

A New High-Value Product for Small Farmers: Sweet Potato

- Introduced by CDA as a rotation crop in April 2003 with good export potential and high labor requirements.
- 25 hectares harvested during the first six months of 2004 - exported 520,000 pounds (13 40,000-lb containers), sold 500,000 pounds in local markets through informal channels (coyotes).
- Grower sales of Lps. 1.55 million (\$85,000) for the 6 month period with FOB export value of \$130,000.
- Gross sales averaging \$3,425/ha with production costs averaging \$2,210/ha, providing a net profit of \$1,215/ha (55% return on investment). Current average yield of 40,000 lbs/ha.
- Currently producing "Bush Buck" variety. Three orange-flesh varieties will be commercially introduced in September.
- 2005 production targets: 275 hectares, \$2.7 million FOB exports (Canada, the Netherlands, UK),

Sweet potato was initially introduced to CDA lead partners as a rotation crop in April 2003. The variety planted, "Bush Buck", is red skinned with white flesh, and is consumed by the ethnic markets in the EU. A buyer in the Netherlands was located that initially committed to two containers per month. A new Honduran exporter was brought into the sweet potato program, and CDA technicians in the central region began coordinating calendarized planting for export. Exports commenced in October 2003; 5 containers had been shipped to the Dutch importer by the end of the year. Due to positive acceptance of the first containers received in the Netherlands, the importer decided to continue with the program and to increase volumes to one container per week. Based on these initial results, the CDA project expanded promotion and technical activities to support sweet potato production for 2004.

- The sweet potato program involves 32 lead partners with more than 100 independent growers located in the Comayagua valley, the Lake Yojoa region, and the Sula valley.
- Production: 25 hectares have been harvested during the first six months of 2004 with exports of 520,000 pounds (13 40,000-lb containers). An additional 500,000 pounds was sold in local markets through informal channels (coyotes).
- Sales: Growers' sales totaled Lps. 1.55 million (\$85,000) for the six-month period. The FOB value of export sales totaled \$130,000.
- Profitability/Yields: Gross sales averaged \$3,425 per hectare. With production costs of \$2,210 per hectare, growers are earning an average net profit of \$1,215 per hectare (a 55% return on investment). Current yields average 40,000 pounds per hectare.

"Sweet potato is an excellent and profitable alternative for small growers. Its production costs are low - with the highest cost component being labor - making capital requirements small and accessible for the smaller grower. It has a four-month production cycle that enables growers to rotate their land and produce at least two crops per year." - Antonio Coello, Monitoring & Evaluation Specialist, Fintrac/CDA



Buyers and Market Projections:

The sweet potato program started with a buyer in the Netherlands and with informal buyers (coyotes) in the local market. After a visit to Honduras in April 2004, the European buyer increased his orders from 2 containers per month to 4 containers per month. Contacts made by the Honduran exporter with a Canadian buyer have resulted in a contract for two containers per month; shipments commenced in May 2004 with four containers shipped during the first two months of this contract. For 2004, exports of "Bush Buck" sweet potato to these two markets are projected to total 50 containers. In 2005, exports of this variety are expected to expand to 75 containers with an estimated FOB value of \$700 thousand.

- **Planting:** The planting schedule has been constantly adapting to the increased volumes requested from buyers. A total of 70 hectares have been planted during the first semester of 2004, generating new employment equivalent to more than 220 permanent positions.
- **Production Systems and Technology:** Sweet potato growers have all adapted the CDA standard Good Agricultural Practices, which include the planting of live barriers, pest and disease scouting, use of sticky traps and drip irrigation. Growers who started in 2004 have also incorporated the use of tailored fertilization programs, which require fertilizer to be applied on a daily basis through the drip system.
- **Sustainability:** Although the program is in its initial phase, growers in their second cycle are improving performance and are being able to lower costs and improve product quality. On the market side, the exporter is now supplying to a second overseas market (Canada), reducing the risks involved with selling to a single buyer.

EurepGap: In June 2004, the current Dutch buyer requested HACCP certification of the exporter's operations. With the introduction of the orange-flesh sweet potato for the UK market, Eurepgap is a standard requirement. As a result, Fintrac CDA will assist all sweet potato production operations in complying with Eurepgap certification requirements.

Expansion Activities: In early 2004, Fintrac CDA introduced three types of orange-flesh sweet potato varieties from the USA and Israel (in association with Mississippi State University and Galitec). Fintrac market surveys of the UK carried out in 2003 indicated excellent market potential for orange-flesh varieties, which are primarily sold in the mainstream supermarket sector. Planting materials are currently being reproduced and the first commercial volumes are expected to be shipped in January 2005, with full production coming on stream by mid-2005. Initial export projections for orange-flesh varieties are 4 containers per week (annual FOB value of \$2 million) requiring 200 hectares of production.

Statistics

# of Exporters:	1	Area Planted:	70 hectares
# of Growers:	32	Average Yield:	40,000 lbs/hectare
Zones:	Comayagua, La Paz, Cortes, Francisco Morazan, Yoro	Employment:	220 person years with current plantings (250 person days/hectare/planting)



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