



MONTHLY UPDATE – August 2005

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) that 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-sized rural companies in Honduras by expanding local sales, exports and investment in higher-value and value-added products.

USAID-RED points to agribusiness as an engine for growth given its multiplying effects within the rural economy and its capacity to rapidly augment incomes and employment opportunities. The subsectors of agribusiness chosen by USAID-RED include:

- Fresh horticulture (wide variety of fruit, vegetables)
- Floriculture (ornamental) products
- Processed horticultural products (frozen, canned, dehydrated, freshly cut, in brine, and microprocessor products)
- Milk production and processed dairy produce
- Fish farming (small- and medium-scale tilapia production)
- Agricultural products suited to small farms (high quality wood, vanilla, black pepper and other spices)

In each sector, USAID-RED provides technical assistance on all points along the farm-to-market value chain. USAID-RED's direct interventions and interventions through counterparts and private-sector organizations include assistance in:

- Marketing
- Research and product development
- Production
- Postharvest handling
- Processing
- Sanitary/Phyosanitary systems

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Revision of Sweet Pepper Plants

TRAINING

68 trainings took place, impacting 438 people – 360 men and 78 women in the following areas:

Area	# Events	# Persons
EurepGAP	2	12
Postharvest	1	8
Processing	3	101
Production	59	309
Others	3	8
Total	68	438

Some of the topics covered included: transplantation, irrigation systems, development of new, higher-value products, fertilization and basic production practices



Training for Irrigation Producers

TECHNICAL ASSISTANCE ACTIVITIES

START-UP OPERATIONS

USAID-RED's focus on start-up activities helps complete work plans in a timely and effective manner.

- Since August 1st, 20 new employees have started working in the field and office in production, postharvest, processing, monitoring, evaluation and administration. The team is already involved in technical assistance activities and provides support to clients in different areas of the country.
- Ten new positions were added in September including specialized agronomists, monitoring and evaluation specialists and information technology and administrative personnel.
- A new reporting, monitoring and evaluation program was also implemented.
- USAID-RED Web sites and intranet sites were designed and launched.

MARKETING AND MARKET INFORMATION

- Banana chip samples were sent to a potential buyer in Jamaica.
- Visits to restaurants and convenience stores were conducted to identify potential cucumber markets.
- Monitoring of sweet potato exports to Europe and Canada.
- Contacts established with new buyers of orange sweet potatoes in Canada.
- Help with phytosanitary and other permits needed for sending samples to the U.S.
- Support for company registration in order to comply with bioterrorism laws.
- Processed pepper samples sent to commercial businesses in El Salvador.
- Support for pepper and cheese plants during new market openings.
- Contacts established with jalapeño buyers in Guatemala and Costa Rica.

PROCESSING

- Tests of sweet potato chips completed in processing plants.
- Training offered on preparing and curing pepper pastes for hot sauce.
- Guidance offered to define problems that consultants need to solve for the aseptic fruit and vegetable lines.
- Assistance in chlorine control equipment quotes.
- Help with new recipes and processes for wine making.
- Assistance in defining the cost structure of the IQF line.
- Evaluations of sweet potato chip samples and recommendations for improvement.
- Support for microprocessors in raw material supplies and equipment quotes.
- Analysis of nutritional value of products.
- Assistance in diversification and enlargement options for microprocessors.

Sweet Corn:

2.3 hectares planted, 22,850 trays sold to supermarkets; Lps. 320,000.

Nathaly Sweet Peppers:

13.5 hectares harvested; 19 trucks sent to El Salvador; 455,000 pounds; \$104,000.

Tomatoes:

20 hectares harvested; \$285,100 in local and El Salvador sales; 1.5 million pounds.

Sweet Potatoes:

Nine shipping containers exported in August: Three to England and six to Canada; 24 hectares planted.

Bananas:

630,000 pounds harvested and sold to four local buyers. Lps. 927,000.



PRODUCTION

Technical assistance activities began in Honduras' 10 departments allowing for continuity on several CDA project activities. Activities were initiated in Choluteca, El Paraíso, Francisco Morazán, Comayagua, La Paz, Intibucá, Cortés, Santa Bárbara, Copán, and Yoro. By the end of September, technical assistance will be available throughout the country.

Technical assistance was offered in the design, use, maintenance and repair of drip irrigation systems; use of fertilization programs for specific crops; management of pepper, onion, lettuce, broccoli, cauliflower, and tomato nurseries, and many other crops; pest and crop disease control; soil preparation and bed lifting; use of yellow traps; use of biological controls; pest sampling; use of antivirus netting and plastic in beds; planted live barriers; installation and use of flow meters; transplant of seedbeds; chemical and cultural control of undergrowth.

DAIRY PRODUCT PROGRAM

Meeting with Land O'Lakes executives and personnel to plan the beginning of dairy product activities. Administrative details were discussed and the new component will start being implemented in September 2005.

POSTHARVEST

Evaluation of postharvest sampling of different crops to determine major flaws; improvement in the management of postharvest for chayote; carrot sampling; improvement in banana peeling technique; maturation tests on peeled bananas; humidity applied to the maturation process of bananas; assistance in washing, selection and packing process of sweet potatoes for export; sampling to determine planting dates for sweet potatoes; design preparation for mobile packing of guava.

COFFEE DIVERSIFICATION

Support given to coffee producers in chayote farms for local and export markets; technical assistance in the cultivation of chayote, pruning, trellising, pest and disease control, fertilizations, increase in planting and supervision of vanilla crops in the Lago de Yojoa zone; installation of irrigation systems; collected chayote seeds to give to more producers; sweet potato crops under contract; supervised black pepper and vanilla crops.



Strawberry Pest Control

GAPs and GMPs

Search of EPA approved chemicals for carrot manual; preparation for EurepGAP recertification; definition of spillage control zones; gathered MSDS for various products; sanitary designs for plants; HACCP plan for fresh cuts; corrective measure plans for packing; implemented EurepGAP protocol in packing plants.



Cauliflower Production



Installation of Irrigation Systems



Fertigation Training



Stripping of Celery Leaves

USAID-RED

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

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ACTIVITIES WITH PARTNERS

FHIA: Meetings to determine activities that will take place under USAID-RED. Work plan will be written that includes investigation, development, propagation of vegetative materials and wood program, spices and select crops.

Zamorano: Meeting to define activities with biological products as well as other activities under new program.

Schools of Agriculture: Talks began with agricultural schools and universities to develop support programs directed at making sure future graduates have the appropriate tools to put new technologies into practice.

Private Businesses: Meetings with businesses that provide equipment and services to the agricultural sector in order to determine common actions to be taken and to establish alliances in project development.

FINANCIAL INSTITUTIONS

Consulting: Two new international consultants were hired to develop the strategy and implementation plan for technical assistance offered to financial institutions. Introductory interviews took place with banks, financial institutions, DFI's and private development organizations to inform these institutions about USAID's new project and its main objectives.

Banks: Meeting was conducted to present USAID-RED and its main objectives to Banco Ficohsa, Bamer, Lafisse and BAC Honduras. Meetings with other banks are soon to follow.

Micro Financial Institutions: Meetings are taking place with administrative personnel from Finsol, Microfinanciera Covelo, World Relief de Honduras, FUNED, FINCA, IDH, FAMA, ODEF and Hermandad de Honduras, where the main needs in terms of technical assistance are assessed with the objective of determining the interest level and the main activities to support.

General data about financial institutions gathered. Support given to several project clients in credit handling.



Onion Production



Filters



Training On Basic Production Practices