

# FINTRAC CDA

Market-led production programs are a core component of the Fintrac CDA technical assistance program. Good agricultural practices and the systemization of production practices provide the technological base for grower competitiveness. This bulletin provides a summary of Project activities and results with Onion, which is just one crop that growers produce as part of an overall market-driven integrated crop management program. The overall farm is considered as the business base and, in any given year, growers will also produce other income generating crops as part of a rotation program which minimizes fixed and operating unit costs.

## Onion

The onion production program originally started in July 2003 as an import substitution activity based on a fixed price agreement with year-round production contracts with two local distributors and a processor. In 2003, a total of 40 growers participated with 60 hectares, 1 million lbs and \$150,000 in farm gate sales.

In 2004 due to market conditions, this was changed to open market prices with a total of 11 buyer options and the grower deciding who to sell to. The total 2004 area planted reached 75 hectares, with 5.4 million pounds and \$805 thousand in farm gate sales. This is the equivalent of 128 containers of onion import substitution in 2004. In addition, 18 containers were exported by two local distributors to Costa Rica and Nicaragua.

A total of 60 lead growers located in 9 departments are currently participating in the onion program. The crop is being used by growers as part of a rotation program with peppers, tomatoes and sweet potato.

New planting programs were initiated in late 2004 for buyers in El Salvador, which will be harvested in early 2005.



### FIELD DAYS

In 2004, with the increased planting areas and number of growers involved, CDA developed field day programs for training and technology transfer in production systems, pest and disease identification and controls, water and fertilizer management, harvesting and postharvest handling.



### TECHNOLOGY

Production technologies follow CDA standard Good Agricultural Practices.

In 2004 improved production technologies were developed in areas including seedling preparation, increased planting densities, use of biological controls, variety selection, water management, fertilization programs, and harvesting systems.

### SALES

During 2004 a total of 5.4 million pounds of onions were sold to local buyers and distributors – with an estimated final sales value of \$900 thousand. A total of 75 hectares were planted in 2004 with total gross grower income estimated at \$ 805 thousand. Growers sell at variable prices depending on market conditions, but normally ranging from \$4.30 to \$11.00 / 50 lb bag. While harvests are still ongoing from 2004 plantings, net income averages \$ 5,100 / hectare with costs of \$4,400 / hectare. Planting schedules for 2005 for the yellow onion are projected at 120 hectares, with an additional 48 hectares scheduled for the white onion for El Salvador. Total 2005 grower sales for onions are projected at \$1.6 million for 2005. CDA is committed to expanding the production areas and markets for onions in 2005 and where possible to develop processed or semi-processed product outlets.

**PRODUCTION**

Year round onion production for the local market was introduced into Honduras by CDA. Production for the local market traditionally averaged 800 to 1,000 bags/hectare. With improved technologies introduced in 2004, CDA growers' yield in 2004 averaged 1,350 bags/hectare. With variety trials currently being carried out with FHIA the yields are expected to increase by at least 10% in 2005.



"I am very grateful with the CDA Project and the field technicians for their excellent support. This new activity has helped me move forward and solve economic problems. I have good expectations with the new investment I've made to expand production in my farm." - R. Avila, grower in Choluteca.

"For me, support has been excellent. Technical assistance has been on time. This is the first time I am producing vegetables, and the year where I have learned the most, and earned the most." - N. Sosa, grower in El Paraíso

**PACKHOUSE ACTIVITIES**

Given that the onion growers are located on a national level and sell directly to various buyers, each grower cures, grades and packs their own onions. Basic in-field or -on-farm curing structures have been constructed and grading systems implemented using guidelines developed by CDA.



The development of this activity has had a positive impact on the input, service and BDS sectors. 2004 grower expenditure benefited land preparation services, inputs suppliers, irrigation companies, hired labor, and transport companies. Cost of production for onion averages \$4,400/hectare, with labor costs making up 40%. The labor requirement during production is 580 person days/hectare, equivalent to 210 permanent positions for the 75 hectares planted in 2004. In reality, the labor become permanent as the work force on the farm was previously working with jalapeño, tomato, sweet potato or another crop.

All onion activities are being operated using Good Agricultural Practices and growers are at various stages of implementation.

Variety selection changes with planting date due to the day length. As onions had not previously been planted year-round in Honduras, this information was not readily available. During 2004, recommendations from various seed suppliers were used, while at the same time FHIA were contracted to carry out variety field trials with monthly plantings of a range of varieties.

In addition to the fresh sales on the local and regional markets, sales are also made to a local processor for the "fresh cut" sector and for pickled "baby" onions in brine for sales to the local supermarkets.

**IMPORT SUBSTITUTION**

Yellow onion ranks amongst the top five import crops into Honduras. During 2004, new onion production totaled 5.4 million pounds, equivalent to the substitution of 128 containers. Increased production has also attracted regional buyers, who are coming to Honduras to source yellow, white and red onions in increasing numbers.

