

Results Summary

Three exporters and 30 independent growers participated in the watermelon export program during the 2002/2003 season, exporting a total of 156 containers (174,326 cartons) or 140 more containers than the previous season. Of the 156 containers, 135 were exported to the EU and 21 were exported to the US.

Seedless: 63,079 boxes (1,458 MTs) Seeded: 61,967 boxes (1,124 MTs)
 Miniature: 12,340 boxes (303 MTs) Canary Melon: 36,940 boxes (335 MTs)



Background

During mid-2002, two exporters located in the southern region of Honduras obtained export contracts for seeded/seedless watermelon and canary melons from buyers in the EU and US with projected export volumes of 585,000 cartons (480 containers) and an estimated FOB value of \$3.0 million. In order to meet sales targets, production contracts with the exporting companies were required for independent growers with a combined production area of 600 manzanas (420 hectares).

Fintrac CDA provided support in organization, planting coordination (calendarization), logistics, and technical assistance to the independent growers and packers/exporters. Activities were carried out from October 2002 to April 2003.

Joint Efforts

The watermelon export program was a joint effort between the exporters, growers and various support institutions. Due to the size of the watermelon project, and the short time for preparation, additional support was needed in two principal areas for participating growers: financing and technical assistance. **Swiss Contact** provided \$18,337 and the **growers** an additional \$1,814 to cover the salary of a field agronomist along with various related expenditures. The **Ministry of Agriculture and Livestock (Secretaría de Agricultura y Ganadería, SAG)** provided transportation for the technician for the seven-month period at a cost of \$9,644. Fintrac CDA's resources were leveraged 1:1 with Swiss Contact/SAG. In addition, **SAG** provided loan funds totaling \$586,500 through the **National Bank for Agricultural Development (BANADESA)** to help growers finance their production. The three conditions needed to access the loan funds were: (1) a guaranteed market for the product; (2) professional technical assistance; and (3) agricultural insurance.

Field Information

A field information system that tracked all field activities, grower performance and exports was implemented for the first time during this season. All information was provided real time on a password protected Web site (www.fintrac.com/sandja) and included technical reports, planting details, grower and field photographs, and harvest/export data.



Results

Although the export targets were not met, the watermelon program did achieve important results:

- Two new companies were able to export melons and watermelons for the first time during the 2002-2003 season.
- The total FOB value was estimated at US\$800 thousand. The three exporters that participated in the program exported a total of 156 containers (174,326 cartons), an increase of 140 containers over the previous season.
- The program benefited 30 independent growers who increased their production and sales because of new market opportunities. They were able to negotiate a fixed price contract with the exporters and obtained loans from Banadesa to expand operations.
- Fifty percent of participating growers were surveyed after the program and all were willing to continue with the watermelon program for the upcoming 2003/2004 season. Surveyed growers also reported:
 - Increased sales of 97 percent from Lps. 3.4 million to Lps. 6.7 million between the 2001-2002 and 2002-2003 seasons;
 - Increase in planted area from 219 to 370 manzanas;
 - Increase in permanent employment of 73 percent and in temporary employment of 20 percent; and
 - Investments in equipment and infrastructure of more than Lps. 3.2 million

Conclusions and Lessons Learned

At the close of the 2002/2003 season, an in-depth analysis of the program's performance was conducted by the exporters and Fintrac CDA in order to identify problems during the season and to make the necessary improvements for the following season. The analysis revealed that the primary reasons why the original sales targets had not been met were:

- Low productivity early in the season due to low temperatures and heavy rain/flooding of 27 manzanas.
- A new variety of seedless watermelon failed completely resulting in 112 fewer manzanas of available production. (Only proven varieties will be utilized during the upcoming season.)
- Short period of time to prepare and plan adequately. (Planning for the 2003/2004 season is already well underway.)
- Some growers did not have the required technical capacity to achieve good yields. (Only growers with drip irrigation will be allowed into the program for next season. Growers will also be selected by zones in order to facilitate technical assistance and transport.)
- Lack of prompt information during the season (volumes, sizes, rejects, quality problems, etc.) resulting in little time available for corrective measures. (A computerized management information program has been developed which will be implemented for the next season.)
- Some growers reduced deliveries to exporters in order to sell in the local and regional markets which had very attractive prices during the season. (For next season, any grower that sells contracted volume to third parties will be removed from future programs.)

2003/2004 Forecast

The watermelon program presents very important market opportunities in both the EU and US markets for the upcoming season. With the main problems identified and a longer period of time to prepare, additional impact can be achieved for the 2003-2004 season. Preliminary targets include: 40 participating growers, planted area of 500 manzanas, exports of 350 containers.

To meet new supermarket industry requirements for exports to the EU, Fintrac CDA will also assist those growers and exporters intending to export to Europe with the implementation and certification of Eurepgap systems.

