



MONTHLY UPDATE – April 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) and is designed 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 increased production and investment in higher-value and value-added products. This report summarizes the program’s activities in April.

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

MARKETING AND MARKET INFORMATION

Created price and volume bulletins on the US market for melons, watermelons, chayote, eggplants, plantains, cassava, cucumbers, pineapples and butternut squash; provided EU sweet potato price information to a company interested in exporting sweet potatoes; liaised with producer and local buyer of jalapeños; liaised with bean producer and supermarkets in Tegucigalpa; established contact with sweet corn producer and processing plant; provided information to company on US export requirements; sent samples of processed products to national distributor; connected producers looking for plantain seeds to suppliers; liaised with plantain producers and processing plants in the north coast; provided information to those interested about the world market for dehydrated fruit; provided support for an information and marketing plan for a new exporter in the south zone interested in exporting sweet potatoes; provided support for chayote collection centers in Siguatepeque to improve and expand marketing; coordinated sweet potato sampling for export company looking to join the field and connected them with a buyer in the United Kingdom; established contact between marketing material providers and bread processing plants; obtained bar codes; negotiated with a distributor to increase contract value by 15 percent because of consistent delivery of sweet corn; registered microprocessor products in Grupo Paiz stores; established contacts between small producers of carrots in La Paz and three different buyers; supported exporter during a visit from a UK buyer; connection established between producers and mango processor; sent red ginger flower samples to the US.



Red Ginger Flowers Samples Harvested for Export Tests

TRAINING

In April, 1,141 people – 892 men and 249 women – were trained at 94 training events.

Area	# Events	# People
Food Safety	7	81
Postharvest	8	45
Processing	9	90
Production	64	877
Admin/Project	6	48
Total	94	1,141

Training activities included: Transplanting onions; production system training for sweet potato, chayote, plantain, pineapple and pepper; infrastructure requirements for processing; quality criteria for raw materials; making sauces and marmalades; managing and installing irrigation systems; classification and packing of sweet potato, cut flowers and chayote for export; personal protection equipment training; how to fill out cost format documents; first aid.



Sweet Potato Planting in La Paz

TECHNICAL ASSISTANCE ACTIVITIES

PROCESSING

Helped microprocessor register for legal status; facilitated label design and testing for PET containers for sauces; provided information about equipment providers for bread and chicken processing; facilitated lab analysis to obtain nutritional information for ice cream and tamales; provided follow-up to dairy product plants in Olancho; implemented GMPs in dairy processing plants; provided support in placement of new machinery at bean, potato and plantain chip plants; GMPs design of external baits for pest control; revised plant processes and made corrections; assessed plant cleaning and disinfection programs; assessed personal hygiene; developed spraying plans, developed HACCP plans; supported microprocessors in legal matters, bar codes, labeling; assessed and improved flow process for beans, tacos, bread, marmalades and bottled and canned products; produced dehydrated mangoes; provided support to providers in the analysis of nutritional information.

POSTHARVEST

Conducted follow-up and monitoring of conditions in plantain ripening area of processing plant; assessed and improved cucumber, European cucumber and eggplant packing lines in export plant in Comayagua; revised vegetable cooling tunnel; performed shelf-life tests for plantains; sampled sweet potatoes on several farms; prepared and sent chayote samples for export; drying and selection of onions; provided exporting plant with information about grades and standards for sweet potato exports; sent samples of sweet potato crop for them; supervised and made improvements on plantain harvesting process.

INVESTMENT

USAID-RED clients reported investing \$328,918 back into their farms in April. Client investments included \$100,000 in irrigation equipment, \$46,000 in vehicles for transporting fruit, \$44,000 in production infrastructure, \$26,000 in processing infrastructure, \$15,000 in

agricultural equipment, \$6,500 in greenhouse infrastructure.

OTHERS

Meeting with FIDE to discuss training projects and the possibility of collaboration; support given to EAP-Zamorano in making decisions about biological investigation that is of interest to the project; sent training calendar to World Vision for them to send their zone technicians; updated Internet site www.usaid-red.org; press releases written about support provided to agricultural schools; advances made in production feasibility research, pineapple packing plant and plantain packing plant; support provided on business plans; estimates for milk laboratories.

Advances in Select Crops – April 2006

Plantain

864,000 pounds harvested; three containers of peeled plantains were exported. \$113,000 in sales. 40 hectares planted.

Sweet Nathaly Pepper

43,790 sacks sent to El Salvador; \$159,000 in sales; 50.9 hectares in harvest and 5.5 hectares planted.

Tomato

104,000 trays sent to El Salvador; \$715,000 in sales; 87.4 hectares in harvest and 42.8 hectares planted.

Sweet Potato

Eight containers exported – three to Holland, two to England and three to Canada; 20.9 hectares planted.

Chayote

84,300 units of new variety harvested with more than \$5,000 in sales; 7.1 hectares in harvest and 1.5 hectares planted.



PRODUCTION

Distributed tomato and pepper management plans to several producers; provided specific fertilization programs for a wide range of products in different zones; provided training on maintenance and use of drip irrigation systems; distributed production manuals; provided support in wooden greenhouse designs; visited flower producers to exchange information; improved fertilization plans for several crops; made corrections in the management of drip irrigation systems for clients with little experience; provided support in seedbed planting; installed tanks and pumps for fertilizing systems that use the irrigation system; assessed water fountains and the design of production fields; supervised basic production practices such as timely soil preparation, weed control, planting of barriers, tested irrigation systems, pest monitoring, etc.; provided sweet potato guides for new plantings; educated about control of pigeon pea pod fly, mildew, alternaria, whitefly and mites in vegetables; provided training on the use of biological controls for soil diseases and pest control; provided training on the use of lime to improve soil pH; provided training about fruit age tagging practices, trained on how to remove suckers, provided training on de-handing and placing traps for plantain weevils; supervised soil preparation; eliminated crop residue and cleared farm surroundings; supervised new plantings in fields for final production cycles in crop rotation system; assessed pressure on irrigation tape; built structures for chayote planting; showed pineapple producers how to laminate by hand; pest sampling on pineapple fields and control of snails, ants and thrips; installed and used flow meters in several farms.

AGROFORESTRY (FHIA)

Intibucá: Carried out plan for terraced planting of vegetables; 1.9 hectares planted this month; provided training on filling out registration forms; supported farmers in the installation of irrigation systems – 0.9 hectares with 14 producers; provided training on peach production – 23 producers; provided technical assistance on peach production for 11 producers; plantain production trainings– 11 producers; follow-up given to forest greenhouse (*Leucaena trichandra* and cedar).

Atlántida: Trained 19 producers on plantain production and three on seedbeds; planted 11.4 cassava hectares and 0.5 hectares of rambutan; 0.8 kms of African mahogany barriers.

AGRICULTURAL RESEARCH (FHIA)

Variety Tests: Started testing different varieties of tomatoes, sweet peppers, jalapeños, onions and orchids.

GAP and GMP

Installed signs on farms for traceability purposes; installed empty container areas on farms for environmental control purposes; audited packing plant with UK buyer and made recommendations; finished corrective measures at exporting plants based on EurepGap audits; bought personal protection equipment for clients; created work plans to implement Good Agricultural Practices for new clients; assessed field logbooks and made corrections; supervised building of warehouses, latrines, mixing areas; and managed baskets and bins for harvest.



Identification of Mites on Jalapeño Pepper



Plantain Pruning



Installation of Rhizotron on Pineapple



Chayote Packing for Export

RESULTS / IMPACT

Seven cassava and plantain producers from the north coast received loans from COVELO; first sweet potatoes harvested for export in Olancho (Catacamas) and Yoro (Olanchito); first three loans approved under FINSOL pilot program; started terraced planting of carrots based on positive experiences; jalapeño production under contract with processor in Costa Rica; successful sweet corn negotiation with a supermarket, negotiated a 10 percent price increase; first sweet corn harvests exported to the U.S. and chayote was exported to Canada; several mango producers obtained better prices by selling at the beginning of the season and 3 containers were exported to Europe; expanded carrot plantings in high zone in La Paz because of positive initial experiences; new market liaisons established for carrot producers; signs placed on production fields; installation of emergency showers and empty container areas on farms; first donations provided by private businesses (improved seeds, irrigation systems, agricultural inputs) to agricultural schools project; 40 hectares of plantain planted this month; first shipments of cut flower exports.

FINANCIAL INSTITUTIONS

COVELO: COVELO's loan client list grew as USAID-RED clients came aboard, including several cassava and plantain producers from the north zone; USAID-RED producers were provided technical recommendations to get on COVELO's loan list; field visit with COVELO representatives.

FINSOL: Started pilot project for agricultural credit.

Hermanidad de Honduras (West): Revised pilot program for credit project.

Institutional Meetings: Met with Cooperativa Chorotega General Manager, who showed interest in working with the project; follow-up meetings with executives from COVELO, FINSOL and HDH.

Field Visits: Traveled to Lake Yojoa zone with ODEF, San Marcos, Ocotepeque and La Entrada, Copán with Hermanidad de Honduras; La Esperanza with FUNED.

Advances: Completed lists of USAID-RED clients given to different microfinancing companies in order to establish contacts for financial products.



Assessment of Watermelon in Olanchito

USAID

Handed in quarterly report for January to March 2006; prepared summary of USAID-RED activities with companies that won best exporting company prizes in different categories.

ACTIVITIES WITH COLLABORATORS

Presentation of "Going from Being a Farmer to Becoming an Agricultural Businessman" at SIC event; technical assistance coordinated with World Vision; support provided to CURLA with training events; began internship program with agricultural schools – training for scholarship recipients.



Participated in the Second Conference for Exporters



Good Manufacturing Practice Inspections at Dairy Plant



Sweet Potato and Pumpkin Buyers from the United Kingdom in the Field

TRAINING ACTIVITIES – April 2006



Jalapeño Production, Olanchito



Use and Management of Herbicides, La Lima



Irrigation and Fertigation, Guaimaca



Integrated Pest Management, Catacamas



Producer Field Visit, Sweet Potato, Olanchito



Producer Field Visit, Jalapeño, Olanchito



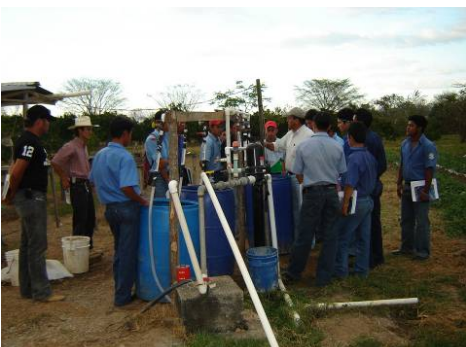
Plantain Production, Olanchito



Drip Irrigation, Copan Ruins



Drip Irrigation, Choloma



Drip Irrigation, Santa Bárbara



Plantain Production, Cantarranas



Integrated Pest Management, F. Morazán