

Cucumber Production and Export Results – 2003/2004 Season

Season Comparisons

| | 2002/2003 | 2003/2004 | Change |
|----------------------------|----------------|----------------|-----------------------------|
| FOB Sales | \$4.15 million | \$12.9 million | + \$8.75 million (+210%) |
| Containers Shipped | 858 | 2,422 | +1,564 (+182%) |
| US Import Share - Honduras | 10% | 20.5% | +10.5 points |
| US Import Share - Mexico | 89% | 79% | -10.0 points |

The cucumber season ended in April 2004 with record numbers. Total US imports volumes increased by 40% and prices remained well above those recorded for last season. The impact on Honduran exports was even greater. Honduras' share of the US import market increased from 10% in 2003 to 20.5% in 2004 – inversely mirroring Mexico's drop in share from 89% to 79%. While global US imports of cucumbers increased by 40%, imports from Honduras grew 182%.

Growth in the Industry: The existing players in the Honduran cucumber industry are working together in a number of ways. Prior to the start of the 2003/2004 season, CDA arranged meetings between all of the exporters to share market information and projections, and to initiate group negotiations with the main providers of freight, boxes and seeds. By working together, they have been able to continue adopting best production practices while obtaining more competitive prices for their main inputs.

The five exporters involved in the 2002/2003 season, all increased their operations for the current season – by a combined 62% (from 805,000 boxes to 1.3 million boxes). Additionally, three new companies began cucumber exports during the 2003/2004 season with a combined 830,000 boxes. Honduras ended the season with eight exporters (all of which made profits) and a combined total of 2.1 million cartons exported.

Sales Increase: Cucumber FOB sales increased by 210% or \$8.75 million – from \$4.15 million in 2003 to \$12.9 million in 2004.

Fintrac CDA Support: Project support has been provided to all of the companies involved in the cucumber industry. Support has included:

- *Production:* implementation of Fintrac CDA production systems such as daily fertilization programs, pest and disease identification and scouting, integrated pest management practices, the use of live barriers, sticky traps and crop rotation. A greenhouse expert was also provided to assist and train companies that acquired greenhouses/shade houses.
- *Postharvest:* plant layout, product handling, grading, pack house designs and plant expansions, quality assessments and food safety.
- *Marketing:* new buyer linkages made in the US and Canada.
- *Group negotiation:* All of the participating companies were brought together and were presented with options to negotiate group purchases of inputs and services at lower costs.



2003/2004 Industry Statistics

In Brief

of Exporters: 8 (3 new)
 # of Growers: 23
 # of Packhouses: 8 (2 new)
 Area Planted: 1,040 hectares
 Zones: Comayagua & La Paz
 Employment: 5,000 (300 person days per hectare)
 2,500 new positions
 Yields: 2,160 cartons/hectare (2004)
 1,839 cartons/hectare (2003)
 1,692 cartons/hectare (2002)

Other Economic Benefits

Labor: \$1.4 million
 International Freight: \$5.8 million
 Inputs: \$1.48 million
 Packaging: \$1.95 million
 Seeds: \$165 thousand
 Infrastructure Investments: >\$1.0 million

| USA Cucumber Imports by Country (40,000-lb Containers) | | | | | |
|---|------------------|------------------|------------------|-----------------------------------|---------------------------------|
| Supplying Country | 2003-2004 Season | 2002-2003 Season | 2001-2002 Season | % Change (2002/2003 to 2003/2004) | Import Market Share (2003/2004) |
| Costa Rica | 0 | 0 | 82 | - | - |
| Dominican Republic | 11 | 6 | 104 | 83% | <0.01% |
| Guatemala | 36 | 56 | 44 | -36% | <0.5% |
| Honduras | 2,422 | 858 | 1,148 | 182% | 20.5% |
| Mexico | 9,356 | 7,552 | 7,221 | 24% | 79.1% |
| Holland | 2 | 2 | 3 | 0% | <0.01% |
| Spain | 2 | 2 | 1 | 0% | <0.01% |
| Total Imports | 11,840 | 8,476 | 8,539 | 40% | 100% |

Competitiveness & Sustainability:

For each of the last four years and as evidenced by increased US import market share, the Honduran cucumber industry has increased its competitiveness through improved production and post harvest technologies. All producers have lowered their unit costs of production to under US\$3.00 per carton, a level which will enable the industry to remain profitable even at significantly lower market price levels. For the 2004/2005 season, exports are expected to increase by at least 25 percent to over 3,000 containers.



"Based on the results of production trials carried out off-season, improved technologies will lead to further increases in productivity and reductions in unit cost - strengthening our position to gain market share".

Ricardo Lardizabal, CDA Production Manager

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