

New Activities in 2003

As the Fintrac CDA program completes its third year, many initial crop programs are reaching maturity and self-sufficiency (sustainability) as a direct result of high quality technical assistance and market coordination provided by the project. Mature programs include those involved in production of cucumber, oriental vegetables, jalapeño peppers, yuca, and calendarized vegetables, as well as certain activities carried out with the larger processing companies.

In order to continue obtaining significant increases in local, regional and export sales, new projects need to be initiated and the level of project assistance to the more mature projects needs to be decreased and eventually phased out. The following are examples of new programs that are currently being developed under the Fintrac/CDA program.



Plantain

Both the local and export market for plantain is highly attractive. Prices in the US have soared and competitor supply has dropped significantly, providing opportunities for new suppliers. The local market is also attractive given high domestic demand. Local processors have indicated that their raw material requirements for processed plantain products have not yet been met through local production. Fintrac CDA hired a full-time agronomist to start working directly with plantain growers. This year's target is to work with 500 manzanas on existing farms to improve productivity by 25 percent (increased sales of US\$600,000 in 2004) and to plant at least 500 new manzanas (new sales of US\$2.2 million in 2004).



Sweet Potato

Trial shipments to Europe and Costa Rica, and initial sales to El Salvador, were made in late 2002 and early 2003. Based on positive market feedback, Fintrac CDA believes that this crop is a profitable new alternative for growers. In 2002, there were 20 hectares under production by Fintrac CDA clients, with most production sold on the local market. Fintrac CDA plans to increase planted land to 100 hectares and to generate \$250,000 in new regional and export sales for 2003. Returns will be assessed for possible further expansion in 2004.



Onion

Onion is one of Honduras' leading import crops. Several wholesalers in the country are willing to establish contracts with a guaranteed minimum price for local growers. Other wholesalers are also willing to provide seeds and partially finance production. Fintrac CDA is currently developing a strategy to produce up to 500,000 pounds of onions per month, with the minimum guaranteed price offered by the wholesalers (estimated minimum monthly sales of Lps. 1,000,000). As with other crops, Fintrac CDA will assist in the design and details of the contracts in order to assure a fair deal between the parties.

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Papaya

The Fintrac CDA Solo Papaya Program is in the development stage. Planting started in 2002 and initial exports to the US are expected in April 2003. In addition to being a well accepted variety for the US market, the Fintrac CDA - introduced Solo variety has also received very good acceptance in both local and regional markets. Currently 13 hectares are in production and 15 new hectares will be planted within the next three months. By the end of 2003, at least 80 hectares will be planted in Solo papaya. Target sales for 2003 are \$250,000, and 2004 sales could reach \$1.0 million.



Watermelon

The Fintrac CDA Watermelon Program is also currently in development. During the 2002/2003 season, a new seedless watermelon program was developed, new markets were accessed and exporters and farmers were provided technical and marketing assistance. Despite problems encountered with short preparation time, wind damage and selected varieties, Fintrac CDA believes that this crop offers good potential and can result in increased impact during the next season. Fintrac CDA technical assistance will be provided during the off-season for rotation and in preparation for Eurepgap requirements.



Medium-sized Processors

As the larger processing clients reach maturity and have well established markets, Fintrac CDA assistance to them is being reduced and the focus being shifted to assist medium-size processors with growth potential. The market for processed products is large and future growth is expected to remain strong. Fintrac CDA has also set a target to assist in the start up of two new processing companies.

IQF

The IQF market in the EU and US continues to increase and prices remain stable. Fintrac CDA has set a goal to find investors to establish at least one IQF processing facility. Fintrac CDA will provide technical assistance with the startup of this operation in both the plant and in the field. An estimated investment of around \$3 million is needed for one facility with export sales potential of up to \$8 million per year by the fourth year of operation.

