



MONTHLY UPDATE – May 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.

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 bulletins and U.S. market volumes for cucumber, butternut squash, eggplant, watermelon, melon, plantain, cassava, pineapple and chayote; created end of season bulletin on cucumber; liaison between new exporter in Francisco Morazán and Canadian buyer interested in sweet potato, chayote and pumpkin; liaison between exporter from Comayagua and Canadian Oriental Vegetable buyer; information on sweet potato prices in European market provided to exporter in Choluteca; support provided in price and conditions negotiation with sweet potato, plantain and chayote buyer; created promotional flyer for Honduran export company to send to buyers; contact established between new Canadian buyer and small Comayagua exporter for “Caribbean” pumpkin and sweet potato; assistance provided in the coordination of Canadian buyer’s visit to Honduras; contact established between pineapple producer and supermarket chain in Tegucigalpa; elaborated a program for formal supply of raw materials between sweet corn processor and producers; established contact between sweet potato local market buyers and producers; liaisons between cassava and plantain producers and processing plants in San Pedro Sula; coordinated supply logistics for sweet corn for export; prepared processed product samples for national distributor; follow up to support program for mango export; meetings between exporter and producers in Olanchito and Francisco Morazán for production programs under contract; liaison between processed jalapeño pepper producer and movie theater chain.



Radicchio Packing at La Esperanza

TRAINING

160 trainings took place in May; 2,178 people were trained – 1,701 men and 477 women.

Area	# Events	# Persons
Food Safety	9	77
Postharvest	5	89
Processing	8	96
Production	134	1,772
Admin/Project	4	144
Total	160	2,178

Examples: integrated pest management; identification and sampling of pests; sweet potato, potato and plantain field visits; legal requirements for export of processed products; elaboration of marmalades; sweet potato mechanized harvest; weed control; basic production practices; installation of irrigation systems and their use in fertilization and pest control; management of crop residue to reduce the pressure of pests; Good Agricultural Practices; safe use of pesticides; Good Manufacturing Practices.



Valencia Cassava Pest Sampling

TECHNICAL ASSISTANCE ACTIVITIES

PROCESSING

Created cleaning processes for dairy processing plant; designed plan for dairy to revise flow process; follow up on recommendations given to dairy on avoiding the contamination of cream; assessed poultry mortality problems on farms and improvements of cooling process; revised flow process in order to add equipment to bean and potato plant; documented daily cleaning plans; implemented integrated quality systems at several plants; provided support with prerequisites for chemicals management; analyzed necessary positions in the organization of a processing plant; created sangría tests; improved yield in pickled sweet corn process; improved peach in syrup process; created pineapple concentrate; technical information provided on pickled pepper production; organized the packing process for dehydrated pineapple and balanced the processing line.

POSTHARVEST

Assessment of area proposed for the construction of a sweet potato packing plant in Choluteca, suggestions on the line flow and explanation of the requirements for washing and curing; assessed and improved the sweet pepper packing process for export to El Salvador; assessed cold room and flow process for fern exporter; assessed the construction of an okra packing plant, flow design and required equipment; designed floor plans for several packing plants under construction; recommended modifications to cucumber packing plant to make it suitable for sweet potato packing as well; made modifications to pepper packing plant; information on postharvest management of sweet potato provided to several companies.

INVESTMENTS

The project's clients reported investments of \$435,000 this month. Examples include more than \$71,000 in equipment and irrigation infrastructure for farms, \$16,000 in equipment and infrastructure for food safety, \$13,000 in farm equipment and machinery, \$300,000 in processing infrastructure.

OTHERS

Continued revising pineapple feasibility study; format for dairy products' costs; worked on business plans with several clients; began feasibility study for plantain production and export; meeting with Minister of Agriculture's advisor to discuss government goals and collaboration with USAID-RED; meeting with the Minister of Agriculture and Dicta Director to formally introduce USAID-RED; signed alliances with businesses that are supporting the schools.

PUBLICATIONS- PRESENTATIONS

Presentation of FAO seminar "Financing Agricultural Market Value Chains" in Costa Rica; technical presentations of Biopesticides; Neem as a Botanical Insecticide, and Minerals, Soaps and Oils in the Control of Pests and Diseases; Drip Irrigation; Basic Production Practices; Introduction to Integrated Pest Management; Good Manufacturing Practices and HACCP Prerequisites. Bulletins were written on: end of season cucumbers; chayote production costs; use of task logbook; zucchini postharvest; frozen cassava processing; and use of molasses in agriculture.

Advances in Select Crops – May 2006

Plantain:

766 thousand pounds harvested; one peeled plantain container exported this month. \$92 thousand in total sales. 44 hectares planted in May.

Nathaly Sweet Pepper:

34,176 sacks sent to El Salvador; \$144 thousand in sales; 34 hectares in harvest and 6.8 hectares planted this month.

Tomato:

More than 123 thousand trays sent to El Salvador; \$537 thousand in sales; 71 hectares in harvest and 19 hectares planted.

Sweet Potato:

8 containers exported: 3 to Holland, 3 to England and 2 to Canada; 21.7 hectares planted.

Sweet Corn:

42,300 trays harvested with more than \$30.9 thousand in sales; 4 hectares in harvest and 4 hectares planted.



PRODUCTION

Distribution of crop specific fertilization calendars; coordination and logistics to obtain chayote, sweet potato, cassava and plantain planting material to help direct producers to the varieties that are in demand; production costs and yield bulletins given to several producers of multiple crops; technical assistance on the installation and maintenance of irrigation systems; technical assistance on how to apply fertilizers and agrochemicals through the irrigation system; identification and control of pests; management of seedbeds in trays; programmed terraced plantings; control of whitefly in peppers, tomatoes, beans, among others; weed control; control of sigatoka, workshops, dehanding, pruning and age control with colored ribbons; lime application to control pH in soil; cleared surroundings to reduce the pressure from pests; use of biological control and baits to control fungus, and insect larvae; applied vitamins and sugar to strengthen plants; improvements in soil preparation for new plantings, raised beds and appropriate drainage for winter; analyzed fruit maturity and maturation in mango; applied pH regulator and adhesives to maximize agrochemical potential; interweaving design for new chayote lots; pest management in flower crops; control of mites in peppers; calibrated sprayers with fluorescent ink ;installed filters for irrigation; cassava desuckering practices; installation of rhizotrons in several farms to measure root development in plants; installation of venturi valves in fields to fertilize through the irrigation system.

FHIA - AGROFORESTRY

Intibucá: Field outlines for peach planting; dug holes for fruit tree planting; continued terraced planting of mild weather vegetables; harvested broccoli, cauliflower and beet in several fields; *Leucaena trichandra* planting, dug holes for plantains; exchanged zone vegetables with RED technicians.

Atlántida and Colón: Weed control; dug holes for fruit trees; maintenance of forest nurseries; new plantings of plantain, rambutan, coconut and cassava; transported more than 1,000 fruit plants and 2,000 of plantain to farms in Colón and supervised transplant; exchange of information on experiences with RED zone vegetable technician.

FHIA – AGRICULTURAL RESEARCH

Variety Tests: Continued variety tests for several crops.

GAPs and GMPs

Follow up with GAP's implementation plan for producers given to fresh products' distributor; built prototype for hand washing and disinfecting; provided assistance in the remodeling of sanitary services; assessed advances in GAP's programs; discussed the results of farm audits and wrote action plans; support and revision of field logbook completion; prepared a current list of registered pesticides in Honduras; labeled production fields; established container collection centers in farms; designed plans for warehouses, dining rooms, areas for showers and sanitary services.



Jalapeño Pepper Production in Greenhouse



Rambutan Nursery for Agroforestry



Sweet Pepper Harvest, SM de Colon



Production of Dehydrated Pineapple



Potato Pest Sampling, Tutule

RESULTS / IMPACT

ODEF and Covelo awarded several plantain and cassava production loans; technical assistance and work agreement signed between Hermandad de Honduras and ODEF; several loans awarded with FINSOL (Agricultural Credit Product); four of USAID-RED's clients won awards at a SIC event including Exporter of the Year for Inversiones Mejia; 400 boxes of pickled sweet corn were exported by micro processing plants to the U.S.; low technology producers adopted diluted fertilization practices and soil preparation; Nicaraguan producers participated in field visits to learn about production technologies; plantain chip processing plant improved its logo and labeling; new sales of nacho style jalapeño to movie theater chain in SPS; micro processing plant established alliance with a national distributor of its products; more than ten private companies gave donations to the agricultural schools support program; installed safety and hygiene equipment such as portable hand washing basins, areas for showers and lockers, placed signs on several farms; outlined fields to implement agroforestry systems; new high density and technically advanced plantings of plantain.

FINANCIAL INSTITUTIONS

COVELO: loan client list grew at this institution; several recommendations were provided for production loans; visit to producers in La Paz and Choloma.

FINSOL: Carried out pilot project on agricultural credit.

Hermandad de Honduras (West): Prepared and delivered document on evaluation of performance plan for agricultural credit.

Institutional Meetings: meetings with Cooperativa Mixta USULA, Pinalejo, Covelo, HdH and Promifin.

Field Visits: to La Paz and Francisco Morazan (San Juan de Flores) (Covelo), to La Esperanza (FUNED) and to Choloma (ODEF and Covelo).

Advances: Intent to Purchase form letter created, four filled out for processing plants and given to producers; began to prepare the documentation for a course on credit evaluation for financial institutions and began to prepare course on access to financing for producers; distributed project's client directory to several financial institutions.

USAID

Held meeting with USAID personnel, Minister of Agriculture and DICTA Director to introduce USAID-RED formally. Monthly meeting with Project Officer to discuss progress.

ACTIVITIES WITH COLLABORATORS

Attended meeting where Minister of Agriculture and President presented the "National Plan for the Reactivation of the Agricultural Sector"; provided support during PACTA's presentation on lessons learned and program results; attended meetings with regional members of ANACH to find out about their programs and discuss possible collaboration; implemented program between agricultural schools and private sector.



Weevil on Jalapeño Pepper



Building Low Cost Nursery for Seedlings



Technical Assistance to Agricultural Companies