



## MONTHLY UPDATE – September 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

Distribution of weekly price bulletins for fruits and vegetables in la Tiendona in El Salvador; creation and distribution of weekly bulletins on prices and volume in the U.S. market for plantain, cassava, chayote and pineapple; distribution of monthly bulletin on prices for fruits and vegetables in the European markets; liaison between cassava producers in Choloma with two processing plants, a restaurant and a distributor; signed contract with jalapeño pepper processor to obtain supply of jalapeño peppers from producers in Olanchito and other zones; support offered in the commercialization of a cucumber and vegetable distributor in the local market; visits to several supermarkets in SPS and met with Sales Director for distributor in Tegucigalpa and with supermarket chains to expand the frequency and volume of vegetable deliveries; sent samples of chayote and sweet corn to SPS; management personnel visited Guatemalan processor to assess the jalapeño supply program with producers from the West; assessed product request from Canadian buyer; support offered in the shipment of a second container to Canada with sweet potato, aloe vera, lemons, plantain and Jamaican pumpkin; revised and distributed sweet potato program to exporters; sent samples of celery to processor; obtained phytosanitary permit for export of jalapeño peppers to Costa Rica; liaison between freezing plant and pepper processor for the delivery of IQF jalapeño peppers; evaluated offer to buy plantains by transnational company; liaison between distributor and chayote producer in Siguatepeque for weekly sales of 15-20 thousand fruits; liaison of various producers from la Paz for the delivery of horticultural products to distributor; liaison between onion producer from El Paraíso and intermediary from El Salvador and with local buyers; liaison and sale of pickled vegetables, jalapeño peppers, pineapple vinegar and ground coffee to wholesaler; development of new fruit and vegetable products including sweet potato jam; advise provided about vacuum packed sesame for client in Japan; management of acquisition of plantain, chayote and cassava planting material; obtained samples of fine coriander for canned bean project; meeting with Farm Fresh manager to search for asparagus, cranberry and plantain markets.



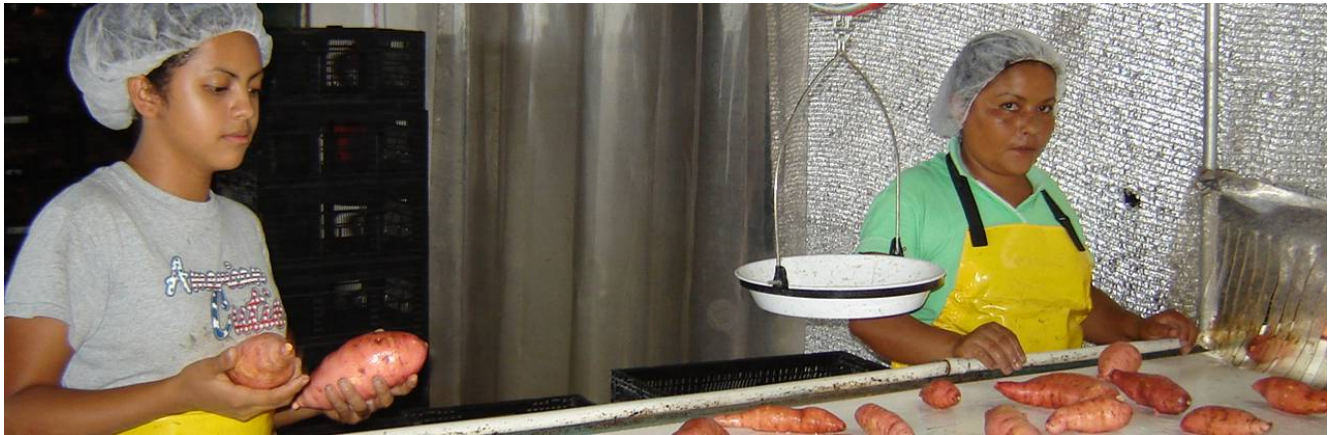
*Drying Onions*

#### TRAINING

106 trainings took place in September; 1,226 persons were trained – 897 men and 329 women.

Area	# Events	# Persons
Food Safety	11	303
Processing	22	328
Production	59	378
Market Information	1	29
Finances	2	29
Agroforestry/others	7	109
Postharvest	5	50
<b>Total</b>	<b>107</b>	<b>1,226</b>

Examples: Market opportunities for specific crops; irrigation/fertigation systems management; practices, basics, nutrition; integrated pest management; specific crop training; equipment and infrastructure of small processing plants; hygiene and food safety in prior processed food export; creation of jams and marmalades; postharvest management; classification and packing; good agricultural practices/EUREPGAP; good manufacturing practices/HACCP.



*Selecting Sweet Potato in Comayagua*

## TECHNICAL ASSISTANCE ACTIVITIES

### PROCESSING

Revised art for labels and packing material of several processed products; installed accounting program at bean processing company; created jalapeño salsa; pasteurized coconut water; revised microbiological tests for tartar sauce; established contacts for commercialization with Distribuidora Centroamericana and distributors in Miami; formula and procedure for the creation of marinated green and red peppers; delivery of gherkins and jalapeño samples to fast food chains in San Pedro Sula; formula and procedure for the creation of sweet potato jam and 'dulce de leche'; support offered in obtaining sanitary permits for export to the USA; training on the legal requirements and building infrastructure for processing plants, good hygiene practices and selection of raw materials; training on water chlorination for washing fruit; creation of processed products profiles for supermarket chain; inspection of plant and packing of corn on the cob according to regulations; support in BPM audits with AIB; visits to plant to supervise passion fruit juice process; installation of kitchen equipment at U. Pedagógica FM, FHIA and Instituto Técnico Luis Rigoberto Santos; prepared registers with FDA on pickled corn on the cob and jalapeño pepper.

### POSTHARVEST

Prepared plantain maturation tests for processing; quality samples of sweet potato for export and local sales; evaluations of radicular development of cassava in several farms; improved the washing, classification and packing of sweet potato; assessed the plantain storage areas in supermarket; supervised chayote farms; offered support in the packing of plantain that was exported to Canada; construction of a tank for washing of plantain; evaluated Caribbean pumpkin harvest and assessed the physiological maturity of the fruit; tests on chayote storage in cold room for export to Europe; assessed sweet potato packing for export to Canada; support offered in sweet potato and plantain harvest process for local sales and export; revised the area for plantain peeling for export; revised plantain samples that were sent to Canada.

### INVESTMENTS

USAID-RED clients reported investments of \$161,331 during the month of September. The areas with the highest investments were vehicles and other transportation equipment, land, equipment and installation of irrigation systems, postharvest and packing equipment, equipment and infrastructure for processing plants, greenhouse infrastructure.

### OTHERS

Visit to purifying and water bottling plant to assess opportunities for improvement; created procedure for rapid test of Scherer to measure phosphatase in dairy products; assessed registries at cheese plants to verify personal hygiene and sanitation controls; sesame sealing tests with and without CO2 injection; business plans for processing plants and packing plants; creation of pre-requisite and GMPs programs for several processing plants; feasibility study on the production and packing of plantain; validation on pasteurization of dairy products tests conducted; revised quote for bags to vacuum pack, created plan for new dairy products and vegetable processing plant.

### PUBLICATIONS- PRESENTATIONS

**Technical Bulletins:** Updated GAPs Manual; Plantain Production Manual; Bulletin on Postharvest Management of Pumpkin; Feasibility Study on Plantain Production and Export.

**Presentations:** Pre-requisite and GAP program at dairy plant; Financing options and profitability for plantain Project; Advances on USAID-RED Project performance; Financial training for producers.

### Advances in Select Crops – September 2006

#### Plantain:

468.8 thousand pounds harvested in 100 hectares; exported 3.6 containers of peeled plantain. Total sales of \$64.5 mil; 28 hectares planted.

#### Nathaly Sweet Pepper:

18,334 sacks sent to El Salvador; sales \$80.1 thousand; 16.7 hectares in harvest and 1 hectare planted this month.

#### Tomato:

36 thousand trays sent to El Salvador; \$235 thousand in sales; 40.1 hectares in harvest and 17.1 hectares planted this month.

#### Sweet Potato:

8.5 containers exported: 6 to England and 2.5 to Canada; 23.1 hectares planted this month.

#### Chayote:

203 thousand units harvested of the new variety; \$7.7 thousand in sales; 3.2 hectares in harvest.



**PRODUCTION**

Monitored and controlled pests and diseases in sweet potato, watermelon, Nathaly sweet pepper, zucchini, tomato, onion, chayote, broccoli, cauliflower, cassava, pineapple, carrot, plantain, and flower farms; implemented cultural practices in farm; prepared lots by raising, liming and laying down plastic mulch on the beds and built drainage systems; evaluated water sources; capacity of wells; installation of irrigation systems, measurement and calibration of water pressure; calibration of backpack pumps; phytoprotection management using specific fumigation programs for each crop; evaluation of new lots; delivery of fertilization programs; application of fertilizers and agrochemicals through the irrigation system; selection and curing of cassava cuttings before planting; used starter solution and measured the distance during the planting process; used biological controls; applied vitamins and sugars to strengthen plants; soil analysis; planting of live barriers and elimination of weeds and virotic plants to reduce pressure from pests and diseases; deleafing, desuckering, surgeries and bagging and tying of plantains; maintenance and cleaning of drip irrigation system; pruning of chayote, peaches, tropical flowers and roses; disseminated vanilla, plantain, chayote and sweet potato crops; trellising practices in roses; incorporated fertigation to carnation crop; training on the maintenance and cleaning of drip irrigation systems; implementation of terraced planting of horticultural products; deleafing and pruning of old guides in chayote to improve the entry of light and promote the maturation of fruit; prepared seedlings in nursery; application of pH regulator and stickers to amplify the potential of agrochemicals; rotation of crops on farm; bought plantain, chayote and cassava seeds; delivered production and yield costs for horticultural products and fruits to several producers.

**FHIA - AGROFORESTRY**

**Intibucá:** Supervision of fields and seedlings for horticultural plants, fruit and forest trees; supervised pruning on formation, pruning and selection of peach branches; demonstration on the selection of seeds, harvest, curing and storage of potato; demonstration on the use of fertigation under the fertilization calendar; support offered on lettuce, cucumber, sweet pepper, plantain harvests; visits to SPS Supermarkets to expand the commercialization of products, support offered in the commercialization of broccoli, cauliflower, lettuce, cilantro, potato and squash in the local markets and SPS.

**Atlántida and Colon:** Demonstration planting practices of passion fruit and rambutan; weeds, pests and diseases control; desuckering, fertilization and surgeries in plantain for the control of sigatoka; traces and fertilization of agroforestry systems, rambutan-plantain-mahogany, cassava-avocado-mahogany; selection and planting of plantain planting material, fruit trees, cassava and sugar cane.

**FHIA- AGRICULTURAL RESEARCH**

**Variety Tests:** Continued performing evaluations and variety tests on tomato and sweet pepper under cover in the rainy season, of orchid varieties in three substrates, of onions of every other day and cycle six and of chayote planting densities.

**GAPs and GMPs**

Follow-up to the EurepGap certification process for 11 producers of jalapeño pepper for processor-exporter; meeting with 32 candidates to participate in agroexporter certification process; created agrochemical storage designs, including showers, laundries, mixing areas and sanitary installations for 4 producers in Olanchito; CapGap preliminary evaluation visits for several producers in Francisco Morazán; created design for cucumber packing plant; assessed EurepGap advances in 6 exporting businesses; supervised the implementation of GAPs in sweet potato, cucumber, chayote, lettuce, jalapeño pepper, Nathaly sweet pepper and tomato; sent registry sheets for GMP audits with AIB; course coordination with lead auditor, BRC and Tesco; developing the task order (TO) for the course on fruit and vegetable certification.



*Sampling Pests in Peppers*



*Phosphatase Test in Dairy Products*



*Mobil Washing Station*



*Plantain Processing*



*Chayote Harvest, Siguatepeque*

### RESULTS / IMPACT

More than Lps 240,000 in loans delivered by FINSOL to 6 producers for papaya, sweet potato, onion and bitter melon plantings; sold processed products to Escuela Agrícola John F. Kennedy; increased the capacity of coconut water company; delivered tomato in cubes, green and red sweet pepper to processor; introduction of trash cans to shade houses and greenhouses; sent chayote samples for export to Miami; establishment of new areas for crops under agroforestry system; commercialization of aloe leaves for Canadian market; plant prerequisite program for dairy products processing assessed by SENASA; three experimental kitchens installed and ready for use by FHIA, Universidad Pedagógica Francisco Morazán and Instituto Ing. Luis Rigoberto Santos and signed agreement for their use in training events and the development of new products; delivered trays and agricultural equipment to agricultural schools donated by USAID-RED, Croplife and Monsanto; incorporated Instituto San Martín in the Agricultural Schools Alliance Program; expanded areas with plantain, sweet potato and chayote crops; built field latrines; farm signage; liaisons of more producers supplying Hortifruti.

### FINANCIAL INSTITUTIONS

#### Institutional Meetings:

**FINSOL** wrote assistance program outline for Tocoa and Olanchito and obtained the agricultural credit policy from the institution.

**Hermanidad de Honduras** translated draft of course on Leadership, Motivation and Delegation.

**Amanco** revised documents from the "Business Responsibility in the Access to Irrigation for Small Producers" Program and "We all Win" in order to define credit product for development; development of the outline of the Financing Program for the acquisition of irrigation equipment.

**Severál:** visits to Banco Atlántida, BGA, BanPais and Banco de Occidente in Siguatepeque to see financing facilities for producers and introduce them to the objectives of the microfinancial component of the USAID-RED project.

#### Field Visits/Meetings with Producers:

Meeting with two producers from Francisco Morazán to create cash flows in order to apply for loans. Training on finances for producers in Tutule.

Delivered references for several clients for agricultural loan applications at Fundación Covelo.

### USAID

Inauguration of Experimental Kitchens installed at Universidad Pedagógica Nacional, FHIA and Instituto Ing. Luis Rigoberto Santos; Introduction of new USAID-RED Director; Field visit to Lepaguare to see plantain production that is implementing good agricultural practices including preparation of seedlings in nurseries; obtained signed documents on the donation of vehicles from the CDA Project to several institutions.

### ACTIVITIES WITH COLLABORATORS

Participated in follow-up and advances meetings for institutions that participated in the 3ra. Plataforma Agroexportadora organized by IICA with the participation of SAG, DICTA, FPX, FIDE, SIC, among others; revision of the data entry form of SENASA's pesticide database; trainings provided to several students from EAP-Zamorano on processing, validation of sanitary registries, registration of acidified products for export to the USA; introduced prerequisite program to SENASA and GMPs implemented by two dairy processors in Olanchito for the certification and export of 'quesillo'; sent terms of reference (TORs) of technicians to PROMORCO. Participation from microfinancial companies Covelo, Hermanidad de Honduras and Finsol in USAID – RED trainings.



*Revision of Pineapple Material - Comayagua*



*Nursery Plantings - Intibucá*



*Irrigation System Installation*