



MONTHLY UPDATE – September 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/Phytosanitary systems

For additional information please contact USAID-RED in La Lima, Honduras.
Phone: (504) 668.2078
Fax: (504) 668.1190
E-mail: red@fintrac.com



Tomato Plant Revision

TRAINING

66 trainings took place; impacting 733 people — 618 men and 115 women in the following areas:

Area	# Events	# Persons
EurepGAP	7	66
Marketing	2	26
Postharvest	6	51
Processing	7	97
Production	43	483
Others	1	10
Total	66	733

Examples: postharvest management of vegetables; seedling production and transplanting days in the field; sanitary registers and legal procedures for microprocessors; classification and selection of various products; and good agriculture practices.



Training For Tomato Producers

TECHNICAL ASSISTANCE ACTIVITIES

START-UP OPERATIONS

New activities were incorporated into the project.

- In September, agronomists and floriculture specialists began covering the regions of Atlantida, Colón, Comayagua (North), Olancho, and Ocotepeque.
- The extension team is now complete and trained.
- All 16 departments were covered in October (including Gracias a Dios and Islas de la Bahía).
- The monitoring and evaluation specialists and an administrative assistant also joined the team.
- The processing and micro financial equipment are now under contract. The complete operation of dairy products is under way.
- Meetings were held with the dairy products team to discuss strategy and goals.
- A consultant was hired to design the strategy and train personnel on gender themes.

MARKETING AND MARKET INFORMATION

- Survey conducted for North American brokers looking for different crops from Honduras. The results of the survey were sent to exporters for analysis.
- Chayote samples were sent to the U.S. via the Comayagua exporter.
- Support given to businesses in the inscription of acidified products for export to the U.S.
- Processor samples given to potential buyers.
- In collaboration with FOPRIDEH program, market liaisons were created between vegetable distributors and Funbanhcafe backed producers in Comayagua.
- Support given to bean commercialization.
- Relationship established between distributor and dairy processor.
- Information disseminated about upcoming fairs.
- Sanitary registry obtained.
- Samples of baby corn prepared and sent to fair in California.
- Increase in chayote volume for supermarkets.

PROCESSING

- New project presentations and microprocessor support given to various schools and associations in Colon and Atlántida.
- Freezing tunnel quotes were prepared.
- Successful tests of sweet potato chips with different added flavors took place in small and larger scale processing plants – marketing aspects are being dealt with.
- Contacts established with laboratories to determine nutritional value.
- Information about specialized processing equipment manufacturers was gathered.
- Necessary equipment was recommended and a cucumber process flowchart was designed.
- Cookies were packed for export.
- Process flow was developed for frozen and sliced sweet potatoes.
- Equipment recommendations given to group of women for sweet potato, cassava and potato slices.
- Times and procedures for marmalade process.

Advances in Select Crops – September 2005

Sweet Corn:

3.1 hectares planted,
15,671 trays sold to
supermarkets;
Lps. 219,400.

Nathaly Sweet Peppers:

14 hectares harvested;
29 trucks sent to El
Salvador; 504,000
pounds; \$119,000.

Tomatoes:

28 hectares harvested;
\$94,260 sold to local
market and El
Salvador;
590,000 pounds.

Sweet Potatoes:

13 shipment
containers exported:
Six to England, two to
Holland and five to
Canada; 21 hectares
were planted.

Bananas:

1.05 million pounds
harvested for four
local and regional
buyers
(Lps.1.74 million).

PRODUCTION

- USAID-RED's new technicians received a theory-based and practical training.
- A work order was completed for a visit to pineapple farms in Costa to evaluate the quality of the material being planted.
- Evaluation of pineapple suckers.
- Support given to seedling production plant in the southern region.
- Production manager attended a seedling and stake production seminar in the U.S.
- Production staff meeting held to review the goals of the new project broken down by crop and market type.
- Fertilization programs were handed out for tomato, sweet potato, oriental vegetables and various peppers. Technical assistance provided about materials needed in order to install irrigation systems.
- Production manuals were handed out on various crops.
- Use, maintenance and installation of ring filters.
- Information sent out to people interested in the flower business.
- The first radicchio plants were planted for export to the U.S.
- Installation of new drip irrigation systems in farms where traditional irrigation systems were used before.
- Improvements made by farmers in soil preparation.
- Monitoring of pests and diseases, yellow trap installation and live barriers were set.

PUBLICATIONS AND PRESENTATIONS

- Nursery, carrot and tomato production manuals were revised and finalized.
- Technical presentations were created in seedling production, management of postharvest fresh produce and several in EurepGAP.
- USAID-Red project was presented to Zamorano and CURLA.
- Presentations were also created for the IADB micro-financial symposium in Bolivia and agricultural extension in FHIA (both will take place in October).

INVESTMENT

Investments of more than Lps. 360,000 were reported by USAID-RED clients. Most investment went toward the installation of drip irrigation systems, GAP infrastructure on farms and specialized consulting on evaluation and recommendations for aseptic processing equipment.

GAPs and GMPs

EurepGAP recertification audits were done on four farms, which for the second year in a row obtained accreditation; GAPs program was established for 2005-2006; infrastructure works were approved to fulfill GAP requirements in cucumber exporting farms; planned implementation program of GAPs for all jalapeño pepper producers; follow up of GAP implementation plans given to several farms.



Emergency Shower On Farm



Sweet Potato Sampling



Revision Of Sweet Peppers



Hand Disinfection On Farm



Packing Orange Sweet Potato

POSTHARVEST

- Visit to construction site that could be adapted as a sweet potato packing plant.
- Created layout design and provided equipment recommendations based on crop projections.
- Designed mobile packing system for guava.
- Wood bins were scrubbed to lessen damage to cucumbers.
- Postharvest sampling done on sweet potato, jalapeño pepper, Nathaly peppers and tomato crops on various farms.
- Modification to banana maturation process in processing plant.
- Postharvest management of sweet potatoes in packing, plant sampling.

DIVERSIFICATION

- Technical assistance provided to chayote producers, including improving packing and wrapping.
- Supervised preparation activities for new chayote planting.
- Technical assistance provided in the installation and design of posts for chayote production.
- Support given to sweet potato farmers in Lago de Yojoa zone.
- Follow-up given to vanilla plants.
- New black pepper planted and recommendations given to improve pepper germination banks.

DAIRY PRODUCTS PROGRAM

Production: Technical assistance and coordination of two assignees from Costa Rica's Universidad Earth in Atlántida and Colón. One of the assignees will work for three months in COAPALL's (Cooperativa Agroindustrial de Productores de Leche El Aguán Limitada) and CRELs (Milk Collection and Refrigeration Centers - Centros de Recolección y Enfriamiento de Leche) centers with the objective of implementing a biodigester system on a pilot farm and giving support on Good Milking Practices. The other assignee will work for three months in the processing area, giving support to four dairy product plant providers. This person will also contribute to the Good Milking Practices, hygienic processing, and procedures in artisan dairy product plants.

Commercialization: Participated in SAGO festival (Sociedad de Agricultores y Ganaderos de Olanchito) with three artisan plants, promoting products through direct sales and sample tasting.

Processing: Accompanied CITA technician (from the Universidad de Costa Rica), while conducting a 139-point diagnostic test in the Leche y Derivados, S.A. plant (LEYDE). This is the first step in the collaboration between CITA, USAID-RED and LEYDE for the implementation of a HACCP system in the existing plant and the future expansion of the company.

USAID

Monthly meeting took place to share projects advances, incorporation of new activities and immediate plans; meeting was held with USAID personnel to discuss topics related to the micro-financial component. Official agreement was signed by USAID and Fintrac, Inc.



Receiving Passion Fruit for Processing



Preparation of Passion Fruit for Processing



Passion Fruit Processing



Siembra de Radicchio

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.

The authors of this document are responsible for its contents which do not necessarily reflect the views and opinions of USAID.

FINANCIAL INSTITUTIONS

Micro financial Institutions:

Fundación Covelo: Initial financing given to producers that distribute fruit and vegetables regionally, San Marcos de Colón producers for zucchini project and Milk Collecting Centers in the north region. A financial assistance agreement began with El Negrito – Yoro producers.

FINSOL: Training and field visit with personnel from new Comayagua pilot program.

RED – Katalysis: Meeting and discussion of possible future collaboration.

ODEF: Program of visits created to meet new potential clients in diverse regions.

Banhcafe: Follow-up given to financing plan given to cooperative banana producer.

Banks: Formal presentation of USAID-RED project to various banks.

Consulting: Consulting for the development of financial component of USAID-RED is nearly finished; strategy and work plan scheduled to be complete by the end of October.

ACTIVITIES WITH PARTNERS

FHIA: Meeting to discuss details of work to be done with subcontractors, including research, development, wood and spices.

Zamorano: Meeting to discuss tilapia component, which Zamorano will direct, and to present USAID-RED project. Technical presentation offered to students on postharvest and processing.

CURLA: USAID-RED project presented and possible collaboration discussed with directors, faculty and CURLA's Director.

FPX: Specific work outlined that will take place in partnership with USAID-RED. Formal presentation will be offered in October.

FOPRIDEH: Formal agreement designed to provide support in market information and marketing. Support given to affiliates on commercial alliances and market and technical information.

ACDI: Meeting to specify the technical assistance and support that USAID-RED will give to the five plants, whose goals concern obtaining regional certification for the export of dairy products.

SAG: Promotional fair coordination in ANUGA; financial support, information and product collaboration; participated in meeting with SAG where accomplishments and plans of action and suggestions were discussed.



Packing Eggplant



Collection Of Empty Containers



Production Of Seedlings In Trays