



Monthly Update – November 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 378 technical assistance visits during the month.

**Plantings:** Program clients planted 38.2 hectares in November including 2.7 hectares of pepper, 23.3 hectares of plantain, 3.0 hectares of cassava and 6.7 of beans, among others.

### Good Agricultural Practices (GAPs):

- The program continues promoting good agricultural practices. During the last month of field implementation, copies of fertilization calendars and pest control programs were delivered to farmers. Field diagnostic equipment for GAPs was delivered and emphasis was placed on agricultural practices to obtain highly productive crops.
- The program continued installing drip irrigation systems. This activity, which is crucial for improving producer yields, was emphasized. The installation of irrigation systems will be complete by the beginning of December.

**Irrigation:** 23.9 new hectares of plantain were installed with drip irrigation during the month in the departments of Francisco Morazán (4.9) and Yoro (19.0).

### Crop development:

**Plantain:** The price has continued increasing and therefore it continued to be heavily promoted. During the month of November, 23.3 new hectares were planted in Yoro and Francisco Morazán.

**Tomato:** The use of raised beds and drainage systems helped USAID-RED clients obtain good harvests during the rainy season, which was a difficult time for many producers.

**Bean:** During this month, 6.7 hectares of beans were transplanted in Francisco Morazán in order to break disease and pest cycles.



Photos by Fintrac Inc.

Plantain farm, Olanchito, Yoro

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

Product	Volume	Sales (\$)
Plantain	964,920 lb.	\$135,585
Tomato	694,500 lb.	\$222,870
Sweet Potato	30 Containers	\$360,000
Pineapple	50,000 lb.	\$26,310
Sweet Pepper	43,400 lb.	\$22,240

## PROCESSING AND FOOD SAFETY

- Frozen pepper processor obtained SGS certification, validating its programs on food safety and good manufacturing practices and opening the door to other markets in order to satisfy the requirements of several clients. This processor began implementing the BRC protocol to enter the United Kingdom market.
- Finalized the graphic design program; the results include an increase in the competitiveness of 18 processing companies by improving the presentation of their products.
- Developed cost structure for fried, ripe frozen plantain for export. This tool will be used for the feasibility analysis performed during the reactivation of the freezing plant.
- Finalized technical assistance being offered to melon exporter in the southern zone on the implementation of several prerequisite programs for its packing plant. The implementation of these programs will be fundamental for re-entry to the US market and future certifications.
- Assisted exporter of fresh pickling cucumbers in the design of a value added program to export their product in brine for a buyer in Canada. Product costs were established, estimates for ingredients were obtained and pilot test were started with five containers.
- Closed fruit and vegetable processing workshop at Universidad Pedagógica Nacional Francisco Morazán by training 18 food technology professors who will continue training the students.
- In 2008, 35 processors sold \$37.7 million, representing \$7.2 million in additional sales or a 24% increase compared to the same period in 2007. Thirteen of these companies obtained sales that were 40% higher. These companies also generated 209 new jobs in 2008 and invested \$2.6 million in plant expansions, new processing equipment, plant certifications and new technology, which represents 56% of the total investments. The processors' success benefits more than 2,300 producers and more than 120 input suppliers which in turn has an impact on the local economy.

## PROGRAM WITH INSTITUTIONS

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

**FUNDER:** Three important events took place. The first, a training on techniques promoted by USAID-RED for 20 technicians from other zones where USAID-RED is not providing permanent assistance. The second training was offered to eight technicians from the pilot zones where the technologies proposed in the USAID-RED/FUNDER agreement have been implemented. The third event was a meeting held at FUNDER's main office where the results obtained were presented. Also 37 visits and 17 formal trainings on several crops were held.

**CARITAS:** Several visits were held specifically in the La Paz zone to offer technical production assistance for crops.

**WORLD VISION:** The most important activity was a national field day in which several organizations participated; the presentation consisted of the progress made by VM-Yamaranguila and assistance and trainings on select crops. A total of 14 visits and 12 formal trainings were held.

## MARKETING

- USAID-RED's Monitoring and Evaluation Unit officially transferred the development of market bulletins to FUNDER,

## INVESTMENTS

The investments made by USAID-RED clients during the month of November totaled \$64,026.

Area	US\$	% of Total
Machinery/Production Equipment	2,721	4%
Greenhouses	1,400	2%
Irrigation	44,989	70%
Packing Plants/Packing	4,390	7%
Processing Plants	4,210	7%
Soil Preparation	6,316	10%
<b>Total</b>	<b>64,026</b>	<b>100%</b>



Stuffed Jalapeño Pepper Processor, Choluteca



Granola Processor, Siguatepeque

World Vision (El Negrito) and the Ministry of Agriculture and Livestock (SAG), specifically to its Agribusiness Unit.

## GENERAL

- EAPO field day - delivery of motorcycle and closing activity.
- Training for 20 FUNDER technicians in La Esperanza.
- Distributed documentary video on USAID-RED's 41 months of operation.
- The Monitoring and Evaluation Unit finished collecting the base line data for 2008 and the end of harvest forms. This information will be used to develop the program's final report.

## SELECTED RESULTS:

### Choluteca:

- A producer planted 0.5 hectares of tomato, obtaining yields of 35,000 pounds that he sold for an average price of \$10.53 per 50 pounds with costs of \$2,632 and profits of 180%.

### Cortes:

- A producer planted 2.1 hectares of plantain, obtaining yields of 146,794 pounds that he sold for an average price of \$0.12 with costs of \$9,737 and profits of 81%.

### Francisco Morazán:

- A producer planted 0.3 hectares of tomato, obtaining yields of 20,000 pounds that he sold for an average price of \$15.79 per 50 pounds with costs of \$885 and profits of 614%.

### Comayagua:

- A producer planted 1.3 hectares of squash, obtaining yields of 81,000 pounds that he sold for an average price of \$.12 per pound with costs of \$5,339 and profits of 82%.
- A producer planted 2.1 hectares of tomato, obtaining yields of 362,500 pounds that he sold for an average price of \$111.10 per 50 pounds with costs of \$20,526 and profits of 292%.

### Yoro:

- A producer planted one hectare of plantain, obtaining yields of 80,952 pounds that he sold for an average price of \$0.11 with costs of \$3,684 and profits of 142%.

## TRAINING

62 trainings took place in November; 886 people were trained (762 men and 124 women) around the country on Food Safety and Production.

Department	No. Events	No. People
Intibucá	16	303
Francisco Morazán	12	103
Santa Bárbara	5	104
Otros	29	376
<b>Total</b>	<b>62</b>	<b>886</b>



Irrigation presentation by EAPO students, Santa Bárbara



FUNDER training seminar, La Esperanza