



## MONTHLY UPDATE – February 2006

### RURAL ECONOMIC DIVERSIFICATION PROGRAM

#### PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED) is a four-year initiative of the United States Agency for International Development (USAID) to increase income and employment opportunities in rural communities of Honduras.

USAID-RED focuses on increasing the competitiveness of micro, small and medium-sized enterprises (MSMEs) in Honduras, expanding their local sales, exports and investments and promoting an increase in the production and investment in higher value and value-added products.

**For additional information contact USAID-RED in La Lima, Honduras at (504) 668.2078; fax (504) 668.1190 or write to: red@fintrac.com**

*NOTE: During February, USAID Honduras informed USAID-RED that the program's budget would be cut, which will have a direct impact on activities related to dairy products (milk production and its processed by-products), tilapia production, agroforestry crops (hard wood, fruit trees and planting of trees for firewood), and nonagricultural income activities. USAID-RED has redirected contractual activities and is focusing resources on planned horticultural activities.*

#### MARKETING AND MARKET INFORMATION

Banana and pineapple producers put in contact with processing plants; contact established with sweet potato producers and processors; contacts established with ornamental flower producers in the Lago de Yojoa and a flower producer–merchant in Francisco Morazán; list of personal protection equipment providers given to interested producers; U.S. market price and volume bulletins developed for melon, watermelon, chayote, eggplant, plantain, cassava, cucumber and pumpkin; information on prices for cashew nuts provided to interested exporters; general information provided for AGRITRADE fair, set to take place in Guatemala during March; contact established with plantain chip processors and producers on the Atlantic coast; orders coordinated with microprocessing plants and national distributors; deliveries coordinated for jalapeño peppers in Costa Rica and Guatemala; support provided for first-time commercial carrots producers; visited La Esperanza with a buyer that provides vegetables for fast food restaurants (they are demanding that the producers implement GAP).



*First Jalapeño Pepper Harvest and Production in Olanchito*

#### TRAINING

95 trainings took place in February; 1,179 people were trained – 861 men and 318 women.

Area	# Events	# Persons
Food Safety	18	65
Postharvest	6	179
Processing	18	283
Production	53	652
<b>Total</b>	<b>95</b>	<b>1,179</b>

Examples: basic production practices, plant nutrition, management and use of irrigation systems, legal matters, selection and packing of processed products, integrated pest management, plantings and transplants, postharvest management of plantains and sweet potatoes for export, management of nurseries, Good Agricultural Practices, integrated quality systems, field records.



*Pepper Plantings in Negrito, Yoro*

## TECHNICAL ASSISTANCE ACTIVITIES

### PROCESSING

Development of new recipes for fruit in syrup; list of providers with machinery provided to plantain chip processing plants; offered indications on inspection procedures; information provided on procedures at analysis laboratories; how to clean hydrocoolers; how to measure salt concentrations; coconut water processing; how to measure the index of maturity in juices; implementation of integrated quality systems in several processing plants; support given to the flow process of tamal processing; implementation of prerequisites and GMP program; contacts established with bait producers for pest control; supervised cleaning plans; developed monitoring formats; reordered machinery to improve flow of cooked bean processing; revised bleach concentrations used to disinfect fruit; control of brix index in raw materials; registered brands of new products; recommended preservatives for fried products and jams.

### POSTHARVEST

Design recommendations given for a flower packing and storage area; tables made for the classification of jalapeño peppers; samplings performed for sweet potato on farms close to harvest; infrastructure evaluation and recommendations offered on plantain packing; follow-up given to the construction of vegetable packing plants; supervision and correction of cucumber packing line practices; evaluation of jalapeño pepper maturity; support given in packing plantain for export; report prepared for presentation on sweet potato damage; assessed pumpkin packing procedures and offered recommendations.

### INVESTMENTS

\$6,400 in investment was reported in February by USAID-RED clients. Most investment reported was for irrigation equipment and installation, office equipment, legal documentation and EurepGAP infrastructure.

### OTHERS

Presentation given to investors of frozen fruit and vegetables; Established alliance with Agroservice to offer support to mango producers; study conducted to expand ornamental export operations with independent producers; investment project in 'air park'; assessed possibility of project on aseptic juice processing; project for dairy products' plant and jalapeño pepper in brine; internal evaluation of clients' satisfaction with the project.

### PUBLICATIONS- PRESENTATIONS

Train-the-trainers session on the safe use of insecticides (Washington State University consultant); presentations given on the production and management of pineapple; agricultural production bulletin produced for Choluteca and El Paraíso departments; produced postharvest plantain bulletin.

### Advances in Select Crops – February 2006

#### Plantains:

334,000 pounds harvested; two peeled plantain containers exported in February; valued at \$35,000; began fresh fruit exports.

#### Nathaly Sweet Peppers:

1.1 million pounds sent to El Salvador; \$113,400 in sales; 37 hectares in harvest and two hectares were planted in February.

#### Tomatoes:

More than 120,000 flats sent to El Salvador; \$527,800 in sales; 120 hectares in harvest and 15.6 hectares were planted.

#### Sweet Potatoes:

Four containers exported: Three to Holland and one to Canada; 12 hectares planted.

#### Chayote:

55,000 units of the new variety were harvested; fruit from this harvest was used for plantings with new producers.



### PRODUCTION

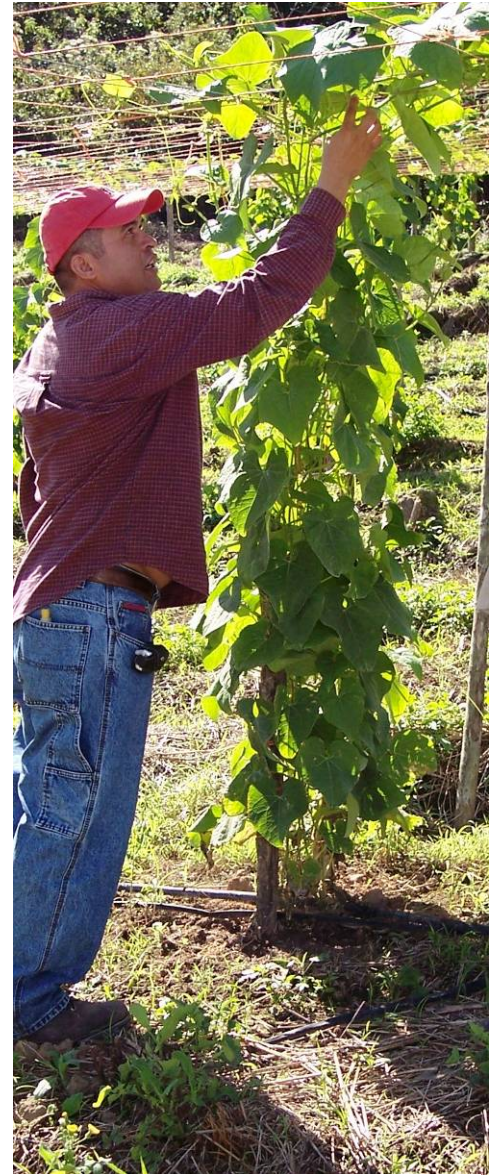
Continued planting MD2 pineapple with independent producers, 13 hectares have been planted so far; chayote harvest expanded; fertilization calendars given to various producers; clients used electronic fertilization calendars; new plantings of plantain in several zones; assessed seedless watermelon harvest where technical assistance was given to improve pollination; pest control; virus prevention; soil samplings to adjust fertilization; control of diamondback moth and imported cabbage worm in Chinese cabbage; supervised chayote harvests; improvements in soil preparation through bed making; new carrot harvests; control of weeds in farms with different crops; installation of new irrigation systems; used starter solution on new plantings of tomato and sweet pepper harvests; control of sigatoka and erwinia in plantain; evaluation of farms and fields; recommendations offered on crops that should be planted based on specific soil characteristics; mildew and mite control in roses, chrysanthemums, and gerberas; use of diluted fertilizers in farms; supervised water quality for orchids; supervision and training at new pineapple plantings; installation of ring filters; and design and installation of a system that injects fertilizers through the irrigation system.

### PRODUCTION

Recommendations offered on how to control mildew in tomatoes; applied vitamins and sugar to control plant intoxications; use of antivirus net in recently transplanted crops; installation of new irrigation systems in zones where there wasn't access to this technology previously; control of weevil in pepper; management of radicchio plot for export; half a container of radicchio was sent to buyer in the U.S.; lime application in acid soils to improve their characteristics; use of trichoderma to prevent root disease; trellising practices in tomatoes, cucumbers and peppers; elimination of weeds; installation of flow meters to improve fertilizer dosage.

### GAP and GMP

Field record format given to producers and training on how to fill them out; support in the design of agrochemical storage rooms; information provided on EurepGAP protocol; coordination with oriental crops exporter to offer GAP training for his producers; follow-up given to local buyer's producers on GAP implementation plan; training offered on insecticide use and EurepGAP; official presentation of EurepGAP certification program for pepper processing plant; produced designs for warehouses, pump cleaning, showers and empty container areas; follow-up provided for farms implementing corrective plans for certification purposes; organization and cleaning plans for packing plants; CAPGAP audits on farms and corrective action plans created.



*Assessment of Chayote*



*Cucumber Processing Tests*



*New Plantings of MD2 Pineapple*



*American Eggplant Packing*



*Flower Cultural Labor*

### RESULTS / IMPACT

Thirteen new hectares of MD2 pineapple planted in different zones of the Honduras; obtained sanitary records and barcodes for processing plants; dehydrated fruit company launched Web site; cucumber quality improved by making changes to postharvest management – quality problems were almost eliminated; improvements in sweet potato; various producers implemented plantings in beds and diluted fertilizations for the first time; producers in Francisco Morazán made planting beds; construction of fertigation centers with spill control; infrastructure construction to minimize risks of water contamination; expanded chayote harvest with material from the beneficiaries of imported seeds; construction of container storage areas in farms; hired personnel for maintenance of food plants; remodeled sesame processing plant to ensure a safer and better work environment; improvements made to drainage system in bean and potato processing plant; bought stainless steel tables to improve hygiene and production capabilities; sent jalapeño peppers to processing plants in Costa Rica and Guatemala; Santa Bárbara exporting company exported fresh plantains for the first time.

### DAIRY PRODUCTS PROGRAM

**Production:** Assessment of milking practices and recommendations offered on the control and prevention of mastitis; CMT tests done on herd reproduction; implementation of good milking practices based on analysis of current process; implementation of event recording, services and births to analyze reproductive efficiency.

**Processing:** Meeting held with dairy products company from Guatemala; samples and contact information distributed; designed business plan for dairy product plants; HACCP inspections and distribution of HACCP nonconformity report to develop a plan of action; development of new product – vinegar – filtration and pasteurization of vinegar and laboratory analysis performed.

### TILAPIA PROGRAM

Visited El Salvador to meet potential buyers, assess market conditions, processing, volumes etc.; brought back contracts.

Initial assessment of tilapia producers in the southern zone of Honduras.

### USAID

Information on the towns where USAID-RED has a presence. Visited La Esperanza with environmental personnel from USAID.

Work meetings between USAID and RED project to discuss adjustments that need to be made based on budget cuts.



*Tilapia Market Poll in El Salvador*



*New Plantings of Dwarf Plantain in Olancho*



*Tomato Plantings in La Esperanza*



*Printing of Fertilization Calendars  
by USAID-RED Technician*

### USAID-RED

USAID-RED is implemented by Fintrac, Inc. and other key partners including Land O'Lakes Inc., FHIA, Zamorano, and more than twenty partners from the private sector in Honduras.

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### AGROFORESTRY

**Intibucá:** Fifteen producers trained in installation and management of drip irrigation systems; 20 producers trained on planting area design, digging holes and planting timber and wood-burning trees; 2.5 hectares of timber (1,000 trees) involving 50 producers (20 plant-producers); planting of 1.5 hectares of vegetables and 136 peach trees.

**Atlántida:** Socialization of project with 23 new producers; trained 31 producers on plantain crop management; established 15 lots of cocoa; established 15 hectares of plantain, timber, plantain-coconut, avocado-cassava, and Persian lemon and watermelon fields.

### AGRICULTURAL INVESTIGATION

**Variety Testing:** Variety testing of cucumbers on two farms; continued to evaluate onion varieties during long and short days, obtained results from August 2005; continued testing tomato varieties – 8 table varieties and 20 processing varieties; evaluations of sweet pepper, jalapeño pepper and orchids.

**Cultural Practice Tests:** Windbreak barriers continue to be evaluated in the production of cucumbers; installation of density tests for chayote.

### FINANCIAL INSTITUTIONS

**General Activities:** Compiled information on production costs, output and prices of several crops to prepare cash flow scenarios for banks; summary of Choluteca and El Paraíso zones; prepared USAID-RED client directory for financial institutions.

**Institutional Meetings:** Meetings with ODEF, Banco del País, PROMIFIN, Banco Ficohsa, PACTA, FACACH, BANHCAFE.

**Field Visits:** With Banco BGA to the south zone (Choluteca and San Marcos de Colon).

**Advances:** With the FINSOL pilot plan – field visits, introduction to several producers and exporters that are USAID-RED clients; product development; workshop took place to develop financial products.

### ACTIVITIES WITH COLLABORATORS

Support given on crop information to GEOCONSULT, on irrigation trainings to AMANCO and DURMAN ESQUIVEL, agricultural inputs with FENORSA, REMAGROH, SEMINIS, SEAGRO, MARKETING ARMS, CAMOSA, for projects with agricultural schools. Meetings with AHPROCAFE, FUNBANHCAFE, Trade Facilitation Office Canada, ANACH, coordination of training dates with CUROC, preliminary meetings with new SENASA authorities. Follow up meetings with all the schools that will be participating in USAID-RED program.



*Training for producers of Tutule, La Paz*



*Insecticide 'Train the Trainer'*



*Field meeting with Banco Lafise*