

Lead partners' sales increased \$9.50 million in 2003, up 35 percent from 2002 levels. This follows an increase of \$9.32 million in 2002, up 38 percent from 2001 levels. Marginal new sales directly attributable to program interventions totaled \$28.14 million over the two years. Lead clients invested \$4.16 million in new technologies in 2003. Lead client employment increased by an additional 419 full-time positions in 2003 (12 percent), following an increase of 1,000 positions in 2002 (48 percent). The lower employment growth rate is attributable to improved farm productivity through introduction of new technologies.

Client sales are expected to increase an additional \$25 million in 2004 due to significant expansion in local and export sales of various fresh products, and the start-up of a number of new value-added processing operations. By the end of 2004, annual sustainable sales of high-value horticultural crops will be \$44 million higher than in 2001. Marginal sales directly attributable to the Fintrac CDA program are projected to total \$72.12 million over the three-year period 2002-2004, equating to \$14.60 of sales generated for every \$1.00 of USAID investment.

Fintrac CDA provides targeted technical assistance programs to growers, exporters, processors and service providers (from micro- to large-scale in size) with the ultimate aim of increasing production and sales of high-value fresh and processed horticultural products to increase employment and incomes in rural areas and secondary cities of Honduras. Fintrac CDA operates using a market-driven approach to activities, both in terms of producing what the market requires and in determining partner companies' requirements to improve their operations. All project activities are designed to make this happen – starting with market research, and including developing and expanding market outlets, securing contracts, designing and improving production, processing and postharvest systems, organizing logistical requirements, and improving and installing infrastructure.

During the 2003 winter season, significant sales increases were reported for program-assisted crops. Highlights include:

- ☑ Cucumbers exports to the US reached a record high of 858 containers (\$4.15 million), up from 717 containers in 2002 (\$5.03 million) and 442 containers in 2001 (\$3.56 million).
- ☑ Watermelon exports to the US increased to 563 containers (\$2.7 million), compared to 477 containers in 2002 (\$4.06 million) and 332 containers in 2001 (\$3.29 million).
- ☑ Lead partner sales from contract and local market production programs totaled \$4.0 million, with jalapeño grower sales accounting for \$2.60 million. The CDA jalapeño program has continued to expand with new buyers and product development leading to an increase in contracted volumes for 2003 of 15 million pounds, up from 10 million pounds in 2002 and 5 million pounds in 2001.

In 2003, new crops were introduced under fixed price contract production and some existing crops were expanded, including:

- ☑ Jalapeno peppers (204 hectares, 93 growers, 10 Departments, \$2.6 million in annual grower sales)
- ☑ Tabasco peppers (110 hectares, 50 growers, \$1.00 million in annual grower sales and 300 permanent employment positions).
- ☑ Onion for import substitution (200 hectares, 70 growers, 4 departments, \$1.10 million in annual grower sales, 600 permanent employment positions).
- ☑ Plantain for local market (350 hectares, 15 growers, 7 departments. \$500 thousand in annual grower sales)
- ☑ Sweet potato for export to Holland (100 hectares, 50 growers, \$250 thousand in grower sales, \$350 thousand in export sales).
- ☑ Sweet pepper for local supermarkets (50 hectares, \$850 thousand in annual grower sales).
- ☑ Carrots and potato for local supermarkets (40 hectares \$450 thousand in annual grower sales).
- ☑ Cold climate vegetables for local supermarkets (35 hectares, \$350 thousand in annual grower sales).



In 2003, CDA provided direct technical assistance and support to 317 lead partners comprising 5,121 individual growers. A total of 63 lead partners were “graduated” from the program in early 2003 and 162 new lead partners were introduced during the year. Through the continued implementation of the Business Development Services (BDS) program, the Project has additionally reached more than 40,000 growers through 200 service providers. The majority (74 percent) of lead partners are categorized as small companies, of which 40 percent are considered micro-businesses. Activities were carried out in 14 Departments of the country, and included linkages and collaborative activities with other organizations to further expand program outreach

More 2003 Results

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| <ul style="list-style-type: none"> ☑ Grower incomes continue to show rapid growth: <ul style="list-style-type: none"> ▪ Micro/small-scale clients (gross annual sales under Lps 100,000) recorded average sales increases of 203% from 2002 to 2003 ▪ Average net income for jalapeno growers increased from \$1,055/ha (2001) to \$6,650/ha (2003) ▪ Tabasco and sweet potato growers earned a net income of \$1,500/ha ☑ 900+ hectares of drip irrigation systems installed by lead partners (\$533+ thousand investment) ☑ Biological controls introduced on a commercial-scale on more than 5,000 hectares ☑ 1.2+ million plantlets produced using low-cost production systems for small-scale calendarized vegetable growers in Intibuca ☑ Five companies assisted in developing grower services in large-scale plantlet production for jalapeno, Tabasco, tomato, honeydew and seedless watermelon growers ☑ Continued expansion of crop yields: <ul style="list-style-type: none"> ▪ Jalapeno peppers: 63,341 lbs/ha (2002) → 93,379 lbs/ha (2003) ▪ Tabasco peppers: 5,000 to 8,000 lbs/ha (2002) → 25,000 to 30,000 lbs/ha (2003) ☑ Eurepgap systems being implemented by 50 growers (without these systems exports to Europe will drop dramatically in 2004) ☑ Capital investments of more than \$4.16 million recorded by lead partners (irrigation systems, packhouses and packhouse improvements, processing plants and equipment) ☑ Microprocessor client sales in 2003 increased 186% over 2001 levels, with 2004 sales expected to increase 130% over 2003 levels (25 microprocessor clients owned by 309 individuals; 90% women-owned; 80% in rural areas) ☑ More than 120 buyer linkages made for growers, processors (micro and large-scale), and exporters with buyers in the domestic, regional, and international markets | <ul style="list-style-type: none"> ☑ New markets (domestic/regional/export) opened and new products (pickled baby onions; pineapple and jalapeno jellies; garlic puree, flavored plantain and yuca chips; pickled baby corn) developed for microprocessors ☑ 4,900 persons (21% women) trained in 490 individual events, primarily on-farm or in-plant, and covering production, postharvest handling, processing, and marketing topics ☑ Continued development of the specialty coffee industry: organized Honduras’ first specialty coffee competition with international cuppers; expanded “prevention of defects” and cupper/roaster training programs (cupping services now available to 1,300 growers in 12 Departments); introduced specialty coffee brand on the local market ☑ 14 new processed export products developed: jalapeno green sauce, frozen jalapeno, processed papaya (frozen, puree, dehydrated, sweetened and juiced), banana aroma, mango jams, flavored cassava, flavored yuca and plantain chips, pickled baby corn, and canned jalapeno ☑ Strengthened and expanded relationships with other institutions and organizations in order to increase outreach: <ul style="list-style-type: none"> ▪ Ministry of Agriculture (SAG) → support provided in irrigation programs, market information and market development. ▪ Swisscontact → technical assistance provided to watermelon growers for the 2003/2004 season resulting in the export of 156 containers of watermelon and honeydew melon. ▪ EAP-EI Zamorano → cooperation expanded to further increase the production of biological controls. ▪ INFOP → developed a “training of trainers” program in food processing techniques ▪ FHIA → production and postharvest trials; Pest Risk Analyses ▪ CARE/Other NGOs → training of NGO agronomists; training and collaboration in Intibuca ▪ Agricultural colleges (5) → provision of training, technical materials, and commercial production experience. |
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Activities for the final phase of CDA until September 2004 include major expansion in cucumber production exports, initiation and expansion of frozen fruit and vegetable processing plants for exports with contract production programs, initiation of greenhouse and shadehouse production and exports to the USA, export shipments of cucumber and jalapeño to Mexico, initiation of large-scale exports to Canada, increased sweet potato exports to Holland and UK, and the expansion of contract production programs. Lead partner income will continue to grow, together with increased exports and import substitution.