

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 Sweet Potato, 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.

Sweet Potato

In April 2003, sweet potato production was initiated for crop rotation as part of the integrated crop management program. Growers need high-value crops to continually rotate in order to minimize pest pressures, reduce overheads and maximize income.

Trials were carried out with the Bush Buck variety (red-skinned, white-flesh, used by the ethnic markets in Europe and Canada) to determine yields and reproduce planting materials.

In 2003, 35 hectares were planted by 15 growers located in Comayagua, Siguatepeque, La Paz, Jesus de Otoro and Lake Yojoa. Exports began in October 2003 and 3 containers (121,000 lbs) were shipped with an FOB value of \$42 thousand. In 2004, new exports were initiated to Canada and planting area increased to 3 hectares / week by the end of 2004. A total of 145 hectares were planted in 2004 involving 40 lead clients – more than 100 small and medium sized growers. 2004 exports totaled 39 containers (1.6 million pounds) with an FOB value of \$350 thousand. Many of the growers also produce jalapeño pepper, onion, coffee and yuca. Sweet potato is an attractive rotation crop that can provide high returns and fits with other CDA contract production crops of similar time frames, including jalapeño and onion.



FIELD DAYS

With the expanded export volumes and production areas in 2004, CDA developed field day programs for training and technology transfer in production systems, pest and disease 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 including the use of biological controls, selection and handling of planting materials, water management, fertilization programs, soil preparation and harvesting systems.

SALES

During 2004 a total of 39 containers of sweet potato were exported to Holland and Canada – 1.6 million pounds shipped with an FOB value of \$350 thousand. A total of 145 hectares were planted in 2004 with total gross grower income estimated at \$215 thousand. Growers sell at fixed price under contract to the exporter. While harvests are still ongoing from 2004 plantings, net income averages \$1,380 /hectare with costs of \$1,350 /hectare. Planting schedules for 2005 for the current variety and buyers are projected at 156 hectares, with an additional 150 hectares scheduled for the new orange flesh variety. Total 2005 exports are planned for 100 containers, FOB \$1.0 million in sales and \$505 thousand grower sales. CDA is committed to expanding the production areas and markets for sweet potato in 2005 and to continue to develop processed product outlets.

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PRODUCTION

Sweet potato production for export was introduced into Honduras by CDA. Production for the local market traditionally averaged 12,000 lbs/hectare. CDA growers' yield in 2003 averaged 20,000 lbs/hectare. With improved technologies introduced in 2004 average yields have increased to 22,000 lbs/hectare. With trials currently being carried out the marketable yields are expected to increase by at least 10% in 2005.



PACKHOUSE ACTIVITIES

The sweet potato is being packed in Comayagua where product is washed, graded, cured and packed prior to export.

The facility now permanently employs 40 persons (mainly women), up from 15 to 20 on 2003. The exporter has invested \$12,000 in field crates and infrastructure to improve productivity, reduce post harvest losses, and reduce costs.



EXPORTS

In December 2003, CDA made projections for 50 containers of sweet potato for export in 2004. A total of 39 containers were shipped. Visits were made by buyers from Holland and Canada to Honduras to see grower and exporter operations. A new exporter is expected to enter into operations in 2005 and with the introduction of the yellow flesh variety; exports are projected at 100 containers.



Sweet Potato Summary December 2004

"Honduran sweet potato in Holland is competing successfully with the South African product, and quality is as good as if not better". Dutch Importer

"The sweet potato from Honduras has quickly gained market share due to the high quality and consistency of supply. We expect demand from the oriental buyers to continue increasing". Canadian Importer.

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 and hired labor, local transporters and customs services. Cost of production for sweet potato averages \$1,350/hectare, with labor costs making up 60%. The labor requirement during production is 250 person days/hectare, equivalent to 150 permanent positions for the 145 hectares planted in 2004. In reality, the labor becomes permanent as the work force on the farm was previously working with yuca, coffee, jalapeño or another crop.

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

The orange flesh sweet potato planting materials were introduced from the USA and reproduced. The first commercial harvest from these materials is expected in January 2005, with full scale production and exports expected by June 2005.

Trials were also carried out with sweet potato chips, purees and dried flakes, which although not yet at a commercial level, are expected to be developed commercially in 2005.

In 2003 CDA also prepared a submitted Pest Risk Analysis for consideration of sweet potato entry into the US market from Honduras, although no response has been received.