

Frozen Fruit and Vegetable Plants Start Operations

In late 2002, Fintrac CDA identified IQF fruits and vegetables as an opportunity for Honduran processors and growers. After a year of promotion with local processors, three new IQF plants are now in full operation.

Fintrac CDA identified Individually Quick Frozen (IQF) products as a market opportunity for large-scale processors and small- and medium-sized growers. Market surveys and a feasibility study were presented to existing food processors and other potential investors. In late 2003 and early 2004, three companies initiated activities to begin plant construction and trials. One company was already involved in frozen fruits (blast freezing), one in frozen shrimp and one in fruit purees. Technical assistance has been provided to these companies in the areas of plant design and layout, equipment needs, product flows, food safety and links with the growers for raw material supplies.



- The existing frozen products processor constructed and equipped a new plant and has increased sales from \$317 thousand in 2003 to \$1.08 million in the first half of 2004. Exports have been made to the US and Germany of 58 containers of melon balls and citrus segments. This company is now looking at expanding operations with broccoli, colored sweet pepper and jalapeño peppers.
- The shrimp processor approached CDA for assistance in product diversification; CDA provided assistance in developing a new product (IQF jalapeño peppers filled with cheese). New investments were made in the processing line, while using existing IQF equipment. Exports started to the US in February 2004, with a total of five containers shipped to date and an estimated FOB value of \$250 thousand. CDA jalapeño growers have supplied more than 150,000 lbs of the raw material. Exports are expected to grow as demand increases.
- The puree processor constructed and equipped a new plant and started operations in May 2004. During the first month of operations, four containers of IQF mango, banana and blueberries were shipped to the US and Germany with an FOB value of \$100 thousand. The plant will also produce IQF pineapple and plantain.

Overall, the three processing plant operations have generated employment for 300 new permanent positions. The companies have invested more than \$1 million in plant construction and processing equipment.



For 2004, initial IQF sales projections for the three new IQF processors total 125 containers with an FOB value of \$2.7 million. A minimum of 75 CDA growers are involved with raw material supply. Independent grower opportunities and supplies are programmed to expand for jalapeño peppers, sweet peppers, broccoli and blueberries.