



Resumen mensual – January 2008

## 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). The program's main objective is to increase incomes and employment opportunities in 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 while promoting increased production and investment in value-added products.

For more information, contact USAID-RED in La Lima, Honduras at (504) 668.4868; fax (504) 668.1190; or [red@fintrac.com](mailto:red@fintrac.com). USAID-RED's monthly update is available online at [www.usaid-red.org](http://www.usaid-red.org). If you would like to receive this or other publications by e-mail, you can subscribe on our Web site.

### AGRICULTURAL PRODUCTION

Technical Assistance: 1,254 technical assistance visits took place in all zones to follow-up on crops.

**Basic Practices:** Irrigation equipment is being calibrated in time for the beginning of the dry season and system cleaning is being emphasized to avoid algae problems. Subsoiling is taking place to break the hard pan and improve drainage. The equipment donated to the agricultural schools is being used to prepare the soil. Technical assistance in production has continued with a focus on production systems that include proper land selection, agricultural mechanization, drainage and raised beds, good hydraulic and agronomic irrigation design, fertigation, integrated pest management (IPM), equipment and applicator calibration, planting density, nursery planting in seedling trays, disinfecting medium with water vapor, tutoring, and good harvest and postharvest practices to guarantee strong yields in 20 different high-value crops.

**Irrigation:** Drip irrigation was installed on 57.43 hectares in Francisco Morazán, Olancho, El Paraíso, Yoro, Choluteca and Copán. Training was provided on design, use and maintenance of irrigation systems in new areas.

**Crops for Export Market Window:** Intensified technical assistance in watermelon and melon plantings in the south and cucumber and butternut squash in the central zone.

**Plantains:** Buyers need more fruit and are paying well for it. Currently, the first lots of the program established in Yoro and Francisco Morazán are producing fruit and data is being collected on tagging and bagging. The contract among producers from Cantarranas and Chiquita and INALMA was formalized.

**Sweet Potatoes:** The problems caused by the lack of seeds and the slow propagation of meristem seeds are being dealt with but the plantings have not been handled according to the producers' needs. The import of pure genetic planting material is taking place in collaboration with exporters.



Eggplants are harvested in Comayagua.

### Sales of Select Crops by Assisted Producers — January 2007

Crop	Volume	US\$
Plantains	656,000 lb.	\$73,285
Watermelons (local)	1,225 M3	\$141,842
Tomatoes	1.95 Million lb.	\$162,500
Sweet Potatoes	17 Containers	\$204,000
Jalapeño	1.1 Million lb.	\$210,500
Sweet Chilli	405,400 lb.	\$85,700
Strawberries	13,400 lb.	\$12,700
Chayote	122,600 units	\$6,500

**Zucchini:** Planting was restarted in the San Marcos de Colón zone, for an export market window.

**Carrots:** Carrots are being planted on a calendarized program in La Esperanza to fulfill market requirements.

**Plantings:** Among other plantings, 157 hectares were planted in January, including 15.8 hectares of onions, 15.3 hectares of sweet peppers, 16.3 hectares of jalapeños, 36.5 hectares of high density plantain, 15.7 hectares of watermelons and 37.3 hectares of tomatoes.

## PROCESSING AND FOOD SAFETY

- Assisted frozen vegetable processor in the search for local suppliers of ingredients, including cheese and oil.
- Continued implementing Good Manufacturing Practices (GMPs) with several clients.
- Started providing technical assistance to cacao processor in the implementation of a GMP program.
- Several tests on the development of new products with a pre-cut vegetable processor took place.
- Continued assisting pork processor to certify the plant to enable exports to Guatemala.
- Finalized a client complaint control program for a concentrated juice processor.
- Continued developing a new chemically preserved juice with a processor in San Pedro Sula.
- Assisted candy manufacturer in making improvements in managing the processing plant's effluents.
- Provided practical instructions to improve processing efficiency for a bean processor and a meat processor.
- Continued assisting rompopo processor in the development of new products.
- Trained pre-cut vegetable plant personnel in the use and adequate management of chlorine as a disinfectant.
- Assisted snack processor in obtaining estimates for electric fryers.
- Assisted company in the development of a jalapeño salsa.
- Started revising garlic puree development flow to standardize the process.
- Initial visits to several microprocessors in different zones of the country.
- Assisted tortilla processor in improving shelf life.
- Assisted vegetable-in-brine company in negotiating a contract to export pickled cucumbers to Canada.
- Prepared a justification for the development of a marketing study, marketing plan, publicity and sales with an ice cream processor from the north coast.
- Prepared justification for the standardization of 13 sanitary registries that will permit six processors to gain access to the regional market.
- Prepared the justification to improve the design of packages for 18 project clients.
- Prepared the justification to check refrigeration equipment at a frozen fruit and vegetable plant.

## SPECIAL PROJECTS

Updated plantain production costs for exporting and provided recommendations on how to lower costs and negotiate with a buyer.



Jalapeños with cheese are processed in Choluteca.



Pre-cut vegetables are tested in La Esperanza, Intibucá.

## INVESTMENTS

Investments made by USAID-RED clients in January were \$220,253.

Area	US\$	% of Total
Processing	\$106,387	47%
Production	\$88,603	42%
Postharvest	\$25,263	11%
<b>Total</b>	<b>\$220,253</b>	<b>100%</b>

Examples: In processing, the clients invested in fumigation equipment, agricultural equipment and machinery, irrigation systems, vehicles and other transportation equipment and agricultural services. In production, several plants invested in expanding and making improvements to their facilities. Cucumber exporters made postharvest investments in equipment and improved their facilities.

Conducted cost analysis for cubed peppers and developed a sheet to calculate costs for a pre-cut vegetable processor.

Conducted return-on-investment analysis of a packing machine for a snack processor.

### PROGRAM WITH INSTITUTIONS

**FUNDER:** Visits (20) and trainings (8) to technicians and producers in soil preparation, use of diluted fertilizer, raised beds, seed management and potato planting in beds, design, installation and management of drip irrigation systems, construction and management of nurseries and plantlet production, and use of local mediums and sterilization of substrates. Provided advice on crop management. Two drip irrigation systems were installed with second-hand materials and small contributions were made by the producer. Funder approved financing for 18 drip irrigation systems, 12 closed greenhouses with UV plastic and antivirus mesh and four rustic greenhouses, in addition to 95 GAP modules for hand-washing and 70 overalls for fumigation.

**CARITAS:** Visits (8) and trainings (3) to technicians and producers in soil preparation, contour plowing with raised beds, installation and management of drip irrigation systems, and use of yellow sticky traps, molasses and household disinfectants to control pests. Core soil samples were taken and tensiometers were installed to control and manage humidity in the soil. Agronomic follow-up was conducted on the crops.

**WORLD VISION:** Visits (5) and trainings (2) to technicians and producers on soil preparation, contour plowing with raised beds, demonstrations on seed management and potato planting in beds, installation of drip irrigation systems and training on management, operation and maintenance of drip irrigation systems, use of fertigation, demonstrations on the use of local materials, and sterilization of substrates in nurseries and plantlet production. World Vision/Yamaranguila approved the construction of 56 drip irrigation systems (two tareas each), from which 39 smaller systems have been built. The construction of five closed greenhouses with UV plastic and antivirus mesh was approved. Two of the greenhouses were built, each with a capacity of 50,000 plants each.

### MARKETING

Met with ethnic products buyer from the US who was put in contact with snack processors, bakeries, candy makers, canning and bottling operations and dairy processors.

Started working with a sales consultant who visited the first group of 17 processors and developed a strategic sales plan for each one. The first contacts were established with potential buyers and distributors and samples were delivered.

Assisted juice concentrate processor in opening distribution channel for international market.

### POSTHARVEST

Monitored malanga blanca/yautía, plantain, eggplant, sweet potato, peppers, cassava, pineapple, guava, chayote, zucchini, cucumber and pickling cucumber farms to follow-up on quality, development and harvests.

Assisted in design, placement, construction and installation of packing lines and other activities for fresh and peeled plantains, malanga blanca/yautía, eggplant, sweet potato, pickling cucumber and several other vegetables.

Assisted client in the search for a bag provider to pack ferns for export.

Developed bulletins on cucumber postharvest and plantain maturation using ethrel. Revised the postharvest section in the potato manual.

### TRAINING

90 trainings took place in January; 573 people were trained – 476 men and 97 women.

Area	# Events	# People
Production	85	554
Postharvest	5	19
<b>Total</b>	<b>90</b>	<b>573</b>

Examples: plantain nursery management, soil preparation, rustic nursery installation and plantlet preparation in trays, local substrate sterilization for use in nurseries, fertilizer application through the irrigation system, oriental vegetable pruning, installation of irrigation systems, transplants using starter solution, pest and disease identification, postharvest handling and plantain maturation.



Irrigation installation training is conducted with NGOs in Campamento, Olancho.



Pest scouting is conducted on a plantain farm in San Juan de Flores, Francisco Morazán.

Attended meeting with sweet potato exporters to improve the process.

Continued assisting the industry, supermarkets and producers with the plantain maturation method.

Assisted packers in sweet potato packing data collection in Comayagua.

Coordinated visit to packing facilities and cold rooms in San Pedro Sula for personnel from Cooperativa de Siguatepeque who are about to build a vegetable packing plant with USAID-RED technical assistance.

## PRODUCTION AND LOGISTICS PROGRAMS

Continued delivering 50 mini drip irrigation systems to small producers that are receiving technical assistance from the NGOs assisted by USAID-RED.

Continued delivering 2,000 trays for plantlet production in nurseries during the month of January.

The consultant in charge of assisting exporter/processor clients in the implementation of good business practices and Good Manufacturing Practices began working. She was introduced to the personnel at the companies she will be assisting.

The broccoli, cauliflower, cabbage, lettuce and potato production manuals are undergoing final edits and will be published in February 2008.

The funds for the construction of packing plants and equipment purchases in El Negrito and Olanchito are being processed.

The funds to build greenhouses are being processed.

Received agronomist kits that will be delivered in February 2008 to technicians at the selected NGOs.

Provided information on sweet potato for student writing a graduate thesis, technical information generated by the project and technical material to measure the acidity of a vegetable protection solution.

## ALLIANCES WITH SCHOOLS

Interns in the zones of El Negrito and Macuelizo were trained in administrative processes and monitoring.

Three institutions will graduate during the month of February: Escuela Luis Rigoberto Santos, Instituto Santa Cruz de Yojoa and Instituto Luis Landa.

Escuela Agrícola Valle de Sula is delivering plantain and sweet pepper to supermarket in San Pedro Sula.

Escuela Agrícola Pompilio Ortega is delivering plantain to buyer in the zone of Copán.

Universidad Nacional de Agricultura is delivering eggplant to exporter.

Production lots continue to be developed at several schools that are part of the alliance and the interns continue their technical assistance activities in several zones.

## AGROFORESTRY

Provided marketing assistance for several agricultural products for a total of Lps. 503,857. The sales include Lps. 108,000 of plantain, Lps 93,500 of potato, Lps. 38,600 of tomato, Lps. 15,600 of sweet pepper, Lps. 6,000 of chayote, Lps. 15,000 plants of rambutan and Lps. 190,000 of cool weather horticultural crops, among others.



Cucumber packing for export, Comayagua



Assessment of cucumber quality, La Paz



Irrigation system installation, Azacualpa, FM.

Planted 22.7 hectares with different crops, including ten hectares of potato, four (4) hectares of watermelon, 0.26 hectares of peaches and 8.5 hectares with cool weather vegetables. Also planted 600 linear meters in the perimeters with different forest species.

Follow-up visits (367) to agroforestry system users with different crops (several horticultural crops, potato, plantain, rambutan, coconut, among others).

Pipes were installed and one drip irrigation system was distributed in an area of 2.36 manzanas for 24 producers in Intibucá.

Several training activities took place with the participation of 156 people. The topics included soil preparation, seedling planting, drip irrigation, rambutan pruning and tutoring, postharvest handling of horticultural crops, peach fructification pruning and building terraces.

**GENERAL**

- The following staff members joined the project:
- Food Processing specialist (Juan Aguilar)
- Business Management Specialist (Diana Ordoñez)
- Food Product Sales specialist (Juan Valladares).

We welcome them all to the USAID-RED project.

Finished gathering follow-up information on all project clients to monitor the project's impact in 2007.

Delivered quarterly report to USAID and discussed plans for 2008.



Farmers sort and select chayote for the supermarket in Marcala.



A carrot crop is thinned in Tatumbla, Francisco Morazán.



Bean tasting is conducted with a sales consultant in San Pedro Sula.



Jalapeño pepper harvest, El Zamorano, FM.