



MONTHLY UPDATE – October 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

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Selection Of Valencia Cassava Planting Material

TRAINING

In October, 110 trainings took place impacting 1,849 people – 1,555 men and 294 women in the following areas:

Area	# Events	# Persons
EurepGap	5	47
Marketing	1	25
Postharvest	3	44
Processing	6	70
Production	93	1,471
Project	2	192
Total	110	1,849

Examples: Identification, management and control of pests and diseases; installation, management and maintenance of irrigation systems; production of seeds in nurseries; general BPS aspects; basic production practices; soil preparation; maintenance of records; BPM's, etc.



Identification Of Flower Pests With Magnifying Glass

TECHNICAL ASSISTANCE ACTIVITIES

START-UP OPERATIONS

- Contracts were signed with FHIA and Zamorano's agricultural school, to head management of agro forestry, investigation, production and processing of Tilapia.
- The technical assistance team that supports micro processing was completed and a new technician was incorporated to deal with medium and large processors, in particular, regarding food contamination and improved processing techniques.
- Meetings were held in institutions to manage technical assistance in Gracias a Dios. Meetings were coordinated with several agriculture schools to initiate the technology and assignee programs.

MARKETING AND MARKET INFORMATION

- The frozen vegetable and fruit market study was completed and distributed to processing plants and interested investors.
- Several clients and USAID-RED representatives participated in Rueda de Negocios 2005, a business conference.
- Support given to producers and exporters in Anuga and Iberflora.
- Baby corn exported to U.S. and Guatemala.
- Partnership created between Tabasco pepper producers and processing plants.
- Samples of jalapeño peppers, frozen, peeled bananas and sweet potatoes given to potential buyer.
- Contact established with buyer in El Salvador and national distributors.
- Contacts established between exporters and buyers in the U.S., Canada and United Kingdom.

PROCESSING

- Support given to plant and process certifications granted by FDA.
- Sanitary permits obtained.
- Samples sent for nutritional analysis.
- Elaboration of sweet potato samples and food tasting.
- Modifications and improvements in processing plant.
- Delivery of procedures, temperatures and cooking times for cassava, sweet potatoes and potato fritters.
- Development of passion fruit juice tests.
- Contact established between two processing plants to discuss freezing options.
- Recommendations on how to improve sesame seed production.
- Quotes on vacuum pack equipment, juice extractors and other processing equipment.
- Research done on dehydrated pepper project.
- BPM's diagnostic audits.

Advances in Select Crops – October 2005

Sweet Corn:

2.6 hectares planted;
12,360 trays sold to
supermarkets.
173,000 Lps. sold

Nathaly Sweet Peppers:

14.5 hectares
harvested; 35 trucks
sent to El Salvador;
610,000 pounds;
2.17 million Lps. sold.

Chayote:

4.4 hectares harvested;
55,400 units sold to
supermarkets. 77,600
Lps. sold.

Sweet Potatoes:

11 shipping containers
exported: Five to
England, one to
Holland and five to
Canada; 18 hectares
planted.

Bananas:

912,000 pounds
harvested and sold to
three local and
regional buyers;
1.25 million Lps. sold.



PRODUCTION

- Cassava was planted and another harvest was programmed for the Atlantic Coast (18 blocks in a month).
- Independent producers program was established with sweet potato exporter.
- Field visit conducted in Costa Rica to expand knowledge about pineapple production.
- Six new technicians began working in new zones and new clients were trained on how to develop new agricultural projects.
- Installation of drip irrigation systems in additional areas.
- Work began with flower and ornamental producers.
- New producers were trained in basic practices.
- Fertilization calendars handed out.
- Pest tests.
- Soil preparation took place.
- Drainage systems designed.
- Follow up given to carrot producers.
- Dates set for mango inductions.
- Bagging and taping tests done on banana farms.
- Planning began in areas free of moscajed (Olanchito).
- Pruning management in eggplant and tutoring offered on peppers, tomatoes and oriental vegetables.
- Alterneria control, some bacterial disease and root diseases in a variety of crops.

PUBLICATIONS AND PRESENTATIONS

Presentations were prepared on the Use of Plaguicides, Basic Production Practices and the Use and Maintenance of Drip Irrigation Systems at Zamorano; technical marketing bulletin was published on Air Services and Providers; weekly market bulletins were created about banana, chayote and cassava (prices and volumes in the U.S.); market studies were done on frozen fruit and vegetables.

INVESTMENT

More than \$106,000 was reported in investments by USAID-RED clients. Most of the investments were in irrigation equipment, infrastructure for production on farms, fumigation equipment, and infrastructure to eliminate food contamination; work vehicles.

GAPs and BMPs

Control of rodent activities took place; record systems used on various farms and plants; installation of emergency eye washers on farms; installation of container storage huts; bathrooms for field personnel were built; follow-up given to corrective plans for plants; records were revised with producers; GAP audits done on several farms; follow up given to infrastructure construction necessary for EurepGAP.



Cut Flower Production



Use And Maintenance Of Drip Irrigation System Trainings



Milk Processing

USAID

Information provided on results obtained from CDA and RED (for internal USAID report); success stories generated on the success of sweet potato and sweet pepper production; follow-up given to group of (lenca) women in Intibucá; monthly meeting; meetings held with other USAID projects – “Title II” y “Governability and Transparency.”

POSTHARVEST

Training offered on sweet potato harvesting with manual tools; postharvest tests done on sweet potato, pepper, and tomatoes to look for defects; washing process revised; selection and packing of sweet potato; tables used for eggplant classification; baskets used to transport fruit; evaluation and selection of chayote for supermarkets; follow-up after tests done on different varieties of tomatoes; improvements in banana harvesting for delivery to supermarkets; cured onion for rainy season; banana peeling for export; humidity application for banana maturation.

DIVERSIFICATION

Technical assistance given to chayote producers on production and how to program their crops; follow-up given to black pepper plants; technical assistance provided on vanilla, sweet potato and temperate climate vegetables; cassava crop promotion in coffee zones; pest and disease control and fertilization plans.

DAIRY PRODUCTS PROGRAM

Production: Operative Work Plan drafted; selection of 3 technicians for additional production; meetings with federations, cooperatives and other groups to inform them about USAID-RED project objectives; various CRELs were visited to assess possibilities of working with the project; follow-up given to PROMESAS project initiative.

Commercialization: Market study and sale of dairy products began; final draft will be ready in November.

Processing: Visit was coordinated with a consultant from Universidad de Costa Rica to conduct a HACCP technical diagnostic for an industrial plant, USAID-RED to advise on specific areas of the report; operational plan developed for RED; development of HACCP documentation and report manual for RED; validation of manual; meeting with ACIDI administrative personnel on how to elaborate work plan for certification of five artisan plants; basic evaluation of five plants to commit providers to the improvement in milk grades; processing diagrams created for equipment and plant products.



SDE: Soil Preparation



SDE: Sweet Potato Harvest



SDE: Bed Preparation With Plastic Mulches And Irrigation Tape



Tomato Harvest

FINANCIAL INSTITUTIONS

Micro Financial Institutions:
Covelo Foundation: Zucchini plan in the south; financing given to producers in the Comayagua zone.

FUNED: Financing and support given to various projects in the Yoro region for sweet potato, banana and carrot producers.

Others: Presentation on USAID-CDA and RED projects given at Micro financial congress in Bolivia.

Consulting: Consulting finalized on how to develop a strategy and work plan for the micro financial sector.

Initiating operations: Micro financial component contracts finalized. Activities set to begin during the second week of November.

ACTIVITIES WITH PARTNERS

FHIA: Meeting conducted to begin research and agro forestry activities.

Zamorano: Student training on processing and agricultural production; tilapia proposal was revised and approved; technical assistance given to production units.

CURLA: Follow up given to the improvement of vegetable analysis and soil analysis laboratory.

FPX: Collaboration agreement revised.

FOPRIDEH: Elaboration and dissemination of market prices and fruit, ornamentals and grain tendencies bulletins; support given to market collaborations.

SIC: Participated in business roundtable and financial support given to Business Women's First Fair ("Primera Feria de la Mujer Empresaria").

SAG: Meeting conducted with minister and other employees about moscamed zone activities, dairy project, certification programs, action plans for various crops.

OIRSA: Work plan defined related to traps in zones and trainings.

World View – Yoro and Ocotepeque: Activities planned for collaboration in different zones; follow-up given to work with sweet potatoes, carrots and peppers.

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.



Seed Production in Trays



Pineapple Processing



Fertilization Calendar Preparation