



MONTHLY UPDATE – October 2006

RURAL ECONOMIC DIVERSIFICATION PROGRAM

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a three-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.

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MARKETING AND MARKET INFORMATION

Created and distributed weekly price, U.S. market volumes and local price bulletins for plantain, cassava, chayote and pineapple; distributed weekly price bulletins for fruits and vegetables in major Salvadorian and Nicaraguan markets; distributed the monthly price bulletin for fruits and vegetables in European markets; communicated with potential butternut squash buyers in Italy; obtained logistics and transport price information for exports to Italy; established market liaison with a jalapeño pepper buyer from Guatemala; buyer liaison and visit between a jalapeño pepper buyer from Costa Rica and farmers from the central-south-east zone; distributed bulletins on the cost of production of vegetables at the Feria Agroexportadora at EAP-Zamorano; bought mesh for sweet potato packing; established contact with an aromatic herb buyer; established liaison between a potato grower and a supermarket in Tegucigalpa; created and presented a cassava profitability analysis; obtained approval for the research of processed product buyers for exports to El Salvador; established contact between IQF jalapeño and cheese buyers in the USA; approval to conduct a pepper market survey; established contact with a jalapeño pepper buyer in El Salvador; established contact between plantain farmer clients and fresh and peeled plantain buyers located in Cortes; liaison with Cámara de Comercio to enroll clients to participate in Ferias Comerciales Nacionales; contact with sweet corn buyers in San Pedro Sula and Guatemala; contact established with a Jamaican buyer interested in importing limes, English cucumber, and pineapple; contact established contact with MD2 pineapple seed suppliers for a farmer interested in sowing 30 hectares; met with an exporter interested in exporting grass; revised and continued with supermarket vegetable buying plans; met with a representative for a Dutch buyer interested in exporting sweet potato and opening market channels with the USA; met with a plantain leaves for 'nacatamales' buyer to establish contact with farmers.



Planting Plantain Corms

TRAINING

119 trainings took place in October; 1,065 persons were trained – 1,289 men and 385 women.

Area	# Events	# Persons
Food Safety	19	155
Processing	6	96
Production	82	1,153
Market Information	2	19
Finances	4	75
Agroforestry / Others	2	43
Postharvest	4	133
Total	119	1,674

Examples: Management of irrigation/fertigation systems; management and preparation of soil; water bulb and plant nutrition management; integrated management of pests and diseases; pest and disease sampling; general management of nurseries; production costs for specific crops; introduction to keeping logs; postharvest management; creation of market bulletins; preparation of pickled vegetables; packing and labeling of processed fruits and vegetables; hygiene and plant health; good agricultural practices/EUREPGAP, good manufacturing practices/HACCP.



Irrigation training in Olanchito

TECHNICAL ASSISTANCE ACTIVITIES

PROCESSING

Obtained sample packing bags for coffee, snacks, etc.; sent samples of sliced and halved cucumbers and jalapeños in buckets; obtained price quotes for a machine used for making corn and flour tortillas and a kneading machine; took water chlorine readings; prepared samples for the food control lab to obtain sanitary registration; renewed Sanitary Licenses; visited label and glass container suppliers; inspected processing plant flows; monitored the percentage of citric acid added to cubed pears, apples, and peaches; monitored the plant prerequisite program; assisted in plant processing flow improvements; reviewed the lemon juice extraction process; monitored fruit and vegetable disinfection systems; revised GMPs implementation; defined the 'quesillo' packing process for export to the USA; revision and orientation in the use of plant processing flow monitoring formats; obtained 'quesillo' samples in two plants for microbiological and physicochemical product analysis; reviewed plant disinfection processes, especially in the processing area; review of and recommendations for diluting product concentrations to disinfect processing plants.

POSTHARVEST

Plantain maturation tests in plant with good texture, color and fruit quality; recommendation on setup of plantain packing line; quality samplings on red and orange sweet potato for export, root sampling of cassava; thickness, length, quality; new chayote storage tests in cold rooms for export to Europe; recommendations on sweet potato harvest for export and cassava for the local market; maturation tests for plantains in supermarket storage room; evaluation for construction of vegetable packing area at Zamorano; recommendations on the packing of Chinese and Thai eggplant for export; evaluation of chayote quality in harvest; recommendations on chayote harvest for Islas de la Bahía market; recommendations on transporting vegetables from the farm; design of flow chart for the storage of fruits and vegetables in a supermarket.

INVESTMENTS

USAID-RED clients reported investments of \$104,292 for the month of October. The areas with the largest investments were vehicles and other transportation equipment, processing plant infrastructure, HACCP certification, nursery infrastructure, irrigation equipment and installation, equipment for processing plants.

OTHERS

Cassava harvest test using sweet potato harvester with good results; obtained information on exporting to Guatemala; support in the implementation of the project on 'nacatamales' preparation; established contacts with vegetative material providers of improved varieties of cashews and equipment for cashew processing in Brazil; prepared sweet potato flour tests for potential buyer in the United Kingdom; field visit with students from CURN who are studying Formulation and Evaluation of Projects; created zucchini processing tests; tests performed to expand the sweet corn market to Costa Rica and Nicaragua through a local buyer.

PUBLICATIONS - PRESENTATIONS

Technical bulletins: Technical bulletin on Postharvest Management of Jalapeño Pepper.

Presentations: Advances in the performance of the USAID-RED Project; Financial Course for Producers; Leadership Course, Motivation and Delegation; Sweet Potato Profitability Analysis; EurepGap Norms; Cassava Profitability Analysis.

Advances in Select Crops – October 2006

Plantain:

436.6 thousand pounds harvested from 67.3 hectares; 0.5 peeled plantain containers exported. Total sales of \$39.9 thousand; 21.1 hectares planted.

Nathaly Sweet Pepper:

23 thousand sacks sent to El Salvador; sales of \$110.8 thousand; 22.7 hectares in harvest and 0.25 hectares planted this month.

Tomato:

More than 34.9 thousand trays sent to El Salvador; \$176.7 thousand in sales; 26 hectares in harvest and 38 new hectares planted this month.

Sweet Potato:

15 containers exported: 9 to England, 2 to Holland and 4 to Canada; 32.1 hectares planted this month.

Chayote:

180.6 thousand units of the new variety harvested; \$8 thousand in sales; 12 hectares in harvest.



PRODUCTION

Preparation of lots for planting by raising, liming and laying down plastic mulch on beds, along the contours and drainage; induction to flowering in pineapple; monitoring and control of pests and diseases in sweet potato, pineapple, cassava, plantain, tropical flowers and orchids, pepper, vanilla, eggplant, cucumber, potato, pepper, zucchini, tomato, onion, chayote, broccoli, cauliflower, celery, cabbage, beet, lettuce and carrot farms, among others; installation of drip irrigations systems, measuring and calibration of water pressure; evaluation of pump for irrigation; soil and water analysis; used started starter solution and selected seedlings by size for the transplanting process; venture injector, sand filter and flow meter installation; deleafing, desuckering, surgeries, bagging, fruit age tagging, and dehanding in plantain farms; phytprotection management using specific spraying programs for each crop; use of biological controls; application of fertilizer through irrigation system; maintaining and cleaning drip irrigation system and back washing; installation of rhizotron in tomato farm; tutoring practices for vegetables and flowers; implementation of cassava waxing techniques; delivery of fertilization and spraying programs to clients; preparation of seedlings in nursery; implementation of pruning in chayote, fruit trees, tropical flowers and roses; deleafing of old guides on chayote to improve the entrance of light and promote fruit setting; planting of live barriers; control of weeds and eliminations of residues and virotic plants to reduce the pressure from pests and diseases; implementation and monitoring of terraced vegetable production programs; expansion of plantain, chayote and sweet potato crops; training on maintenance and cleaning of the drip irrigation system; pH regulator application and stickers to help agrochemicals reach their potential; crop rotation in farm; visits to potential producers.

FHIA - AGROFORESTRY

Intibucá: Supervised fields and vegetable seedlings, fruit trees and forest trees; recommendations on vegetable harvest; supervised formation pruning for peaches and other fruit trees; support offered in the commercialization of broccoli, cauliflower, lettuce, cabbage and squash in the local markets and SPS; supervised the transplant of vegetable seedlings; demonstration on spraying to control sigatoka, desuckering and deleafing in plantain field; supervised the construction of a water retention tank; carrot thinning demonstration; used sawdust to plant carrots to avoid them being washed away by rain.

Atlántida and Colon: Supervised agroforestry fields; supervision and recommendations offered on the planting of plantain corms and the control of sigatoka; trellising, fertilization and pruning of passion fruit; desuckering in pineapple, cane, cassava and plantain; weed, pest and disease control; liming of fruit trees; preparation of individual terraces, fertilization and spraying of fruit trees.

FHIA-AGRICULTURAL RESEARCH

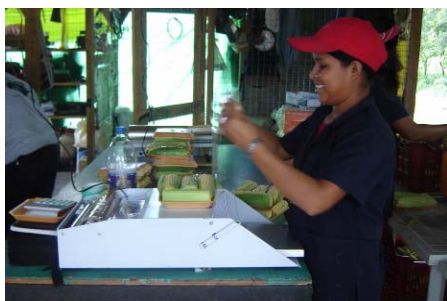
Variety tests: Onion harvest of intermediate days in curing process; prepared database with results of tests performed on tomato and sweet pepper varieties under cover during the rainy season; good management of orchids with different substrates.

GAPs and GMPs

Follow up to EurepGap certification process; internal audit for group certification of the PMO; follow up and monitoring of the corrective measures for PMO certification; GAPs implementation by sweet potato, cucumber, chayote, lettuce, jalapeño pepper, Nathaly sweet pepper and tomato producers; participated in AIB course on Inspections and Audits at Food Plants; prepared reports on CapGAP audits for vegetables; diagnostic inspection PMO EurepGap; created organization chart, established duties and responsibilities for the Quality Assurance Team in exporting companies.



Consulting USAID – RED Bulletin



Packing Sweet Corn into Trays



Sweet Potato Harvest Sampling



Using Yellow Traps



Technical Assistance to School in Ocotepeque

USAID

Presentation of Project advances during the first 14 months.

Filled and delivered survey on Trade Capacity Building and general USAID-RED project information.

Inauguration of Hydroturbines Project and visit to agroforestry fields in Atlántida.

Field visits with members of the U.S. congress (HELP commission) to vegetable producers in the Comayagua zone, to a processing company and to the vegetable collection center in Siguatepeque.

RESULTS / IMPACT

5 new centers for biological control sales opened; 130 loans reported for a total of \$539 thousand in the 14 months of the project; increase in sales of sliced jalapeño and baby cucumber through liaisons with new buyers; opening, presentation and sales of plantain slices to supermarkets; saved 50% in the purchase of frozen strawberries through a liaison with a new provider; additional exports of 'rosquillas' to Texas, USA; layout of dairy and vegetable processing plant; first nursery used to produce plantains in the Cortes zone; obtained 10 donated metallic tanks for model farms at technical schools; spread of smooth skinned chayote in the Lago de Yojoa zone; exported sweet corn to Costa Rica; more producers selling to supermarkets, processing plants and intermediaries; new trainees from technical school are now in the farms of Project clients; increase in areas of high density plantain production with irrigation tape in double rows; new areas planted with jalapeño pepper, onion, tomato; introduced plastic baskets in harvest process to reduce damage in the management of products; obtained donated dwarf plantain seeds to be planted in CURLA farm.

FINANCES

Training:

Finsol: "Agricultural Credit with Minimal Risk" course offered to branch managers and analysts from Finsol.

H de H: "Daily Leadership" course offered to branch managers and supervisors.

Producers: "Financial Education for Producers" course offered to USAID-RED producers from La Esperanza.

Technical Assistance

Design and development of courses on "Daily Leadership and Agricultural Credit with Minimal Risk"; presentation of cash flows and preparation of documents for loan applications for USAID-RED clients; automatization of crop cash flow exercise.

Others

Field visits to Juticalpa with Banco Atlántida personnel; meetings with producers from Cholomato to discuss loan applications; meeting with Promifin to discuss pilot of product; Meeting with Fundación Covelo and BANADESA.

PROGRAMS

Follow up to programming and execution of plantings and harvests of several vegetables especially sweet potato and jalapeño pepper; monitoring of market activities developed by technicians.

ACTIVITIES WITH COLLABORATORS

EAP-Zamorano: Trainings offered to students on basic management of fresh products during the postharvest for the local market and export of vegetables and fruit to the U.S.; **DICTA-SAG** training offered to Infoagro personnel on the creation of weekly price bulletins and volumes for fruits and vegetables imported by the U.S.; **EDA-FINTRAC:** exchange of information and experiences on production, marketing, postharvest and finances with technical personnel; **USAID-MIRA:** delivery of guide on fungicides and pesticides; **IICA/SAG:** participated in follow up meetings for the development of the 3rd Plataforma Agroexportadora organized by IICA with the participation of SAG, DICTA, FIDE, SER, SIC, Swiss Contact y COHEP; participated in the inauguration and development of the First Training Module; **OIRSA:** sent presentation and budget of GAPs infrastructure; **UNA-CURC:** delivered information on Legal Requirements, procedures, necessary infrastructure, costs and list of providers for the establishment of processing companies to students.