverage to 200 micro and small producers in the zone of Intibucá and Lempira, which are two areas where the Program has a special interest due to the impact it would represent to the local communities. USAID-RED will finance 36% of the total costs that include purchasing irrigation systems to establish demonstration plots to facilitate the transfer of technology.
- A field day took place with the technicians and other employees responsible for the joint activities with World Vision Honduras. During this activity the goals and achievements were revised and future activities were planned. In addition, the benefits of the alliances the Program has established with private sector agricultural service providers were reported on.
- The USAID-RED team met to discuss achievements to date and evaluate strategies to achieve the goals established for 2009.
- As requested by Asociación Hondureña de Productores y Exportadores de Rambután (AHPERAMBUTÁN), USAID-RED developed a US market survey on the sales options for rambutan. The survey was delivered and it is expected that the Association will be able to establish contacts that will enable a long term commercial relationship.
- Due to the alliance established with SEMINIS, four seed purchases have taken place for producers in Comayagua and Ocotepeque, and PDA Maya de Visión Mundial in Copán.



Postharvest handling of potato, Francisco Morazán



Delivery of agronomist kits to World Vision Honduras, Lempira



Seedling management, Intibucá

