

Investment and Expansion of Irrigation Systems (January through May 2002)



In the first five months of 2002, Fintrac CDA clients have invested \$300,000 in the expansion or installation of new drip irrigation systems covering 230 hectares.

Background: One of the most common problems for small and medium sized growers is the lack of appropriate irrigation systems on their farms. Growers without irrigation have to plant based on weather cycles which results in poor quality, low yields and usually only one harvest. They cannot efficiently calendarize or diversify their production. In addition, growers with overhead or flood irrigation face problems such as soil erosion, conservation of water sources and increased disease and pest pressure. Drip irrigation offers many benefits including reduced water use and labor requirements, improved fertilization and pest and disease management. Since the beginning of the Project, Fintrac CDA has been promoting the use of drip irrigation systems with almost all of the partners involved with production. In order to demonstrate the technology in the commercial operations of small and medium sized growers and to stimulate investment in irrigation systems, the Technology Fund was used in 2000 and 2001 to purchase 80 individual 0.7-hectare demonstration irrigation systems and 5 five hectare demonstration systems. A total of \$90,500 was invested by the Project during the 2000-2001 period. The increases in sales, productivity and perhaps more importantly, the uptake of the technology by the small and medium sized growers, have been excellent.

CDA Activities: All of the investments in irrigation systems were supported by technical assistance covering irrigation layout and design on the fields, equipment and drip tape maintenance, fertilization through the drip systems, fertilization programs custom designed for each specific crop, design and installation of filters, including a low cost sand filter designed by Fintrac CDA technical representatives, water requirements for specific crops, and overall technical assistance in production.

In addition, Fintrac/CDA developed technical bulletins (numbers 16, 18 and 19) which explain in basic terms, the essential activities such as drip irrigation system maintenance, construction of low cost sand filters and fertilization and chemical applications through the drip system. These bulletins have been provided to Fintrac CDA lead partners, and are also being distributed through more than 50 inputs suppliers and



New investment in drip irrigation in a lead partner's farm in Yoro



Technical representative assisting in the installation of two Fintrac/CDA designed sand filters in Comayagua



Training in La Esperanza on installing drip irrigation systems

local chambers of commerce as a part of Fintrac CDA's BDS program.

Results & Impact: The positive results achieved by the selected beneficiaries of the demonstration irrigation systems (dispersed through all of the operating regions of the project) in relation to productivity and profitability were the main catalysts of the new investments currently being made by both CDA partners and non partners. The following are examples of direct results obtained through the first 18 weeks of the Fintrac CDA 2002 project.

- New investment in drip irrigation systems have already been reported on all four operating regions of the Fintrac CDA project (South, Central, Mid Western and Western regions). This replication is an indicator that the systems have successfully been implemented in different geographical areas, with different grower types, climate conditions and different crops.
- Investment in drip irrigation systems reported by lead partners through the first 18 weeks of the project total more than **\$300,000**.
- Expansion of existing drip systems and the installation of new drip irrigation systems total more than **230 new hectares** for the five month period.
- In Comayagua, the implementation of drip irrigation with eggplant and other oriental vegetables has increased productivity by 30%. A total of 16 growers producing oriental vegetables for the two main exporting companies have expanded the area under drip irrigation by 109 hectares during the present year. Both exporters are helping selected growers finance these systems where both the grower and the exporter are benefiting from higher productivity levels and lower costs for pest, weed and disease controls.
- In San Marcos de Colon, where water resources are very limited during the dry season, the installation of drip irrigation systems made the production jalapeño peppers and onions possible due to a more efficient water use.
- In Choluteca and Nacaome, two campesino groups were able to obtain financing for a combined 27 hectares of drip irrigation (more than US\$80,000). At least 80% of the area under drip irrigation is being used for production of yucca and jalapeño peppers under contract with exporters and processing companies. These contracts were obtained through Fintrac CDA intervention.
- Most growers that were given demonstration systems have expanded their irrigation area. Neighboring growers have adopted this new technology.



New investments in irrigation systems by lead partners in San Marcos de Colon



A new well in Nacaome, Valle enabled a campesino group to expand production operations. They have a 7 hectare yucca production project.



Drip irrigation system installed for jalapeño pepper production

The project's investment of \$90,500 in the previous years' demonstration systems have stimulated partner investment of more than \$300,000 in just the first 18 weeks of project operations in 2002 – an investment ratio of \$3.3 to \$1 – so far.
