



Monthly Update – April 2009

Rural Economic Diversification Program

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a five-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.

USAID-RED will finalize its activities in September 2010. The USAID-RED Monthly Update is available online at www.usaid-red.org. If you would like to receive this or other publications automatically by email, you can subscribe directly on our Website.

COMMERCIAL PRODUCTION

USAID-RED technicians continue providing technical assistance to lead producers and searching for new producers. Activities were resumed in the departments of Comayagua, La Esperanza, Ocotepeque, Cortés, Santa Bárbara, and El Paraíso. USAID-RED worked closely with the MCA/H-EDA Program to establish a plan to continue providing assistance to some of USAID-RED's current producers after the program ends.

Technical Assistance: During the month of April, USAID-RED technicians made 245 technical assistance visits to different regions around the country.

Plantings: USAID-RED clients planted 16.5 hectares of crops including 3.4 hectares of plantain, 2.0 hectares of cassava, 7.5 hectares of pineapple, one (1) hectare of jalapeño pepper and one (1) hectare of tomato, among others.

Irrigation: During this month, 33 new hectares were installed with drip irrigation, including 3.5 hectares in Francisco Morazán and 29.5 hectares in Intibucá.

Good Agricultural Practices (GAPs): The project has continued searching for new clients, expanding zones and promoting good agricultural practices. Producers have been trained in soil preparation with an emphasis on raised beds, installation of irrigation systems, delivery of fertilization and fungicide programs and follow-up was provided on harvest and postharvesting practices, among others.

Crop Development:

Plantain: Continued emphasizing deleafing, surgery and sigatoka control practices as well as fruit bagging before the fruit is cut. Producers have been trained on nursery development and



Assembling a ring filter, Francisco Morazán

INVESTMENTS

The investments made by USAID-RED clients and NGO's during the month of April totaled \$737,304. The areas with the highest investments are provided in the table below.

Area	US\$	% of Total
Machinery and production equipment	51,737	1%
Equipment/irrigation infrastructure	203,694	8%
Farm land purchases	294,737	6%
Processing plant equipment	20,915	62%
Infrastructure – processing plants	80,680	12%
Vehicles	62,200	7%
Others	23,341	4%
Total	\$737,304	100%

classification of plants before transplant.

Cassava: A comprehensive management plan has been promoted that includes good soil mechanization; the timely installation of an irrigation system; control of weeds and pests; desuckering; and repair of irrigation system leaks, among others.

Pineapple: Prepared the soil for planting and sent soil samples to laboratories; weed control; sucker projections for new plantings; and provided fertilization programs.

Potato: Provided assistance with fertilization plans and practices to improve germination.

Crop Rotation: Continued promoting crop rotation among producers that have finished harvesting their crops with plantings of beans and corn.

ADDED VALUE

- A total of 69 technical assistance visits took place to packing plants, warehouses, supermarkets and food processing plants.
- Assisted a pineapple processing plant in the development of vinegar using pineapple skin.
- Discussed packing alternatives with a pre-cut vegetable processor and vegetable warehouses.
- Tested trays at vegetable warehouses in order to add value to the product.
- Revised process flow for a nacatamales line and assisted with the development of the documentation necessary to register the products.
- Workshops were held on how to disinfect vegetables in the field and on improving collection logistics.
- Assisted a refried bean processor in the use and management of their new cold room.
- Began diagnostic consulting to identify the needs of this sector and developed work plans with clients.

PROGRAM WITH INSTITUTIONS

Several events were held with NGO's during this month. These technical units are located in zones with small subsistence producers.

FUNDER: A total of 39 technical assistance visits and 26 trainings with the participation 218 producers took place on management, operation and installation of irrigation systems and basic practices. Provided assistance with the installation of 15 hectares of drip irrigation and with the evaluation of nets for gravity fed irrigation. Provided assistance with the certified seed production program and defined new strategies for technical assistance, coordination with high level management and the technicians responsible for each technical unit.

WORLD VISION: A total of 70 technical assistance visits and 15 trainings with the participation 278 producers took place on management, maintenance and installation of irrigation systems, integrated management of pests and diseases, plantain harvest, development of organic fertilizers, basic practices, development of demonstration plots, and plantings of plantain, cassava, corn and beans. A total of four (4) hectares were installed with drip irrigation and four (4) 540 square meter greenhouses were built.



Production of tomatoes in greenhouses, Semane, Intibucá



Training on GMP for personnel at a cereal processing plant, Siguatepeque



Installation of drip irrigation system, Intibucá

CARITAS: A total of five technical visits and two trainings took place with 26 participants. Field visits on basic practices and drip irrigation systems took place with producers. Visited new zones in Francisco Morazán and established strategies using other NGOs as models.

OCDIH: A total of five visits and one training on the installation and operation of drip irrigation systems, the installation of nurseries and alliance strategies were defined.

SERSO HONDURAS: Two technical visits and two trainings took place with the participation of 72 producers where the following topics were covered: management of plantain and the installation and management of drip irrigation systems. In addition, eight hectares of drip irrigation were installed with USAID-RED assistance.

Other Organizations: Visits and field days have taken place to offer technical assistance to: *KATALYSIS*, *INADES*, *ICADE*, *UDEDFO*, *ODECO*, *Hermandad de Honduras*, *Save The Children*, *CARE*, *FUNLESOL*, and *Plan de Honduras*. Alliances are being formalized with many of these organizations.

MARKETING

- Met with the general management of a chain of supermarkets in San Pedro Sula and El Progreso. Provided assistance with the management of the department of vegetables and fruit.
- Followed up with a vegetable marketer that does business with factory markets and the hotel sector in Islas de la Bahía. Obtained volumes for the marketed vegetables to develop a supply plan. Established a market link with a producer in La Esperanza.
- Held meetings with the sales managers of a hotel in Tegucigalpa to offer USAID-RED technical assistance, find out about their needs and establish commercial links with them.
- A total of four training workshops were held with producers in the regions of Lago de Yojoa, Copán and Ocotepeque. Existing market opportunities in each zone were emphasized.

GENERAL

- USAID-RED extension services were officially launched with the participation of Ambassador Hugo Llorens and the deputy minister of Agriculture, Efraín Figueroa.
- Participated at a jalapeño pepper event organized by MCA/H-EDA.
- Held meetings with several private sector businesses to establish collaboration alliances.
- Signed the collaboration agreement with World Vision and developed agreements to be signed in May with several institutions that will be working with USAID-RED. Developed a video on the USAID-RED program and its achievements from 2005 to 2008.

TRAINING

A total of 54 trainings took place in April; 768 people were trained – 608 men and 160 women around the country on processing, food safety, marketing, production, and postharvest.

Department	# Events	# People
Comayagua	3	27
Copán	8	180
Cortés	5	59
Intibucá	15	212
Lempira	4	106
Yoro	6	39
Others	13	57
Total	54	145



Plantain production field day with producers from SERSO Honduras, Atlántida



Launch of USAID-RED extension services with Ambassador Llorens, Tegucigalpa

SELECT RESULTS:

Francisco Morazán:

- A producer planted 0.7 hectares of tomato from which he obtained yields of 122,500 lbs that he sold at an average price of \$1.20 per 50 lbs with costs of \$11,145 and profits of 146%.
- A producer planted 0.17 hectares of cucumber from which he obtained 300 sacks that he sold at an average price of \$5.80 per sack with costs of \$785 and profits of 122%.
- A producer planted 4.2 hectares of beans for rotation from which he obtained yields of 23,400 lbs that he sold at an average price of \$47.40 per 100 lbs with costs of \$4,295 and profits of 158%.

Santa Bárbara:

- Established a market link between Escuela Agrícola de Macuelizo and INALMA. A total of 10,000 lbs of plantain were sold at an average price of \$0.13 per pound.

Yoro:

- A producer planted 1.0 hectare of cassava from which he obtained yields of 43,500 lbs that he sold at an average price of \$0.11 per pound with costs of \$1,579 and profits of 203%.



Tomato production at Javier Amador's farm, Talanga, Francisco Morazán