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RURAL ECONOMIC DIVERSIFICATION PROJECT
QUARTERLY REPORT # 12. APRIL – JUNE 2008

JULY 2008

This publication was produced for review by the United States Agency for International Development. It was prepared by Fintrac Inc. under contract # 522-C-00-05-00304-00 with USAID/Honduras.

USAID-RED

RURAL ECONOMIC DIVERSIFICATION PROJECT

Quarterly Report #12. April to June 2008

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

USAID-RED is being implemented by Fintrac Inc., a US-based agribusiness firm, together with a group of local private-sector firms and organizations committed to expanding rural incomes and employment opportunities through market-led, commercially focused activities. Other key implementing partners include Fundación Hondureña de Investigación Agrícola (FHIA), 11 agricultural education institutions and more than 10 Honduran private sector alliance partners.

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1. EXECUTIVE SUMMARY

- This is the twelfth quarterly report for the USAID Rural Economic Diversification Project (USAID-RED), summarizing activities and results for the period April through June 2008.
- Following guidance from USAID/Honduras, on February 22, 2008, Fintrac submitted a no-cost extension request to properly finalize work in critical areas. The contract modification was approved during the present quarter (June 27, 2008) to extend the period of performance through December 31, 2008. This extension will allow for continued work in key areas (with a reduced staff) where targets need to be met, and will provide sufficient time to conclude activities.
- USAID-RED is in its last year of implementation and for this reason some activities are starting to be phased out in selected regions. During the current reporting period, USAID-RED concluded the agroforestry activity (under which 170 clients were being assisted) on May 31, 2008 as originally scheduled. The school intern program was also finalized during the present quarter (June 30, 2008). Both activities were innovative and unique, and proved to be highly successful. Results from these activities contributed to many of USAID-RED's major targets. Final reports for both activities will be provided in separate reports.
- As of June 2008, USAID-RED is providing support to 497 lead clients (individual farmers, exporters, processors, NGOs, farmer groups/cooperatives, educational institutions) with 4,488 beneficiaries (neighboring farmers, farmers participating in out-grower supply programs, group/cooperative members, NGO clients and students).
- USAID-RED technicians made 2,728 technical assistance visits (on-farm and in-plant extension) during the quarter. In addition, 1,368 individuals participated in 134 training events.
- Clients and counterparts invested over \$441,000 in improved production, processing, postharvest and marketing systems during the quarter. This level of investment (with end of project targets attained eight months ahead of schedule) shows the high level of confidence that clients have in the USAID-RED project and in the agricultural sector as a whole.
- A total of 108 lead clients planted 213.6 hectares of various high-value crops during the quarter, including plantain, tomato, trees of different species, sweet potato, various pepper varieties, and rotation crops (corn and beans).
- Formal technical assistance (Train the Trainer program) to extension staff of three NGO counterparts continued in thirteen rural NGO zone branches. A total of twenty NGO agronomists are being trained on updated production practices and are, in turn, providing improved extension support to 535 micro- and small-scale farmers. Participating NGO's have made investments on productive infrastructure as a result of the collaborative agreement and activities with USAID.
- One of the two plantain packhouses built with USAID-RED donations of equipment and building materials was completed and two containers of plantain were packed in and exported from this new facility during the quarter. Four co-op members have benefitted so far. The other packing facility is still under construction and is expected to be completed

during the next reporting period. These two plantain packhouses will benefit more than 20 new plantain farms established in the zones by providing easy access for existing and potential buyers. Large-scale buyers have signed fixed-price contracts with the producers.

- The loan assistance target for the program was achieved during the present quarter. A total of thirteen loans were granted to project clients. A total of 253 loans have been granted by private banks and microfinance institutions to project clients with direct assistance from USAID-RED. The total credit given to these clients exceeds \$2.3 million.
- USAID-RED staff established 124 market links during the quarter (61 links to local markets, 63 to export markets). These provided new or additional markets to project clients (processors and producers).
- Contract based exports of plantain from Cantarranas with Chiquita Brands are now a reality. The first container was shipped to the US in April, followed by two containers in May and four containers in June, for a total of seven containers from this region for the period. The frequency of exports is expected to continue with one container a week for the following six weeks, and then increase to six containers per month in September. There are currently four farmers participating in exports with Chiquita from Cantarranas.
- USAID-RED's processing area provided additional support to its clients in marketing, sales, labeling and image improvement, and the development of formats and mechanisms to measure plant efficiencies. All of this work was finalized in the present reporting period and is showing excellent results.
- USAID-RED finalized work with SENASA on updating the National Pesticide Database. All registered products for use in Honduras can now be found at: <http://plaguicidas.senasa-sag.gob.hn:8080/senasaplus/plaguicidasplus.do>
- Activities, deliverables, results and milestones are reported based on the USAID-approved work and performance monitoring plan (see Section 5). Most activities being implemented are either on or ahead of schedule.
- Project expenditures are on target. To date, 89 percent of budgeted funds have been expended.

Annexes to this report include USAID-RED monthly summaries (3), success stories (6), and selected monitoring and evaluation (M&E) reports. Additional supporting information — all project-produced market information, bulletins, manuals, presentations, technical reports, administrative documentation, and monitoring and evaluation reports — are available to USAID through the password-protected USAID-RED Intranet site at www.fintrac.com/red. Selected information and reports are also available for public access at www.usaid-red.org.

2. INTRODUCTION

2.1. Project Background

USAID-RED is a 41-month initiative (with the recent extension through December 31, 2008) of the United States Agency for International Development (USAID) with a primary goal of increasing incomes and employment opportunities in Honduras' rural communities, focusing specifically on the horticulture sector (fresh, value-added and allied industries). USAID-RED focuses on: (a) increasing the competitiveness of Honduran micro-, small- and medium-size rural enterprises; (b) expanding local and export market sales for growers and packers; and (c) promoting increased private-sector production and investment in higher-value and value-added products. USAID-RED is one of the USAID/Honduras mission's primary mechanisms for assisting rural businesses to take advantage of new market opportunities afforded by the Central American Free Trade Agreement (CAFTA). In addition to supporting the expansion and diversification of nontraditional, value-added agricultural products for rural producers, the project also assists clients in meeting increasingly stringent sanitary and phytosanitary (SPS) and environmental regulations in order to ensure competitive access to world markets.

In June 2008, USAID-RED was extended to continue its work through December 31st, 2008.

2.2. Staffing

Following guidance from the USAID Mission, USAID-RED initiated actions to enable project activities to continue at no extra cost through December 31, 2008. A staff reduction took place at the end of March. The following staff cutbacks were made:

- Eddy Flores, Technical Representative for Ocotepeque, Production
- Norman Urbina, Technical Representative for Choluteca, Production
- Rony Alvarez, Technical Representative for Olancho, Production
- Luis Torres, Technical Representative for Intibuca, Production
- Rafael Segura, Deputy Production Manager
- Nolvía Lagos, Monitoring and Evaluation Coordinator
- Allan Gomez, Information Technology Specialist

For the present reporting period, USAID-RED finalized agroforestry activities on May 31, 2008, and finalized the intern program with the agricultural schools on June 30, 2008. In addition, the following staff cutbacks were made on June 30, 2008:

- Karla Portillo, Administrative Assistant
- Hugo Avila, Deputy Production Manager, Production
- Jose Noe Reyes, Technical Representative for El Paraiso and Choluteca, Production
- Geovanny Gutierrez, Post Harvest Specialist, Production Programs

With these cutbacks, USAID-RED staff is currently at 20 employees, including administrative, production, processing, M&E and management areas.

2.3. USAID-RED Targets

USAID-RED's primary targets (higher level indicators) and current status are:

- \$30 million increase in client sales – target met and exceeded (\$32.2 million as of December 31, 2007)
- 4,500 new full-time equivalent (FTE) employment positions – behind schedule (2,787 FTEs as of December 31, 2007 versus target of 3,000 FTEs; 4,500 FTEs overall program target expected to be achieved by December 31, 2008)
- 40% average increase in net income for 1,000 MSMEs clients – on target (709 achieved as of December 31, 2007 versus target of 700; overall target of 1,000 expected to be achieved by December 31, 2008)
- \$7.5 million in capital investments by clients – target met and exceeded (\$16.4 million as of June 30, 2008)

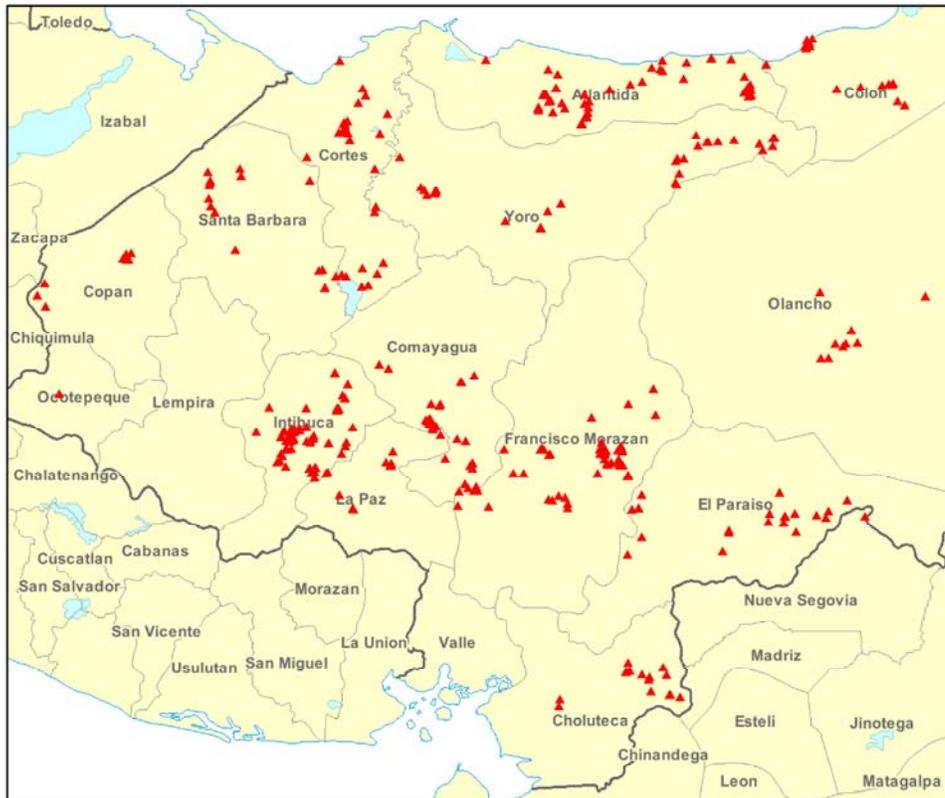
3. PROGRESS TO DATE

USAID-RED started on July 8, 2005, with the contract signing. Technical implementation activities started on August 1, 2005. A revised contract (with a modified reduced budget, timeframe, activities and targets) was signed on May 31, 2006. A modification to extend the duration of the project through December 31, 2008 was signed on June 27, 2008.

A map of current USAID-RED geographic coverage (showing current active lead clients) is provided in Figure 1. The Performance and Monitoring Plan (PMP) is used throughout the life of the project to monitor progress, and includes specific activities as well as deliverables and performance targets. Selected information on each activity component is also highlighted in this report. The PMP is updated monthly and is available in Excel format on the USAID-RED intranet site (www.fintrac.com/red). All technical publications including bulletins, manuals, reports and success stories are also available on the intranet site. Selected publications are provided in this report's annexes.

Client categories were updated during the quarter. Detailed information is available in Annex III and in Fintrac's Client Impact and Results Information System (CIRIS).

Figure 1. Map of Current USAID-RED Active Lead Clients (as of 6/30/08)



4. HIGHLIGHTS OF ACTIVITIES AND RESULTS

4.1. Production

- 213.6 hectares of new plantings were reported by 108 clients during the quarter, including plantain (49 hectares), tomato (32 hectares), jalapeño pepper (9 hectares), sweet potato (18 hectares), sweet bell pepper (13 hectares), onion (5 hectares), corn (36 hectares) and beans (28 hectares). This quarter's plantings are further detailed in Table 9 (Annex III).
- A total of 115 production training events took place during the quarter, with 1,077 growers participating. Training subjects include plantain production systems, drip irrigation system management, use of fertilization programs for specific crops, and implementation of basic practices in agriculture.
- Investment in production equipment and infrastructure for USAID-RED clients totaled \$200 thousand for the quarter, and included the purchase of agricultural machinery, irrigation systems, fumigation equipment and vehicles.
- Chiquita Brands International signed contracts with four project clients in Cantarranas (Francisco Morazán) in March 2008. The first exports took place in April. A total of seven containers were exported during the quarter, with the four growers participating. Three packhouses were constructed in the region with direct investment by the growers. All initiated packing activities during the quarter.
- A cooperative in Yoro, with a scheduled planting system for plantain, signed a fixed-price contract with an import/export company from the US in March 2008. USAID-RED supported the investment in packhouse infrastructure and is providing direct technical assistance to plantain farmers in the region. The first exports were carried out during the quarter (two containers). Four farmers from El Negrito (Yoro) participated in these exports. The packhouse hired 15 employees (of which 12 were women) for this new activity.
- A total of 142.2 hectares of drip irrigation systems were installed during the quarter. USAID-RED technicians worked with 59 project clients on these installations. The Departments with the largest installation areas included Francisco Morazán (72 hectares), Yoro (30 hectares) and Comayagua (10 hectares).

Sales highlights from selected growers. USAID-RED clients consistently improve the productivity and quality of their crops when adopting the production systems introduced by the project. In turn, better quality and higher yields provide them with higher net incomes. A few examples from this quarter's harvests are provided below.

- Donato Portillo (Ajuterique, Comayagua) planted 0.7 hectares of bitter melon. His production resulted in 1,380 boxes of export quality produce, which he sold at \$4.92 per box. His sales totaled \$6,790 with costs of \$2,758, for a net income of \$4,032. Donato has planted oriental vegetables on various occasions and the success he has had is due to the implementation of basic practices in agriculture learned through the technical assistance provided by USAID-RED.
- Carlos Gamez, a new client of USAD-RED from Cantarranas (Francisco Morazán) and also an employee of another mid-sized farmer from the region, planted 1.05

- hectares of sweet pepper. To date, he has harvested 4,350 bags, which he has sold at \$4 per bag. End of harvest estimates for Mr. Gamez are 5,800 bags.
- Juan Ramón Escoto (Monte Redondo, Francisco Morazán) obtained 1,200 boxes of tomato from 0.35 hectares. His sales totaled \$6,312 with costs of \$3,595 – a 75% profitability. Juan followed all of the recommendations provided by USAID-RED technicians.
 - Oberto Lara (Victoria, Yoro) produced 5,600 watermelon fruits, which he sold at an average price of \$1.05 per fruit. His sales totaled \$5,880 with costs of \$1,329 (for a 342 percent return on costs).
 - Balbino Vásquez (Macuelizo, Santa Bárbara) is one of 22 growers assisted by school interns under USAID-RED. He produced 17,500 pounds of Tabasco pepper which he sold for a total of \$7,525. His costs were \$2,806, leaving him with a net profit of \$4,719.
 - Miguel Brizuela (Choloma, Cortés) harvested 2.1 hectares of yuca which he sold for a total of \$7,471 to Power Chicken. His costs were \$3,383 and his net profit was \$4,088. Miguel appreciated both the technical assistance in production and the market contact provided to him by USAID-RED.
 - Alberto Sosa (Danlí, El Paraíso) harvested 2.1 hectares of tomato from which he made \$57,893 in sales with costs of \$15,790. This harvest left him with a net income of \$42,103 – a 266% margin.
 - The Santa Cruz institute initiated production on the project-donated greenhouse. The students are learning how to produce tomato and sweet peppers under greenhouse conditions, along with other modern agricultural practices.
 - Inocente Manchame (Copán Ruinas) planted 0.75 hectares of sweet pepper from which he yielded 4,000 bags. His sales totaled \$23,120 with costs of \$7,895 – for a 193% return on costs.

4.2. Processing and Food Safety

The processing component of USAID-RED continues to provide technical assistance and training to small and medium-scale processors, providing them the necessary tools to expand. Selected highlights for the quarter include:

- Productos Pantheods, a new fresh cut vegetable operation in La Esperanza, had a good start to its operations due to the convenience of their products and acceptance by the market. USAID-RED located a food service distributor (Belca Foods) which has an adequate cold chain to maintain product freshness. Samples were prepared and market tested with different potential buyers with excellent response. For strategic reasons, efforts are being initially concentrated with one retailer only (Esso on the Run in Tegucigalpa and San Pedro Sula), to facilitate the processor's learning curve. Productos Pantheods has consolidated its relationship with the distributor and the end-user. This was accomplished with USAID-RED technical assistance and through close follow-up in every aspect of production, distribution and handling practices applying the two key principles that form the basis of success in this type of business: clean and cold. Productos Pantheods has therefore invested \$40,000 in a new refrigerated truck to maintain the cold chain. Average monthly sales during the last two months are over \$10 thousand. The total initial investment made by the processor in a new plant, processing equipment and one refrigerated truck is over \$105,000. Productos Pantheods is in the process of moving its plant to larger space; sales are expected to triple by the end of the following quarter.

- The Cafta Food Store is preparing its “Encargito Catracho” which is an assorted case with more than 20 different Honduran products for export to the US ethnic market including sauces, snacks, drinks, flour, candies, roasted coffee and bakery products. We have helped them to review the labeling to comply with FDA regulations. This simple activity will have a big impact in the Honduran food sector since most of the manufacturers did not know FDA labeling regulations and now they will be in a better position to take full advantage of CAFTA.
- Continued to upgrade the final product presentation for 18 processing clients through new graphic design of their logos, labels, banners and point of purchase materials. This activity will have a direct impact in clients’ sales and will make them more competitive. All clients have recognized the great contrast between the before and after presentation
- Finalized the short term activity “sales support to food processors”. Six processors (30%) from a total of 20 firms that were approached are now selling through distributors with average monthly new sales of over \$23,000 during the last two months. The budget approved for this activity was \$27,000. The impact of this activity is not only the good return on investment in new sales, but the market feedback provided to the processors and project technicians regarding marketing, sales and distribution. The consultant hired for this activity has been already contacted by Swisscontact to replicate and increase this type of work. Some other objectives accomplished with this activity were:
 - Identification of the best distribution channels for each processor/product.
 - Exposed the products/processors assisted by the project to different distributors in the country. This will open doors for new deals and other clients. A good example of this is the case of Eyl Comercial which is a distributor in Tegucigalpa which introduced some project clients’ products to Supermercados La Colonia.
 - Provided matchmaking assistance between processors and distributors (including assistance with negotiations).
 - Assisted processors with the development of their cost structure for different products in order to be able to negotiate with the distributors.
 - Evaluated and made recommendations for all clients’ marketing activities.
- With project support, Corina (frijoles rojitos) finished the installation of a new water spray retort. They will now produce two presentations of shelf stable beans in self standing pouches and start up the new product development phase. This is the first of this type of retort in Honduras and represents a big step in the introduction of new technologies to the local food industry. The US processing authority (TechniCal) made their first trip to San Pedro Sula and conducted the temperature distribution study for the new retort which was bought from a US supplier for more than \$150,000. This activity has been developed using the USAID-RED partner fund. We have also helped Corina to review their product labeling to make sure that it complies with FDA regulations. The product formulation phase is expected to be completed in July in order to conduct the heat penetration studies with the processing authority and to file the processes with FDA which will allow them to export product to the US market.
- We started the “train the trainer” food processing program at the Universidad Pedagogica Nacional Francisco Morazan in Tegucigalpa (UPNFM) which includes hands-on training for 20 teachers in different types of products and processes: fruit juices, jams and jellies, dehydrated fruits, fruits in syrup, vinegar, fermented products (sauerkraut), sauces and others. Currently the food technology classes at the UPNFM are part of their Home Economics courses but it is expected that in 2009 they will be part of a new food science career program.
- USAID-RED provided technical support to FIDE in their first attempt to search US food processors willing to invest in Honduras. We facilitated them with :

- Identification of key products where Honduras could be competitive
- Provided technical information on different crops.
- Provided a list of key processors of these crops in the US.
- Coached them in technical aspects during the follow up phase of their first “knock on doors” to US firms trip.
- Upon a request from SENASA, USAID-RED technicians reviewed the GMP program for 3 new dairy processors in Olancho which want to export to the US market. Project technicians trained them on how to undertake phosphate testing following FDA regulations. We also accompanied SENASA during the recent FDA visit to different milk processors in that sector. SENASA is using the work we did with Lacteos Jutiquile as benchmark for new processors.
- Lacteos Jutiquile continues to export quesillo and sour cream to the US market. All of their shipments have been automatically detained by FDA for examination; 100% of the products have been released for sale to date. They have opened an import office in Miami and the automatic detention of their products should be removed in the near future due to their clean record.
- Through a short term consultant (Ing. Diana Ordoñez) we finalized the tailor-made design of an electronic process control monitoring system for Productos Lina which will help them to control its costs of production, inventories and key efficiencies indicators. The system was designed in Excel and is easy to use. This experience could be replicated by other clients in the future.
- Farm Fresh installed their new automatic juice line for organic pineapples and passion fruit. This is an investment of approximately \$200,000 and will help them to produce better quality juice and achieve cost efficiencies.
- Rinagro is negotiating sales to Chiquita of sweet potato puree, developed with USAID-RED assistance. They also started the development of butternut squash aseptic puree. Project technicians validated the preparation and cooking phase of the process. We will need to wait until the next butternut squash harvest season in order to finish the validation of the thermal process at the sterilization step.
- Fincas El Carmen finished the construction of a new processing room for its tamales project. This was made following sanitary design concepts. They also finished the modification and installation of their new retorts. USAID-RED has helped them to implement basic GMP programs to improve the safety of their products and also helped in fine tuning some of their milk, meat and pickling processing activities to improve efficiencies and quality of their products.
- New product development: The two most representative this quarter were:
 - The aseptic sweet potato pure at Rinagro. They are in negotiations with Chiquita which is interested in this product as an ingredient for the baby food industry.
 - The fresh cut vegetables at Productos Pantheods in La Esperanza which required a lot of “fine tuning” of their processes.

4.3. Postharvest

- Finalization of three packhouses and successful startup of fresh plantain from new growers/packers for Chiquita Brands into the USA took place. Seven fresh plantain containers were exported under our supervision and guidance. These growers in the Cantarranas region have achieved skills that will enable them to successfully continue with the activity.
- The same growers from Cantarranas have also sold large quantities of plantains to an industrial processor in San Pedro Sula.

- The conditioned packhouse in El Negrito (Yoro) exported the equivalent of two containers during its first month. It also started supplying local market buyers.
- Two sweet potato containers from a new grower/packer from Santa Barbara were exported to Europe with the help of our technicians.
- Help was provided to our growers and packers with the monitoring and evaluating of the crop development, handling, selection and harvesting criteria for crops such as: sweet peppers, yuca, sweet potato, white malanga, fresh plantain, peeled plantain, and pineapple.
- Training in plantain ripening was provided to three supermarkets in San Pedro Sula, one in Tegucigalpa, two industrial processors in San Pedro Sula and two growers who are adding value to their crop.
- Training in packing and handling activities were provided for personnel in two plantain exporting plants as well as in one sweet potato exporting facility.
- Advice and follow up is being provided for several packing houses in site selection, design, construction supervision and packing lines installation mainly for fresh plantain (three packing houses), peeled plantain (one packing house), eggplant, sweet potato, white malanga, and fresh vegetables.
- Advice on specific crops (yuca) was provided to industrial companies buying produce from different suppliers.

4.4. Institutional Alliances

- The three NGOs involvement in production activities has increased as work with USAID-RED has progressed. World Vision and Funder have also increased their budgets for agricultural production activities as NGO management has experienced better returns on their investments in this activity.
- Training events that were once held on USAID-RED's direct clients' farms are now being held on NGO clients' farms as they now have successfully introduced updated technologies and achieved significantly higher yields.
- The main focus for the quarter was on training through field days on NGO farmers' plots. A replication effect has taken place as more farmers are starting to adapt basic practices into their operations.
- NGO technicians have now been working alongside USAID-RED technicians for an extended period of time and have acquired significant experience that they are transmitting on to their assisted farmers.
- A total of 21 training events were held with 303 participating NGO beneficiaries during the quarter.
- USAID-RED has promoted replication as a result of the first mini drip systems and low-cost greenhouses. During the reporting period, over thirty mini drip systems and ten low-cost greenhouses have been installed; all of the funds have been provided by the NGOs and their clients.
- Technical assistance to technicians and NGO clients continues in all the local rural offices.
- Examples of technology transfer activities include: potato production systems; local medium sterilization techniques for use in seedling trays; seedling production technology; use and advantages of raised beds; changes in planting densities for higher yields; pest and weed control; use of starter solution; and use of fertilization programs for specific crops.

4.5. School Alliances

The main objective of the School Alliances activity was to improve the technical capacity of graduates of target schools and to improve the services that they provide to their neighboring farmer communities. Model farms were installed with financial and in-kind support provided by the schools, private sector input supplies, and USAID-RED. Project technicians provided weekly technical support to the schools through their counterparts at the institution in order to train them to transfer the technologies to their students. Additionally, neighboring growers were encouraged to attend the field days to improve their knowledge and expertise in crop production.

During the latest quarter, six schools were participating in the program: Francisco Morazán (1), Comayagua (1), Santa Barbara (1), Yoro (1), Olancho (1) and Atlántida (1).

- The internship program ended on June 30, 2008 and the last group of six interns graduated from the program. A total of 28 interns graduated from the program overall.
- The intern from the National University of Agriculture was hired by a private sector company dedicated to plant protection services and inputs.
- Eight field days and training events were held in the schools during the quarter, with 309 total participants (133 females; 176 males). Topics included: plantain crop management; basic and good agricultural practices; land preparation; hot pepper crop management; pineapple crop management; and drip irrigation and fertigation installation and management.
- Over the latest quarter, school model farms have planted crops such as plantain, yuca, sweet potato, fresh corn, pepper, tomato, cucumber, pickling cucumbers, dry beans, and eggplant.
- Through June 25, 2008, the schools themselves have contributed \$171,695 to the program, or 58 percent of the total resources (US\$294,402) invested in the program by all sources. USAID-RED has contributed \$74,318 and private sector partners have contributed \$48,389.
- The four subsoilers bought and distributed to the schools with the farm machinery capacity to use them are being used by the schools and neighboring farmers taking advantage of this new technology in their areas during the land preparation season (from March to June). This service is being charged at a competitive price by the schools, making this activity sustainable over the long-term.
- Awards of participation were given to Instituto Gregorio Consuegra, and John F. Kennedy School of Agriculture at the end of their programs.
- Five schools received plant protection equipment from a private sector partner.
- The National University of Agriculture built a nursery greenhouse with its own funds in order to serve local farmers requiring the services.
- USAID approved the distribution of some project assets (laptops and motorcycles) to some of the schools participating in the program: L. R. Santos, P. Ortega, S. M. de Porres, Valle de Sula, Santa Cruz de Yojoa, Nuestros Pequeños Hermanos, and Universidad Nacional de Agricultura.

4.6. Production Programs Coordination

Activities during the latest quarter included:

- Greenhouse construction under way in five locations.
- Follow up to SENASA/SAG with the National Pesticide Registry.
- Support to PROMORCO with a database on plantain buyers and list of agrochemical products approved in Honduras.
- Coordinated the export linkage with a processing plant and a Costa Rican buyer of jalapeño pepper.
- A new buyer for sweet potato and plantain for export was approached and a deal was developed with USAID-RED growers in the areas of El Negrito and Santa Barbara.
- Two growers from Atlántida were put in contact with an industrial processor to supply plantain.
- Supplied financial data on selected crops to a group of growers from the Olanchito area.
- Supported a visit by Mexican plantain growers and tissue culture plant material supplier.
- USAID-RED short-term consultant presented final report on Organizational Manual for a processor of fresh and brined vegetables to enable the company to improve its organizational and management structure/systems.
- USAID-RED short-term consultant presented final report on Cost Accounting and efficiency indexes development for a home made sweets manufacturer. Before this support, the owner could not identify actual costs of the products produced, the number of units required to be produced per batch, or the cost per unit. The consultant also provided formats for inventory control and for reorder time among other features.
- Final reports on the development of Business Plans are ready to be delivered to a processing company. The work to be presented includes sample surveys, cost accounting for every product, operation accounting tools, etc. The resulting work will provide the processor with tools to improve the managerial decision-making process.
- Final reports on Good Business Practices are ready to be delivered to two sweet potato packers/exporters. With the work to be presented, the processors will be able to develop efficiency indexes, measure quality indexes, put into practice quality management activities for all processes, and develop Good Manufacturing Practices (GMP) and Standard Operating Procedures (SOP) that will provide them with a much better traceability and accountability for their operations, translating into higher confidence levels by their overseas buyers.
- Final reports on Good Business Practices are ready to be delivered to fresh cut producers/packers/exporters.
- Production manual on cauliflower finished and published on the web site www.usaid-red.com.
- Several clients requested subscriptions to market price information for several products.

5. PERFORMANCE AND MONITORING PLAN (PMP)

5.1. PMP Section 1: Start-Up & Program Administrative Activities

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind	
1	Start-Up & Program Administrative Activities														
1.1	Key Personnel/Senior Team In-Place						Key personnel/senior team in place w/in 1 week				X				Fintrac key personnel team in place on August 1, 2005.
1.2	New Field Technicians Trained & In-Place						All field technicians in Zones w/in 3 months				X				Field technicians hired in August 2005; trained in September 2005.
1.3	Procurement of Vehicles/Equipment						Start-up procurement requirements completed w/in month 1; on-going for remainder of project (performance fee paid on initial delivery of vehicles)	Copies of vehicle titles			X				Vehicles procured.
1.4	Project Intranet/Internet Sites Installed & Updated	2					Intranet/Internet sites installed w/in 1 week; maintained	Site Operating	2	-	X				Site maintenance ongoing.
1.5	Semi-Annual Local Taxation Reports		1	2	2	1	6	Local taxation reports submitted to USAID	2	4			X		Interim reports due yearly by November 17; final reports due yearly by April 16.
1.6	Monthly Project Bulletins	2	3	12	12	8	37	Monthly bulletins produced and distributed	35	2			X		Internet site; www.usaid-red.org
1.7	Workplan/Performance Monitoring Plan Updated							Workplan/performance monitoring plan updated regularly (as needed with USAID input)					X		First update submitted to USAID in August 2005 (approved 09/05 and 06/06 in contract modifications)
1.8	Monthly Financial Reports	3	3	12	12	9	39	Financial reports submitted to USAID (online/hardcopy)	36	3			X		Reports submitted with each invoice; invoices may be issued more than once monthly. Number represents months only.
1.9	Quarterly/Annual Reports	1	1	4	4	2	12	Quarterly/annual reports submitted to USAID (\$2,002 for first two; \$500 each thereafter)	Copies of reports	12	-			X	June 2008 report finalized. Intranet site. Submitted to USAID in July/2008.
1.10	Final Report					1	1	Final report submitted	Final report	-	1			X	

5.2. PMP Section 2: Monitoring & Evaluation Activities

Act-ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind	
2	Monitoring & Evaluation Activities														
2.1	M&E System Installed (CIRIS)						CIRIS customized & installed				X				Completed
2.2a	Baseline Indicator Data Collected for All Clients (sales, exports, ag, non-ag, income, employment, yields/productivity, gender, firm size, and other Fintrac-specific indicators collected as clients enter program.)						Baseline data for client added in calendar year 2005 collected	CIRIS			X				Completed 01/06
2.2b							Baseline data for client added in calendar year 2006 collected				X				Completed 01/07
2.2c									Baseline data for client added in calendar year 2007 collected			X			
2.3	Follow-Up Indicator Data Collected for All Clients						Data collected annually (end 4th and beginning 1st quarters) for most recent year completed.						X		Collected for all clients with a previous year baseline, Completed 1/08.
2.4	Customized "Real Time" CIRIS M&E Reports Available Online for Use by USAID						Data replicated to main database by all technicians at least once weekly; available on Intranet site for USAID use.						X		Available online. Continuously updated. Available reports expanded in 09/ 06 and expanded again in 1/07.
2.5	Random data validation performed by Project M&E Specialists						Random data validation performed by M&E technicians through in-field visits by clients						X		Ongoing.

5.3. PMP Section 3: Marketing Component Activities

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
3	Marketing Component Activities															
3.1	Market surveys of potential and existing high-value and value-added products for MSMEs	1	5	10	4		20	Surveys completed and distributed (\$1,001 each)	Copies of surveys	19	1				X	See Intranet site for list and copies. Surveys conducted as needs arise.
3.2	Price and market reports produced and disseminated for main agribusiness products		10	75	75	45	205	Price and market reports produced and disseminated		347	(142)		X			Reports done weekly; status indicates products on a monthly basis. Target exceeded.
3.3	Market information produced and disseminated by USAID-RED and counterparts (FOPRIDEH, etc.) to 1,750 MSMEs		250	500	500	500	1750	MSMEs accessing market information through a variety of sources (radio, print media, Internet, other) -- yearly numbers show total number accessing in given year		1,576	174			X		
3.4	Activities implemented to promote sustainability of market information activities & domestic capacities							MSMEs have sustained access and utilization beyond program interventions; potential parties equipped with capacity to provide market information to MSMEs						X		Training and market information bulletin development with Infoagro in 2006. Approached Zamorano and FHIA to take over the market information activity in 02/07. Transfer process succeeded with Agrobusiness DICTA (former Infoagro) . They are currently
3.5	Export market producer/buyer linkage service	15	50	130	130	65	390	New producer/buyer business deals for exports of high potential agricultural and non-agricultural products established (\$10 per linkage)	Deal log + validation	383	7				X	See export market linkage log - PMP Intranet
3.6	Local market producer/buyer linkage service	15	50	130	130	65	390	New producer/buyer business deals for local sales of high potential agricultural and non-agricultural products established (\$10 per linkage)	Deal log + validation	444	(54)		X			Target exceeded. See local market linkage log - PMP Intranet
3.7	Diversified buyer network program							Diversified buyer networks developed for main program crops and products (buyer lists for distribution to producers)						X		Ongoing.
3.8	Support high-potential producers and/or processors participating in international trade shows and fairs.			15	10		25	producers/processors participate in international trade shows and fairs		31	(6)		X			Target Exceeded.

5.4. PMP Section 4: High-Value & Added-Value Horticultural Program

Activity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
4	High-Value & Added Value Horticulture Program															
4.1	Production manuals to develop 20 high potential products	2	3	7	8		20	Production manuals completed and updated as needed (\$1,001 each)	Copies of manuals	18	2				X	Manuals completed and updated based on need.
4.2	Production of technical bulletins and other technical materials (includes 4.1 outputs)	2	9	25	25	7	68	Manuals and training materials produced	Copies of materials produced	93	(25)		X			Target Exceeded. See Intranet site for list and copies.
4.3	On-Farm Extension Program	400	500	7500	7500	5000	20900	On-farm extension and training visits made by program agronomists (\$30,026 for first 6,000 farm visits, payable per 1,000 farm visits)	CIRIS TA reports + validation	37,862	(16,962)		X			Entire performance fee paid under previous PMP targets; targets increased in modification dated May 2006 with no additional performance fees payable. Target Exceeded 4/07
4.4.1	Farmer certification program (EUREPGAP, other)			50	50	50	150	Growers receive quality and farm certifications	Certification documentation	32	118				X	Activity dropped in 6/07 to avoid duplication of effort with MCC-EDA. USAID-RED will coordinate related activities with MCC-EDA.
4.4.2	Farmer EUREPGAP, GAP, organic and other certification manuals and other training materials produced		1	5	4		10	Manual, bulletins and other materials produced	Copies of materials produced	17	(7)		X			See Intranet site for list and copies. Target Exceeded
4.5	Farmer field days & other training programs	3	4	50	50	25	132	Farm field days held by program agronomists		675	(543)		X			Field days plus other training events. Target Exceeded
4.6	Production Training Programs	500	2500	5000	5000	2000	15000	Production - Persons-subject / trained	CIRIS training reports	33,189	(18,189)		X			Target Exceeded
4.6.1	Educational Partner Program -- installation of demo sites		2	8			10	Demonstration sites installed		12	(2)	X				Completed. Target Exceeded
4.6.2	Educational Partner Program -- development of curriculum and technical materials							Curriculum and training materials developed for education partners				X				Complete manual on Agricultural Practices Developed in 1/07. CD with all technical information developed in 6-07. Finished 6-30-
4.6.3	Educational Partner Program -- agronomist intern program			10	10		20	one-year internships provided to agricultural partner schools (agricultural technical schools/colleges)		28	(8)	X				First 9 interns graduated. 9 Interns Started in 1/07. UNA and Luis landa added intern in 6/07. 4 new interns added to program. 2 interns grad in nov 30/07 and 5 more in dec 31/07. Target exceeded. 1 Intern grad in mar 31/08. Program ended in June 30th, 2008.
4.6.4	Educational Partner Program -- community field training days			50	100		150	Community field training days at educational partner facilities		128	22				X	

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Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
4	High-Value & Added Value Horticulture Program															
4.7	Postharvest manuals and training materials		2	3	2	2	9	Postharvest manuals and training materials produced (\$1,001 each)	Copies of manuals / presentations	19	(10)		X			Target Exceeded
4.8	Packhouse layout and design technical assistance		2	4	3	3	12	Packhouses assisted with designs and layouts		21	(9)		X			Target Exceeded
4.9	Postharvest training programs		50	400	400	300	1150	Receive training in postharvest practices and technologies		3,663	(2,513)		X			Target exceeded.
4.10	Food processing, food safety manuals, and training materials		2	5	5	5	17	manuals and training materials produced -- (\$1,001 each)	Copies of manuals	18	(1)		X			Target Exceeded
4.11	Food Safety Systems & HACCP Program		1	10	10		21	Firms food processing firms implement food safety systems (e.g. HACCP or other)	Ciris Client Reports	27	(6)		X			Target Exceeded
4.12	Export Certification Program (US FDA & Other Markets)		1	6	5	6	18	Micro, small and medium food processors receive FDA or other export market certifications		13	5			X		FDA: 41 product presentations, Senasa 4 prod. pres. El Salvador Gov't 1 prod pres., AIB - GMPs - 4 prod. pres.
4.13	Processing training program (in-plant & workshops & seminars)		50	750	750	450	2000	Receive training in processing systems, plant hygiene, etc.	CIRIS training reports	3,654	(1,654)		X			Target exceeded.

5.5. PMP Section 5: Non-Agriculture MSME Program

Act-ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
5	Non-Agricultural MSME Program/BDS Program															
5.1	Technical assistance and training to off-farm MSMEs to improve operational efficiency			60	40		100	MSMEs have improved operational efficiencies measured by increased productivity, reduced costs, or increased profits; written business recommendations provided		108	(8)			X		On-going
5.2	Technical assistance and training to non-ag industrial SMEs in GMPs			3	3		6	high-potential (non-agricultural) industrial small and medium firms equipped with the skills and know-how to adopt good manufacturing practices (GMP).		30	(24)		X			On-going. Target exceeded.
5.3	Off-Farm MSMEs (Downstream & Upstream Linkages to Farmers) -- Marketing Linkages to Farm Buyers							increased client sales; increased linkages						X		Cancelled 03/06; contract modified May 2006.
5.4	Assessment of most utilized BDS by program assisted MSMEs		1				1	assessment completed	copy of assessment	1	-	X				Completed
5.5	Plan to improve the delivery of above BDS in 5 sectors or clusters		1				1	plan developed detailing activities for 5 sector or clusters	copy of plan	1	-	X				Completed
5.6	Market analysis/information and marketing capacity building for local institutions						2	institutions (minimum) providing key market analysis, information, and marketing services to rural MSMEs		1	1			X		Training and production of Marketing bulletins done by SAG-Dicta-Infoagro

5.6. PMP Section 6: Financing Component

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind	
6	Financing Component Activities														
6.1	Action plan to develop financial products for rural MSMEs		1				1 action plan produced (by 12/31/05)	copy of plan	1	-	X				Completed
6.2	MFIs/Banks offer new financial products for rural MSMEs			4	2		6 MFIs/banks offer new financial products for rural MSMEs (\$1,000 for each institution)	bank documentation	4	2				X	On-going
6.3.1	Matchmaking programs with rural MSMEs and financing institutions (special loan programs, assistance in loan application process, negotiations, etc.)						100 cumulative MSME clients access credit for production & processing technologies -- fee trigger (expected 12/31/06)	CIRIS + validation	135	(35)	X				On-going. Lps 10.48 million in loans to date (12/31/06).
6.3.2							200 cumulative MSME clients access credit for production & processing technologies -- fee trigger (expected 12/31/07)	CIRIS + validation	236	(36)	X				On-Going. Lps 33.6 million in loans to date (12/31/07). Target achieved 5 months ahead of schedule.
6.3.3							250 cumulative MSME clients access credit for production & processing technologies -- fee trigger (expected 7/31/08)	CIRIS + validation	253	(3)		X			Completed, June 30, 2008
6.4	Non-Ag MSMEs Pilot Grant Program - Sector 1			1			1 Pilot grant awarded and activities implemented (fee paid on award of grant and start of activities)	Grant approved by USAID	1	-	X				FHIA. Hidroturbines.. Cancelled 03/06 with program cutbacks. Partially funded under USAID-CDA program.

5.7. PMP Section 7: Other Activities

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
7	Other Activities															
7.1	Information sharing to promote replication (presentations made to counterparts, presentation made at training and other forums organized by counterparts)		2	10	10	5	27	Presentations made to counterparts and at training/industry forums to promote replication of successful program experiences		24	3			X		See presentations on Intranet site.
7.2	Information sharing to promote replication (distribution of program technical and information materials; materials placed on external project web site)							Information regularly shared with counterparts and public through hard copy distribution, e-mail lists, and Internet/Web						X		On-going
7.3	Environmental assessments completed as required							Initial Project EEI/PERSUAP report submitted by 12/31/05 if required; updated as needed with additional PERSUAPS and Environmental Assessments						X		PERSUAP approved with RUPs eliminated as of 10/05. Sub-programs carried out internal environmental assessments. 3 visits from environmental officers to project sites (02/06, 12/06, 05/08)
7.4	Increased hectares under drip irrigation			500	500	250	1250	new hectares under drip irrigation	Ciris report IRR#7	2,702	(1,452)			X		Target Exceeded. 2,100 hectares of Irrigation reported under IRR3 are excluded from the results.
7.5	Increased hectares under new NRM/GAP techniques			2000	2000	1000	5000	new hectares NRM/GAP techniques	Ciris GAP 2	4,328	672			X		
7.6	Gender task analysis conducted for main target product areas		1				1	Gender task analysis completed by 12/31/05	Task analysis report	1	-	X				Completed
7.7	Women participate in production, processing, & postharvest training programs	100	520	1230	1230	550	3630	women participate in project production, postharvest, and processing training programs	CIRIS training reports	8,184	(4,554)	X				Target Exceeded

5.8. PMP Section 8: Global Development Alliances/Private-Sector Partners/BDS Program

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments	
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind		
8	Global Development Alliance/Private Sector Partnerships															
8.1.1	Alliance 1 Established & Implemented		1				1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				FHIA Microturbines. CANCELLED
8.1.2	Alliance 2 Established & Implemented		1				1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Agroserve Mango
8.1.3	Alliance 3 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Valle de Sula (Graduated Mar 31/08)
8.1.4	Alliance 4 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Pompilio Ortega (Graduated Jun 30/08)
8.1.5	Alliance 5 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Luis Landa. (Graduated Feb 5/08)
8.1.6	Alliance 6 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. JF Kennedy (Graduated Jun 30/08)
8.1.7	Alliance 7 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Amor y Esperanza (Graduated Mar 31/08)
8.1.8	Alliance 8 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Gregorio Consuegra (Graduated Jun 30/08)
8.1.9	Alliance 9 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Luis R. Santos (Graduated Feb 15/08)
8.1.10	Alliance 10 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Maria del Carmen (Graduated Nov 30/07)
8.1.11	Alliance 11 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. Santa Cruz. (Graduated Feb 1/08)
8.1.12	Alliance 12 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				Ag. School. UNA (Graduated Jun 30/08)
8.1.13	Alliance 13 Established & Implemented			1			1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	X				EAP - Zamorano
8.2.1	Contributions for the implementation of these alliances reach at least a one-to-one ratio either in-cash or in-kind. (Resources from non-USG sources.)			expected				Alliance partner contributions reach \$200,000 (expected 12/31/06)	CIRIS + alliance partner validation	\$ 303,667	\$ (103,667)	X				Initiated tracking of alliance contributions, including inputs, labor and fixed asset investments.
8.2.2					expected			Alliance partner contributions reach \$400,000 (expected 12/31/07)	CIRIS + alliance partner validation	\$ 415,562	\$ (15,562)	X				Target reached and exceeded by 03/31/08
8.2.3						expected			Alliance partner contributions reach \$500,000 (expected 7/31/08)	CIRIS + alliance partner validation	\$ 415,562	\$ 84,438			X	

5.9. PMP Section 9: Client Results Targets

Act- ivity #	Activity	2005		2006	2007	2008	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments
		Q3	Q4						Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind	
9	Client Results Targets - Fee Triggers (CY2004 baseline unless otherwise stated)														
9.1.1	Cumulative new client sales fee triggers (US\$; FOB exports, farm gate local market)			expected			US\$8.28 million in cumulative new sales (expected 12/31/06)	CIRIS + validation	\$ 10,536,605	\$ (2,256,605)	X				Target Exceeded
9.1.2					expected		US\$19.98 million in cumulative new sales (expected 12/31/07)	CIRIS + validation	\$ 32,183,904	\$ (12,203,904)	X				Target Exceeded
9.1.3						expected		US\$30.00 million in cumulative new sales (expected 7/31/08)	CIRIS + validation	\$ 32,183,904	\$ (2,183,904)	X			
9.2.1	Cumulative new employment fee triggers (FTE positions)			expected		1500	cumulative FTE positions created (expected 12/31/06)	CIRIS + validation	1525.5	(26)	X				Target Exceeded
9.2.2					expected	3000	cumulative FTE positions created (expected 12/31/07)	CIRIS + validation	2787.5	213				X	Target not achieved by 12/31/07 as expected
9.2.3						expected	4500	cumulative FTE positions created (expected 7/31/08)	CIRIS + validation	2787.5	1,713				X
9.3.1	Cumulative # MSME clients increasing annual income by a minimum of 40% (# MSMEs)			expected		350	cumulative MSMEs have increased annual income by at least 40 percent (expected 12/31/06)	CIRIS + validation	366	(16)	X				Achieved 366 on 10/30/07, file name "Summary report_40percent increase_10_07", available on intranet.
9.3.2					expected	700	cumulative MSMEs have increased annual income by at least 40 percent+L30 (expected 12/31/07)	CIRIS + validation	709	(9)	X				Target Exceeded
9.3.3						expected	1000	cumulative MSMEs have increased annual income by at least 40 percent (expected 7/31/08)	CIRIS + validation	709	291			X	
9.4.1	Cumulative new client investments & counterpart/GDA contributions fee triggers (US\$)			expected			US\$2.5 million in cumulative new investments / contributions (expected 12/31/06)	CIRIS + validation	\$ 3,999,661	\$ (1,499,661)	X				See online CIRIS reports
9.4.2					expected		US\$5.0 million in cumulative new investments / contributions (expected 12/31/07)	CIRIS + validation	\$ 10,912,317	\$ (5,912,317)	X				See online CIRIS reports
9.4.3						expected		US\$7.5 million in cumulative new investments/ contributions (expected 7/31/08)	CIRIS + validation	\$ 16,377,054	\$ (8,877,054)	X			

6. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

Planned activities will follow the outline given in the Work Plan and Performance Monitoring Plan. Primary activities will include:

Production

- Initiate plantings of high-value products in the greenhouses that were donated by the project. Crops will include tomato, ornamental flowers, sweet pepper and colored bell peppers.
- Continue promoting the installation of new drip systems in the different regions of the country. The project has been averaging 57 hectares of new drip systems per month.
- Continue with the expansion of plantain area in different regions of the country.
- Support yuca production activities due to the excellent market opportunities (current and expected) in both local and export markets.
- Continue with the buyer network program, including strengthening relationships between farmers and Chiquita, Dole, Hortifruti and Inalma.
- Support the establishment of a commercial relationship between CARNEL (a cooperative in El Negrito, Yoro) and Hortifruti with various crops (e.g. plantain and rice).

Processing and food safety

- Finalize the heat penetration studies and process filing with FDA for two processed bean presentations (Corina).
- Finalize the finished product presentation up-grading activity with the graphic designer.
- Finalize the sanitary registration in El Salvador for 6 processors (13 products).
- Continue to support The CAFTA Food Store Company in their first shipments of Honduran products to the US ethnic market.
- Continue to support dairy processors and SENASA in their export activities to the US to take full advantage of CAFTA.
- Start the BRC protocol implementation at Delipepper.
- Work with Delipepper with the introduction of jalapeno poppers into the institutional market in Honduras and Central America.
- Help Rinagro in their negotiations with Chiquita to develop the market for aseptic sweet potato puree.
- Continue to support Fincas El Carmen with the start-up phase of their new retort tamale pouch project.
- Continue to support Productos Pantheods in the start-up phase of their fresh cut vegetable operation in La Esperanza.
- Follow up the relationships established between processors and distributors.
- Update the directory of service, equipment, materials and ingredient providers to the food industry in Honduras.
- Continue to support microprocessors with product development, process improvement and buyer linkages.
- Continue to support processors in locating equipment, ingredients and service providers.
- Continue to support processors to develop cost structures for their products and assist them with business plan preparation in order to evaluate expansions, diversification projects and/or access financing.
- Reinforce the synergies between processors to take advantage of distribution channels.

- Implement and validate the process control monitoring system design at Productos Lina.
- Continue with GMP and HACCP implementation activities with various clients.

Postharvest

- Provide follow up and plant layout guidance for the plantain packhouse in Olanchito (Yoro). Finalize construction and installation of the equipment.
- Provide technical assistance for existing packhouses based on requests from clients.
- Supervise vegetable crop operations to provide advice on handling and packing harvested produce.

Institutional Alliances

- Continue with the “Train the Trainers” program and provide training to NGO technicians on how to properly use the agronomist kits for analysis and problem detection.
- Supervise all model farms where irrigation systems and seedling tray technologies are being implemented.
- Design and conduct a minimum of 20 training events covering various production practices.
- Continue with the provision of technical assistance to NGO farmers alongside the NGO technicians.

School Alliances

- Conduct a final evaluation of the school alliances program and prepare a final report on the activity.
- Finalize all administrative matters with the schools.
- Deliver donated equipment (motorcycles and laptops).

Production Programs Coordination

- Provide final short-term consultancy reports to local exporters/processors.
- Complete the greenhouse construction program.
- Complete the Olanchito plantain packhouse.

7. PROJECT EXPENDITURE

ANNEX I: USAID-RED SUCCESS STORY SAMPLES

More success stories and translated versions are available in electronic form on Intranet site at www.fintrac.com/red and on the public Web site at www.usaid-red.org.

- Farmer finds new approach to farming at 76 years old
- Lencas gain access to the market with USAID assistance
- Field extension generates booming Nathaly pepper sales
- Pineapple producer obtains amazing results at his farm
- Inversiones Molina “INVERMOLL” – un sueño que continúa
- Visión Mundial inicia diversificación agrícola



SUCCESS STORY

Farmer finds new approach to farming at 76 years old

Don Julián Mejía, a Honduran producer from Ajuterique in Comayagua, desperately needed to try a new approach to farming. At 76 years old, he wasn't making enough from low-value crops such as beans and corn. His production costs were high and the labor was too intensive for a man of his age. He needed a plan.

"I heard talk that there was a good project in the region providing technical assistance in agriculture," Mejía said. I got in touch with the agricultural technician in the zone and we discussed the right work plan for me to follow."

Mejía joined USAID's Rural Economic Diversification (RED) program in early 2007. The project identified squash as a good crop to start with because it would generate more income on less land than crops he previously planted so he wouldn't have to cover as much land. USAID-RED also identified a buyer. Many farmers in Honduras simply don't know if they will be able to sell their crops and for farmers like Mejía, the loss of an entire harvest would be devastating. Mejía weighed his options, spoke with other USAID-RED farmers and decided to plant 0.35 hectares.

"This time I used the technologies encouraged by USAID-RED," Mejía said.

The project trained him in drip irrigation, weeding, soil preparation and many other modern techniques to improve production. Mejía managed his new crop exactly as the project advised and his yields were impressive — 25,400 pounds of squash. That is equivalent to 72,500 pounds per hectare, a yield significantly higher than other farmers in the central region. Mejía earned \$2,400 for the squash he harvested. USAID-RED also helped Mejía improve his corn yields 115 percent to help feed his family of six. With the improvements in production and new crops he is now getting ahead, instead of just getting by.

With the advice from USAID-RED, he invested \$1,400 back into his farm. He bought an irrigation system to improve production further. He also used the profits to diversify. He planted bitter melon, which he is cultivating with the same care and guidance from USAID-RED.

Many Honduran farmers like Mejía live in poverty and find that as they age it becomes even harder to maintain traditional agriculture production systems. Mejía, like many other USAID-RED farmers, are finding that improved agricultural production and marketing assistance are crucial in transitioning from subsistence to commercial farming.

USAID-RED, a program designed to significantly increase rural incomes and employment opportunities throughout Honduras, is implemented with help from the American people. It focuses on expanded production and sales of high-value and added-value agricultural products.



Photo by Fintrac Inc.
USAID-RED technician Oscar Ordoñez advises farmer Don Julian Mejía, 76.

"I got in touch with the agricultural technician in the zone and we discussed the right work plan for me to follow."

— USAID-RED farmer Don Julián Mejía



SUCCESS STORY

Lencas gain access to the market with USAID assistance

The Lencas are indigenous people who mostly live in the mountains at elevations of about 1,600 meters. There are 100 communities of Lencas with approximately 100,000 people. They are an impoverished group in Honduras and their communities are characterized by fragile environments, low productivity, and limited opportunities for business and development, which result in a mostly agricultural, subsistence economy and limited interaction with markets.

USAID-RED is providing agricultural assistance to the Lencas that is complemented by agroforestry assistance from FHIA. The efforts made by these two programs in the last few years have changed the lives of the Lencas.

The Lencas are learning to manage celery, broccoli, cauliflower, lettuce, strawberries, radishes, cabbage, onions and carrots. They have also established fruit tree lots to provide additional income.

With the project's help, producers are shifting to production practices that generate higher yields and better quality.

"I produced potato, but was only able to cover costs since I was only harvesting 13,515 kilos per hectare. Since I began receiving technical assistance from USAID-RED my yields increased to 30,385 per hectare," said Gilberto Lorenzo a Lenca from the community of Pahislal.

Lorenzo's higher yields increased his income from \$9,158 in 2006 to \$14,210 in 2007.

"And I think my yields can improve even more," Lorenzo said.

USAID-RED technicians have become agents of change for the Lencas, helping them turn subsistence farming into profitable agricultural businesses.



Photos by Fintrac Inc.

Holes are cut into plastic row covers for proper planting density on Gilberto Lorenzo's farm in Intibucá.

"Thanks to the recommendations made by the USAID-RED technicians I am harvesting 172 Kg. of top quality strawberry a week; I have an established market and I'm earning \$1.93 per kilogram instead of the \$1.39 I used to make."

— Juan Egberto González



Chayote are harvested at Fernando Giron's farm in Yamaranguila, Intibucá.



Chayotes are sorted at APROFHI, Intibucá.

Agricultural practices such as drip irrigation, improved seeds, seedling trays, weeding, and pest and disease control measures are some of the improved agricultural practices adopted by the program's Lenca clients.

The program has established calendarized planting programs that enable production throughout the year. It has also helped establish market links with organizations such as APROFHI and HORTIFRUTI, which offer prices up to 60 percent higher than traditional merchants.

The assistance has produced many positive results, including higher incomes and improved living conditions in Lenca communities. The agroforestry system established by FHIA provides additional mid- and long-term income to further help families be sustainable and improve their quality of life.

Since USAID-RED started in 2005, it has assisted regions inhabited by Lencas. In 2006, sales in these regions increased by more than \$250,000, a 60 percent increase from 2005.

In 2007, the producers from Intibucá increased their sales from \$850,068 to \$1,266,537, an increase of 49 percent. From 2005 to 2007, 267 new permanent jobs were created because of expanded production on USAID-RED's Intibucá client farms.

USAID-RED started a "Train the trainers" program with three NGOs in the region to transfer knowledge and experiences to the institutions that are providing assistance to this sector in Honduras.

The Rural Economic Diversification (RED) program, financed by USAID, is an initiative of the American people to increase incomes and generate employment in rural Honduras.

“Due to the market link USAID-RED helped me establish with APROFHI, I get better prices and can dedicate more time to production.”
 — Fernando Girón



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FROM THE AMERICAN PEOPLE

SUCCESS STORY

Field extension generates booming Nathaly pepper sales

The USAID-RED project has generated more than \$3 million in sales of Nathaly peppers. Of the sales, 12 percent were made at local markets and 88 percent at regional markets, primarily to markets in El Salvador and Nicaragua. Assisted clients have planted 220 hectares of Nathaly pepper, 150 of which were planted in 2006 and 2007.

The main reason for the sales is USAID-RED's promotion of the crop, backed by market linkages and agricultural extension work to improve production and quality. Carlos Chavarría, a producer in the municipality of Azacualpa, Santa Bárbara started planting Nathaly peppers after five years of teaching and implementing USAID-RED's practices and recommendations at an agricultural school. In September 2007, Chavarría decided to work on his own farm and planted Nathaly peppers on one hectare from which he produced 5,236 bags. He earned \$6.32 per bag for sales of \$33,092. His production costs totaled \$15,790, making his net income \$17,302.

According to Chavarría, his success with USAID-RED is because of the availability and practical knowledge provided by the program. His farm was visited weekly to help him avoid pest and disease problems and keep him on track. Chavarría said USAID-RED's assistance in soil preparation, selecting and transplanting plantlets, fertilizing through drip irrigation, controlling pests and weeds, crop surveillance, and other good agricultural practices was particularly integral to his success.

The Rural Economic Diversification (RED) program, financed by USAID, is an initiative of the American people to increase incomes and generate employment in rural zones of Honduras.



Photos by Fintrac

Carlos Chavarría receives training from a USAID-RED technician.



A farm training is conducted on Nathaly peppers at Carlos Chavarría's farm in Azacualpa, Santa Bárbara.

"I heard the echo of good agricultural practices and followed all the recommendations to make my pepper crop a success."

— Carlos Chavarría



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SUCCESS STORY

Pineapple producer obtains amazing results at his farm

Several farmers grow pineapple for the local market in Lago de Yojoa. Gustavo Quiroz was one of many farmers in the region that suffered low yields and profits because of traditional and rudimentary production practices. Before he received technical assistance from USAID-RED, Quiroz planted directly without using contour plowing, used fertilizers inadequately and varieties that were not highly productive.

In May 2002, he was visited by the zone's USAID-RED technician, who offered free technical assistance, but required a commitment to follow the recommendations and make the necessary changes for adequate crop development. The producer immediately accepted the proposal, but decided to look for a partner in order to have more land and resources at his disposal to follow all the recommendations provided by the technician.

Quiroz planted MD2 "Golden" pineapple and implemented all the recommended changes such as raised beds, planting in double rows and diluted fertilization. These changes increased yields from 28,500 to 84,000 kilos per hectare. As a result, Quiroz's income rose from \$18,947 to \$38,080 in one year.

The pineapple being produced by Gustavo Quiroz and his partner is very popular at local markets. The pair are constantly receiving requests from buyers.

At present, Quiroz is also involved in other business ventures. He now sells specialized agricultural inputs for pineapple and offers cargo transportation, which benefits other producers in the region.

USAID-RED is a three-year program whose main objective is to increase incomes and employment opportunities in the rural communities of Honduras. The program is assisting 537 lead clients and benefiting thousands of producers and agricultural processors. By December 2008, the program expects to generate more than \$30 million in new sales by lead clients.



Quiroz is producing high-quality pineapple that is sought after by local buyers.

"The recommendations made by the technicians helped me change my production practices to obtain excellent results. I used to produce 28 thousand kilos per hectare and I'm now producing 84 thousand."

— Gustavo Quiroz. La Guama, Santa Cruz de Yojoa.



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HISTORIA DE ÉXITO

Inversiones Molina “Invermoll” - un sueño que continúa

Dilcia Mejía, viuda y actualmente profesora de ballet, no dejó que el sueño de su esposo muriera con él. En el 2005 Néstor Molina (su esposo quien falleció en 2006) tuvo la idea de hacer tamales, chiles y concentrado de frutas para exportarlos al exterior, principalmente a los EEUU. Dilcia decidió continuar con esa idea pero concentrándose en la elaboración de frijoles procesados ya que la inversión era menor. El proyecto USAID-RED, a través del área de procesamiento, continuó brindando asistencia a la empresa Invermoll y es así como en septiembre del 2007 se logró iniciar con el negocio de los frijoles procesados.

Con la asistencia del proyecto USAID-RED, Dilcia logró diseñar la estructura necesaria para habilitar la planta, obtener la documentación legal y los requerimientos fitosanitarios. Doña Dilcia comentó que empezaron con una producción de 20 libras de frijoles procesados diarios y que hoy en día ha llegado a producir hasta 800 libras diarias. Esto representa un 3,900 por ciento de aumento en tan solo dos años. La inversión ha sido de \$25,800, desde el montaje de la planta hasta la producción de frijoles procesados que incluye estufas industriales, siete refrigeradores, despulpadoras, envasadoras, selladoras y otros equipos para proceso.

Doña Dilcia explica que el éxito de su producto se debe a la excelente calidad; se ofrece frijol molido en paquete de media libra, frijol guisado en paquete de una libra y frijol entero cocido en paquetes de 5 libras. Con el proyecto USAID-RED, se ha trabajado en la inocuidad de alimentos, higiene y seguridad del personal y en aspectos de mercadeo. Actualmente Doña Dilcia concentra sus ventas en 7 supermercados, 20 pulperías y en ciertos locales selectos.

La Señora Mejía es un ejemplo digno de superación. No solo logró vencer las dificultades familiares que provienen de la pérdida de su compañero de hogar, sino que además venció las barreras técnicas y económicas para levantar un negocio. La Sra. Mejía ha logrado convertirse en una empresaria en el área de procesamiento, generando ingresos adicionales y empleos.

El trabajo del programa de Diversificación Económica Rural (RED, por sus siglas en inglés), financiado por USAID, es una iniciativa del pueblo de los Estados Unidos de América dirigida a aumentar ingresos y generar más empleos en las zonas rurales de Honduras.



Fotos por Fintrac Inc.



“La gente de EEUU, cuando vienen a Honduras, llega directamente a la empresa a comprar frijoles. Mi meta es llegar al mercado latino de los EEUU.”

— Dilcia Mejía, Invermoll

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HISTORIA DE ÉXITO

Visión Mundial inicia diversificación agrícola

USAID-RED esta desarrollando alianzas estratégicas con varias instituciones en Honduras y Visión Mundial ha sido beneficiaria de esta cooperación institucional.

Desde el año 1995, Visión Mundial ha implementado la estrategia llamada Programa de Desarrollo de Área (PDA Yamaranguila II), trabajando en los componentes de salud, educación, desarrollo económico, patrocinio, gerencia y gestión. En el año 2007 iniciaron un proyecto de diversificación agrícola en el cual USAID-RED se convirtió en su principal colaborador. El apoyo de USAID-RED ha consistido en dar capacitación y asistencia técnica a su personal de campo en forma periódica y continua. El fin es lograr transmitir las técnicas de producción más actualizadas para que los productores asistidos por Visión Mundial aumenten su competitividad. Además los técnicos de Visión Mundial recibieron las herramientas de campo necesarias que les permiten generar recomendaciones y asesorías con mayor precisión para encaminar a sus clientes a tener buenas cosechas en el campo.

Se mostraron las nuevas tecnologías mediante el desarrollo de días de campo en las fincas de productores. Además se han organizado eventos de capacitación exclusivos para técnicos de Visión Mundial.

“Ahora regulamos el pH del agua y calibramos el equipo de bombeo. Las aplicaciones son ahora más eficientes y brindamos programas de fertilización adecuado a nuestros productores”, comentó Nahum Venturay, un técnico de campo de Visión Mundial.

“Nosotros estamos muy contentos pues las metas para el tercer año, gracias a la alianza, las estamos alcanzado en la mitad del segundo año; ha sido tanto el éxito para nosotros que la organización nos está traspasando más fondos, pues saben que están siendo muy bien invertidos,” manifestó orgullosamente Marco Domínguez, quien lidera el componente de Diversificación Agrícola.

El éxito de esta organización se explica por los cambios que han desarrollado los productores como ser: levantamiento de camas altas; encalado de suelos; manejo integrado de plagas; mejorar la densidad de siembra de plantas; el uso de cinta de



Alejandro Vásquez, un productor beneficiario de Visión Mundial, cultivando productos de exportación.



Fotos por Fintrac Inc.

“Ya estamos avanzado en las metas del tercer año en la mitad del segundo año, gracias a la alianza”.
- Marco Domínguez, Gerente de Diversificación Agrícola, Visión Mundial, Yamaranguila

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riego por goteo; fertiriego; y mejores coberturas en las aplicaciones preventivas de insecticidas y fungicidas.

Beneficiarios: Más de 150 productores reciben asistencia técnica por parte de técnicos de Visión Mundial quienes a su vez reciben de Cristóbal Montalvan, Coordinador de Instituciones de USAID-RED, toda la asesoría necesaria en visitas presenciales en fincas de clientes líderes.

Lotes demostrativos: Se han implementado lotes demostrativos que son visitados constantemente por los agricultores y son atendidos por los técnicos de la institución. En estos se ponen en práctica las mejores técnicas para los cultivos mediante la modalidad de aprender – haciendo en la que ellos mismos realizan un intercambio de experiencias que les permite desarrollar en sus fincas las prácticas aprendidas.

Resultados: Las ventas de los clientes de Yamaranguila para el 2006 fueron de \$10,059 y para el 2007, estos aumentaron a \$12,151, reflejando un 20 por ciento de incremento. Para el 2008 se proyecta duplicar las ventas.

Dados los excelentes resultados que han tenido los productores asistidos por Visión Mundial, la asociación de productores de hortalizas y frutas de Intibuca (APROFHI) les ha ofrecido comercializar sus productos. Los productores ya han iniciado las siembras escalonadas para comenzar a suplir a APROFHI a partir del segundo semestre del 2008.



“El desempeño de esta alianza tiene mucha importancia para nosotros y al ver los resultados de los productores creemos que vamos por buen camino”

— Raul Gálvez, Técnico Finanzas, Visión Mundial

El trabajo del programa de Diversificación Económica Rural (RED, por sus siglas en inglés), financiado por USAID, es una iniciativa del pueblo de los Estados Unidos de América dirigida a aumentar ingresos y generar más empleos en las zonas rurales de Honduras.

Razones de éxito puestas en práctica por Visión Mundial

ACTIVIDADES	TRADICIONAL	PROPUESTO POR USAID-RED
Selección de Cultivo	Porque le dicen que es "bueno"	Dirigido y orientado por el mercado
Preparación de suelo	Poco profundo, solo limpiar maleza	Profundidad de 30 cm, levantamiento de camas, encalado
Siembra	Distanciamiento de la semilla variable en el campo, cualquier variedad, sin selección de semilla	Selección de semillas, producción de plántulas, uso de solución arrancadora y uso de tubos de marcadores para el trasplante
Fertilización	Al voleo, sin medidas adecuadas, 2 veces en el ciclo	Fertiriego, 2 veces por semana o fertilizaciones diluidas
Aplicaciones agroquímicos	Uso de forma curativa y sin medidas correctas. Frecuentemente sin identificar la plaga o enfermedad a controlar	Uso de preventivos, identificación de plagas y regulación de pH de aguas y uso de penetrantes y dispersantes

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ANNEX II: USAID-RED MONTHLY UPDATES

Previous monthly updates and translated versions are available in electronic form on Intranet site at www.fintrac.com/red and on the public Web site at www.usaid-red.org.



Monthly Update – April 2008

Rural Economic Diversification Program

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a three-year initiative funded by the United States Agency for International Development (USAID) whose main objective is to increase incomes and employment opportunities in the rural communities of Honduras. USAID-RED focuses on increasing the competitiveness of Micro, Small and Medium-Size Enterprises (MSMEs) in Honduras, expanding their local sales, exports and investments and promoting an increase in the production and investments of increased value and value-added products.

For additional information, please contact USAID-RED in La Lima, Honduras at (504) 668.4868; fax (504) 668.1190 or write to: red@fintrac.com. The USAID-RED Monthly Update is available online at www.usaid-red.org. If you would like to receive this or other publications automatically by email, you can subscribe directly on our Website.

AGRICULTURAL PRODUCTION

Technical Assistance: USAID-RED technicians made 913 technical assistance visits during the month of April.

Plantings: 28 hectares were planted in April, including 10.3 hectares of plantain, 5 hectares of sweet potato and 8.2 hectares of pepper (Nathaly and jalapeño), among others.

Agricultural Practices Emphasized in April: USAID-RED is emphasizing the importance of using basic practices, requiring new producers to implement them in order to receive technical assistance. Soil management was emphasized, especially the practice of subsoiling before the rainy season begins since it is only effective on dry soils. Due to the scarcity of water, trainings were provided on adequate and optimum irrigation considering that good water management influences crop productivity directly. Program technicians continue promoting plantlet classification and correct crop separation in the field. All these activities contribute to improving production, quality and a uniform harvest. Among other activities, the promotion of specific practices for certain crops is ongoing; USAID-RED introduced the use of meristems in plantain for commercial plantings; and pre-germination of seeds and planting in beds are practices being used in potato plantings.

Irrigation: 24 new hectares were installed with drip irrigation during this period: 5.6 hectares in Francisco Morazán, 17.9 hectares in Yoro and 0.5 in Olancho.

Crop Development: Tomato: Although there was an increase in prices during the month of April, low prices from March and the increasing prices of agricultural inputs, especially fertilizers, caused a decrease in the plantings since the tomato crop depends on the fluctuation of market prices from month to month. **Nathaly pepper:** Same situation as the tomato crop. **Jalapeño**



Strawberry harvest, Intibucá

Photos by Fintrac Inc.

Sales of Select Crops by Assisted Producers — April 2008

Product	Volume	Sales (\$)
Plantain	680,000 lb.	\$90,790
Onion	168,500 lb.	\$22,200
Tomato	977,000 lb.	\$147,360
Sweet Potato	27 Containers	\$324,000
Jalapeño	533,100 lb.	\$108,000
Sweet Pepper	542,000 lb.	\$85,100
Potato	86,500 lb.	\$17,200
Strawberry	5,250 lb.	\$4,300



Monthly Update – April 2008
Rural Economic Diversification Program

Pepper: Plantings have decreased. To help increase plantings, USAID-RED is promoting it in non-traditional zones such as Olancho, where there is good potential for production. **Plantain:** New plantings took place in Yoro, Francisco Morazán and Atlántida using plantlets grown in nurseries. The plantain export program with Chiquita in Francisco Morazán began with shipment of the first two containers. Beginning the second week of May, a container will be sent every 15 days.

PROCESSING AND FOOD SAFETY

- Assisted bean processor with installation of autoclave. Helped develop a heat distribution study and began heat penetration studies with a certifier from the United States.
- Assisted tamales processor with reconditioning of autoclaves to begin export project.
- Assisted pre-cut vegetable processor during the start-up of operations.
- Assisted frozen pepper processor in identifying causes of product contamination and in implementing measures that prevent the same problems from happening in the future. Worked on the implementation of a British Retail Consortium norm for export to the United Kingdom.
- Finished HACCP plan for a meat processing plant that will permit access to new regional markets.
- Contact was established between juice processor and a supplier of pasteurization plates in the US to improve the efficiency of the process.
- Improved the powdered “horchata” process, producing a more hygienic and competitive product, which along with the implementation of GMPs, opens doors to more demanding clients such as fast food chains.
- Improvements made to the conditions of employee sanitary facilities at a meat processor.
- Development of thermal processes at two vegetable processing plants to register them with the FDA.
- Development of new products: fermented green and pickled mango and soy dulce de leche.
- EAP Zamorano registered processed peppers with FDA.
- Continued implementing GMPs with several processors.
- Cost structure development for several processors: pickled vegetables, plantain slices, frozen beans and peaches in syrup, among others.
- Development of investment plan for small processors interested in plantain chips, cassava and other vegetables.

PROGRAMS WITH INSTITUTIONS

During the month of April, USAID-RED continued providing technical assistance to the three NGOs involved in the technician training program and updated production systems to increase the productivity of the producers being assisted by these institutions.

FUNDER: Program technicians made 23 visits and held six training events in April. Installed two drip irrigations systems and two demonstration lots where basic practices on horticultural crops are being implemented. Field day held at demonstration lots and potato tests in La Esperanza. The trainings have focused on selection and germination of potato seeds, nursery management and plantlet production, use of local mediums and substrate sterilization.

CARITAS: Five visits to technicians and producers to provide training on high density corn plantings, soil preparation demonstrations, use of raised beds, and installation and

INVESTMENTS

The investments made by USAID-RED clients during the month of April totaled \$94,591.

Area	US\$	% of Total
Agroforestry	1,501	2%
Processing	3,918	4%
Production	18,793	20%
Postharvest	70,379	74%
Total	94,591	100%

Examples: Construction of plantain and sweet potato packing plants, irrigation infrastructure and equipment, soil preparation, specialized equipment for bean and pepper processing, sprayer pumps and motors for water pipes, among others.



Heat penetration tests in autoclave for bean processing, San Pedro Sula, Cortés



Tomato slices, La Esperanza, Intibucá



Monthly Update – April 2008
Rural Economic Diversification Program

maintenance of drip irrigation systems.

WORLD VISION: 17 technical assistance visits and two training events. Emphasis on potato and several horticultural crops during two field days in the zone of Yamaranguila, Intibucá. Advice was provided on the use of fertilizer injections with a focus on doses and the use of soluble fertilizers.

MARKETING

- Assisted pre-cut vegetable processor in solidifying a relationship with a distributor by following up on the first deliveries and assisting with technical problems.
- Assisted nostalgic products exporter in label revision, United States regulations and the legal stipulations for processed foods, including honey, flour, snacks, drinks, spices and candies.
- Continued providing assistance with the new presentation of processed products using new art for its logos and labels.
- Established successful contacts with distributors of candy, dried fruit, pickled vegetables, granola and breaded vegetables.
- Continued negotiations with importer from the United States interested in plantain chips, sweet potato and dairy products.
- Set up links between buyers and exporters of jalapeño pepper and sweet potato; the products were exported to Costa Rica.
- Found buyer for plantain and other products that will export products from Yoro and Santa Bárbara to the US.

POSTHARVEST

- Monitored plantain and malanga farms to follow up on quality, development and crop harvest.
- Assisted plantain producers from Cantarranas with the export of a second container to an international company.
- Assisted clients in the design, construction and installation of packing lines for two fresh plantain exporters in Cantarranas, a sweet potato exporter in Santa Bárbara, a paraffin coated cassava processor in Cortés and a vegetable packing plant in Yoro.
- Continued assisting the industry, supermarkets and producers with the plantain maturation method.
- Trained personnel from two plantain and one sweet potato packing plants in selection and packing for export.
- Followed up on equipment purchases and provided assistance with the construction of two plantain packing plants.

PRODUCTION AND LOGISTICS PROGRAMS

- Began building a plantain packing plant in Olanchito. The plantain packing plant in El Negrito has been equipped and will begin operations in May.
- Began building greenhouses donated by the program in Guinope, Monte Redondo, Yamaranguila, San Marcos de Colón and Siguatepeque.
- A “Description of Duties” manual is being developed for a vegetable processor.
- Continued measuring process efficiency and yields for selected clients. Developed formats for timely administrative decision making.
- Followed up on the progress being made by SENASA on the Honduran pesticide database.

AGROFORESTRY

- The clients participating in this component marketed agricultural products for a total of \$89,500 during the month of April. The most

TRAINING

61 trainings took place in April; 614 people were trained – 481 men and 133 women.

Area	# Events	# People
Food Safety	6	70
Others	3	34
Postharvest	5	30
Processing	1	14
Production	46	466
Total	61	614

Examples: Plantain transplant, drip irrigation system management, subsoiler use, use of soluble fertilizers, fruit tree pruning, harvest, selection and transport of sweet potato, food safety and management, installation of gravel and ring filters, pest sampling and personal hygiene at food processing plants.



Carrot harvest in La Esperanza, Intibucá



Plantain packing for export, San Juan de Flores, Francisco Morazán



Monthly Update – April 2008
Rural Economic Diversification Program

important sales were plantain (\$25,450), watermelon (\$19,600), potato (\$ 17,250) and cool weather horticultural crops (\$17,500).

- Producers planted 25.5 hectares with different crops, including 9.8 hectares of plantain, 9.85 hectares of cool weather vegetables and 5.52 kilometers of wood trees in boundaries.
- 522 follow-up visits by technicians to agroforestry system clients with different crops (horticultural crops, potato, plantain, rambutan, lemon and coconut, among others).
- Six producers installed 1.7 hectares with new irrigation systems.
- Trained 256 people on pest and disease control, harvest, plantain selection and packing, fruit tree pruning, and the design and establishment of agroforestry systems, among others.

GENERAL

New horticultural crop clients joined the program in April after a group of clients graduated in March. The new clients had been waiting to receive technical assistance from the program.

Met with USAID to summarize the program’s most important activities and to discuss the direction the program will take during the following months.

Wrote a success story on an oriental vegetable producer in Comayagua and finalized the Cauliflower Production Manual. Both are available at www.usaid-red.org.



Lettuce and strawberry plantings, USAID-RED agroforestry, Intibucá



Making tamales, Comayagua

Selected Results

Atlántida: A producer with two hectares of plantain obtained 75,000 pounds per hectare, which he sold at \$0.105 with production costs of \$5,132 and profits of 54%. The producer is in a zone with a lot of precipitation. His success is due to good drainages, disease management and up-to-date basic practices. **Francisco Morazán:** A producer with seven hectares of tomato obtained yields of 202,700 pounds per hectare. Despite the low prices his profits were 114% higher. His production costs amounted to \$10,580 per hectare with sales of \$22,677 per hectare. **Choluteca:** a producer with one hectare of onion made \$17,440 with production costs of \$6,350 and profits 175% higher. Reason for success: putting into practice the technicians’ recommendations. **Intibucá:** A vegetable producer that uses calendarized planting established a market link with a fast food chain during the month of April to sell lettuce and carrots. At present, he is making \$3,170/week, with production costs of \$2,380 and profits of \$790. The fast food chain used to purchase these products from Guatemala.



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Monthly Update – May 2008

Rural Economic Diversification Program

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a three-year initiative funded by the United States Agency for International Development (USAID) whose main objective is to increase incomes and employment opportunities in the rural communities of Honduras. USAID-RED focuses on increasing the competitiveness of Micro, Small and Medium-Size Enterprises (MSMEs) in Honduras, expanding their local sales, exports and investments and promoting an increase in the production and investments of increased value and value-added products.

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AGRICULTURAL PRODUCTION

Technical Assistance: USAID-RED technicians made 907 technical assistance visits during the month of May and seven new clients joined the program.

Plantings: 75 hectares were planted in May by USAID-RED clients, including 24 hectares of corn, 13 hectares of tomato, 10 hectares of plantain, 9 hectares of sweet potato and 4 hectares of jalapeño pepper, among others.

Agricultural Practices Emphasized: USAID-RED continued to promote Good Agricultural Practices (GAPs) mostly among new project clients. The program emphasized the importance of using plastic mulch in tomato and pepper crops, the adequate height for raised beds and soil preparation before the beginning of the rainy season.

The correct management of drip irrigation systems was discussed at both trainings and technical assistance visits. Technicians recommended the installation of drip irrigation tape before transplants, changing the tape when it breaks, checking it when it's blocked and installing and testing pumps, bearing in mind that a good irrigation system directly influences crop productivity. Other producers were trained on the development of drainage systems before the rainy season begins. System calibration is an ongoing task for project technicians.

USAID-RED has introduced the use of meristems for plantain. In Olanchito, Yoro a producer bought 1,000 meristem plants of which he will plant half directly in the field and the other half in the nursery. USAID-RED delivered 7,870 meristem plants to the regions of Jesús de Otoro (3,000), Cantarranas (1,000), El Negrito (1,290), Santa Bárbara (1,290) and Olanchito (1,290).

Irrigation: 70 new hectares were installed with drip irrigation this month: Francisco Morazán (45.7), Comayagua (5.6), Atlántida (5.0), Santa Bárbara (2.0) and Copán (3.0), among others.



Photos by Fintrac Inc.

Plantain packing - Cantarranas

Sales of Select Crops by Assisted Producers — May 2008

Product	Volume	Sales (\$)
Plantain	1,686,000 lb.	\$225,380
Tomato	761,750 lb.	\$202,780
Sweet Potato	26 Containers	\$312,000
Jalapeño	682,000 lb.	\$117,680
Sweet Pepper	323,890 lb.	\$63,500



Monthly Update – May 2008
Rural Economic Diversification Program

Crop Development: Tomato: Due to the good market prices obtained for tomato during the month of May, \$15.00 per 50 pound box, the producers have planted an additional nine hectares. **Jalapeño Pepper:** Good prices in the Salvadoran market have been an incentive for several producers in the southern zone to plant more area with jalapeño. In comparison to the month of April, project clients planted an additional 1.5 hectares. USAID-RED continued promoting this crop in non-traditional zones. **Plantain:** USAID-RED has strongly promoted plantain. Ten new hectares were planted this month. USAID-RED continued promoting the use of meristems for plantain planting. The plantain export program with Chiquita continues sending containers to the United States. This month, two containers with 792 boxes were exported from the zone of Cantarranas, Francisco Morazán. Weekly exports have been programmed. 1,437 boxes were exported from the zone of El Negrito, Yoro to a buyer in Miami.

PROCESSING AND FOOD SAFETY

- Developed cost structures with several program clients enabling them to design strategies to become more competitive.
- Trainings on food safety and processing were provided to professors at the Universidad Pedagógica Nacional Francisco Morazán.
- Assisted pre-cut vegetable processor in La Esperanza during his project's start-up and helped strengthen links with convenience stores in Tegucigalpa and San Pedro Sula.
- Began heat penetration tests for beans in aseptic containers.
- Provided trainings to several dairy processors in Olancho for phosphatase test required by the FDA in the United States.
- Investments of \$133,000 on equipment and processing plants.
- Continued implementing GMPs and HACCP plans with several program clients.

PROGRAMS WITH INSTITUTIONS

During the month of May, USAID-RED held several events with each of the NGOs that are working with the program, including a potato field day in Intibucá with the participation of technicians and producers from institutions such as SAG, Caritas, World Vision and Funder, as well as two private agro-commercial companies, Marketing Arm and AGROTECH, and independent producers. The program visited Siguatepeque with producers that were donated greenhouses by the program from the zones of Guinope, Azacualpa and Yamaranguila.

FUNDER: Program technicians made 32 visits and held four training events on measurement, design and installation of four drip irrigation systems. Crop management assistance included nighttime visits to demonstrate the use of fluorescent lamps and how to improve chemical applications. In the zone of Intibucá, the methodology to increase potato productivity has been established by using demonstration lots around the zone.

CARITAS: Four visits to technicians and producers to train them on follow-up of established crops, measurement and design of drip irrigation systems and then provided high yielding crop proposals to the producers.

WORLD VISION: Eight visits and five trainings to technicians and producers in basic practices, use of fluorescent ink and crop management, among others. Demonstrated results at demonstration lots during two field days held at a field planted with potato and other horticultural crops with the participation of 50 producers. Made a field

INVESTMENTS

The investments made by USAID-RED clients during the month of May totaled \$238,496.

Area	US\$	% of Total
Agroforestry	1,628	1%
Processing	133,071	55%
Production	103,572	43%
Alliances	225	1%
Total	238,496	100%

Examples: Purchase of trucks to transport fresh and processed products, irrigation infrastructure and equipment, soil preparation, structure and specialized equipment for processing plants, among others.



Fresh vegetable preparation in La Esperanza



Clearing weeds in pineapple - Lago de Yojoa



Monthly Update – May 2008
Rural Economic Diversification Program

visit to San Pedro Sula, with the producers, to demonstrate plantain meristem management which will be used by producers from Jesús de Otoro.

MARKETING

- Consultant Juan Carlos Valladares' short term contract to assist food processors with sales ended. This activity generated new sales higher than \$27,000 in nine negotiations that benefited the same number of clients. The total sales that are already in process are estimated at more than \$39,000.
- Finalized negotiations with a distributor for a total of \$7,665. The clients that will benefit include: marmalade and pickled vegetables processor (\$2,460), granola processor (\$3,780), dulce de leche processor (\$1,155) and a dehydrated fruit processor (\$270).
- Assisted FIDE in the search of investors for agro-parks.
- Assisted several processors in label revision for their products to ensure compliance with FDA regulations in the United States and Food Control in Honduras.
- Finalized the graphic design of new product labels for several clients.
- Clients from Cantarranas sent 82,000 lbs of plantain to an industrial company in San Pedro Sula.

POSTHARVEST

- Monitored plantain, sweet potato and pineapple farms to follow up on quality, development and harvesting of crops.
- Assisted plantain producers in Cantarranas. The producers have exported four containers and gradually they are taking over most of the operations. The transnational buyer has increased his purchasing price.
- The plantain packing plant in El Negrito has begun operations and has already packed fruit for four exports for a total of 1,437 boxes.
- A client from the department of Santa Bárbara completed packing of the first container of sweet potato for export to Europe.
- Continued assisting the industry, supermarkets and independent producers with the plantain maturation method.
- Continued training personnel from two plantain and one sweet potato packing plants on selection and packing of their product for export.
- Supervised the construction of fresh plantain packing plants in Yoro, Santa Bárbara and Cortés and a processing and packing plant of peeled plantain in Yoro.
- An oriental vegetable line installation is being supervised in Comayagua.

PRODUCTION AND LOGISTICS PROGRAMS

- Continued building a plantain packing plant in Olanchito.
- Continued building greenhouses donated by the program in Guinope, Monte Redondo, Yamaranguila, San Marcos de Colón and Siguatepeque.
- Two sweet potato exporters have continued to implement Good Business Practices, measuring efficiency and developing formats to improve activities.
- Discussed project goals with Senasa to finalize the list of chemical products approved for use in Honduras.
- The list of chemical products approved for use in Honduras was given to PROMORCO as part of the work being done by Senasa



Potato field day with institutions



Plantain packing - CARNEL



Washing sweet potatoes in sinks - Santa Bárbara



with support from RED.

- Five schools that are participating in the program of alliances with the private sector were given crop protection equipment donated by the private sector.
- The grantee from Santa Bárbara held a hot pepper field day that generated enthusiasm among the participants who witnessed the success that a producer achieved by following the recommendations.
- The grantee from Universidad Nacional de Agricultura was hired by a transnational crop protection company.

AGROFORESTRY

- The clients participating in this component marketed agricultural products for a total of \$137,600 during the month of May. The most important sales were plantain (\$58,360), potato (\$12,430), cassava (\$12,600) and cool weather horticultural crops (\$19,860).
- Producers planted 17.3 hectares with different crops, including 7 hectares of cool weather vegetables, 4 hectares of potato and 3.2 of wood trees.
- 316 follow-up visits by technicians to agroforestry system clients with different crops (horticultural crops, potato, plantain, among others).
- Trained 107 people on basic practices, pest and disease control, harvest, fertigation in potato, plantain selection and packing and fruit tree pruning, among others.

GENERAL

- The agroforestry component closed on May 31st. A group of selected producers will continue to be assisted by USAID-RED technicians.
- Visits with USAID personnel to Cantarranas to see plantain export, work with NGOs in Azacualpa, and production and processing operations in Comayagua.



Grantee directs pepper field day in Santa Bárbara

Selected Results

Atlántida: A producer continued planting rambutan. By the end of May, this producer had sales of \$5,600 with costs of \$2,240, obtaining a profitability of 150%.

Copán: A producer planted four hectares of tomato and one of jalapeño. With the tomato he obtained 21,000 50 lb boxes, which he sold at an average of \$2.12 with production costs of \$29,000 and a profitability of 54%. With the jalapeño pepper he obtained yields of 237,000 pounds that he sold at an average price of \$0.27 with costs of \$23,000 obtaining a profitability of 178%.

Cortés: The agriculture school, during its second plantain cycle obtained yields of 77,800 pounds from 1.3 hectares planted, which sold at an average price of \$0.10 with costs of \$4,550 obtaining a profitability of 70%.

Francisco Morazán: A producer from the southern part of the department obtained yields of 493,756 pounds from four hectares of plantain. He sold the product at \$0.11 per pound with costs of \$31,500 and a profitability of 72%.

Intibucá: A producer from the high zone planted 0.07 hectares of strawberry and obtained yields of 3,000 pounds that he sold at a price of \$ 0.95 with costs of \$1,842 and a profitability of 55%.

Santa Bárbara: The first sweet potato container was exported to Europe.



Monthly Update – June 2008

Rural Economic Diversification Program

PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a 41 month initiative funded by the United States Agency for International Development (USAID) whose main objective is to increase incomes and employment opportunities in the rural communities of Honduras. USAID-RED focuses on increasing the competitiveness of Micro, Small and Medium-Size Enterprises (MSMEs) in Honduras, expanding their local sales, exports and investments and promoting an increase in the production and investments of increased value and value-added products.

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AGRICULTURAL PRODUCTION

Technical Assistance: USAID-RED technicians made 924 visits this month to provide technical assistance.

Plantings: 84 hectares of a variety of crops were planted and included 23 hectares of beans, 22 hectares of plantains, 15 hectares of tomato, 9 hectares of corn, 3 hectares of sweet potatoes, and 7 hectares of Nathaly peppers.

Emphasis on Agricultural Practices:

USAID-RED continues to stress the importance of Good Agricultural Practices (GAPs) through the use of yellow sticky traps, anti-virus netting, live barriers, weed control, drip irrigation, crop rotation, and raised beds, among other techniques. Project technicians have also supported the use of plastic mulch on crops, the use of starter solution, elimination of crop residue, the appropriate use of plant nutrition programs, and the application of selected herbicides. Equally important, especially in rainy parts of the country, is appropriate soil preparation using advanced systems such as the construction of drainage systems.

For crops, such as plantains, training continues for nursery management, controlling sigatoka, deleafing and removing suckers, and the classification of plants used for transplanting. For pepper crops, emphasis has been placed on disease control, fertilization programs, and on weed control. For pineapple, work is being done on land preparation, so that new areas may be planted. There is also continued support for greenhouse construction and the installation of new irrigation systems. Project technicians continue to calibrate irrigation systems in order to maintain an appropriate level of water pressure. They also continue to test the pH of the water and to control any leaks in the tubes or tapes.

Irrigation: This month drip irrigation systems were installed on 52 hectares of land throughout the country in the departments of



Photo by Fintrac Inc.

Jalapeño Pepper Harvest- Yamaranguila- World Vision

Sales of Selected Crops by Assisted Producers — June 2008

Product	Volume	Sales (\$)
Plantain	1,751,500 lb.	\$194,800
Tomato	1,774,075 lb.	\$382,200
Sweet Potato	41 Containers	\$492,000
Jalapeño Pepper	576,250 lb.	\$112,500
Pineapple	332,979 lb.	\$74,400



Francisco Morazán (20.2), Comayagua (4.0), El Paraiso (2.8), Yoro (20.4), and Copan (4.5), among others.

CROP DEVELOPMENT:

Plantain: USAID-RED continues their strong promotion of plantain crop development. In June, 12 new hectares were planted, mainly in Francisco Morazán and Yoro.

Tomato: The average price for tomatoes during June remained stable at \$16 dollars for 50 pounds. Moreover, project clients planted 2.5 more hectares than in the previous month.

Nathaly Pepper: The price for these peppers in the Salvadoran market averaged around \$10 dollars sack in June. Compared to May, project clients planted an additional 6 hectares this month. USAID-RED continues to promote pepper production in areas such as Francisco Morazán and Choluteca.

Bean: Due to the high price of beans, clients in the central region of Honduras planted an additional 23 hectares during June, which also plays a role in breaking current pest and disease life cycles.

PROCESSING AND FOOD SAFETY

- Developed cost structures with project clients so that they may design strategies to increase their competitiveness.
- Installation of a new mechanized processing line for pineapple and passion fruit juice.
- Continued to provide training to UPFM teachers on making processed foods such as juice, jams and jellies, as well as pickled and dried products.
- Designed a new processing plant for pre-cut vegetables.
- Assisted bean processor in the continued development of recipe formulas.
- Improved the automatization of bean processing through adjusting the types of cooking vats used.
- Designed a processing system for dairy products using steam in place of gas in efforts to increase efficiency.
- Continued training, implementation, and design of HACCP preparations with several project clients.
- Supported dairy processor in the development of new products, processing techniques, laboratory set-up, and process support analysis.
- Gave technical assistance to an investor interested in the exportation of canned foods.
- Continued to support dairy processors in Olancho with their exports to the United States and with FDA visits to their processing plants. Support was also given to SENASA regarding these same visits.

Special Projects:

- Designed a registration and reporting system for managing the candy making process and for measuring efficiency.
- Finalized a business plan for a "snack" foods processing plant
- Assisted a vegetable processor in completing a manual which outlines positions, functions, and an operational flowchart.
- Supported several clients in defining their sales strategies and in the development of new products.
- Continued to assist project clients in the development of cost structures.



Plantain meristem greenhouse - El Negrito



Universidad Pedagógica – Francisco Morazán



Designed and implemented an accounting system for vegetable processors.

- Supported processor in designing a map of the most efficient distribution routes.
- Began work on the development of software to assist farmers in pricing their products.

PROGRAMS WITH INSTITUTIONS

In June, USAID-RED carried out several activities with NGOs involved in the program, including the installation of drip irrigation systems and the construction of greenhouses. Additionally, support was given for the delivery of plantain meristems in order to promote this crop. Other activities included:

FUNDER: In Intibucá, several plots with horticultural crops (potato, broccoli, and cauliflower) were harvested and evaluated, and had impressive results in terms of both yields and quality. These plots utilized raised beds, contour plowing, and soluble granulated fertilizers, which were applied through drip irrigation systems as well as through other methods. Three new drip irrigation systems have been installed and five greenhouses were constructed using recycled material. Also, new demonstration plots have been set-up in several new communities.

In Marcala, a field training day on potatoes was held; basic practices were shown and a demonstration plot was harvested with above average yields. Furthermore, demonstration plots have been set-up using various types of fertilizing equipment, such as gravity diffusers and ventury injection system.

In other areas, (Guinope and Azacualpa) the construction of two greenhouses, which are each 540 square meters, is nearly complete. Work also continues on demonstration plots using basic practices for crops. 31 technical visits were made and 4 trainings were held.

CARITAS: Three plots of land are being planted with plantains. A demonstration plot of beans, which is irrigated and uses soluble fertilizer, was harvested and resulted in excellent sales. A plot of land planted with corn is showing high yields and is ready to be harvested and sold. Sales are expected to be good. Four visits were made.

WORLD VISION: In Yamaranguila, several crops have been harvested (onion, Nathaly pepper, jalapeño pepper, and potato). Quantitative evaluations have been performed on some of the demonstration plots. Various trainings were held with level two producers, including an event on IPDM (Integrated Pest and Disease Management).

In Otoro, meristems for plantains (3,000 units) were delivered to San Marcos, where they were planted. A variety of support has been given through trainings on crop management, weed control, irrigation, plant protection, and fertigation, using different methods such as diffuser systems and delivering pre-diluted solutions to the base of the plant. A total of 19 visits were made and 2 trainings were held.

MARKETING

- Markets Studies on Tegucigalpa and San Pedro Sula were completed for three products: fruit concentrates, frozen beans, and plantain chips.
- Contacts were made between several exporters and a major U.S. importer of organic products.
- Continued to support the inspection of export labels for nostalgic products to the United States



Potato Field Day - FUNDER - Marcala



Installation of an Irrigation System- Olanchito



- Continued to improve product presentation through changes in the graphic design of the labels.

POSTHARVEST

- Supported plantain, sweet potato, cassava, and green pepper producers to be able to monitor the quality, development and harvesting of crops
- In Cantarranas, F.M. continued to provide support to plantain exporters, which have now managed to send eight containers through a transnational buyer. These clients are already managing harvesting, postharvesting, transportation, and packaging operations with little supervision, indicating that they have been well trained.
- Helped plan the packing operation for the second container of sweet potatoes exported to Europe via an exporter based in Santa Bárbara.
- Assisted two producers with farm-based plantain ripening schemes
- Visited two supermarkets in San Pedro Sula and one in Tegucigalpa in order to provide training and support on controlled ripening of plantains and setting the appropriate temperature for display cases.
- Monitored operations for plantain ripening in two agro-industries in San Pedro Sula.
- Assistance with the design of a conveyor belt to improve the operational efficiency of the plantain ripening process.
- Continue to supervise the construction of three plantain packing plants in Las Guacamayas, Yoro; El Ciruelo, Santa Barbara, and Aldea Brisas del Norte, Cortés; as well as for a peeled plantain processing and packing plant in Monerrey, Yoro.
- Evaluated the quality of cassava from a supplier from Patuca as requested by an agro-industry, which later resulted in a purchasing contract between the two.
- Supervised progress on a packing assembly line for horticultural crops in Siguatepeque.

PRODUCTION AND LOGISTICS PROGRAMS

- The construction of a plantain packing plant in Olanchito is near completion.
- Four large and two small greenhouses were finished and donated to the towns of Guinope, Monte Redondo, Yamaranguila, San Marcos de Colón, and Siguatepeque. The small greenhouses in Guinope are about 70% finished.
- Assisted two sweet potato exporting businesses on Good Business Practices for their operations by measuring movements and times in order to increase efficiency and by designing forms to support business activities.
- Supported an eggnog and donut manufacturer and distributor with the development of business plans for 39 products.
- Supported a candy manufacturer with the development of forms for the collection of information, which can then be used in making management decisions.
- Supported a fresh vegetable processing and pickling business in their development of an organizational manual that defined intermediate responsibilities and operations.
- Hosted the visit of plantain producers from Chiapas, Mexico and a meristems producer from the same area of Mexico



Packing plantain for export, Cantarranas

INVESTMENTS

In June the total investment of USAID-RED clients reached US \$67,090.

Area	US\$	% of Total
Processing	2,515	4%
Production	64,575	96%
Total	67,090	100%

Examples: Purchase of plantain seeds, irrigation equipment and its installation, and greenhouse infrastructure, among others.



Soil Preparation- El Paraiso



SCHOOL ALLIANCES

In June, the alliance with the private sector program concluded and six of the participating schools (Pompilio Ortega Elementary School, J. F. Kennedy Elementary School, San Martín de Porres Institute, Gregorio Consuegra Institute, Nuestros Pequeños Hermanos Elementary School and the National University of Agriculture) acquired the necessary knowledge to successfully continue Model Farm activities.

- USAID approved the delivery of motorcycles and computers for schools that had the highest performance during the course of the program in order to recognize their success.
- Scholarship recipients still participating in the program also finished their own activity. They successfully managed to increase the number of farmers who use Good Agricultural Practices in their daily farming activities. (Macuelizo, La Esperanza, Francisco Morazán, Ajuterique, Coyoles y Catacamas)
- Delivered equipment for vegetable protection to five of the program's schools. This equipment was contributed by a private company.

GENERAL

- A tour for MIRA Project and USAID personnel was given so that they could get to know buyers who have established programs with USAID RED and to become familiar with the productive systems used on the farms of USAID RED, USAID MIRA clients, which may be replicated in the future.
- Received approval for the transfer of equipment to other counterparts and began delivery of this equipment.
- Worked to compile results from the agro-forestry activities that ended in May.
- Began market studies on juice concentrates, processed beans, and "snacks" in San Pedro Sula as well as Tegucigalpa
- Finished consultation work with USAID RED beneficiary packers and processors on the improvement of administrative processes and controls.
- The postharvest technician was taken out from the project this month, as part of the phase out plan. As of July, any postharvest activities that may arise will be handled by agronomists specializing in the areas of production and processing.

Selected Results for the Month

Choluteca:

- A producer planted one hectare of jalapeño peppers, which yielded 200,000 pounds. He was able to sell the jalapeño peppers for \$0.21 a piece. After deducting his costs, which totaled US\$ 17,895, a 135% profit was earned.
- Another producer managed to obtain a yield of 450,000 pounds from his two hectares of tomatos. He sold the tomatos for US\$12.90 per 50 lbs. After accounting for US\$ 23,684 in costs, a 390% profit was earned.

Yoro:

- A producer planted one hectare of watermelon, which yielded 2,000 units. These were sold at US\$0.70 each. After deducting costs of US\$955, the result was a 36% profit.
- Another producer planted 5 hectares of corn, breaking with past cycles, which yielded 45,000 pounds. He sold the corn for US\$11.05 per 100 lbs. After accounting for costs of \$US1,053, the profit was 372%.

Ei Paraíso:

- A producer from the Jamastrán region had a yield of 260,000 pounds from two acres planted with jalapeño peppers. He sold the jalapeño peppers for \$.20 a pound. After deducting costs, which totaled US\$ 31,579, he earned a 65% profit.
- Another producer planted 2 hectares of tomatos, which yielded 263,150 pounds. He sold the tomatos for US\$11.00 per 50lbs. After deducting costs of US\$ 15,789, he earned a 267% profit.

Francisco Morazán:

- Four shipments, each containing 40,788 pounds, were exported from Cantaranas. They will continue this exportation on a weekly basis.



Squash - Ajuterique

ANNEX III: SELECTED CIRIS M&E REPORTS (JUNE 2008)**Table 2. All Client Status Summary**

Category	Type
Lead Clients - Active	497
Lead Clients Beneficiary	8
Lead Clients - Inactive	363
Sporadic Clients	589
Graduated Clients	206
Loans Program	64
Counterpart Organizations	63
Transferred	32
TOTAL	1,822

Table 3. Lead Client Business Type Summary

Area	Type
Agricultural Technical Schools	2
Association/Group/Cooperative	4
BDS Provider/Provider	17
Buyer	6
Cattle Producer	7
Distribution/Sales	8
Exporters	6
Government	5
Input Stores	6
Institution/University	3
Microprocessor	11
NGO/Consultants	17
Packhouses	1
Processor	28
Producer	401
Restaurant	1
Supermarket	1
Others	3
Clients reporting at least 1 business type: 444 from 497	

Table 4. Lead Client Beneficiaries

Category	Clients Reporting	Men	Women	Total
Neighboring Producers	119	418	55	473
Input Suppliers	23	227	27	254
Group Members	49	245	49	294
NGO Clients	14	399	136	535
Out-grower Programs	24	2,509	101	2,610
BDS Receivers	13	63	7	70
Students	2	177	75	252
TOTAL		4,038	450	4,488

Note: 417 lead clients reporting at least 1 beneficiary type (from 497 total)

Table 5. All Client Beneficiaries

Category	Clients Reporting	Men	Women	Total
Neighboring Producers	360	1,403	118	1,521
NGO Clients	20	701	216	917
Input Suppliers	100	1,492	103	1,595
Group Members	165	1,950	2,831	4,781
Out-grower Programs	69	7,330	372	7,702
BDS Receivers	29	125	7	132
Students	22	2,799	1,502	4,301
TOTAL		15,800	5,149	20,949

Note: 1,427 clients reporting at least 1 beneficiary type (from 2,340 total)

Table 6. Summary Technical Assistance Report (04/08 – 06/08)

Area	TA Visits
Agroforestry	274
Alliances	3
BDS	2
Logistics / Coordination	5
Marketing	6
Monitoring	15
Postharvest	57
Processing	377
Production	1,952
Research	37
TOTAL	2,728

Table 7. Training Report by Activity Area (04/08 – 06/08)

Area	Men	Women	Total	# Events
Processing	117	96	213	14
Postharvest	23	55	78	5
Production	805	272	1,077	115
TOTAL	945	423	1,368	134

Table 8. Investment Report by Activity Area (04/08 – 06/08)

Area	Client	Project	Other	Total	%
Agroforestry	\$6,074	\$100	\$0	\$6,174	1
Alliances/Research	\$10	\$0	\$225	\$235	0
Postharvest	\$70,379	\$0	\$0	\$70,379	16
Processing	\$170,183	\$0	\$0	\$170,183	39
Production	\$188,083	\$300	\$6,095	\$194,478	44
TOTAL	\$434,729	\$400	\$6,320	\$441,449	100

Table 9. Area Transplanted by Crop (04/08 – 06/08)

Product	# of Clients	Area Planted
Plantain (Local & Export)	23	49.4
Tomato (table & Processing)	21	32.2
Watermelon/Melons	3	4.3
Jalapeño Pepper	5	8.9
Sweet Potato	8	18.2
Trees (woods)	9	9.1
Sweet Pepper	8	12.9
Onions	7	5.4
Kidney Beans (Rotation)	11	28.0
Corn (Rotation)	16	35.6
Other Crops	24	9.6
TOTAL	108*	213.6

**Distinct clients reporting new plantings during the period.*