



## MONTHLY UPDATE – November 2007

### 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.

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#### AGRICULTURAL PRODUCTION

**Technical Assistance:** 1,432 technical assistance visits took place in all zones to follow-up on crops.

**Basic Practices:** Continued promoting basic crop practices through hands-on trainings that target not only producers, but agribusiness clients as well. The trainings include adequate land selection, agricultural mechanization, drainages, raised beds, good hydraulic and agronomic irrigation design, fertigation, Integrated Pest Management (IPM) and cultural practices (planting distances, nursery planting in trays, disinfecting mediums using water vapor, tutorings, good harvest and postharvest practices).

**Irrigation:** Installed drip irrigation on a total of 63 hectares, including 38 hectares in Francisco Morazán, 6 hectares in Sta. Bárbara, 7 in El Paraíso and 4 hectares in Yoro. Irrigation systems were installed in five other departments. Training on the use and maintenance of irrigation systems in new areas was provided.

**Advances in select crops**

**Tomato:** A total of 15 hectares were transplanted in the departments of Choluteca, El Paraíso, Olancho, Francisco Morazán and Copán. These plantings mainly supply the Salvadoran market.

**Jalapeño Pepper:** 11.2 hectares of jalapeño were planted this month in the zones of Copán, El Paraíso and Santa Bárbara. A processing company in Guatemala reduced its order; instead the harvested peppers were sold to a Honduran processor.

**Sweet Pepper:** 7.2 hectares were planted in Copán and Santa Bárbara.

**Plantain:** 38 hectares were transplanted around the country - 18 in Francisco Morazán, 2 in Yoro, 1.2 in Olancho, 6.3 in Santa Bárbara, 2 in Cortes, 1 in Colón, 5.5 in El Paraíso and two in Comayagua.

**Sweet Potato:** Began production of seeds free of viruses to improve the availability of planting material. Producers with land 1,400 meters above sea level (masl) were sought to produce the certified seeds. Closed producer-exporter planting program in Santa Bárbara to begin planting one hectare half-monthly in January 2008, using certified seeds produced in greenhouses in the highlands.

**Onion:** In Ocotepeque, Francisco Morazán and Comayagua 10.3 hectares were transplanted (2.5 of yellow onions and 7.8 of red onions).

**Oriental Crops:** 2 hectares of eggplant were transplanted and 4 hectares of Chinese bitter melon.

**Sweet Corn:** Five hectares were transplanted - 4 in Francisco Morazán and one in La Paz.



Eggplant harvest, Ajuterique, Comayagua

#### Sales of Select Crops by Assisted Producers – November 2007

Plantain	1 Million lb.	\$120,200
Cassava	140,000 lb.	\$8,700
Tomato	1,264,000 lb.	\$422,800
Sweet Potato	23 Containers	\$207,000
Jalapeño	444,200 lb.	\$85,700
Sweet Pepper	462,700 lb.	\$109,500
Pineapple	164,000 lb.	\$14,700
Potato	106,500 lb.	\$19,500

## PROCESSING AND FOOD SAFETY

- Trained dairy processor in Olancho on the use of the FDA notification system required by the bioterrorism law. Assisted in the expansion of a dairy products plant.
- Assisted juice processor in modifying de-pulper to improve efficiency. Improved the quality of the fruit concentrates to reduce cooking time and improve the product's appearance by adding thickener and shaking the concentrate.
- Assisted a frozen beans processor in the design of a cooling system.
- Auto-inspection of a juice and dairy processing plant took place in San Pedro Sula.
- Assisted a pre-cut vegetable processor in La Esperanza with the development of lettuce, broccoli and onion tests. Tests were performed at a vacuum packing plant. They were provided assistance in modifying their cooking pots.
- Assisted bean processor in San Pedro Sula with the development of a design to expand their plant. Helped obtain an estimate for a volumetric canner.
- Trained food service company personnel on hygiene and cleaning systems.
- Established optimum fruit maturity for juice processor.
- Developed plan for freezing plant and sent it to client for frozen sweet potato and cassava project.
- Assisted dairy processor in increasing quesoillo yields.
- Worked on the coconut water process to improve shelf life.
- Assisted potato processor in the development of a new product.
- Continued assisting several processors in the implementation of their GMPs and HACCP systems.
- Assisted candy manufacturer in renewing its sanitary and residual water license.
- Finished developing the HACCP manual for a meat company, which will be handed in to SENASA.
- Assisted two clients in preparing for mandatory audits that were requested by their clients.
- Assisted a meat processor in the implementation of sanitary requirements made by authorities in Guatemala in order to be able to export meat to that country.
- Assisted a client in obtaining a processing line for breaded vegetables.

## SPECIAL PROJECTS

- Began business plan for chips manufacturer and developed cost structure for vegetable processor in Comayagua.
- Developed cash flow for vegetable packing plant in the zone of Lago de Yojoa.
- Obtained estimate on accounting consultancy support for project clients.
- Assisted processor in positioning and obtaining an estimate for equipment to be used in a bean processing facility.
- Obtained an estimate on how much it would cost to send samples of pickles in brine to a buyer in Canada.

## INVESTMENTS

The investments made by USAID-RED clients during the month of November totaled more than \$4.63 million.

Area	US\$	% of Total
Processing	184,000	4%
Production	4,400,000	95%
Others	46,000	1%
<b>Total</b>	<b>4,630,000</b>	<b>100%</b>

Examples: In processing, autoclave, boilers, cooking pots, bag sealing equipment, stuffing machine, among others. Clients also invested in land for agricultural production, work vehicles, greenhouses, irrigation systems, fumigation equipment, agricultural equipment and machinery, fruit and forest plants, irrigation lakes, bathrooms, cafeterias and other constructions for food safety.



Crushed pineapple process, Santa Cruz



Filling bottles with fruit concentrates, Catacamas, Olancho



**TRAINING**

134 trainings took place in November; 1,092 people were trained – 840 men and 252 women.

Area	# Events	# People
Food Safety	1	25
Processing	5	14
Production	120	886
Postharvest	8	167
<b>Total</b>	<b>134</b>	<b>1,092</b>

Examples: Demarcation and hole digging to plant fruit trees, Integrated Pest Management, transplant of horticultural crops, installation of drip irrigation systems, postharvest handling of horticultural crops, management of seedlings in trays, development of pickled products, soil preparation, fumigation equipment calibration, medium sterilization for planting in trays.

**PROGRAM WITH INSTITUTIONS**

- **FUNDER:** Visits (44) and trainings (10) to technicians and producers in: soil preparation, construction of raised beds, seed management and potato planting in raised beds, design, installation, washing and calibrating drip irrigation systems; nursery management and plantlet production, use of local medium and sterilization of substrates; offered advise in crop management. Fifteen drip irrigation systems were donated to horticultural crop producers with gravity-fed water sources.
- **CARITAS:** Visits (15) and trainings (4) to technicians and producers in: soil preparation and use of raised beds, installation, washing and calibrating drip irrigation systems, nursery management and plantlet production. Ten drip irrigation systems were donated to horticultural crop producers.
- **WORLD VISION:** Visits (8) and trainings (10) to technicians and producers in: soil preparation and management of raised beds, demonstrations on seed management and potato planting in raised beds, topography studies for irrigation system design, demonstrations on the use of local materials and substrate sterilization in nurseries and plantlet production. Nine drip irrigation systems were donated to horticultural crop producers.



Above – Medium sterilization for seedlings, Intibucá  
Below – Visit from US buyers, La Paz

**MARKETING**

- Coordinated visit from plantain processor from San Pedro Sula to establish supply program for their plant.
- Plantain producers in Olanchito are supplying the Hortifruti market in la Ceiba.
- Assisted processor in the analysis of returned products and client complaints.
- Made appointment with potential buyer of dehydrated pepper paste from El Salvador.
- Established contact with potential buyers of frozen pepper and fruit juices in Anuga.
- Six market contacts were given to marketing personnel for follow-up.
- Export test was performed with 63 boxes of plantain in a mixed container with bananas and 240 boxes of paraffin-coated cassava.



## POSTHARVEST

- Monitored eggplant, malanga blanca/yautía, chayote, potato, strawberry, cassava, sweet potato, plantain, pickling cucumber and jalapeño farms to follow-up on quality, development and harvesting of crops.
- Helped obtain estimates for containers used to transport plantain and for use by El Negrito and Arenal packers who will support the producers in these zones.
- Assisted in the design, placement, construction and installation of packing lines and other activities for peeled plantain, malanga blanca/yautía, pickling cucumber, sweet potato, tomato, and other vegetables.
- Continued doing research and developing the plantain maturation process with supermarkets and producers.
- Helped exporter train personnel in cucumber packing: quality criteria, temperatures and relative humidity during storage, compatibility and postharvest handling of the product.
- The cucumber postharvest bulletin is under revision.
- Provided information about cold room supplier to horticulturist cooperative.



Plantain packing for export, Cortés

## PRODUCTION AND LOGISTICS PROGRAMS

- Received five subsoliers to be delivered to schools and cooperatives that are being assisted by the project. Two were delivered this month and the rest will be delivered the first week of December.
- Began delivery of 50 drip irrigation systems to producers that are receiving technical assistance from the NGO's assisted by USAID-RED.
- Published newspaper ad with the criteria needed to hire a consultant that will assist exporter/processor clients with the implementation of better business practices and Good Manufacturing Practices. The interview process will begin in December.
- Hired an expert to develop broccoli, cauliflower, cabbage, lettuce and potato production manuals. During this month the potato and lettuce manuals were completed.
- Began working on the second stage of SENASA's database.
- Eight producers were provided information on vegetable protection.
- Put four potential producers in contact with the technicians in charge of the zones of Francisco Morazán, El Paraíso and Comayagua.
- Obtained a copy of a thesis from EAP Zamorano on the propagation of vanilla using plants supplied by the project.
- Provided information on greenhouse construction costs to pepper organization interested in building them.



European cucumber packing, La Paz

## ALLIANCES WITH SCHOOLS

- Finished the quarterly report on model farms. As a result all six farms will receive a certificate of recognition.
- Two field days took place at model farms with 8 participants (7 men and 1 woman). Topics: Integrated Pest Management and fertigation.
- Two grantees graduated in November who will be replaced during the month of December.
- Grant extensions for several students are being processed.
- The process to select new candidates for grants to support technicians was completed with 6 grant awards in new areas.
- Began delivering reference bibliographies to schools program with an initial contribution of \$1,068.20.
- Provided administrative assistance to schools and grantees.



Demonstration of potato planting in beds with improved densities, Intibucá

## AGROFORESTRY

- Provided marketing assistance for several agricultural products for a total of Lps. 751,900 during this month. This includes Lps. 196,800 of cucumber, Lps. 53,500 of plantain, Lps. 89,600 of cool weather horticultural crops, Lps. 144,000 of potato, Lps. 34,200 of cassava and Lps. 169,600 of rambutan, among others.
- A total of 177 producers planted 33.6 hectares with different crops: 1.7 hectares of plantain, 7.2 hectares of rambutan, 1 hectare of coconut, 5 hectares of horticultural crops, 2.4 hectares of avocado, 3.7 hectares of peaches, 4.6 hectares of potato, 7.4 hectares of pure mahogany parcels and 6.5 km of bordering lines.
- 435 follow-up visits to agroforestry system users and horticultural crop plantings.
- Six irrigation systems were installed benefitting seven producers.
- Profiles were developed for two producers to access loans through the CACIL cooperative.
- Nine producers made investments to improve their farms due to the income generated by sales in the past few months; the investments included irrigation equipment and accessories as well as land purchases.



Strawberry lot revision, Yamaranguila, Intibucá

## USAID

- AID visited several project clients in Francisco Morazán, Comayagua, Cortés, Santa Bárbara, Copán and Yoro.
- Official delivery of AIB certificates to processors.
- The quarterly report for the period from July – September 2007 and all the corresponding success stories were handed in.



USAID visit to pineapple farm, Lago de Yojoa, Cortés

## GENERAL

- Sandra Espinoza, a processing specialist, began working in the central-south zone.



Revision of cucumbers in greenhouses, La Paz, La Paz



Cassava weighing, Santa Cruz de Yojoa, Cortés