



MONTHLY UPDATE – August 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 weekly price bulletins and U.S. market volumes for plantain, cassava, chayote and pineapple; generated cassava, sweet potato, and plantain bulletins accumulated from January to July 2006; distributed the weekly price bulletins for fruits and vegetables from the Tiendona in El Salvador; distributed the monthly price bulletin for fruits and vegetables in the European markets; liaison between papaya producers and the Tropical Delite processing company; approval for merchandising vegetables from the producers in Yamaranguila; samples of tropical flowers from a new exporter in Tegucigalpa sent to El Salvador; liaison between carrot producers from la Paz and buyers from Comayagua; participated in the launching of Wal-Mart as one of the largest buyers of fruits and vegetables in the country; a new exporter in Comayagua sent their first container of sweet potatoes; the new variety of chayote, jalapeño peppers, aloe plants and Indian and Thai eggplant were sent to Canada; researched and distributed information on plantain and sweet potato buyers in El Salvador for two producers in Honduras; linked the tomato producers in El Paraíso with the distributor in Tegucigalpa; contacted the Better International Foods Corporation about buying IQF mango; linked the broccoli and cauliflower producers in Lepaterique with a supermarket in Tegucigalpa; held meetings between Dole representatives and plantain producers in Cantarranas, Villa de San Francisco, Talanga and Cooperativa Carnel to inform them about the buying plantains for export project; met to establish alternative freight options for fruit exports to Wilmington and reduce freight in the U.S.; started developing new products, including pre-cut vegetables, for the food service market in the U.S.; obtained quotes from the U.S. providers for the tamale project; provided contact information for plantain producers to the chip processing company in Juticalpa; continued the organic banana project with Chiquita; managed purchasing of plantain, chayote and cassava planting material.



Irrigation Tape Cleaning

TRAINING

142 trainings took place in July: 1,312 persons were trained – 1005 men and 307 women.

Area	# Events	# Persons
Food Safety	8	181
Processing	6	75
Production	121	891
Finances	1	35
Postharvest	7	130
Total	142	1,312

Examples: Good practices; adequate use of agrochemicals; control of pests, diseases and weeds; nursery management; installation of irrigation systems; fertigation; repair and maintenance of irrigation tape; repair and maintenance of filters; plant nutrition; calibration and appropriate use of agricultural equipment; classification and packing; postharvest management; food safety and hygiene en packing and processing plants; selection of seeds for transplanting; bed preparation and putting plastic on the beds; good agricultural practices/EUREPGAP; good manufacturing practices/HACCP.



Drip Irrigation System Filter Cleaning

TECHNICAL ASSISTANCE ACTIVITIES

PROCESSING

Approval of the bean processing plant structure; coordination of courses on flavoring, thickeners, preservatives, and others with the approval of CIMER; checked processing flows for various processing companies; updated formulation and processing flows for regular and diet eggnog, 'rosquillas,' 'tustacas,' and sweet potato; calibrated the thermometer to measure the temperature for pasteurization; updated the chemicals and glassware used for dairy processing; contact with gas and electric boiler providers; searched the Internet for dessert decoration alternatives; checked and updated labels; trained on legal, personal hygiene and industrial matters; approval for the organization of administrative documents; operations and sales for the jam, wine and pickles processing company; installed cooking equipment in the technical institute; went through plants to revise pre-requisite programs; microbiological analysis of plants and finished products; drew up the daily and master plans for plant clearing; identified equipment necessary for improving juice-making plant processes; revised the auto-inspection processes in various plants; approved the organizational chart structure to make plant processing more efficient; installed cooking equipment for UPNFM.

POSTHARVEST

Sampling in various sweet potato farms for exports and local sales; samples from various cassava and pineapple plots; supervision of plantain farms; approval for plantain-peeling processes; plantain-ripening test preparation; shelf-life tests for chayote exports; approval for the assembly of the sweet potato cleaning line, treatment, classification, and packing assembly for two new export companies; approval for the coordination of chayote shipments to Canada; trained packing operations staff on sweet potato cleaning, classification, postharvest treatment, and packing; approval for the packhouse structure for a plantain packing plant in Yoro; approval for the table structures used for classifying guava and gherkin in Yoro; checked warehouses and cold rooms in a Tegucigalpa supermarket to improve the flow of fruits and vegetables.

INVESTMENTS

USAID-RED clients reported investments of \$618,327 in August. The areas with the highest investments were: land; drip irrigation systems equipment and installation; agricultural machinery and equipment; vehicles and other transport equipment; postharvest and packing infrastructure construction; postharvest and packing equipment.

OTHERS

Feasibility study for jalapeño peppers processed in brine; business plan for processing plant for fruit and vegetable packaging; planting and packing project for 52 hectares of plantain for export to the U.S.; MD2 pineapple cultivation project and packing plant assembly line for fresh fruit exports to the U.S. market year round; created the processing manual; basic production prerequisite program; developed staff selection process; one job for a monitoring and evaluation specialist and four for production technicians; approval for students attending the Instituto San Antonia de Papua –La Lima for the construction of a drip irrigation model for the science fair; letter of understanding with CEMCOL for the acquisition of specially priced pumps..

PUBLICATIONS- PRESENTATIONS

Technical bulletins: Maximum limit for pesticide residues; chayote postharvest handling; service providers, services, ingredients, and raw materials for the food industry; use of salicylic and phosphoric acid.
Presentations: MD2 pineapple exports cultivation and packing; plant chemical-control programs; chlorine use in agribusiness; managing diseases in packing plants.

Advances in Select Crops – August 2006

Plantain:

266 thousand pounds harvested in 104 hectares; 3 peeled plantain containers exported. \$54.6 thousand in total sales; 17.4 hectares planted.

Nathaly Sweet

Pepper: 7,869 sacks sent to El Salvador; \$44.2 thousand in sales; 13.6 hectares in harvest and 5.6 hectares planted.

Tomato:

56 thousand trays sent to El Salvador; \$353 thousand in sales; 43 hectares in harvest and 18 hectares planted.

Sweet Potato:

14 containers exported: 1 to Holland, 8 to England and 5 to Canada; 31 hectares planted.

Chayote:

208.6 thousand units of new variety harvested; \$12,400 in sales; 10 hectares in harvest.



PRODUCTION

Pump, sand filter and ring filter installation in various farms; identification and monitoring of infestations and diseases through sampling of sweet potato, watermelon, cassava, pineapple, carrot, and plantain farms; training on the preparation and management of low-cost vegetable nurseries and the growth of specialty crops; sowing live barriers of sorghum and eliminating weeds to reduce the incidence of infestations and diseases; implemented chayote pruning; developed sowing interval programs for vegetables; de-leafing, separating, and cutting plantains; installed water irrigation, measuring, and pressure calibrating systems; water dying tests to evaluate fertilizer tank flows; bed raising, liming, and lining; farm drainage construction and winterization; floor analysis; gave fertilization calendar and fumigation programs to farmers; use of biological controls; application of vitamins and sugars to fortify plants; new sowing and pruning in ornamental gingers; newly sown fields of daisy beds; water storage tank installation; plantain, sweet potato, and chayote seed size and planting distance training; drench fertilization of tropical flowers; arbor design and construction for new fields of chayote; farm water flow capacity; crop-spraying calibration with fluorescent dye; pH regulator and adhesive applications to boost agrochemicals; crop infestation and disease controls; pruned, fumigated and fertilized mango trees; farm crop rotation; managing plantain and cassava seed buying; ground sampling for chemical, texture and boron analysis; sweet potato and chrysanthemum cutting tests in trays; gave various producers bulletins on the costs of production and yields for fruits and vegetables.

FHIA - AGROFORESTRY

Intibucá: Supervision of fruit trees, forest trees, vegetables, and vegetable seed bed plots; approval for vegetable marketing; sowing plan supervision; peach tree pruning, sprouting, digging holes and fertilization demonstration; drip irrigation system installation; seedbed disinfection; harvesting cucumber, lettuce, cabbage, and sweet pepper.

Atlántida y Colon: Weed control; fruit bed terracing preparation; plantain desuckering, fertilization and cutting to control sigatoka; digging holes fruit and wood tree; managing purchases of plantain planting material for various producers in Atlántida y Colon; transported 1,800 plantain plants and 2,600 plantain corms to farms in Atlántida; selecting, preparing, sowing, and transplanting plantain planting material and plants.

FHIA- AGRICULTURAL RESEARCH

Variety Tests: Continued with the evaluation and testing of plant varieties during intermediate days and covered seed beds during the rainy season.

GAPs and GMPs

Export company compliance with the Occupational Health Commission; three producers obtained EurepGap certification for sweet potato, cucumber, pumpkin and jalapeño pepper production and/or packing; shelf life tests for chayote exports; six jalapeño pepper producers for a local processor implemented EurepGap protocol; packing plant risk analysis and decision to use a new emergency route; implementation of internal auditing for various packing companies; verification of corrective action taken as a result of internal audits; new audit programming for the end of 2006 and the beginning of 2007; assistance using plant pH and chlorine measuring equipment; created the radicchio packing process layout; revised the farm labeling model.



Lettuce Production



High Density Plantain in Olanchito



Using a Tractor for Weed Control



Touring the Fields with Dole, Olanchito



Sweet Potato Harvesting for Export

RESULTS / IMPACT

Various COVELO and FINSOL loans awarded for cassava, onion, and rice production; exported 400 boxes of sweet corn for \$12,400; installed electrical and industrial cooking equipment in the Instituto Luis Santos' kitchen; Empresa R&M donated an irrigation system to the Choloma agricultural school; a new exporter in Comayagua sent their first vegetable container to Canada; obtained permission to export curd cheese to El Salvador, which includes an increase in the volume of sales; introduction of 'rosquillas' and 'tustacas' in Cafeterías de Expreso Americano y Hedman Alas; obtained microbiological results for products that didn't conform to GMPs; handling plantain seeds in nurseries; latrine construction, pesticide mixing areas and collection centers for empty containers for various producers; agribusiness employee cafeteria construction; Monsanto hosted a reception for ten schools; obtained a certificate of recognition for technical assistance from Hortifruti; active lead producers Olvin Salgado, Remberto Sabillon and Regino Ramírez received recognition, diplomas, and incentives during the first agribusiness festival developed by Hortifruti; fundraiser hosted by Croplife for the construction of EurepGap warehouses in five technical schools.

FINANCIAL INSTITUTIONS

Institutional Meetings: Cooperativa Mixta de Mujeres Unidad Ltda. (Comixmul) to develop agricultural credit products and obtain contacts for soft loans (funding).

Hermanidad de Honduras to approve farmer credit policies and procedures and invite managers to leadership, motivational, and work assignment training.

PROMIFIN support with the parameters for agricultural information.

FINSOL to establish a pilot farmer credit program in Olanchito or Tocoa.

Amanco to approve the creation of a proposal before the BID.

Various: meetings with BCIE, BID, Finacoop-Danli, CHF Internacional and Bamer.

Field Visits/Meetings with Producers: Antonio Mejía from Envasados Meyers to approve the continuation of the loan and company operations.

Cooperativa Cernel to continue the financing process with COVELO.

USAID

Met with the USAID liaison to go over the implementation of activities, results, and technical equipment changes for the project; turned in the quarterly report; obtained the forms for donating vehicles from the CDA project to various institutions; approval of information from microfinance institutions being considered for funding from the U.S.

ACTIVITIES WITH COLLABORATORS

Prepared beneficiary candidate profiles for the third Plataforma Agroexportadora organized by IICA with the participation of SAG, DICTA, FPX, FIDE, SIC, among others; consultant contracting to create an official pesticides database for SENASA; EAP-Zamorano alliance to identify the main causes for viruses affecting the main vegetable crops in Honduras; SENASA got approval to conduct the mango producer census; met with representatives from SAG and SENASA to get approval for cheese curd exports to the U.S.; met with representatives from EAP-Zamorano to coordinate training on the legal requirements for exporting and infrastructure; coordinated with SENASA staff to carry out dairy plant certification visits; R&M and Monsanto contributed to the schools program.



Training – Sweet potato, Olanchito



Certification – EurepGAP, Choluteca



Sweet Potato Packing, Choluteca