



Monthly Update – October 2008

# Rural Economic Diversification Program

## PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a 41 month 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) 668.4868; fax (504) 668.1190 or write to: [red@fintrac.com](mailto:red@fintrac.com). The USAID-RED 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 automatically by email, you can subscribe directly on our Website.

## AGRICULTURAL PRODUCTION

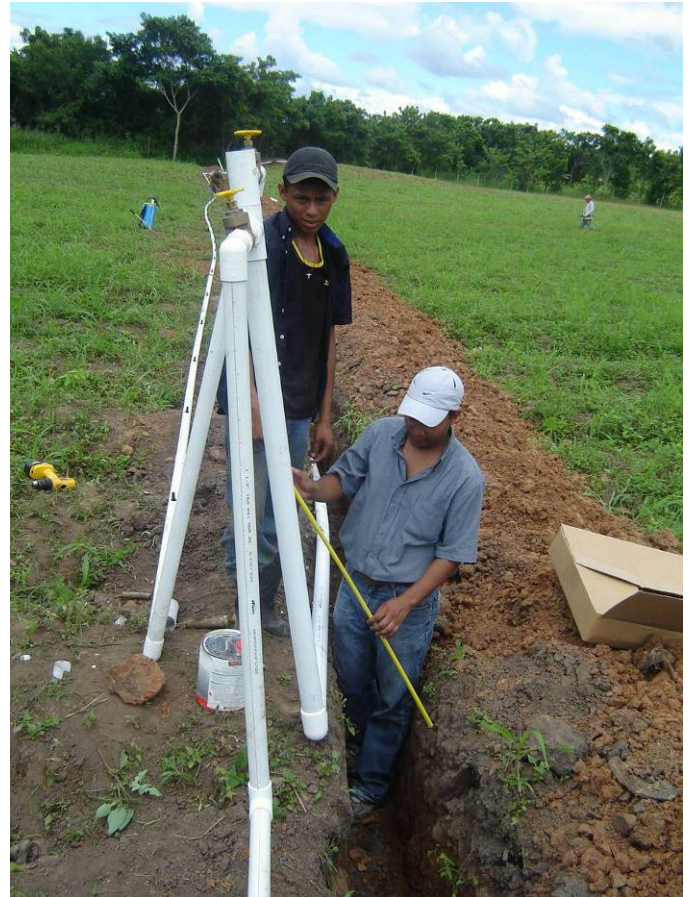
**Technical Assistance:** USAID-RED technicians made 492 technical assistance visits during the month of October.

**Plantings:** Program clients planted 38.4 hectares including 16.2 hectares of plantain (Yoro, Santa Bárbara, Cortés and Francisco Morazán), 14.0 hectares of rambutan, 5.1 hectares of tomato (Francisco Morazán and Santa Bárbara), three (3) hectares of pepper and two (2) hectares of jalapeño, among others.

### Good Agricultural Practices (GAPs):

- The program continues to promote good agricultural practices, particularly during the rainy season. The practices that were emphasized include good control of weeds, constant surveillance of pest populations and soil analysis for possible saturation.
- For plantain crops, technicians emphasized the control of sigatoka by deleafing and performing leaf surgeries; not only, but timely fumigation was promoted to stop the progression of diseases.
- The recommendations made to tomato farmers included clearing the land and eliminating crop residue after post-harvest to eradicate pest hosts.
- Emphasized maintenance of drip irrigation systems by washing tape with chlorine, molasses and phosphoric acid, alternating between each one.

**Irrigation:** 28.2 new hectares were installed with drip irrigation during this month. The installations took place in the departments of Francisco Morazán (2.3), Intibucá (7.1), Santa Barbara (2.7) and Yoro (13.0).



*Photos by Fintrac Inc.*

Installation of irrigation system - Juticalpa, Olancho

## Sales of Select Crops by Assisted Producers — October 2008

Product	Volume	Sales (USD)
Plantain	1,574,100 lb.	\$207,600
Tomato	588,200 lb.	\$57,000
Sweet Potato	28 Containers	\$336,000
Jalapeño	56,500 lb.	\$11,200
Sweet Pepper	157,500 lb.	\$45,200

**Crop Development:**

**Plantain:** Good prices have been maintained in local and international markets leading to its acceptance by producers.

**Bean:** Beans are recommended as a rotation crop to break pest and disease cycles. During October, 1.4 hectares were transplanted in Francisco Morazán.

**Rambutan:** The program continues assisting clients from the agroforestry sector especially those that intercrop plantain and rambutan.

**PROCESSING AND FOOD SAFETY**

- Frozen plantain and cassava processor finalized negotiations to rent, with the option to buy, an industrial plant and began adapting the new site and installing equipment. The plant should begin operating in January 2009. USAID-RED technicians assisted this client with the establishment of technical criteria for different contractors, obtaining estimates for processing equipment and the design of solutions to improve processes.
- Frozen pepper processor obtained an SGS certificate that allows him to meet the needs of several existing clients and improve his competitiveness to access new markets.
- Developed investment and costs plan for a plantain producer's snack project in order to add value to the products that he can not sell to the fresh produce market.
- Searched for processing equipment for a lemon juice processor and a concentrated fruit processor.
- Developed investment plan, plant lay out and financial projections for a pre-cut vegetable project in Choluteca looking to export its products to El Salvador.
- Assisted a juice processor during negotiations with a group of local chains through the implementation of GMPs.
- Coordinated the schedule for next month's visit from foreign investors interested in starting a processed pepper project in Honduras. Honduras has been selected as a potential supplier due to its international reputation as a pepper producer.
- Continued assisting melon exporter with the implementation of GMPs at the packing plant level.
- Continued trainings at UPNFM.
- Designed lay out for a plant expansion for a frozen bean processor.

**INVESTMENTS**

The investments made by USAID-RED clients during the month of October totaled \$177,675.

Area	US\$	% of Total
Processing	2,130	1.2%
Agroforestry	16,072	9.0%
Production	159,473	89.8%
<b>Total</b>	<b>177,675</b>	<b>100%</b>

Examples: Purchase of plantain seeds, equipment for irrigation and its installation, fruit trees, packing infrastructure, vehicles, among others.



'Dulce de Leche' processor in Francisco Morazán



Bean crop in Cantarranas

## PROGRAM WITH INSTITUTIONS

In October, USAID-RED held events with each one of the NGO's that are working with the program.

**FUNDER:** At an event held in Comayagua, success stories were presented with the participation of the producers and technicians featured in the stories. The results were discussed and strategies were proposed to expand the use of technology in each zone. The quarterly report was also presented and discussed at this event. The highest ranking officials from both of the organizations involved were in attendance. A large number of trainings took place in most of the zones including 54 USAID-RED technician visits and 22 formal trainings.

**CARITAS:** Three visits and one training took place this month with the support of the CARITAS-USAID-RED alliance. In the department of La Paz, the training provided emphasized the safe use of pesticides.

**WORLD VISION:** 15 visits and five formal trainings on crop management, crop protection and plantlet production, among others.

## MARKETING

- Link between several processors and a European buyer interested in importing processed products to Spain from Honduras.
- The Monitoring and Evaluation unit trained seven members of the Agribusiness Unit of the Secretariat of Agriculture and Livestock (SAG) on the development of market bulletins. During the training the participants worked on the development of watermelon, cucumber, pumpkin and plantain bulletins and on the design of new bulletins on potato, avocado and organic crops. A second training to reinforce the concepts learned and obtain feedback from the participants is scheduled for the latter part of November.
- Finished standardizing 13 sanitary registries in El Salvador for six companies, which will allow these companies to sell the newly registered products in this new market.
- Continued designing labels, logos and banners for several program clients.

## GENERAL

- The Director of USAID/Honduras visited Escuela Agrícola Pompilio Ortega in Macuelizo, Santa Bárbara.
- Visit from USAID Assistant Director and personnel from the United States Government to a processing plant in Zambrano, Francisco Morazán.
- USAID-RED's most important results were published in a special supplement of "La Prensa": 60,106 issues.
- Delivered quarterly report for July-September 2008 and discussed the results with the USAID CTO.
- Video producing company was hired to develop a documentary on USAID-RED's 41 months of implementation.
- Collected final data to measure the project's impact on the agribusinesses that were assisted.

## TRAINING

68 trainings took place in October; 943 people were trained – 742 men and 201 women.

Area	# Events	# People
Food Safety	5	93
Postharvest	1	16
Processing	3	23
Production	59	811
<b>Total</b>	<b>68</b>	<b>943</b>

Examples: Soil preparation, installation of irrigation systems, fertilization using irrigation systems, greenhouse management, equipment calibration, GAPs, basic practices, among others.



The Director of USAID/Honduras visited Escuela Agrícola Pompilio Ortega in Macuelizo, Santa Bárbara



The Director of USAID/Honduras visited Escuela Agrícola Pompilio Ortega in Macuelizo, Sta. Bárbara

## SELECTED RESULTS:

### El Paraíso:

- A producer planted three (3) hectares of jalapeño pepper, obtaining yields of 742,110 pounds (247,370 pounds per hectare on average) that he sold for an average price of \$0.17 per pound with costs of \$75,695 and profits of 67%.
- A producer planted 0.6 hectares of Nathaly pepper, obtaining yields of 5,000 bags that he sold at an average price of \$4.00 per bag with costs of \$9,474 and profits of 111%.

### Comayagua:

- A producer planted 0.35 hectares of bitter melon, obtaining yields of 62,424 pounds that he sold for an average price of \$0.15 per pound with costs of \$1,869 and profits of 400%.
- A producer planted 0.7 hectares of squash, obtaining yields of 52,632 pounds that he sold for an average price of \$0.12 per pound at a cost of \$2,105 obtaining profits of 200%.
- A producer planted 0.7 hectares of cassava, obtaining yields of 40,000 pounds that he sold for an average price of \$6.58 per 100 pounds with costs of \$685 and profits of 284%.

### Cortés:

- A producer planted three hectares of plantain, obtaining yields of 271,794 pounds that he sold at an average price of \$0.18 with costs of \$20,896 and profits of 134%.

### Yoro:

- A producer planted and maintained 0.35 hectares of beans that he sold “as is” directly to a buyer generating an income of \$475 with costs of \$56 and profits of 748%.
- An educational institution obtained yields of 32,000 pounds during its second cycle of plantain on 0.80 hectares that they sold at an average price of \$0.10 with costs of \$1,011 and profits of 217%.



Nathaly pepper harvest, Francisco Morazán



Cucumber trellising