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# USAID-RED

RURAL ECONOMIC DIVERSIFICATION PROJECT  
QUARTERLY REPORT #19: APRIL - JUNE 2010

## **JULY 2010**

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# USAID-RED

## RURAL ECONOMIC DIVERSIFICATION PROJECT

Quarterly Report #19: April to June 2010

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 17 Honduran private sector alliance partners.

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## 1. EXECUTIVE SUMMARY

- This is the nineteenth quarterly report for the USAID Rural Economic Diversification Project (USAID-RED), summarizing activities and results from April through June 2010.
- Program-assisted NGOs have continued adopting and transferring basic production practices. This quarter's primary focus was on delivering intensive training and technical assistance for the corn and bean crops planted during the start of the rainy season. Implementation of a few cultural practices on these two food crops can increase farmers' yields by up to 500%. In addition, during the present quarter, USAID-RED donated 82 hectares of drip irrigation systems to over 400 subsistence farmers in order to provide them with infrastructure that will dramatically improve their yields. A total of 1,658 technical assistance visits to growers and technicians from different NGOs were made in the quarter, covering various crops and technical areas. Over 3,000 people participated in training events during the quarter.
- Fintrac's marketing specialists have been divided into regions and are serving both the MCA-H/EDA and USAID-RED projects for a better, more coordinated marketing effort with nationwide coverage. This action is already delivering results as over 58 market linkages were made during the reporting period for USAID-RED clients alone, and important exporters such as AYCO farms and Frutex were introduced to competitive growers distributed across the country. This wider availability of farmers (including both projects) enables the creation of solid supplier programs for interested exporters. Similar consolidated linkage activities were made for local supermarkets, processing plants and wholesalers.
- Alprosa, a processor of lime juice and pineapple crush passed a certification audit enabling them to export to Innocent Farms, a reputable buyer from the United Kingdom. This will enable the exports of six containers for this year alone.
- New plantain exports to the US were made by two pack houses in Olanchito (Yoro) and Saba (Colón). This has served as an incentive for other entrepreneurs (mainly cattlemen) to diversify into plantain production. These packing-peeling facilities are also buying plantain from neighboring farmers to supply large processing facilities in San Pedro Sula.
- New malanga exports took place during the present quarter. Milo Munguia from Cuyamel (Cortés) exported his first two containers of malanga, purchasing the produce from other malanga producers. He will be exporting malanga from his own farm during the next reporting period.
- The agroforestry activity, implemented by FHIA under the USAID-RED project, has continued with plantings of an increased number of fruit trees, wood trees and fruits and vegetables for faster cash returns. A total of 64 USAID-RED agroforestry farmers received certifications from the Instituto de Conservación Forestal (ICF) for management of their wood producing trees which will allow them to legally harvest these in the future.
- Client investment for the quarter exceeded \$2 million for a total cumulative of \$27.65 million in investments since project startup. This indicates that clients have a good level of confidence in USAID-RED as they are willing to start or expand their agricultural activities if assisted by the project.

- USAID-RED alliances with private sector companies such as BOMOHSA, MONSANTO, INALMA, CEMCOL and AMANCO have provided hundreds of project clients (as well as MCA-H/EDA clients) with access modern agriculture tools and equipment to improve their operations in the field. Alliance activities were initiated during the final six months of 2009, and already these companies have contributed over \$127,000 in less than a year's time with both cash discounts to clients as well as in-kind contributions (e.g. training events, designs and installations for project clients). Farmers and agribusinesses utilizing these private sector alliances have purchased over \$260,000 in tools, planting materials and equipment that will improve their yields. The highest contributions come from growers and processors, followed by private sector alliance partners, and then by USAID-RED, demonstrating that USAID-RED funds assigned to this activity have a high degree of leverage.
- New client plantings totaled over 560 hectares, fifteen percent more area than in the previous quarter.

Annexes to this report include USAID-RED monthly summaries (3), a success story (1) and selected monitoring and evaluation (M&E) reports. All project-produced market information, bulletins, manuals, presentations, technical reports, administrative documentation, and monitoring and evaluation reports are available to USAID through USAID-RED's password-protected Intranet site ([www.fintrac.com/red](http://www.fintrac.com/red)). Selected information and reports are also available for public access at [www.usaid-red.org](http://www.usaid-red.org).

## 2. INTRODUCTION

### 2.1 Project Background

USAID-RED is a five-year initiative (with a recent extension through September 30, 2010; Modification #8 on March 9, 2009) of the United States Agency for International Development's (USAID) Honduran Mission 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).

For the extension period (April 2009 – September 2010), USAID-RED is focusing 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 USAID/Honduras' 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 helps clients meet increasingly stringent sanitary and phytosanitary (SPS) and environmental regulations in order to ensure competitive access to world markets.

The project continues a market-based approach while putting greater emphasis on selecting poorer, more subsistence-oriented farmers (less than one hectare under horticultural production). The project will ensure that this new demographic will make up at least 75 percent of beneficiaries, and the remaining 25 percent are expected to be medium-sized, more commercially oriented farmers. During the extension period, USAID-RED expects to achieve \$5 million in new client sales from the small farmers and the rest of the target from commercial farmers. Where possible, the new small farmer clients will either be existing participants in NGO partner programs or recent MCA-H/EDA graduates.

Under the new extension, USAID-RED will expand existing NGO partnerships to provide a greater percentage of their extension visits through the existing technical staff of these partners. This, in turn, will facilitate working with smaller farmers while balancing the increase for new market opportunities with improved production for self-consumption. The extension calculates a 40 percent increase in incomes, which will now include improvements in baseline sales of all client-produced agricultural products, including basic grains and animal husbandry. Consequently, USAID-RED will broaden its focus to include train-the-trainer events, market opportunity facilitation and upgrading the business capacity of key non-farm businesses.

During the extension period, USAID-RED will narrow its geographical scope to the western highlands (La Paz, Intibucá, Ocotepeque, Copán, Lempira and southern Francisco Morazán) and the north coast (Atlántida, Colón and Yoro). USAID-RED plans to have 80 percent of all active clients in the targeted areas mentioned above. However, limited support to specific growers outside the area will continue to foster promising market-based opportunities of either existing USAID-RED clients or graduated MCA-H/EDA graduate clients.

Lastly, USAID-RED's focus on the north coast will be to sustain the USAID-MIRA program's biodiversity conservation objectives by reducing deforestation through improved agricultural productivity and responsible environmental management. As a secondary objective, the program will result in improved profitability, household incomes, employment generation and

reduction in the expansion of the agricultural frontier. The objective is to increase the productivity and profitability of already cleared agricultural land in close proximity to standing tropical forests, be they under some form of protection or simply national forests without a formal protected status.

### 3. PROGRESS TO DATE

Almost all of USAID-RED's primary targets (higher level indicators) to be achieved by September 30, 2010 are either on time or ahead of schedule as of June 30, 2010. These are:

- Cumulative new client sales fee triggers (US\$; FOB for exports and farm-gate for local market) to de-emphasize total sales and to stress increased income, including all agricultural products, not just horticultural: **Target \$58.5 million. Status \$52.1 million as of 12/09 – On Time**
- Cumulative new employment fee triggers (FTE positions): **Target 6,541. Status 5,850 as of 12/09 – On Time**
- Cumulative number of MSME clients increasing annual income by a minimum of 40% fee triggers: **Target 2,500. Status 2,252 as of 06/10 – On Time**
- Cumulative new client investment and counterpart/GDA contributions fee triggers: **Target \$25 million. Status \$27.65 million – Target achieved and exceeded on 03/2010**
- Increased number of hectares under new NRM/GAP techniques (target added in the 2006 modification): **Target 6,653 hectares. Status 6,672 hectares as of 06/2010 – Target achieved on 06/2010**
- To provide technical assistance and training to off-farm MSMEs to improve operational efficiency focusing on key existing intermediaries for small farmers: **Target 140. Status 192 – Target achieved and exceeded as of 12/09**
- To set up programs between rural MSMEs and financing institutions (special loan programs, assistance in loan application process, negotiations, etc.) for smaller farmers that are less credit worthy: **Target 400. Status 393 as of 06/2010 – On Time**
- To form global development alliances/private sector partnerships by focusing on fewer private sector company alliances: **Target 18. Status 18 completed as of 01/2010**
- Contributions for the implementation of these alliances reach at least a one-to-one ratio either in-cash or in-kind: **Target \$1 million. Status \$1,006,784 – Target achieved and exceeded as of 06/2010**

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 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, and a new modification to extend the duration of the contract (with expanded targets) through September 30, 2010 was signed on March 9, 2009.

Figure 1 is a map of current geographic coverage showing current active lead clients, MCA-H/EDA graduate clients that were transferred to USAID-RED, and graduate clients. The Performance and Monitoring Plan (PMP) in section 5 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 on the USAID-RED intranet site ([www.fintrac.com/red](http://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.

**Figure 1. Map of Current Active and Graduate Lead Clients (as of 06/30/10)**



\*Source of Administrative Boundaries: The Global Administrative Unit Layers (GAUL) dataset, implemented by FAO within the EC FAO Food Security for Action Programme"

## 4. HIGHLIGHTS OF ACTIVITIES AND RESULTS

### 4.1 Production

USAID-RED continues promoting the implementation of Good Agricultural Practices on all client farms as a vehicle for achieving sustainable farm operations. Technicians have continued supporting producers with installation and expansion of drip irrigation systems and teaching them how to measure pressure and volume to apply the required amount of water to their crops. Adjustments were made accordingly with the start of the rainy season in May, where technicians reminded growers of the new challenges that come with the rainy season.

Despite the heavy rains that persisted in May and June, most client farmers have succeeded with their productive activities, thanks to the implementation of basic practices, which include land preparation, raised contoured beds, drainage systems, and adequate pest, disease and weed controls. However, some losses were reported which were caused by flash floods, damaged roads, and high speed winds, affecting a significant number of clients in the central, western and southern regions.

USAID-RED continues to promote the plantings of live barriers of sorghum to protect crops from wind damage and virus infections. Float covers are being used increasingly by growers to provide protection from insects in the early stages of plantings, and drastically reducing the need for chemical controls. Training events showing proper coverage of sprayers with fluorescent dye have taken place in all of the Departments with USAID-RED presence to reinforce effective spraying methods.

Crop rotation continues to be enforced on all farms to break pest and disease cycles, and salicylic acid and potassium phosphonate is being applied to plants to increase the crop's natural defenses in preparation of the rainy season. A preventive program for fungus diseases was disseminated and the samplings for pests and diseases activities in farms were enforced.

**Technical Assistance:** USAID-RED provided 2,797 technical assistance visits to commercial farmers during the quarter – 18% more visits than the previous quarter.

**New Plantings:** 563 hectares of new plantings were established, including 136 hectares of plantains, 5 hectares of jalapeños, 27 hectares of sweet/bell peppers, 6 hectares of cucumbers, 64 hectares of tomatoes, 4 hectares of onions, 27 hectares of watermelons, 10 hectares of sweet potato, 133 hectares of corn, 4 hectares of melons, 3 hectares of lettuce, and 8 hectares of pineapple. A detailed table on new plantings for the quarter is provided in the Annex III of this report.

**Irrigation:** 100 hectares of new drip irrigation systems were installed by commercial farmers during the present quarter. These were distributed in all regions with project presence.

**Training:** USAID-RED commercial production technicians delivered 264 training events with 973 participants.

**Investment:** Lead clients invested \$1.3 in production equipment, mainly in water pumps, drip irrigation systems, farm expansions, agriculture machinery, fumigation equipment, and farm vehicles.

### **Selected highlights for the period**

- Two growers from the region of Colon and Yoro signed a contract with Chiquita for exports at a fixed price. Production technicians provided the necessary guidance to meet export grades in the field. The first six containers were exported during the period. These packing facilities also provide new markets for 35 other plantain producers who sell their produce for peeled plantain operations.
- A producer in the municipality of San Juan de Flores utilized the float covers to protect his tomato farm from insect damage and virus infection. In this region no one was able to grow tomato due to the intense virus pressures which affected all of the tomato and pepper crops. Neighboring farmers have now adopted this practice on their farms.
- A grower/exporter from Cuyamel (Cortés) shipped his first two malanga containers to the US. This grower's own production will be ready for harvest in the following quarter, however he initiated exports by purchasing from other growers in the region.

### **4.2 Processing and Food Safety (Off-farm activities)**

This quarter focused on increasing sales volumes, through training and technical assistance activities directed to maximizing efficiencies in processing and packing plants, improving food safety standards, implementing Good Manufacturing Practices (GMP's) and Hazard Analysis for Critical Control Points (HACCP) programs and other topics with 21 active lead clients. Off-farm clients reported new investments totaling \$325,342 in plant infrastructure and processing equipment. Twenty five training events were held in which 505 persons were trained (282 women and 223 men).

A total of 171 technical assistance visits were made to off-farm clients this quarter of which the following highlights resulted:

- After following a work plan to achieve international certification, ALPROSA, a juice processor, achieved a satisfactory note in a recent audit from the United Kingdom to export to Innocent Foods. This resulted in a contract for six containers of citrus juice to be exported in what remains of this year.
- Improved efficiencies and higher yields were achieved for a plantain and yuca processing plant through the procurement of better quality fruit from project-assisted clients. An increase in sales of up to 20 containers this year alone was achieved in this plant as well.
- Plantain packers from Yoro and Colon, trained and assisted by the project, began operations this quarter and have successfully exported six containers of plantain.
- Plantain peelers began operations this quarter, selling a total of 15 containers. This represents new sales of over \$200,000 from over 1.2 million pounds of plantain harvested by USAID-RED clients in the region. These three plants hired new employment of over 150 permanent positions this quarter, most of which are women.
- Wild Rose, a beverage processor, achieved certification to supply Pizza Hut, a franchise of fast food restaurants. This new market, represented increase in sales of 24%, equivalent to \$60,000 for the quarter.
- Prover Natural, a vegetable processor in Comayagua, has begun supplying Grupo Intur with chili sauces for their fast food restaurants nationwide, representing \$12,000 per month in new sales.

### **4.3 Postharvest**

- Key support was delivered in postharvest for the startup of packing activities in Colon and Yoro. Over 300 people were trained and continuous technical assistance was provided.
- Technical assistance and training was delivered to NGO collection centers and to NGO beneficiaries in the field.
- Continued sampling of yuca and sweet potato farms to determine harvest dates.
- Provided technical assistance and training for plantain peeling operations in Olanchito.
- Technical assistance in postharvest activities was delivered to plantain, jalapeño pepper, sweet pepper and tomato clients.
- Continued technical assistance and training for supermarkets in El Progreso, San Pedro Sula, Siguatepeque and Comayagua. Improvements were made in the storage rooms and in the vegetable sections of the stores. There has been a significant reduction in produce losses and an increase in shelf life.

### **4.4 Subsistence and small commercial farmer activities (Alliances with NGOs)**

This area was significantly expanded as part of USAID-RED's new focus on food security and small commercial farmer activities. Ten agronomists were hired for this activity in March 2009, including three regional senior level agronomists and seven support technicians. NGOs assisted under this component have become more involved in working with growers to increase productivity and diversify crops.

During this quarter, USAID-RED focused primarily on two activities: installation of 71 hectares of drip irrigation for over 400 growers who received an average of 0.2 hectare each; and the establishment of modern, high density farming for the corn and bean plantings which started with the rainy season in late April. From previous experience from last year, yields are expected to increase by an average of 400 percent with respect to traditional yields. Technical assistance and training was also delivered in the production of high value crops such as potato, lettuce, broccoli, cauliflower, tomato, peppers and carrots for the main markets in Tegucigalpa and San Pedro Sula.

It is important to note that many of the assisted farmers were affected by tropical storm "Agatha" and other heavy rains that caused flash floods and strong winds. The most affected were the poor and subsistence farmers working through our NGO programs, where over 45 hectares of corn and beans were lost entirely (with average farm size being 0.2 hectare, this is estimated at over 225 growers). Other smaller-size clients (over 100) who have entered into high value crops such as broccoli, cauliflower, lettuce, potato, carrots, and other high altitude crops grown in the highlands (also working through our NGO programs) have reported over 30 hectares of lost crops.

Some of the crops still on the ground that are soon to be harvested will suffer a negative impact on their yields. Our field agronomists estimate 30 percent lower yields for our potato and carrot growers who are due to harvest in June and July, for example.

Some highlights for the period include:

- Several workshops on plant diseases were delivered during the present quarter. These were done in La Esperanza, Intibucá; San Marcos, Ocotepeque; and Gracias, Lempira.

Participants at these events included NGO technicians, staff from local inputs providers and producers.

- Basic grains field days were carried out in the central and western regions, including Yamaranguila, Intibucá; Gracias, Lempira and Guaimaca, Francisco Morazán. Both NGO technicians and their assisted producers attended these events.
- Several field days in vegetable production and operation of drip irrigation systems were delivered in Guinope, El Paraíso; Yamaranguila, Intibucá and Gracias, Lempira with attendance from agricultural inputs stores, NGO technicians and producers from these regions.
- Seventy-one (71) hectares of drip irrigation systems (of a total of 82 hectares) donated by USAID-RED for beneficiaries of 9 NGOs have been installed and tested. New plantings have already begun on these farms.
- An educational field trip to Santiago Puringla in La Paz was organized and executed for all of the technical units of CARITAS.
- USAID-RED helped organize a field trip to Jutiapa (Francisco Morazán) to visit FUNDER activities. The US Assistant Secretary of Agriculture, regional authorities of the USDA, Honduran government staff, supermarket managers, growers and technicians were present at the event.
- NGO beneficiaries continued with the procurement of seeds and equipment from USAID-RED's private sector alliance partners and commercial counterparts, including, SEMINIS, BOMOHA, SEAGRO, BAYER, COHORSIL, DUWEST and AGROVAL. Access to these inputs and equipment has been increased as these companies increase their outreach through their alliances with the project.
- A total of 1,658 technical assistance visits to 39 NGO offices and their beneficiaries in 10 departments were delivered during the present quarter. These covered a wide range of crops and the entire production process from land preparation to harvesting.
- Two hundred and ninety-seven (297) training events were held where a total of 3,030 people from 35 NGO technical units attended. Emphasis was placed on basic practices in production systems.
- Clients and participating NGOs invested a total of \$299,081 in production equipment and infrastructure, including irrigation systems, back pack sprayers, water pumps, macro tunnels, nursery infrastructure, green houses, among others.

#### **4.5 Institutional Alliances**

- Train the trainer activities continued successfully with NGOs through this quarter, promoting basic practices and high value crops.
- Input suppliers continue to sponsor training events by USAID-RED in all departments with project presence. These companies include Del Campo Soluciones Agrícolas, Bayer, Seagro and Cemcol.
- FHIA's activity with agroforestry, forest certifications, and specialized training on IPM for various NGO trainers and project clients has continued. Sixty (60) forest certifications were approved by the government last May. The certificates were given to the growers in Tela (Atlántida) by the Vice Minister of the ICF (Instituto de Conservación Forestal), USAID-RED Management and a USAID representative.

#### **4.6 Partner and Technology Funds**

For the extension period, USAID-RED has a plug amount of approximately 10 percent of its budget to continue the program's existing Partnership Fund. This small grants fund serves two purposes: it supports the technology transfer process, particularly for program subsistence

farmers, by supporting the purchase of equipment and small infrastructure improvements needed to foster technology adoption and change; and it provides targeted support to local organizations and companies working to facilitate farmers' access to markets.

Following is a description of partner fund and technology fund activities that were designed or implemented during the period:

- Partner Fund 02:2009. FHIA's study on potatoes, funded by USAID-RED/FAO and the University of Arizona, was finalized and included additional field samples taken during the past rainy season. This report was delivered to USAID-RED technical staff who in turn have considered its conclusions to provide recommendations in the field. The report was also presented to the FAO, a co-sponsor of this initiative in La Esperanza, Intibucá.
- Technology Fund 2009-08. The sweet potato packing plant built during the last quarter of 2009 has continued its export operations. During the present quarter, independent sweet potato growers initiated selling to this packing facility. A total of three (3) containers was shipped during this quarter.
- Technology Fund 2009-09. Provides drip irrigation technology for NGO-assisted small growers. All of the irrigation systems (82 hectares) have been delivered by the provider. NGOs and USAID-RED field technicians have distributed and installed 87 percent of these systems which will benefit more than 400 small and subsistence growers in 30 technical units.
- Technology Fund 2009-10. Demonstration plots of macrotunnels for FUNDER beneficiaries. The macrotunnels have been constructed in the selected locations on small grower farms of growers assisted by FUNDER under our NGO program. Plantings in these macrotunnels are underway and they are expected to achieve higher yields than traditional plantings.
- Technology Fund 2010-01. Provides water access for client expansion in Olanchito, Yoro. An irrigation pump, motor, PVC water conduction pipeline and drip tape were provided for the Cooperative Socios Trabajadores to increase its planting area by 5.3 hectares.

#### **4.7 Private Sector Alliances**

USAID-RED's market-driven approach and commercial focus has already fostered relationships with dozens of private companies providing inputs and services to the agriculture sector. The project has established formal alliances with 18 private companies to develop model farms at 12 agricultural schools and to provide project-assisted farmers and agribusinesses affordable access to modern technologies (seeds, tools and equipment) to improve productivity.

During the extension period, the goal has been to develop at least five additional alliances to strengthen upstream and downstream linkages with participating growers. These new alliances are formalized with the signing of Memorandums of Understanding (MOUs) between USAID-RED and private companies. The fifth alliance was signed and launched in January 2010 with Amanco, a provider of irrigation materials and other agricultural equipment. Implementation of all five existing alliances continued with a substantial increase in participation from both the private sector and lead clients. This quarter USAID-RED reached and exceeded the \$1 million target established for these alliances. Below is a summary of the development of these alliances.

- BOMOHSA. There have been 52 transactions carried out by the same number of clients since the MOU was signed. The total value of purchases exceeds \$80,700, with clients

investing \$43,400, BOMOHSAs has contributed \$33,100 in discounts and in kind contributions, while USAID-RED co-invested the difference.

- SEMINIS. Both NGOs and commercial-scale clients have purchased hybrid seeds and established crops everywhere that the project has a direct or indirect presence. Purchases amount to \$147,000 in 70 different transactions. USAID-RED has contributed 25 percent of the cost. Twenty of these purchases were by NGO partners, benefiting more than 200 micro farmers participating in their programs. Cash and in-kind contributions from Seminis total \$37,700 while clients have invested over \$72,500, and USAID-RED has contributed over \$36,800.
- INALMA & EMPRESA ASOCIATIVA CAMPESINA 25 DE MARZO (EAC). All investments and plantings have taken place and technical assistance continues. The producer group invested an additional \$18,112 in labor, materials and others during the quarter. The first harvest from their high density planting is expected to begin next quarter.
- CEMCOL. With 117 transactions for 216 items purchased, this alliance has been the most active since its signing. Cemcol has several products that will help improve crop management, including fumigators, weeders, hole-diggers, and tillers. Total investments amount to over \$139,000, with clients investing \$75,500 and USAID-RED and CEMCOL each co-investing 20% of the total cost. In addition to directly investing \$23,300 in cash discounts, Cemcol, has executed over 60 training events at a value of \$17,250, and USAID-RED has invested close to \$23,000 in this alliance.
- AMANCO/MEXICHEM is the Latin American industry leader in PVC pipe and drip irrigation systems. USAID-RED clients can now obtain competitive prices for irrigation systems and accessories to expand the technology they already possess. Amanco offers discounts in product line and USAID-RED covers a percentage of the total cost. This alliance will benefit commercial producers, NGO technical units and smaller growers. Total investment for this alliance is over \$35,000. Clients have invested 59% (equivalent to \$20,600), while Amanco has provided cash discounts equivalent to 26% (\$9,100) and USAID RED has invested the remaining \$5,300 (15%).
- Projections for the use of these funds have been made and budget adjustments to the duration of these alliances have been made accordingly.

#### **4.8 Marketing**

During the present quarter, Fintrac marketing specialists, now working on both USAID-RED and MCA-EDA projects have merged the production programs in all of the zones and estimated the nationwide supplies that will be available for the different crops and markets. With this coordination, a better service is being delivered to buyers at all levels, including supermarkets, exporters, producers and informal buyers (coyotes). This will allow commercial relationships to strengthen and become sustainable in a relatively short period. The marketing department visited the production zones to obtain first-hand knowledge about crop varieties, volumes and qualities to find suitable markets for project clients.

The “western corridor” has received much of the focus during the present reporting period, since this is the region where market relationships are still weak. Areas, such as Marcala (La Paz), Corquin and Nueva Arcadia (Copán), La Esperanza and Yamaranguila (Intibucá), Siguatepeque and Comayagua (Comayagua), and Gracias (Lempira) have been visited frequently and production information has been gathered and discussed with potential and existing buyers.

The plantain export activity was also followed very closely to ensure that the first exports coming from the eastern region were carried out successfully and that the problems related to the startup of activities were solved in a timely and satisfactory manner.

Below are some of the activities that were carried out during the present quarter.

### **Technical assistance and Training:**

Direct technical assistance in marketing activities has been provided to NGOs, processing and value-added companies including Alimentos Marvisa, Prover, Tatis, Frijolitos Easyfany, Fuerzas Unidas, Hermandad de Honduras, ODECO, Frijoles San Antonio, OCDIH, ECARAI, Vegetales y Frutas Sonia, Frijoles tío Beto, Agrimonsa, Industrias el Istmo, Supermercados Mega de la Ceiba, Agroindustria Bonilla, Funder, Aprohfi, Wild Rose Investment, Coprova, Productos Lina, Supermercado La Antorcha and Fincas el Carmen. Areas of support include trade and distribution, sales analysis by sector, point of sale, territorial coverage and market share and sales budgets.

Nine training events were delivered to over 220 participants (staff and beneficiaries of four partner NGOs). Training events include the presentation of new business opportunities for their particular region.

### **Market Linkage Services:**

- A total of 58 market linkages have been established during the reporting period, including pineapple, plantain, strawberry, potato, lettuce, cabbage, tomato and several varieties of pepper to processors, exporters, supermarkets, Salvadoran buyers and local wholesalers.
- A market link was created between Supermercados La Antorcha and D y C imports, a vegetable supplier who is procuring its produce from USAID-RED growers. Current sales are near \$50,000 per month. The supermarket's goal is to replace its imports with Honduran-produced vegetables.
- Initial approach between INALMA, a plantain and yuca exporter, Supermercados del Corral and MARVISA, a refried beans processor, have taken place to discuss an integrated work plan. In summary, the exporter can provide a new market for the bean processor, and the supermarket can provide a local distribution chain for the bean processor and the plantain and yuca exporter.
- New business was also developed between several growers from the Copán region with a Salvadoran wholesaler and a processor/exporter.
- The marketing specialists prepared and carried out a field visit for AYCO Farms, a large melon and watermelon exporter seeking to expand its export volumes and produce variety. Producers from El Paraíso, Comayagua, Yoro and Colón are in the negotiation process of supplying watermelon, plantain, yuca and malanga to this buyer.
- Plantain producers in El Paraíso were linked to large wholesalers from the "Zonal Belen" market.
- Frutex, an exporter based in the northern region was taken on a trip to visit producers in Yoro and Colon. This company is interested in buying and exporting plantain.
- Growers in the northern region were linked with a wholesaler from El Progreso for new plantain and watermelon sales.

## 5. PERFORMANCE AND MONITORING PLAN (PMP)

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

Act-ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009-2010	Total 2005-2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind	
			<b>1 Start-Up &amp; Program Administrative Activities</b>																		
1.1	Key Personnel/Senior Team In-Place										Key personnel/senior team in place w/in 1 week (Extension: DCOP in place within 1 month)	Timesheets			Fintrac key personnel team in place on August 1, 2005. DCOP for extension in process to be relocated.	X					
1.2	New Field Technicians Trained & In-Place										All field technicians in Zones w/in 3 months (Extension: New field technicians trained and in place within 1 month)	Timesheets; CIRIS reporting			Field technicians hired in August 2005; trained in September 2005. New extension technicians in process of being hired.	X					
1.3	Procurement of Vehicles/Equipment										Start-up procurement requirements completed w/in month 1; on-going for remainder of project	Copies of vehicle titles			Vehicles procured. 14 Vehicles were returned to USAID in June 2008 as part of the disposition plan. Extension procurement in progress.	X					
1.4	Project Intranet/Internet Sites Installed & Updated	2							0	2	Intranet/Internet sites installed w/in 1 week; maintained (Extension: sites maintained)	Site Operating	2	-	Sites completed. Site maintenance ongoing.				X		
1.5	Semi-Annual Local Taxation Reports	2		1					1	2	Local taxation reports submitted to USAID	Copies of reports	4	-	Interim reports due yearly by November 17; final reports due yearly by April 16.				X		
1.6	Monthly Project Bulletins	40	1	3	3	3	3	3	2	18	58	Monthly bulletins produced and distributed	Copies of bulletins	56	2	Internet site; www.usaid-red.org				X	
1.7	Workplan/Performance Monitoring Plan Updated											Workplan/performance monitoring plan updated monthly with results (amended as needed with USAID input)	Copies of PMPs			Updates submitted monthly; amendments approved by USAID.				X	
1.8	Monthly Financial Reports	41	3	3	3	3	3	3	3	21	62	Financial reports submitted to USAID (online/hardcopy)	Copies of reports	60	2	Reports submitted with each invoice; invoices may be issued more than once monthly. Number represents months only.				X	
1.9	Quarterly/Annual Reports	13	1	1	1	1	1	1		6	19	Quarterly/annual reports submitted to USAID (performance fee of \$1,000 per report for extension period)	Copies of reports	18	1	Available on Intranet site and submitted to USAID by e-mail.				X	
1.10	Final Report	0								1	1	Final report submitted	Final report	-	1					X	



## 5.3 PMP Section 4: High-Value &amp; Added-Value Horticultural Program

Act-ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009-2010	Total 2005-2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind	
			<b>4</b>	<b>High-Value &amp; Added Value Horticulture Program</b>																	
4.1	Production manuals to develop 20 high potential products	20								0	20	Production manuals completed (updated as needed during extension period)	Copies of manuals	20	-	Manuals completed and updated as needed. Target completed in 07/08. Updates as needed.				X	
4.2	Production of technical bulletins and other technical materials (includes 4.1 outputs)	95								0	95	Manuals and training materials produced (updated as needed during extension period)	Copies of materials produced	95	-	Initial target of 68 exceeded. See Intranet site for list and copies.				X	
4.3	On-Farm Extension Program	43138	1000	2000	2000	2000	2000	2000	2000	13000	56138	On-farm extension and training visits made by program agronomists	CIRIS TA reports + validation	63,983	(7,845)	Entire performance fee paid under previous PMP targets; targets increased in modification dated May 2006 with no additional performance fees payable. Initial target of 20,900 exceeded 4/07. EOP target achieved in February 2010.	X				
4.4.2	Farmer EUREPGAP, GAP, organic and other certification manuals and other training materials produced	18								0	18	Manual, bulletins and other materials produced (updated as needed during extension period)	Copies of materials produced	19	(1)	See Intranet site for list and copies. Initial target of 10 exceeded.	X				
4.5	Farmer field days & other training programs	714	20	30	30	30	30	30	20	190	904	Farm field days held by program agronomists	CIRIS training logs	1,290	(386)	Field days plus other training events. Initial target of 132 exceeded.	X				
4.6	Production Training Programs	35422	1000	3000	3000	3000	3000	3000	2000	18000	53422	Production - Persons-subject / trained	CIRIS training reports	62,358	(8,936)	Initial target of 15,000 exceeded.	X				
4.7	Postharvest manuals and training materials	20								0	20	Postharvest manuals and training materials produced (updated as needed during extension period)	Copies of manuals / presentations	21	(1)	Initial target of 9 exceeded.	X				
4.8	Packhouse layout and design technical assistance	21	1	2	2	2	1	1	1	10	31	Packhouses assisted with designs and layouts	CIRIS client TA logs	32	(1)	Initial target of 12 exceeded.	X				
4.9	Postharvest training programs	3663	50	250	250	250	250	250	150	1450	5113	Receive training in postharvest practices and technologies	CIRIS training logs	5,217	(104)	Initial target of 1150 exceeded.		X			
4.10	Food processing, food safety manuals, and training materials	30								0	30	manuals and training materials produced (updated as needed during extension period)	Copies of manuals	30	-	Initial target of 17 exceeded.	X				
4.13	Processing training program (in-plant & workshops & seminars)	3975	50	250	250	250	250	250	150	1450	5425	Receive training in processing systems, plant hygiene, etc.	CIRIS training reports	5,253	172	Initial target of 2000 exceeded.					X

**5.4 PMP Sections 5 & 6: Non-Agriculture MSME and Finance Components**

Act-ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009-2010	Total 2005-2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind	
			<b>5 Non-Agricultural MSME Program/BDS Program</b>																		
5.1	Technical assistance and training to off-farm MSMEs to improve operational efficiency (extension focus on key existing intermediaries for small farmers -- packers, suppliers, middlemen, brokers)	108	5	5	5	5	5	5	2	32	140	MSMEs have improved operational efficiencies measured by increased productivity, reduced costs, or increased profits; written business recommendations provided	CIRIS	192	(52)	On-going. Initial target of 100 exceeded.	X				
5.3	Off-Farm MSMEs (Downstream & Upstream Linkages to Farmers) -- Marketing Linkages to Farm Buyers											increased client sales; increased linkages	CIRIS			Cancelled 03/06; contract modified May 2006. However, services provided as part of other activities.				X	
<b>6 Financing Component Activities</b>																					
6.3	Matchmaking programs with rural MSMEs and financing institutions (special loan programs, assistance in loan application process, negotiations, etc.)	261	10	29	25	25	20	20	10	139	400	cumulative MSME clients access credit for production & processing technologies (performance fee for extension period: \$2500 at levels of 50, 100, and 139)	CIRIS + validation	393	7	Initial target of 250 met on June 30, 2008. Lps. 100 million through June 31st, 2010				X	

## 5.5 PMP Section 7: Other Activities

Act- ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009- 2010	Total 2005- 2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind	
7	<b>Other Activities</b>																				
7.1	Information sharing to promote replication (presentations made to counterparts, presentation made at training and other forums organized by counterparts)	26	2	2	2	2	2	2	2	14	40	Presentations made to counterparts and at training/industry forums to promote replication of successful program experiences	Presentations; regular project reporting	44	(4)	See presentations on Intranet site.			X		
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	Regular project reporting			On-going				X	
7.3	Environmental assessments completed as required											Initial Project EE/PERSUAP report submitted by 12/31/05 if required; updated as needed with additional PERSUAPS and Environmental Assessments	Reports			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)				X	
7.4	Increased hectares under drip irrigation	2726	50	150	150	150	150	150	100	900	3626	new hectares under drip irrigation	Ciris report IRR#7	4,028	(402)	Initial target of 1,250 ha exceeded. 2,100 hectares of Irrigation reported under IRR3 are excluded from the results.	X				
7.5	Increased hectares under new NRM/GAP techniques	4571	200	300	350	350	300	300	200	2000	6571	new hectares NRM/GAP techniques (Extension performance fee: \$5 per hectare)	Ciris GAP 2	6,673	(102)	LOP target achieved on June, 2010. Three months ahead of schedule.			X		
7.7	Women participate in production, processing, & postharvest training programs	8885	100	400	400	400	400	400	400	2500	11385	women participate in project production, postharvest, and processing training programs (\$2 per woman participant)	CIRIS training reports	14,796	(3,411)	Initial target of 3630 exceeded. Extension target of 11,385 exceeded on November 2009.	X				

**5.6 PMP Section 8: Global Development Alliances/Private-Sector Partners/BDS Program**

Act-ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009-2010	Total 2005-2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind	
<b>8</b>	<b>Global Development Alliance/Private Sector Partnerships</b>																				
8.1.14	Alliance 14 Established & Implemented		1							1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	BOMOHA	X				
8.1.15	Alliance 15 Established & Implemented			1						1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	MONSANTO AGRICOLA/SEMINIS	X				
8.1.16	Alliance 16 Established & Implemented			1						1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	INALMA / EAC 25 DE MARZO	X				
8.1.17	Alliance 17 Established & Implemented				1					1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	CEMCO	X				
8.1.18	Alliance 18 Established & Implemented				1					1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	1	-	AMANCO	X				
8.2.4	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 \$700,000 (expected 12/31/09)	CIRIS + alliance partner validation	\$ 769,618	\$ (69,618)			X			
8.2.5								expected				Alliance partner contributions reach \$1 million (expected 9/30/10)	CIRIS + alliance partner validation	\$ 1,006,784	\$ (6,784)	Alliances with Bomohsa, Seminis and Amanco were closed on June 30, 2010. USAID - RED will no longer contribute to client purchases, however these companies will continue making their contributions.			X		

5.7 PMP Section 9: Client Results Targets

Act-ivity #	Activity	Actuals Through Dec 2008	2009				2010			Total 2009-2010	Total 2005-2010	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Comments	Summary Schedule Status			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3					Achieved to Date	Balance Remaining		DONE	Ahead	On	Behind
						expected			expected											
<b>9</b>	<b>Client Results Targets - Fee Triggers (CY2004 baseline unless otherwise stated)</b>																			
9.1.4	Cumulative new client sales fee triggers (US\$, FOB exports, farm gate local market)				expected						US\$51.50 million in cumulative new sales (expected 12/31/09)	CIRIS + validation	\$ 52,108,823	\$ (608,823)		X				
9.1.5								expected			US\$58.50 million in cumulative new sales (expected 9/30/10)	CIRIS + validation	\$ 52,108,823	\$ 6,391,177				X		
9.2.4	Cumulative new employment fee triggers (FTE positions)				expected					5541	cumulative FTE positions created (expected 12/31/09)	CIRIS + validation	5,850	(309)		X				
9.2.5								expected		6541	cumulative FTE positions created (expected 9/30/10)	CIRIS + validation	5,850	691				X		
9.3.4	Cumulative # MSME clients increasing annual income by a minimum of 40% (# MSMEs)				expected					1868	cumulative MSMEs have increased annual income by at least 40 percent (expected 12/31/09)	CIRIS + validation	2132	(264)		X				
9.3.5								expected		2500	cumulative MSMEs have increased annual income by at least 40 percent (expected 9/30/10)	CIRIS + validation	2252	248	120 new MSME's have reported 40% increases or higher in their sales as of 5/31/2010				X	
9.4.4	Cumulative new client investments & counterpart/GDA contributions fee triggers (US\$)				expected						US\$22.3 million in cumulative new investments/ contributions (expected 12/31/09)	CIRIS + validation	\$ 24,393,651	\$ (2,093,651)	Target met on September 30th, 2009. Three months ahead of schedule.	X				
9.4.5								expected			US\$25.0 million in cumulative new investments/ contributions (expected 9/30/10)	CIRIS + validation	\$ 27,650,008	\$ (2,650,008)		X				

## **6. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD**

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

### **6.1 Production**

- Continue to provide technical assistance to lead clients.
- Follow up with plantain export operations to strengthen the relationship between growers and Chiquita.
- Continue assisting all growers involved in the newly established market relationship with a large processor who is purchasing peeled plantains in the Olanchito and Colón regions.
- Continue promoting live barriers and anti-virus row covers.
- Continue promoting new drip irrigation systems in different regions of the country.
- Continue promoting new plantings of plantains, pineapples, watermelons, peppers, tomatoes, lettuce, carrots, broccoli, cauliflower and yuca with existing project clients.

### **6.2 Processing and Food Safety**

- Training for processing plant personnel as part of the Project close-out plan.
- Follow up on the commercial relationships that have been established between processors.
- Continue with the HACCP and GMP implementation plans, especially for ALPROSA, K & C, Wild Rose, INALMA, and Marvisa, who need to continue advancing on these as a market requirement. Others are aiming for certifications (e.g. those awarded by AIB).

### **6.3 Postharvest**

- Implement improved postharvest practices in a supermarket chain in La Ceiba and continue with postharvest improvements for the assisted supermarkets in San Pedro Sula, Siguatepeque and Comayagua.
- Continue providing support to the newly started packing operations for yuca and plantain in several locations.
- Hold on-site training events for all NGO beneficiaries in the field and in collection centers.
- Improve harvest practices for farmers.
- Train farmers in grading and selection criteria for different markets of plantains, peppers, tomatoes, carrots, onions, Asian vegetables and potatoes.

### **6.4 Subsistence and Small Commercial Farmer Activities (Alliances with NGOs)**

- Finalize the installation of the remaining 11 hectares of drip systems donated by USAID-RED to NGO beneficiaries.
- Deliver and present the quarterly or final reports to high level management of the participating NGOs.
- Hold meetings with all of the technical staff of the NGOs to discuss interim results and develop the action plans for the last quarter of the Project.
- Evaluate results to date with the M&E unit and develop an action plan to meet pending targets.
- Continue with routine technical assistance visits and the training program for the last quarter.

### **6.5 Institutional Alliances**

- As a follow up of NGO assistance provided earlier this year, a closeout report with each of the assisted NGOs will be submitted and discussed individually with them. The purpose of this submission, review and discussion is to summarize joint activities, review actions taken and identify improvement opportunities. Each NGO will be provided a detailed report of the alliance with the corresponding conclusions and recommendations.
- USAID-RED will continue to support NGOs in order to ensure sustainability of training provided earlier in the year.

### **6.6 Partner and Technology Funds**

- Tech Fund 2010-02. Main conduction pipes, filtering system and drip tape is currently under submission for USAID/Honduras approval for a CARITAS project which will ensure increased tomato production, employment opportunities and sales in Francisco Morazán.
- Tech Fund 2010-03. Agronomy kits for CARITAS technicians who are being trained by USAID-RED to install irrigation infrastructure for more than 300 small and subsistence growers around the country.
- Completion of all receipts/certification documentation for grants and donations for earlier technology funds.
- No other new technology funds are expected to be implemented next quarter.

### **6.7 Private Sector Alliances**

- Three of the five alliances (BOMOHS, SEMINIS, AMANCO) will not continue with USAID-RED contributions, but USAID-RED clients will continue to enjoy cash discounts and preferential treatment from these counterparts. The two remaining alliances will continue during the following quarter.
- USAID-RED/INALMA/25 de MARZO is expected to begin its harvest this coming quarter and preliminary technical evaluations are optimistic about the expected yields.
- USAID-RED will make projections on the use of these two alliances in order to compare with the remaining budgets. Adjustments will be made accordingly.

### **6.8 Marketing**

- Establish more market linkages and marketing networks between project clients and buyers.
- Follow up on the recent visits with exporters to solidify new deals.
- Train more growers to develop business centers or collection centers to bring new business to smallholder regions.
- Continue delivering technical assistance in marketing and sales areas to agribusinesses in order to increase sales for 2010.
- Establish new contacts with buyers in the region to assist growers and off-farm businesses. Bring new business opportunities to the project.

## **7. PROJECT EXPENDITURE**

## **ANNEX I: USAID-RED MONTHLY UPDATES**

Previous monthly updates and translated versions are available in electronic format on the Intranet site [www.fintrac.com/red](http://www.fintrac.com/red), and on the public Website, [www.usaid-red.org](http://www.usaid-red.org).



Monthly Update – April 2010

## Rural Economic Diversification Program

### PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a five-year initiative funded by the United States Agency for International Development (USAID). Its 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-sized enterprises (MSMEs), expanding their local sales, exports and investments and promoting an increase in the production and investments of value-added products.

USAID-RED will end activities in September 2010. The USAID-RED monthly update is available online at [www.usaid-red.org](http://www.usaid-red.org). If you would like to receive this or other publications automatically by e-mail, you can subscribe directly on our Web site.

This monthly update was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The content is the sole responsibility of Fintrac and does not necessarily reflect the opinions of USAID or of the United States government.

### AGRICULTURAL PRODUCTION

This month USAID-RED technicians carried out 861 technical assistance visits in zones around the country.

**Plantings:** 116 hectares were planted for crops such as watermelons (25.2), plantains (15.5), pear-tomatoes (19.5), sweet potatoes (4), sweet peppers (6.4), and corn (20.3).

**Irrigation:** 23 new hectares of drip irrigation were installed in Cortés (6.6), Copán (1), Lempira (1), Ocotepeque (.8), Santa Bárbara (4.2), Francisco Morazán (3.5), Yoro (2), and Colón (4).

**Trainings:** 44 training events took place. 256 men and 20 women were trained.

**Investment:** In April USAID-RED clients invested \$327,000 to install drip irrigation systems, build infrastructure for production, and purchase plantain seeds, fumigation equipment, agricultural machinery, and land.

**Good Agricultural Practices (GAPs):** USAID-RED continued promoting GAPs through technical assistance visits focusing on pests, disease and weed control, soil



Photo by Fintrac Inc.

A farmer harvests potatoes in Copán.

### Select Crop Sales for Assisted Producers April 2010

Product	Volume	Sales (US\$)
Melons	6,670 m <sup>3</sup>	\$702,100
Tomatoes	3,425,600 lbs.	\$666,700
Plantains	1,242,600 lbs.	\$178,600
Jalapeño Peppers	898,000 lbs.	\$178,500
Sweet Peppers	558,600 lbs.	\$129,400
Onions	142,500 lbs.	\$48,000



Monthly Update – April 2010  
**Rural Economic Diversification Program**

preparation, and raised beds. The program also continued to help with installation and management of drip irrigation systems. The increase in precipitation at the end of the month led technicians to recommend potassium phosphonates and salicylic acid to increase plant defenses against rainy season diseases.

**ADDED VALUE**

**Trainings:** 108 people (64 men and 44 women) received training this month in good manufacturing practices (GMPs), postharvest handling and processing.

**Investment:** Clients invested \$62,000 this month in processing infrastructure, refrigeration equipment and a cooling tunnel.

**Processed Products:** USAID-RED continued to work on certification programs, especially provider control programs, traceability, pest control and chemicals. Pineapple vinegar tests were conducted with a processor of pepper sauce to help prepare the plant for a certification inspection in July. The program is helping another plant expand by installing equipment and define new process flows for paraffin-coated cassava and packing for fresh plantains. A fruit concentrate processing plant in San Pedro Sula also received program assistance to install bottling equipment.

**Packing plants:** Plantain peeling season started, and six 250,000-pound containers have been exported. Each container generates roughly 180 jobs, mostly for women, in Olanchito. USAID-RED offered trainings to improve the peeling process at plants and helped construct a new peeling plant in the zone of Sabá, Colón.

**Supermarkets:** The program trained personnel of a new supermarket chain in San Pedro Sula.

**Others:** USAID-RED met with agroexporters to discuss new bean, cassava, malanga and plantain processing operations in Tegucigalpa and San Pedro Sula.

**PROGRAM ALLIANCES**

213 trainings took place, with 2,300 participants (201 women and 2,099 men). Staff carried out 447 technical assistance visits in Intibucá, Lempira, Copán, Ocotepeque, Francisco Morazán, El Paraíso, La Paz, Cortés, and Choluteca. Symposiums on pests and diseases were held in Marcala, Valle de Angeles, Gracias, San Marcos de Ocotepeque and La Esperanza. Technicians from NGOs, agribusinesses and agriculture-related companies in the different zones attended.

**FUNDER:** 22 manzanas of donated drip irrigation systems were installed for 55 producers from the nine technical units in the alliance. Visits and trainings focused on installation, maintenance and operation of irrigation systems, fertigation, soil preparation, transplant, harvests, and adequate use of agrochemicals. 126 visits and 36 trainings took place. 200 men and 21 women participated.



*Photos by Fintrac*

**A USAID-RED technician talks about plantain transplants in Cantarranas, Francisco Morazán.**



**Women peel plantains in Olanchito, Yoro.**



**Plantain growers listen during a USAID-attended training in Olanchito, Yoro.**



**WORLD VISION:** 70 producers received donated drip irrigation systems on 14 manzanas in five of the alliance’s technical units. A field day in Consolaca, La Campa, Lempira on high-yield basic grains and tomatoes with row covers attracted technicians and producers from Copán, Ocotepeque, Intibucá and Lempira. A field day was also held at Concepción on basic grains. Exchange visits and formal trainings took place, focusing on installation and maintenance of drip irrigation systems, transplanting, use of row covers, tutoring, proper use of agrochemicals, and crop management. 174 visits and 75 trainings were carried out for 1,438 participants (1,315 men and 123 women).

**OCDIH:** 14 formal trainings and 28 technical assistance visits took place, covering installation and management of drip irrigation systems, and management of sweet corn, potatoes, watermelons, peppers, lettuce and tomatoes.

**CARITAS:** Donated drip irrigation systems were installed on 5 manzanas for 15 producers in three of the alliance’s technical units. New technical units in Orocuina, Santa María, Alubaren, and Texiguat were visited. Nursery assistance was also provided as well as testing on plastic and row covers and training on agrochemicals and tomato, cabbage, onion, corn and bean production. 22 visits and 15 trainings for 136 participants (126 men and 10 women) took place.

**HERMANDAD DE HONDURAS:** Visits and trainings took place for lettuce, cabbage, cucumbers, potatoes, beets and cassava. Trainings on installation and management of drip irrigation systems, management of family plots, correct use of agrochemicals and soil preparation also took place.

**ODECO:** Installed drip irrigation systems on 3.27 manzanas. 8 formal trainings (27 men and 19 women) and 17 visits were carried out on management of potatoes, cucumbers, lettuce, cabbage, corn and beans. Provided assistance with installation and management of drip irrigation systems, soil preparation and plantlet production.

**FUNLESOL:** Installed donated drip irrigation systems on 4 manzanas for 13 producers. 43 formal trainings and 30 visits were carried out for 158 people, focusing on installation, management of irrigation systems, soil preparation, management of tabasco peppers, onions and corn, and adequate use of agrochemicals.

**CESAL:** Installed 2 manzanas of donated drip irrigation systems for 12 producers. Visits and trainings covered installation, management and operation of drip irrigation systems, management of crops such as tabasco peppers, soil preparation, and pest and disease control.

**PLAN DE HONDURAS:** 4 visits and 8 trainings on corn management and installation and management of irrigation systems, and the use of traps and raised beds took place for 122 participants (106 men and 16 women).



Photos by Fintrac

Training is conducted with USAID-RED/Caritas clients.



Beans and corn are planted as intercrops on this World Vision farm in Gracias, Lempira.



Farmers install a drip irrigation system, in Lempira.



Monthly Update – April 2010  
Rural Economic Diversification Program

### MARKETING

- In Olanchito two producers signed a contract to sell plantains to an exporter for a competitive fixed price set for the year.
- USAID-RED continued to provide technical assistance to microbusinesses and NGOs on information analysis.
- 5 trainings were carried out for NGOs and a plantain slices processor on business opportunities and customer service. This month 113 men and 21 women were trained.
- 31 links were established between processors, NGOs and supermarkets from the north coast, and plantain producers and processors and local markets. Links were also made for NGOs, local markets, jalapeño producers and a pepper processor in the central zone.
- The program worked with processors to create sales strategies, analyze new sales options and establish costs for new products.

### AGROFORESTRY

- USAID-RED continued to assist clients in production and marketing of plantains, corn, cassava and tabasco peppers. The program is promoting calendarized plantings and coordinating with APRHOFI for marketing. Sales were \$14,770 this month for producers receiving assistance.
- 13 training events took place focusing on management of plots and drip irrigation; 64 people attended.
- 418 field visits took place to establish and manage different agroforestry systems and monitor harvests, postharvest handling, pests and diseases, and improve marketing.

### GENERAL

- A USAID representative visited Olanchito, Yoro to see current, past and future clients. The representative visited a plantain processor that signed a contract with Chiquita.
- The program delivered 50 percent of the materials from the technology fund to NGOs, including equipment and accessories for drip irrigation for small and subsistence farmers (less than 4 tareas, or 0.25 manzana).
- A general meeting was held on April 16 to consolidate efforts and focus on the program's last semester.
- USAID-RED continued co-investing with project clients through commercial alliances established to purchase seeds, irrigation accessories and equipment for crop management. In April, USAID-RED invested more than L. 74,000, benefiting more than 12 clients directly, who have in turn invested more than L.194,000. NGOs in alliances with the program also benefited.



*Photos by Fintrac Inc.*

Farmers in Yamaranguila working with program partner World Vision are taught production methods for high density corn.



Farmers in La Entrada, Copán receive drip irrigation equipment from USAID and World Vision.



USAID personnel visit farmers in Olanchito, Yoro.



Beans are intercropped with avocado trees at a USAID-RED agroforestry client farm in La Esperanza, Intibucá.



Monthly Update – May 2010

# Rural Economic Diversification Program

## PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started in August 2005, is a five-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 higher value and value-added products.

USAID-RED ends in September 2010. The USAID-RED monthly update is available online at [www.usaid-red.org](http://www.usaid-red.org). If you would like to receive this or other publications by email, you can subscribe directly on our website.

This monthly update was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The content is the sole responsibility of Fintrac and does not necessarily reflect the opinions of USAID or the United States government.

## AGRICULTURAL PRODUCTION

In May USAID-RED technicians carried out 975 technical assistance visits in zones around the country.

**Plantings:** 110 hectares were planted including sweet peppers (6.3), corn (43.5), plantains (31.5), pear-type tomatoes (13.8) and sweet potatoes (5.25).

**Irrigation:** 22.6 new hectares of drip irrigation were installed in Cortés (4.7), Copán (2.7), Lempira (1), Ocotepeque (0.7), Santa Bárbara (4), Francisco Morazán (0.9), Yoro (5.7), Colón (2), and Atlántida (1).

**Training:** 59 training events reached 439 people (395 men and 44 women).

**Investment:** In May, USAID-RED clients invested \$638,247 on installing drip irrigation systems, infrastructure for production, plantain seed purchases, fumigation equipment, agricultural machinery, purchases of irrigation pumps, land purchases, etc.

**Good Agricultural Practices (GAPs):** The program continued promoting GAPs through technical assistance visits focusing on pest, disease and weed control, soil



*Photos by Fintrac Inc.*

**A USAID-RED technician helps install an irrigation system in La Lima, Cortés.**



**This MD2 pineapple crop is in Lago de Yojoa, Cortés.**



preparation, and use of raised beds. Farmers learned to build drainages to avoid puddles that can cause crop damage. Technicians are also recommending potassium phosphonates and salicylic acid to increase plant defenses against rainy season diseases. Agronomists continued recommending crop rotation, live barriers, yellow sticky traps, row covers, pest sampling, water management and equipment calibration.

#### Select results:

- A plantain packing and peeling plant started operations in Saba, Colón. The plant will process 40 tons of plantain from 35 producers on a weekly basis. This is the fourth plant that has started operating in the Atlántida, Colón and Yoro zones.

#### ADDED VALUE

**Trainings:** Nine training events took place with 185 participants (138 men and 47 women). Topics included good manufacturing practices (GMPs), postharvest handling and processing. 63 technical assistance visits also took place.

**Investments:** \$140,250 was invested this month in plants, processing equipment and plant infrastructure.

**Processed Products:** Continued working on prerequisite programs, especially on POES and improvements to buildings and facilities. Remodeled employee entrance at processing plant. Received bottling/canning machinery acquired through a co-investment between USAID-RED and a client, the machinery will be installed in June. Developed a strategy to maximize cassava processing capabilities and worked on GMPs and HACCP for a certification pending an inspection in September. An auto-inspection of a sauce processing plant took place. An audit of an institutional client took place to change orange juice processing, which requires the installation of extraction and bottling equipment. Increases were reported in sales of juice concentrates to cafeterias in the textile industry, which represent a large volume of sales for juice processors.

**Supermarkets:** Evaluated a supermarket with two points of sale. The evaluation showed a deficiency in vegetable supply, receipt and handling. These issues are being discussed with suppliers from La Esperanza to make improvements.

**Others:** Assisted with the development of new projects with OCDIH and APROHFI. Continued assisting ECARAI with plant infrastructure improvements and the update of the good agricultural practices (GAPs) manual that will be implemented with the producers from supermarket La Colonia Trust.

#### PROGRAM PARTNER INSTITUTIONS

USAID-RED is working with partner institutions to reach more Hondurans and create sustainability. 107 trainings took place with 1,840 participants (337 women and 1,503 men). Staff carried out 549 technical assistance visits in Intibucá,



*Photos by Fintrac Inc.*

**A technician helps with soil humidity sampling in a Nathaly pepper crop in San Marcos de Colón, Choluteca.**



**Specialists conduct a GMP audit of a processing plant for good manufacturing practices in Comayaagua.**



Lempira, Copán, Ocotepeque, Francisco Morazán, El Paraíso and La Paz. Producer investment was \$2,746. Symposiums on diseases were held in La Esperanza, with technicians from NGOs and agribusinesses attending. 83 percent of the 117 drip irrigation systems donated by USAID-RED have been installed and 47 percent of those beneficiaries have already established crops.

**FUNDER:** Installed 30.6 manzanas of drip irrigation donated by USAID-RED for 75 producers from nine technical units. Field days, educational visits and trainings took place in the different technical units on irrigation systems, fertigation, soil preparation, transplanting, harvesting and agrochemicals.

**WORLD VISION:** Installed 35.9 manzanas of drip irrigation donated by USAID-RED to 178 producers from nine technical units. Field days and educational visits covered high yielding basic grains, drip irrigation systems, soil preparation, transplanting, row covers, tutoring, agrochemicals and crop management.

**OCDIH:** Six manzanas of drip irrigation were installed this month for 12 beneficiary producers from three technical units. Trainings were carried out on drip irrigation systems, and management of tomatoes, corn, beans, potatoes, watermelons, peppers and lettuce crops.

**CARITAS:** Installed six manzanas of irrigation donated by USAID-RED for 15 beneficiary producers. Held educational visits in Santiago de Puringla and a field day to follow up on activities, with the participation of the new technical units from Orocuina, Santa María, Alubaren, and Texiguat. Also helped with drip irrigation systems, plastic bed covers, agrochemicals and crop management.

**HERMANDAD DE HONDURAS:** Installed 3.27 manzanas of drip irrigation to 20 producers. Visits and trainings took place on crop management of lettuce, cabbage, cucumbers, potatoes and beets, installation and management of drip irrigation systems, management of family plots, agrochemicals and soil preparation.

**ODECO:** Installed 5.6 manzanas of drip irrigation for 13 beneficiaries. Trainings and visits were carried out on management of potatoes, cucumbers, lettuce, cabbage, corn and beans. The partner provided assistance with drip irrigation systems, soil preparation and plantlet production.

**FUNLESOL:** 4.9 manzanas of donated drip irrigation were installed for 14 producers. Trainings took place on installation, management and operation of irrigation systems, soil preparation, proper use of agrochemicals and management of crops such as Tabasco peppers, onions and corn.



Photos by Fintrac Inc.

**A technician helps install a USAID-RED donated irrigation system in Yamaranguila, Intibucá.**



**Farmers build transplant markers for planting carrots in Marcala, La Paz.**

**Trainings provided by NGOs – May 2010**

NGO	Participants	Trainings
FUNLESOL	410	47
WORLD VISION	632	44
FUNDER	378	33
PLAN DE HONDURAS	91	19
CARITAS	179	10
CESAL	51	6
OTHERS	170	22
<b>TOTAL</b>	<b>1,911</b>	<b>181</b>



Monthly Update – May 2010  
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**CESAL:** Visits and trainings were carried out on irrigation systems, soil preparation, control of pests and diseases and management of crops such as Tabasco peppers, plantains, and cassava.

**PLAN DE HONDURAS:** Installed 0.75 manzanas of donated irrigation for four producers. Visits and trainings covered basic practices, irrigation systems, use of traps and raised beds.

**MARKETING**

- A malanga producer in Cuyamel, Cortés exported two containers of malanga to the United States. He is buying malanga from other producers to help fill containers.
- Three trainings for NGOs covered business opportunities and business skills for 76 people.
- Continued providing technical assistance on information analysis to microbusinesses and NGOs.
- Established eight market links including links between a processor and supermarkets in the north coast, and plantain producers and processors. The program also negotiated a deal between Hortifruit and ASOFRUTI to buy their entire peach production.

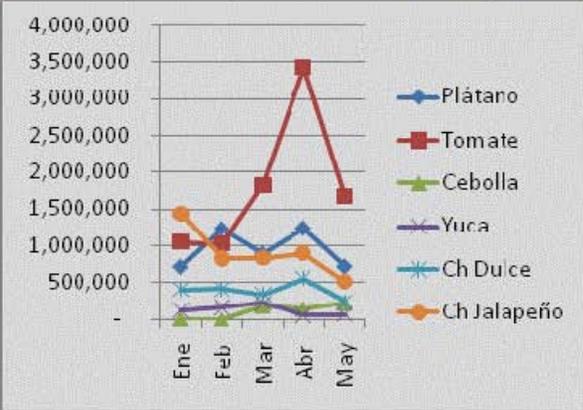
**AGROFORESTRY**

- Continued assisting producers that have established crops in the different agroforestry systems. The emphasis was on marketing plantains and corns, cassava, Tabasco peppers, watermelons, beans, com and passion fruit to local markets in the north zone and in La Esperanza, Intibucá. USAID-RED-assisted producers made \$90,200 in sales this month.
- Delivered more than 60 certificates to the Institute of Forestry Conservation (ICF) after a USAID-RED specialist provided technical assistance and follow-up.
- 25 training events with 179 participants were carried out, covering drip irrigation systems, effects of foliar bacteria on crops, pruning, phytosanitary control, harvesting indexes and farm certification.
- In May, 372 field visits took place, covering agronomic management of agroforestry systems, establishment and management of horticultural crops, harvesting, postharvesting, pests and diseases.

**GENERAL**

- Delivered the remaining 50 percent of the 117 manzanas of donated drip irrigation systems to more

Sales in pounds per month: Jan. - May 2010



Select crop sales for assisted producers – May 2010

Product	Volume	Sales (US\$)
Plantain	721,800 lbs.	\$98,700
Tomato	1,669,000 lbs.	\$381,200
Onion	221,500 lbs.	\$70,500
Cassava	63,000 lbs.	\$9,900
Sweet Pepper	242,300 lbs.	\$76,200
Jalapeño Pepper	513,300 lbs.	\$95,200



Photo by Fintrac Inc.

**USAID-RED presented a certificate to forestry client farmers ICF in Tela, Atlántida.**



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**Rural Economic Diversification Program**

than 400 small and subsistence producers (working less than 4 tareas or 25 percent of a manzana).

- Met with USAID to present quarterly progress and discuss other administrative topics.
- Coordinated a visit from G16 and USAID to small and subsistence producers being assisted by USAID-RED in Yamaranguila, Intibucá. A visit also took place with members of the agroforestry sector to Belén Gualcho and San Marcos, Ocotepeque.
- USAID-RED continued co-investing with program clients by establishing commercial alliances for the purchase of seeds, pumps, irrigation pipes and accessories and equipment for crop management. In May, USAID-RED invested more than L. 82,000 benefitting more than 25 clients directly. Among the beneficiaries were allied NGOs who have in turn invested an additional L.178,000.
- Started a pilot project with Proyecto ACA in Gracias, Lempira, San Marcos, Ocotepeque and La Esperanza, Intibucá. The project has obtained 26 lines of credit for producers with local veterinaries and agribusinesses of L. 3,000 each. All these projects are financed with funds from local distributors.



*Photo by Fintrac Inc.*  
**G16 and USAID representatives visit program producers in Yamaranguila, Intibucá.**



## Monthly Update – June 2010

# Rural Economic Diversification Program

### PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED), which started August 2005, is a five-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.

USAID-RED will finalize its activities in September 2010. The USAID-RED Monthly Update is available online at [www.usaid-red.org](http://www.usaid-red.org). If you would like to receive this or other publications automatically by email, you can subscribe directly on our Website.

This Monthly Update was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The content is Fintrac's responsibility and does not necessarily reflect the opinions of USAID or of the United States government.

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### FIRST PLANTAIN EXPORTS: YORO AND COLÓN

In January 2009 Olanchito was considered a livestock area, not a plantain production area. Jorge Díaz, the zone technician, had trouble enrolling clients until lead producers demonstrated the potential for plantain profitability. USAID-RED also helped design three packing plants to provide an incentive for production and prepare the zone for exports.

Visits from processors and exporters to the zone offered different market options for producers. In June, a producer from Olanchito, Yoro and another from Saba, Colón started exporting plantain for the first time.



*Photos by Fintrac Inc.*

**Above, workers pack plantains at a new plant funded by USAID-RED in Olanchito, Yoro.**



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**Rural Economic Diversification Program**

Five containers were exported to the U.S. this month by a multinational company. These exports are creating an increase in employment and investments in agriculture. With this new market and other markets for peeled and fresh plantain, planting areas can be expanded considerably.

Each packing plant employs an average of 60 people for plantain handling, peeling and packing. One peeled plantain container is filled with approximately one planted hectare, and a container for export is filled with approximately 2/3 of a hectare. For each hectare planted, 1 or 2 containers of peeled fruit or fruit for export can be obtained. USAID-RED has calendarized the plantings of small and medium size producers in the zone to supply the demand and maintain production throughout 2010. Calendarized plantings provide a stable market and constant sales for both producers and packing plants. In addition each packing plant provides permanent employment to more than 60 families.

These first exports have had a large financial impact on Aguán, providing higher incomes for more than 60 families and boosting the zone's economy throughout the year.

**ADDED VALUE**

The development and implementation of good manufacturing practices (GMPs), including GMP procedures and personnel training, has continued at all the plants. Some plants are already meeting the requirements because of client audits.

This month a processor of crushed pineapple and lemon juice passed an inspection, allowing him to export lemon juice to Europe. This client started operating in 2007, and USAID-RED helped with plant design, employee hygiene, GMPs, pest control, standard operating procedures, measurement of yields, quality control, and process flows. In 2008 they had the vision of exporting lemon juice to Europe and began implementing a rigorous work plan to comply with GMPs, POE and other quality standards.

An auditor for a client in Europe inspected the plant and gave positive feedback, enabling the client to line up exports of 6 to 7 lemon juice containers for the rest of the year. Gaining access to the European market will open doors for other export products and will help the Honduran juice industry.

**PROGRAM PARTNER INSTITUTIONS**

Six field days took place with different organizations, with trainings on carrot production, basic practices in potato production, drip irrigation systems, fertigation, and basic grains. One of the field days took place in Jutiapa, Francisco Morazán with the participation of FUNDER



*Photos by Fintrac Inc.*  
**A worker extracts lime juice in Santa Cruz de Yojoa, Cortés.**



**A COAAL women's group poses in La Esperanza, Intibucá.**



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**Rural Economic Diversification Program**

technicians and producers, the USDA's assistant secretary of agriculture, SAG and USDA personnel, and representatives from supermarkets and agribusinesses in the zone.

Three field days took place with World Vision in Yamaranguila, Intibucá, Belén, Lempira, and Guaimaca, Francisco Morazán. A field day was also held with ODECO in Belén Gualcho, Lempira that focused on plantlet production in greenhouses and the use of balanced local substrates and financial structures.

**MARKETING**

21 market links were established this month. The most important link was established for plantain export in the zone of Aguán. The program continued training OCDIH technicians and administrative personnel.

The program participated at a fair held by the German Chamber of Commerce, which may lead to export opportunities to Europe.

**AGROFORESTRY**

The First Fruit Fair was held this month with the participation of USAID-RED producers from the first phase, most of whom are members of ASOFRUTI (Association of Fruit Producers in Intibucá). The fair was coordinated by FUNIDE (Intibucá Foundation for Development) with the objective of presenting fresh and value-added products to establish new national market links.

New drip irrigation systems were installed on two hectares, benefiting more than 20 producers who were also trained on their management.

**GENERAL**

In October 2009 the first of five alliances between USAID-RED and the private sector was established. These alliances provide beneficiary clients with access to technology and services that were traditionally not available to them. The alliances include in-kind contributions, special discounts from providers, a contribution from USAID-RED, and a larger investment by the client. USAID-RED's involvement with three of these alliances will end in June. To date the private sector has donated close to \$80,000 in direct discounts to beneficiary clients and has also provided training. As a direct result of these alliances, program clients have invested more than \$135,000 in irrigation equipment and seeds. These links between producers and the private sector are expected to be sustainable commercial relationships.



*Photos by Fintrac Inc.*

**Installation of FUNDER irrigation system in La Esperanza, Intibucá.**





Monthly Update – June 2010  
Rural Economic Diversification Program

**STATISTICS**

Trainings provided by NGOs June 2010		
NGO	Participants	Trainings
FUNLESOL	53	9
WORLD VISION	594	25
FUNDER	195	23
PLAN DE HONDURAS	3	1
CARITAS	86	7
OCDIH	110	10
Hermanidad de Honduras	5	1
ODECO	38	3
<b>TOTAL</b>	<b>1084</b>	<b>79</b>

Hectares under drip irrigation June 2010		
Department	Area	Beneficiaries
FUNLESOL	1	2
WORLD VISION	27	100
FUNDER	3.32	13
CARITAS	8.75	20
CESAL	3	8
OCDIH	4	8
Hermanidad de Honduras	7	20
<b>TOTAL</b>	<b>54.07</b>	<b>171</b>

Trainings by department Commercial production June 2010		
Department	Participants	Trainings
Cortés	30	8
Francisco Morazán	89	8
El Paraíso	56	2
Comayagua	14	3
Yoro	15	137
<b>TOTAL</b>	<b>204</b>	<b>158</b>

Hectares under drip irrigation by department June 2010	
Department	Hectares
Cortés	15.99
Francisco Morazán	13.5
Yoro	19.7
Choluteca	2.7
Copán	2.4
<b>TOTAL</b>	<b>54.29</b>

Trainings per department Processing June 2010		
Department	Participants	Trainings
Cortés	3	3
Francisco Morazán	5	1
Colón	136	2
Intibucá	36	3
Comayagua	159	7
Others	0	0
<b>TOTAL</b>	<b>339</b>	<b>16</b>

Most of the trainings covered GMPs, operations at packing plants, health and hygiene.

Hectares under new plantings by department June 2010	
Department	Hectares
Cortés	24.57
Francisco Morazán	29.5
El Paraíso	36.82
Choluteca	2.7
Copán	5.95
Comayagua	13.18
Yoro	71.7
Others	1
<b>TOTAL</b>	<b>185.42</b>

Trainings by department Agroforestry June 2010		
Topic	Participants	Trainings
Rambutan	27	5
Cocoa	26	1
Cassava	22	4
Irrigation	20	3
Plantain	24	7
Passion Fruit	8	4
Pepper	6	2
<b>TOTAL</b>	<b>133</b>	<b>26</b>

Investments by area June 2010	
Area	Investment US\$
Production	\$ 416,928.00
NGOs	\$ 293,625.00
Processing	\$ 596,865.00
Marketing	
OTHERS	\$ 26,500.00
<b>TOTAL</b>	<b>\$ 1,333,918.00</b>

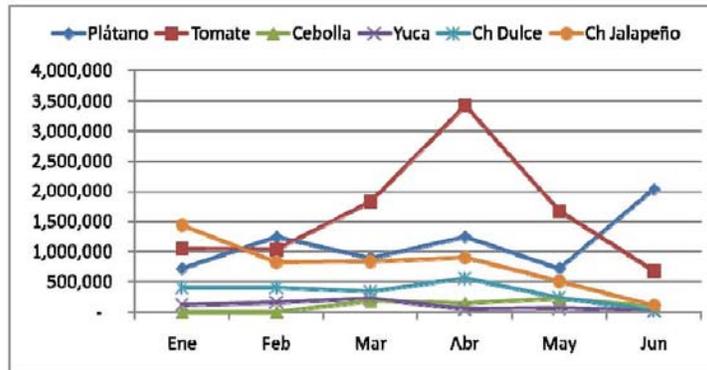
**NOTE:** Most investments were made in infrastructure, vehicle purchases and irrigation equipment.



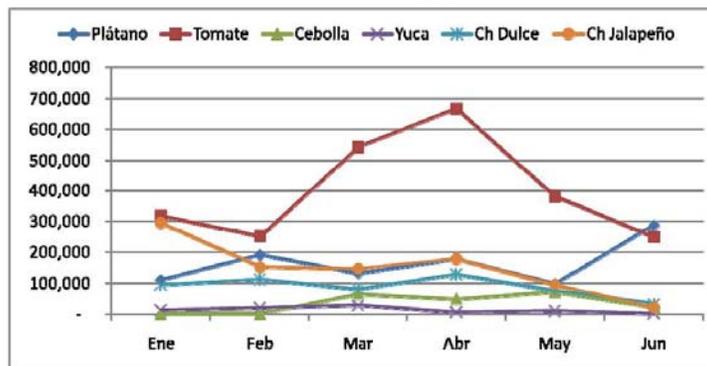
Monthly Update – June 2010  
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Sales for Select Crops, June 2010		
Crop	Pounds	US\$
Plantain	2,034,000	\$ 287,200.00
Tomato	681,650	\$ 249,300.00
Onion	100,000	\$ 21,000.00
Cassava	25,000	\$ 2,000.00
Sweet pepper	22,100	\$ 32,400.00
Jalapeño pepper	103,900	\$ 19,200.00
TOTAL	2,966,650	\$ 611,100.00

Sales in pounds from January to June 2010



Sales in US\$ from January to June 2010



## ANNEX II: SUCCESS – STORIES PUBLISHED IN THE PRESENT QUARTER



### SUCCESS STORY YOUNGER GENERATION TEACHES ITS ELDERS ABOUT NEW TECHNIQUES

USAID-RED signed an agreement with CARITAS in June 2009 to establish mechanisms strengthening food safety under the market access component. Under this agreement, USAID-RED technicians teach production practices to CARITAS facilitators and their producers in order to increase their knowledge base, access to food products and provide a source of income.

In the community of Monte Galán, Guaimaca, Francisco Morazán, Santos Hernández (62) and his son Josué Cruz (21), have shared a learning experience. They both grow basic grains, but this year Josué's yields were much higher.

Don Santos planted 1.25 manzanas of corn in 2009 and harvested 1,400 pounds, while Josué planted 0.5 manzanas and harvested 3,000 pounds. Josué said that the difference was "I planted using the techniques I was taught; I went to a workshop offered by USAID-RED/CARITAS technicians and they showed us how to plant effectively."

"I planted just one seed per hole; we used to plant 3 or 4 in the same hole. My dad finished planting before I attended the workshops and he planted like he always had. I planted using less fertilizer. Since we used to plant more seeds we needed more fertilizer and had to plant with more space in between," said Josué.

Josué's results show that his yields increased from 1,100 pounds/manzana when using traditional production practices, to 6,000 pounds/manzana when using some of the basic practices taught by USAID-RED, representing an increase of 545%. The substantial increase guarantees that Josué will fulfill the three pillars of food security: availability, access and stability. Not only, but Josué has successfully lowered production costs by reducing the amount of fertilizer used. "I used to use more fertilizer, [but now that I don't], it lasts me longer."

Traditionally in the zone farmers help each other with crop tasks. Miguel, Josue's neighbor, is planting beans; Josue shared his experience using the new techniques to plant corn, while Miguel let himself be guided. Today, he is using the following basic practices: raised beds, planting density, improved irrigation and fertilization practices. Miguel also expects higher yields this season which he hopes will provide enough food for his family and some left over for sale. Don Santos, Josué's father, also learned from his son and this year will plant differently having seen what Josué harvested.

Tomas Barahona, a CARITAS technician has also learned a lot from this experience. He now promotes the technical practices he learned from USAID-RED to producers in other communities, further expanding the knowledge base to generate better production with lower costs and high quality products.

The main objective of the Rural Economic Diversification Program (USAID-RED) funded by the United States Agency for International Development (USAID) and made possible by the generous support of the American people, is to increase incomes and employment opportunities in the rural communities of Honduras.



Photos by Fintrac Inc.

Josué Hernández (center) learned new planting techniques from USAID-RED/CARITAS. He shared what he learned with his father, Don Santos (right) and his neighbor (left).

**"I planted using the techniques I was taught; I went to a workshop offered by USAID-RED/CARITAS technicians and they showed us how to plant differently."**  
- Josué Hernández, Guaimaca, Francisco Morazán

### ANNEX III: SELECTED CIRIS M&E REPORTS (JUNE 2010)

**Table 2. All Client Status Summary**

Category	Type
Lead Clients - Active	547
Lead Clients Beneficiary	25
Lead Clients - Inactive	399
Sporadic Clients	672
Graduated Client EDA – Transferred RED	96
Graduated Client EDA – Inactive RED	73
Graduated Clients	264
Loans Program	62
Counterpart Organizations	71
Transferred	72
<b>TOTAL</b>	<b>2,281</b>

**Table 3. Lead Client Business Type Summary**

Area	Type
Agricultural Technical Schools/University	4
Association/Group/Cooperative	9
BDS Provider/Providers	15
Buyer/Exporter	3
Cattle Producer	16
Consultants	3
Distribution/Sales	8
Input Stores	1
Institution/Government	2
Microprocessor	3
NGO	30
Pack houses	2
Processor	10
Producer	406
Supermarket	3
Others/Researcher	2
<b>Clients reporting at least 1 business type: 439 from 547 (80%)</b>	

**Table 4. Lead Client Beneficiaries**

Category	Clients Reporting	Men	Women	Total
Neighboring Producers	269	890	228	1,118
Input Suppliers	9	122	6	128
Group Members	5	48	13	61
NGO Clients	30	1,175	154	1,329
Out-grower Programs	3	95	25	120

BDS Receivers	2	16	0	16
Students	1	350	0	350
<b>TOTAL</b>		<b>2,696</b>	<b>426</b>	<b>3,122</b>

Note: 307 lead clients reporting at least 1 beneficiary type (from 547 total)

**Table 5. Summary Technical Assistance Report (04/10 – 06/10)**

Area	TA Visits
Agroforestry	266
Alliances	12
Logistics / Coordination	3
Marketing	40
Monitoring	19
Postharvest	90
Processing	145
Production	4,380
<b>TOTAL</b>	<b>4,955</b>

**Table 6. Training Report by Activity Area (04/10 – 06/10)**

Area	Men	Women	Total	# Events
Food Safety	104	58	162	9
Market Information	204	46	250	10
Postharvest	176	114	290	14
Processing	34	130	164	11
Production	3,340	632	3,972	430
<b>TOTAL</b>	<b>3,858</b>	<b>980</b>	<b>4,838</b>	<b>474</b>

**Table 7. Investment Report by Activity Area (04/10 – 06/10)**

Area	Client	Project	Other	Total	%
Logistics / Coordination	\$26,500	\$0	\$0	\$26,500	1.3
Postharvest	\$115,737	\$0	\$0	\$115,737	5.7
Processing	\$196,927	\$914	\$1	\$197,842	9.8
Production	\$1,663,927	\$7,071	\$11,160	\$1,682,158	83.2
<b>TOTAL</b>	<b>\$2,003,091</b>	<b>\$7,985</b>	<b>\$11,161</b>	<b>\$2,022,237</b>	<b>100</b>

**Table 8. Area Transplanted by Crop (04/10 – 06/10)**

Product	# of Clients	Area Planted
Beans/Corn/Maize (Rotation)	34	262.6
Cucumber	11	6.4
Jalapeño Pepper	5	5.1
Melon - Cantaloupe	1	4.2
Onion	5	4.0
Oriental Vegetables	4	4.1
Pepper Sweet & Others	16	26.8
Pineapple (MD2)	4	3.3
Plantain (Local & Export)	49	136.2
Sweet Potato	6	10.3
Tomato (table & Processing)	40	64.3
Watermelon	10	26.9
Yuca	2	2.9
Other Crops	3	6.1
<b>TOTAL</b>	<b>148*</b>	<b>562.9</b>

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

**Table 9. Market Linkages by Product (04/10 – 06/10)**

Product	# of linkages
Bell Paper	1
Blackberry	1
Cabbage	2
Elote	1
Green Beans	1
Jalapeno Pepper	2
Lettuce	2
Malanga Processing	5
Peach	1
Pepper (Tabasco)	5
Plantain Processing	1
Plantain – Local Market	27
Plantain – Export Market	2
Tomato	1
Watermelon - Regional	4
Others	2
<b>TOTAL</b>	<b>58</b>