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USAID-RED

RURAL ECONOMIC DIVERSIFICATION PROJECT
QUARTERLY REPORT # 15. APRIL – JUNE 2009

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USAID-RED

RURAL ECONOMIC DIVERSIFICATION PROJECT

Quarterly Report #15. April to June 2009

Fintrac Inc.
3077 Kronprindsens Gade #72
St. Thomas, USVI 00802-5175 USA
Tel: 340.776.7600 Fax: 340.776.7601

info@fintrac.com
www.fintrac.com

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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 fifteenth quarterly report for the USAID Rural Economic Diversification Project (USAID-RED), summarizing activities and results for the period April through June 2009.
- Project support to NGO technical units has continued to expand during the present period. Currently USAID-RED is working with 36 technical units who are providing technical assistance to over 2,300 farmers in the central and western regions of the country. More than 50 NGO technicians have been trained in one of the two five-day training courses delivered during the period. In addition, USAID-RED technicians are visiting farms jointly with the NGO technicians to continue with the technology transfer process.
- Total investments made by USAID-RED clients during the quarter exceeded US \$1.5 million. Seventy-six percent of investments (\$1.18 million) were in the production area while processing activities accounted for 15 percent (\$279,000) and postharvest investment accounted for 4 percent (\$59,000). Investment areas included processing plant equipment and infrastructure, irrigation systems and production equipment, land purchases for farming, postharvest and packing infrastructure, and vehicles.
- A total of 2,929 technical assistance visits were made during the quarter, including 2,114 to commercial production and NGO clients, 501 to agroforestry clients and 161 to USAID-RED processing and off-farm clients.
- Partner agreements with six NGOs (FUNDER, World Vision, Caritas, OCDHI, Hermandad de Honduras and ODECO) have been signed and formalized. Introductory meetings took place and the train-the-trainers activities to strengthen technical capabilities have been initiated.
- Two private sector alliances were formalized and launched. The alliance with BOMOHSa will provide project clients with a unique opportunity to access irrigation equipment, particularly water pumps and its accessories, as both BOMOHSa and USAID-RED will co-invest with the growers. The alliance with Monsanto (Seminis) will facilitate access to hybrid seeds for seven high-value nontraditional crops, including bell pepper, tomato, lettuce and jalapeño peppers. This activity will ultimately result in increase yields and income for participating growers.
- New plantings increased by 52 percent compared to the previous quarter, from 185 hectares in January-March 2009, to 281 hectares in April-June 2009. New plantings for the quarter included: plantain (52.6 hectares); corn (56.2 hectares); rambutan (27 hectares); bordering timber (25 hectares); beans (19.1 hectares); yuca (17 hectares); sweet potato (12.1 hectares); Jalapeño peppers (9.6 hectares); Oriental vegetables (8.2 hectares); tomato (8.4 hectares); and potato (7.8 hectares).
- A total of 564 training events were held during the quarter in which 4,822 growers and processors (3,995 men and 827 women) participated. Topics included basic cultural practices, irrigation systems installation, food safety, personal hygiene in processing plants, fertigation, fertilization program management, and adequate transplant and planting management.

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

2. INTRODUCTION

2.1. Project Background

USAID-RED is a five-year initiative (with the recent extension through September 30, 2010) 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 assists clients in meeting increasingly stringent sanitary and phytosanitary (SPS) and environmental regulations in order to ensure competitive access to world markets.

USAID-RED signed Modification No. 8, on March 9, 2009. The Project is continuing its market-based approach while putting greater emphasis on selecting poorer, more subsistence-oriented new farmers (less than one hectare under horticultural production). The Project will ensure that this new demographic will make up at least 75 percent of the beneficiaries, and the remaining 25 percent will be expected to be medium-sized, more commercially-oriented farmers. During the extension period, USAID-RED expects to achieve \$5 million in new clients' sales from the 75 percent of small farmers and the rest of the target from the commercial farmers. Where possible, the new small farmer clients will either be existing participants in the NGO partner programs or recent MCC-EDA graduates.

Under the new extension, USAID-RED will expand its 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-trainers events, market opportunity facilitation and upgrading the business capacity of key non-farm businesses.

Over the following 18-months, USAID-RED will narrow its geographical scope to the western highlands (La Paz, Intibucá, Ocotepeque, Copan, Lempira and southern Francisco Morazán) and the north coast (Atlántida, Colón and Yoro). USAID-RED will endeavor 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 in order to support promising market-based opportunities of either existing USAID-RED clients or graduated MCC-EDA clients.

Lastly, USAID-RED's focus on the north coast will be to support 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. USAID-RED will collaborate directly with MIRA's office in La Ceiba and FHIA to identify the target areas where RED can support the marketing of MIRA producers and educate RED clients in sound natural resources management.

2.2. USAID-RED Targets

USAID-RED's primary targets (higher level indicators) to be achieved by September 30, 2010, 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: \$58.5 million
- Cumulative new employment fee triggers (FTE positions): 6,541
- Cumulative number of MSME clients increasing annual income by a minimum of 40%: 2,500
- Cumulative new client investments and counterpart/GDA contributions fee triggers: \$25 million
- Increased number of hectares under new NRM/GAP techniques (target added in the 2006 modification): 6,653
- To provide technical assistance and training to off-farm MSMEs to improve operational efficiency focusing on key existing intermediaries for small farmers: 140
- To set up programs between rural MSME's and financing institutions (special loan programs, assistance in loan application process, negotiations, etc.) for smaller farmers that are less credit worthy: 400
- To form global development alliances/private sector partnerships by focusing on fewer private sector company alliances: 18
- Contributions for the implementation of these alliances reach at least a one-to-one ratio either in-cash or in-kind: \$1 million

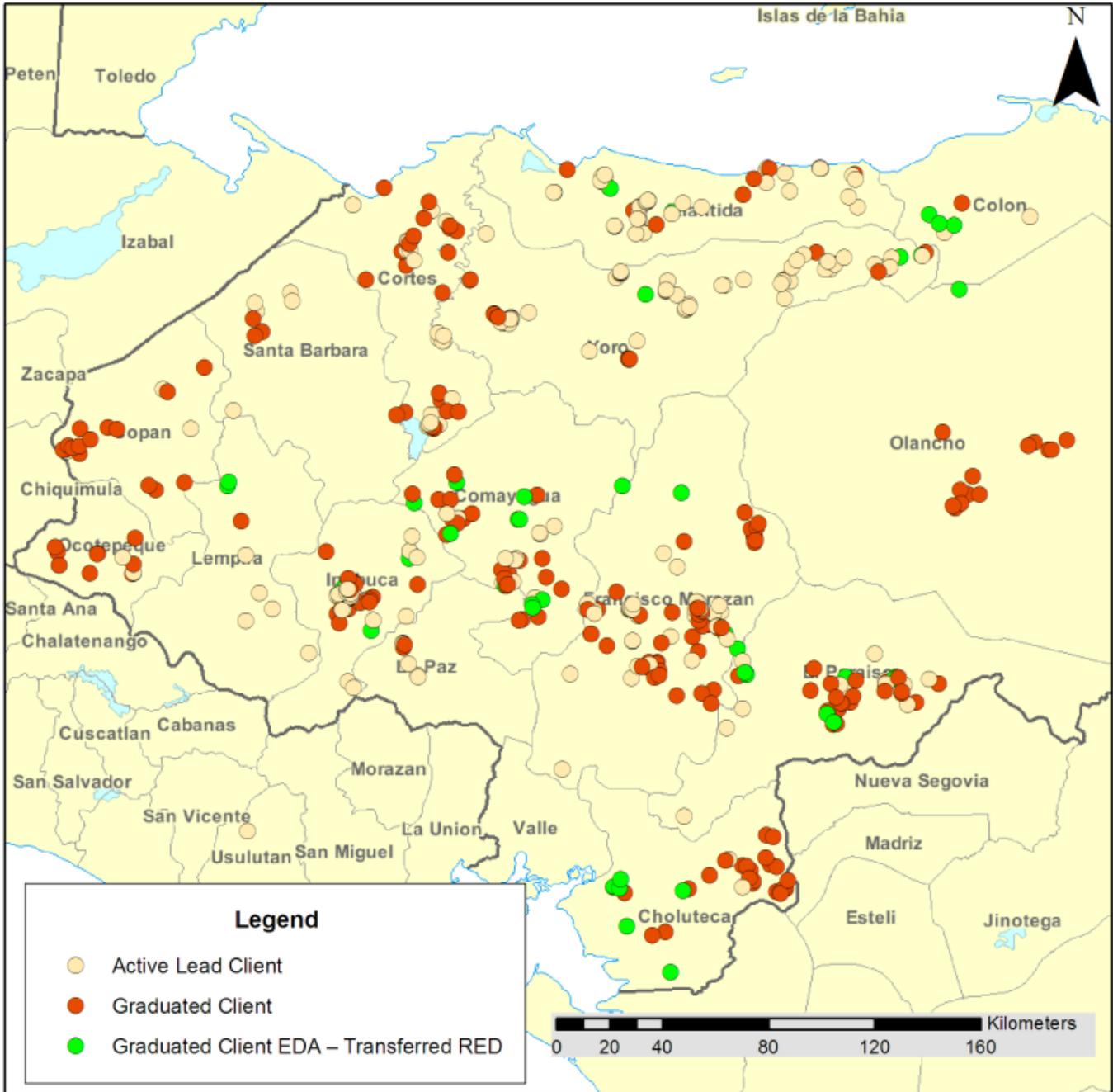
3. PROGRESS TO DATE

USAID-RED started on July 8, 2005, with the contract signing. Technical implementation activities started on August 1, 2005. A revised contract (with a modified reduced budget, timeframe, activities and targets) was signed on May 31, 2006. A modification to extend the duration of the project through December 31, 2008 was signed on June 27, 2008, and a new modification to extend the duration of the contract (with expanded targets) through September 30, 2010 was signed on March 9, 2009.

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

Detailed information is available in Annex III and in Fintrac's Client Impact and Results Information System (CIRIS).

Figure 1. Map of Current USAID-RED Active and Graduated Lead Clients (as of 6/30/09)



4. HIGHLIGHTS OF ACTIVITIES AND RESULTS

4.1. Production

USAID-RED has continued expanding its client base. Working zones have been expanded and Good Agricultural Practices (GAPs) have been promoted in all of the areas with project presence. Technical assistance to Project clients has continued with a focus on land preparation, emphasizing contouring, raised beds, drainage systems in preparation for the rainy season, use of plastic mulch for weed and pest control, use of antivirus nets for prevention and reduced chemical usage, installation and maintenance of irrigation systems, preparation of fertilization programs, and support in harvest and postharvest activities.

During this period, technicians have been sampling the soil to measure humidity levels since many growers have stopped irrigation due to the beginning of the rainy season. Often times, the rain falls so hard that water doesn't penetrate into the beds, thus affecting the crops with stress from lack of water. Technicians have also stressed the importance of maintaining clean drip irrigation systems, showing farmers how to clean the drip lines and both ring and sand filters. These activities help improve the system's efficiency.

USAID-RED technicians are also showing farmers how to do sanitary pruning in tomato and pepper farms in order to reduce the transmission of bacteria in the lower section of the plants' leaves which are the most commonly infected from water splashes during the rainy season. In addition, project technicians have been promoting the use of potassium phosphates and salicylic acid to increase plants resistance to diseases.

Intensive sampling for pests was done in selected tomato and pepper production regions in El Paraiso and Choluteca with project support. Severe problems were found with thrips in Jalapeño and nathaly pepper plantations, and proper management techniques were suggested (e.g. keeping neighboring plots clean, the use of blue sticky traps and the use of the Beauveria Bassiana fungi as a biological control). Excellent results were obtained in both regions with the implementation of these practices.

Technical Assistance: USAID-RED provided 1,852 technical assistance visits to commercial-scale farmers during the quarter.

New Plantings: Under this activity, a total of 198 hectares of new plantings were established, including 50 hectares of plantain, 5 hectares of Oriental vegetables, 24 hectares of potato, 9 hectares of peppers, 15 hectares of tomatoes, 3 hectares of onion, 11 hectares of yuca, 6 hectares of sweet potato and over 68 hectares of corn and beans (for rotation).

Irrigation: A total of 86.68 hectares of new drip irrigation systems were installed during the present quarter.

Training: USAID-RED commercial production technicians delivered 155 training events with 1,173 participants (952 male, 221 female). Subjects included: plant nutrition, use and maintenance of drip irrigation systems, basic practices in agriculture, training days for specific crops, and land preparation.

Investments: Lead clients invested a total of \$693,279 in production infrastructure and equipment, mainly in drip irrigation systems, land purchases, farm expansions, agriculture machinery, and farm vehicles.

Sales highlights for selected growers

- Camilo Escoto, a grower from Rio Hondo (Francisco Morazan), planted 0.5 hectares of watermelon (a new crop for this region and for this particular grower), and sold the production for \$4,210 with a cost of \$2,000, obtaining a net income of 110 percent.
- Wilfredo Sosa, a producer in Olanchito (Yoro), harvested 1.4 hectares of plantain for total sales of \$15,526. In addition, Mr. Sosa sold \$7,737 in plantain corms for seed, totaling \$23,263 in gross sales. The producer invested \$8,842 and achieved a 263 percent return on investment.
- José Manuel Santos, from Siguatepeque, planted 0.7 hectares of lettuce and yielded 32,000 pounds, which he sold at \$0.31 per pound for total sales of \$9,920. His investment was \$2,315; his return on investment was 429 percent.
- Market success due to high productivity and quality of plantain in the Olanchito region has motivated many cattlemen and farmers to enter into this activity. Over 83 hectares of new plantain plantings have been established and previously planted areas have been replanted by participating USAID-RED clients.

4.2. Processing and Food Safety (Off-farm activities)

During the present quarter, the project technicians assisting off-farm businesses finalized client selection and developed individual workplans to be implemented in each of the processing and value-added facilities. Currently, the two specialists are working with 34 active lead clients. Support is also being provided “on call” to graduated clients. With projected plant expansions, new product development, new markets and improvements in plant efficiencies, total new sales from these clients is expected to exceed \$2 million for 2009.

Support has also expanded into new areas, basically due to market demand and the strengthening of the market chains. Such areas include postharvest and Good Agricultural Practices (GAPs). In addition, the Project has also helped some of these companies in developing strategies to be able to meet specific demands which were requested by buyers in the institutional markets. Off-farm clients reported new investments totaling \$336,039 in plant infrastructure and processing equipment during the quarter. A total of 26 training events were held where 208 people were trained in postharvest handling, GAPs, accounting, food processing, Good Manufacturing Practices (GMPs) and HACCP.

A total of 201 technical assistance visits were made to off-farm clients. Some of the highlights during the present quarter are:

- The collection of 2008 baseline information for off-farm clients was finalized.
- Three processing plants were certified by different bodies. Two of the plants achieved certification from restaurant franchises with international standards, and the other plant from SENASA as a first step towards exporting. Other clients, involved in activities like plantain and yuca processing, fresh cut vegetables, refried beans, processed potatoes, and the vegetable sections of numerous supermarkets have increased their clients' confidence

levels in the areas of food safety thanks to the new activities that have been implemented in conjunction with USAID-RED's specialists.

- Specific work plans and improvement strategies were established in processing plants to maintain high competitive levels and offset the increase in costs of inputs. Plant efficiencies were also improved where in some cases savings of over Lps.500,000 (\$26,316) per month were achieved through productivity increases, improvements in the process flow, and the reduction of waste from raw materials.
- Off-farm facilities continued strengthening their HACCP and GMP programs. They were also enforcing activities established in their quality manuals.
- New products were launched to the market as part of the strategies to recover sales reductions from other market segments, including: "horchata" (rice drink); three types of tamales; different packing presentations of fresh vegetables in supermarkets; and other presentations and sizes of fruit juices and fruit concentrates.
- Processing areas were expanded and new processing lines were installed in three of the assisted firms.
- A business plan and cash flow was developed for a kidney bean processing plant for submission for a loan to a bank.

4.3. Postharvest

- Technical assistance was provided to the two plantain packing facilities in Olanchito. Both are providing services as collection centers and distributing both peeled and fresh plantain to four different buyers.
- Training events were held for collection centers who sell to supermarket chains in Tegucigalpa and to Walmart-Hortifrutti. These included postharvest handling practices and food safety subjects.
- USAID-RED continued improving the plant layouts for two potato cleaning and selection facilities.
- Production technicians started distributing plastic crates for vegetable collection and transportation. These donations were accompanied by proper training in postharvest handling practices.
- Technical assistance and training was delivered to supermarkets. Improvements were made in the storage rooms and in the vegetable sections of the stores. These measures are already providing benefits for supermarkets that have seen increases in shelf life of 1 to 2 days and a reduction in produce losses.

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

As part of USAID-RED's new focus, this area was significantly expanded. Ten agronomists were hired for this activity, including three regional senior level agronomists and seven support technicians. Some highlights for the period include:

- A total of 1,295 technical assistance visits to growers and technicians from different NGO's were made covering various crops and technical areas.
- There were 145 training events held for 1,549 participants (1,327 men and 232 women) from 28 different technical units from 18 NGOs. Technical subjects included: basic practices, equipment calibration, IPM, greenhouse construction, irrigation, manufacturing of media, nutrition, and crop costs.

- Alliances were formalized with 10 NGOs that have 36 technical units throughout Francisco Morazán, El Paraíso, La Paz, Intibucá, Santa Bárbara, Copan, Lempira and Ocotepeque. Through these alliances, over 50 NGO agronomists are being trained and over 2,300 farmers are directly participating/benefitting.
- Two intensive five-day training events were conducted for technicians from these alliances. The first of these trainings was held in Yamaranguila for 35 technicians, and the second in Macuelizo (Santa Barbara) for 42 technicians and including 15 students from Escuela Agrícola Pompilio Ortega.
- A general meeting with FUNDER was conducted to coordinate strategies, norms and to set goals. This meeting included production technicians, marketing personnel and managers from different areas as well as both projects' directors.
- Demonstration plots and investments were made with support from technical units and growers.

4.5. Institutional Alliances

- Partner agreements with NGOs (FUNDER, World Vision, Caritas, OCDHI, Hermandad de Honduras and ODECO) have been sign and formalized. Introductory meetings took place and the train-the-trainers activities to strengthen technical capabilities were started.
- A specific cooperation agreement has been establish with OIRSA (Organismo Internacional Regional de Sanidad Agropecuaria) to train farmers in production of various vegetables and some exotic crops for both local and export markets – in the Aguan Valley, a Mediterranean fruit fly-free area.
- A memorandum of understanding has been signed with ACDI/VOCA's Farmers Access to Credit Program (known by its Spanish acronym ACA, and funded by the Millennium Challenge Corporation) whereby USAID-RED will share client information in order to facilitate their access to better financing schemes that ACA is promoting with different financial products' providers within the country.
- Baseline data collection has been started on all participating NGOs.

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 to fund the program's existing Partnership Fund. This small grants fund will continue to serve two purposes: to support the technology transfer process, particularly for the programs subsistence farmers, by supporting the purchase of equipment and small infrastructure needed to foster technology adoption and change with the small farmers; and to provide target support to local organizations and companies responding to facilitating farmers' access to markets through their services.

Three Partner Funds and two Technology Funds were designed and approved during the quarter, and are currently under implementation:

- Partner Fund 01:2009. This activity supports seven Honduran exporters for the exhibition stand at the Produce Marketing Association's Fresh Summit to be held in Anaheim, California in October 2009. This effort intends to increase market outlets for Honduran exporters and will open the possibility of increasing production areas for USAID-RED

growers. This activity is coordinated by IICA and other institutions participating (FUNDER, SAG, MCC-EDA).

- Partner Fund 02:2009. This activity supports the execution of lab tests to determine the virus types (and other diseases) found in infected potato fields in Honduras. The identification of the sources will help Honduran farmers drastically reduce their losses and increase their yields and quality. This activity will be led and conducted by FHIA; other sponsoring organizations include the FAO and the University of Arizona.
- Partner Fund 03:2009. This activity will allow for support to 10 different technical units of FUNDER, reaching over 600 producers, through 12 FUNDER technicians. Supporting this activity will help USAID-RED achieve the Project's main goals of farmers reaching a minimum of 40 percent increase in sales, and will also contribute to the Project's goals of overall sales and employment increases.
- Technology Fund 2009- 01. This activity will introduce upgraded production and postharvest technologies, including installation of 30 demonstration drip irrigation systems with a filtering system on small and medium farms (7,000 square meter area); purchase field crates for postharvest handling; and provide basic agriculture measurement tools, sprayers and seedling systems (ranging from 10,000 to 20,000 seedlings capacity) to small- and medium-size lead clients' plots. This activity will increase productivity and profitability of beneficiaries, ensure year-round production systems and increase market access. It will also demonstrate updated production technologies to clients and encourage replication of these technologies and techniques by neighboring farmers.
- Technology Fund 2009-02. This activity will fund agronomy kits for 45 NGO agronomists from 9 partner NGOs to improve their extension services to their beneficiaries, including technical guidance and better diagnoses of problems in the field.

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. To date, formal alliances have been established between the project and 14 private companies for the development of model farms at 12 agricultural schools.

During the extension period, the Project goal is to develop at least five additional alliances to strengthen both upstream and downstream linkages with participating growers. These new alliances will be formalized by USAID-RED and private companies with the signing of Memorandums of Understanding (MOUs). The first two alliances were signed and launched during the present reporting period:

- **Seminis.** Introduction of more productive and resistant hybrid seeds for selected high-value crops that are currently being assisted by the project. Seminis (now a subsidiary of Monsanto) has continually improved planting material and has introduced highly productive material, which is also resistant to numerous pest and disease attacks, ultimately improving yields considerably. Thirteen different hybrid seeds (7 different crops) with a number of benefits such as resistance to pests and diseases and high productivity have been selected. These include tomato, bell pepper, carrot, broccoli, cauliflower, lettuce and Jalapeno. Seminis offers a special discount of 30 percent (5 percent for Jalapeno) off the normal retail price, and USAID-RED will match with the same percentage. A procedure has been developed between Seminis and USAID-RED in order for the clients to be able to get the discount. With a total amount of \$50,000 budgeted for USAID-RED's contribution, total

purchases of seeds will be approximately \$166,000 for the first phase of this program. For the second cycle, Seminis will provide the 30 percent discount again to the grower, but USAID-RED will not provide any matching discount. Potentially, if 100 percent of customers make a second purchase, Seminis' contribution can be as high as \$2 for every \$1 by USAID-RED. This alliance will stimulate many growers (particularly the tomato growers) to switch to hybrid seeds by improving their incomes and yields. Another expected result is to promote new crops in different geographic areas in the country, and thereby expanding production supply to the market.

- **BOMOHS**A. Promoting the use of various agriculture technologies such as water pumps and other related equipment. BOMOHS will give USAID-RED growers the wholesale price (40 percent less than retail) and USAID-RED will provide an additional 10 percent contribution for the grower (to a maximum of \$500 per client). With a total amount of \$20,000 of USAID-RED funds budgeted for its 10 percent contribution, the total value of investments may reach up to \$200,000. This will stimulate the expansion of drip irrigation area which helps to use water in a rational way, preserving the natural resources and becoming more efficient from a productive standpoint.

4.8. Marketing

One of the main goals for the quarter was to intensify field visits in order to get to know the project's geographic reach, growers, their crops, their work methods and most importantly the markets they are currently accessing.

One of the areas visited has been the northern strip covering from San Pedro Sula to Olanchito through La Ceiba. We have met with growers and processors from this area identifying their current commercialization methods. Other areas, such as La Esperanza, Siguatepeque, Comayagua, Marcala, Tegucigalpa, San Juan de Flores, Zamorano Valley and El Progreso have also been visited using the same methodology. El Paraiso and San Marcos de Colon in the Eastern and Southern regions are pending visits.

The following results have been obtained since the aforementioned field visits:

Market Links:

- Four market links with the following crops: pineapple, plantain, strawberry and potato with processors and supermarkets.
- One market link between a processor in El Salvador and a yuca grower (Reynaldo Rodriguez) is pending final negotiation resolution.
- Meetings with plantain processors were held to coordinate necessary production volumes to meet their needs.

Technical Assistance in Commercialization: Processors are being assisted in commercialization and distribution, point of sale, distribution channels, channel and segment sales analysis, sales territorial coverage, and sales budgeting. Some of the beneficiaries of this assistance include Agroindustrias Bonilla, FUNDER, Aprohfi, Wild Rose Investment, Coprova, Productos Lina, Supermercados La Antorcha, Fincas El Carmen, Alimentos Marvisa, and Prover. Highlights include:

- Recommendations to hire specialized sales personnel (e.g. Sales Manager for Wild Rose, Supermarket Display Coordinator for Agroindustrias Bonilla) were accepted and hired.
- Prioritized commercialization efforts in weekly visits. For example: creation of direct sales routes and supermarket enrollment strategy for Wild Rose; creation of direct sales routes in El Progreso and co-distributor negotiations for Agroindustrias Bonilla,.
- Trained specialized supervision personnel through field visits, and supermarket, pulperia and wholesale market route follow-up for Wild Rose and Agroindustrias Bonilla.
- New business opportunity identification for Wild Rose in Supermarkets and for Agroindustrias Bonilla in direct sales.

Training: Training has been provided in business opportunities, development of business plans, business ethics, legal frameworks of a business, leadership and motivation, and teamwork. During the present quarter, five training events for growers and Hermandad de Honduras NGO staff have been held with a total of 141 people trained, (108 men and 31 women).

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		
			1 Start-Up & Program Administrative Activities																			
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						2	4	Local taxation reports submitted to USAID	Copies of reports	3	1	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	44	14	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	48	14	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	15	4	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	

5.2. PMP Sections 2 and 3: Monitoring & Evaluation and Marketing Activities

Activity #	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		
			2	Monitoring & Evaluation Activities																		
2.2d	Baseline Indicator Data Collected for All Clients (sales, exports, ag, non-ag, income,											Baseline data for clients added during extension period collected as added to program	CIRIS							X		
2.3	Follow-Up Indicator Data Collected for All Clients											Data collected on ongoing basis (for extension period, annual data collected Dec 2009/Jan 2010 and Aug/Sep 2010)	CIRIS							X		
2.4	Customized "Real Time" CIRIS M&E Reports Available Online for Use by USAID											Data replicated to main database by all technicians at least once weekly; available on Intranet site for USAID use.	CIRIS				Available online. Continuously updated. Available reports expanded.				X	
2.5	Random data validation performed by Project M&E Specialists											Random data validation performed by M&E technicians through in-field visits by clients	CIRIS				Ongoing.				X	
3	Marketing Component Activities																					
3.1	Market surveys of potential and existing high-value and value-added products for MSMEs	22		1		1	1			3	25	Surveys completed and distributed	Copies of surveys on Intranet site	22	3	Initial period target of 20 exceeded by 2. 3 more to be done in extension period (performance fee of \$1,000 each)						X
3.5	Export market producer/buyer linkage service	390	5	5	5	5	5	5	5	35	425	New producer/buyer business deals for exports of high potential agricultural and non-agricultural products established (Extension targets lower due to increased number of small farmers.)	Deal log + validation	397	28	See export market linkage log - PMP Intranet						X
3.6	Local market producer/buyer linkage service	460	25	25	25	25	25	25	25	175	635	New producer/buyer business deals for local sales of high potential agricultural and non-agricultural products established	Deal log + validation	500	135	Initial program target of 390 exceeded. See local market linkage log - PMP Intranet.						X
3.7	Diversified buyer network program											Diversified buyer networks developed for main program crops and products (buyer lists for distribution to producers)	Regular project reporting			Ongoing. Production program buyer networks established with 25 high volume buyers.					X	

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

Activity #	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	
			4	High-Value & Added Value Horticulture Program																	
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	47,548	8,590	Entire performance fee paid under previous PMP targets; targets increased in modification dated May 2006 with no additional performance fees payable. Initial target of		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	821	83	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	41,177	12,245	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	24	7	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	3,804	1,309	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	4,283	1,142	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	
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	141	(1)	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	
6	Financing Component Activities																				
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	271	129	Initial target of 250 met on June 30, 2008. Lps. 45.2 million through 03/09					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	Other Activities																
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	34	6	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	3,081	545	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	5,207	1,364			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	9,955	1,430	Initial target of 3630 exceeded.		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	
			800% Global Development Alliance/Private Sector Partnerships																		
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	0	1	Performance fee due on signed alliance agreement					X
8.1.17	Alliance 17 Established & Implemented				1					1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	0	1	Performance fee due on signed alliance agreement				X	
8.1.18	Alliance 18 Established & Implemented				1					1	1	Alliance agreement completed & alliance functioning	Copy of alliance agreement	0	1	Performance fee due on signed alliance agreement				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)					expected						Alliance partner contributions reach \$700,000 (expected 12/31/09)	CIRIS + alliance partner validation	\$ 618,165	\$ 81,835					X	
8.2.5								expected				Alliance partner contributions reach \$1 million (expected 9/30/10)	CIRIS + alliance partner validation	\$ 618,165	\$ 381,835					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											
9	Client Results Targets - Fee Triggers (CY2004 baseline unless otherwise stated)																			
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	\$ 43499,083	\$ 8000,917				X		
9.1.5								expected			US\$58.50 million in cumulative new sales (expected 9/30/10)	CIRIS + validation	\$ 43499,083	\$ 15000,917				X		
9.2.4	Cumulative new employment fee triggers (FTE positions)				expected				5541	5541	cumulative FTE positions created (expected 12/31/09)	CIRIS + validation	4,541	1,000				X		
9.2.5								expected	6541	6541	cumulative FTE positions created (expected 9/30/10)	CIRIS + validation	4,541	2,000				X		
9.3.4	Cumulative # MSME clients increasing annual income by a minimum of 40% (# MSMEs)				expected				1868	1868	cumulative MSMEs have increased annual income by at least 40 percent (expected 12/31/09)	CIRIS + validation	1218	650				X		
9.3.5								expected	2500	2500	cumulative MSMEs have increased annual income by at least 40 percent (expected 9/30/10)	CIRIS + validation	1218	1,282				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	\$ 21604,338	\$ 695,662			X			
9.4.5								expected			US\$25.0 million in cumulative new investments/ contributions (expected 9/30/10)	CIRIS + validation	\$ 21604,338	\$ 3395,662				X		

6. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

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

Production

- Continue with the provision of technical assistance to lead clients and complete each technician's client base with the addition of more farmers.
- Coordinate a client transfer process between the MCA/H-EDA project and USAID-RED, where some of the EDA clients will be graduated and transferred to the USAID-RED project for continued expansion.
- Continue promoting the installation of new drip systems in the different regions of the country.
- Continue with the implementation of the technology funds required for the remainder of the project.
- Continue promoting numerous crops, such as plantain, pineapple, watermelon, peppers, tomato, lettuce, carrots, broccoli, cauliflower and yuca, in different areas of the country.
- Continue with the buyer network program, including strengthening relationships between farmers and Supermercados La Antorcha, Agroindustrias Bonilla, Hortifuti and Inalma.
- Support M&E on baseline data collection.

Processing and food safety

- Quality manuals, GMP, GAP and HACCP programs will continue to be developed for participating firms. In addition, technical assistance and training will be delivered for their implementation.
- Continue looking for plant efficiencies, especially with those that use high value raw materials, such as plantain, cold climate vegetables and fruits. Continue adjusting the process flow in food manufacturing and collection centers.
- Continue establishing market links with end buyers and with local producers.
- Ensure that quality specifications required by buyers are met by the processing companies.
- Continue with the provision of support to a potato and plantain snacks company which is moving to a different facility.
- Develop a plant layout and process flow diagram for a vinegar manufacturer.
- New product development.

Postharvest

- Training in postharvest handling in collection centers and supermarkets.
- Improve postharvest handling practices of fruits in a beverage production plant and in a fruit concentrates plant.
- Implement improved handling practices in supermarkets.
- Introduce new packaging alternatives for vegetables in supermarkets.
- Improve washing and disinfection stations for vegetables in collection centers in order to comply with supermarket requirements.

Subsistence and small commercial farmer activities (Alliances with NGOs)

- Deliver quarterly report to management of different NGOs.
- General meeting with each NGO to discuss and define action plans for next quarter.

- Establish all demonstration plots donated by USAID-RED in each technical unit.
- Local events to present technical advances in the different technical units.
- Field visits and training events with crop protection and pest management consultants (Jose Melgar and Lorena Lastres) in the three major zones to complete NGO technician training (and subsequently support to NGO beneficiary growers).
- Continue routine technical assistance and training.

Institutional Alliances

- Partner Agreements with FUNLESOL, Aldea Global and CESAL will be completed next quarter for technical assistance implementation.
- Identify and begin training of technical staff for three additional NGOs (FUNLESOL, Aldea Global and CESAL) to take part in the agricultural technology transfer counterpart program and to strengthen their technical capabilities.
- Installation of demonstration production plots in farms assisted by participating NGO technicians has been delayed, but all conditions are set in the field. These will be implemented during the upcoming quarter.

Private Sector Alliances

- INALMA and Cooperativa 25 de Marzo. A grower/supplier scheme has been incubating during the last month of the current reporting period. This is for the rehabilitation of a plantain farm of the Cooperative that was affected by Tropical Storm #16. The Cooperative is located in Choloma (Cortes) and has had a long-term relationship with INALMA. USAID-RED was approached by the latter to develop an agreement to contribute to the establishment of new plantain areas by providing technical assistance and co-investing (with upfront investment for the well and drip irrigation system). INALMA will match USAID-RED's contribution to rebuild this farm as the Cooperative's members are very positive, hard working people. The Cooperatives's contribution will be all labor for the first phase and, in addition, they will double the area under drip irrigation within a period of nine months. Assisting this Cooperative will contribute to USAID-RED's goals of increasing farmer sales and employment in the area, and will benefit INALMA as they will increase their supplies from what has historically been a reliable provider.
- Wal-Mart/Hortifruti. This alliance specifically aims to help poor rural households increase their annual income through access to new market opportunities. This collaborative effort will also improve the capacity of the small farmers to implement good agricultural practices and sound natural resources management on their farms to promote more sustainable livelihoods in targeted communities. It will help small farmers improve agricultural practices, diversify crops, improve post-harvest crop management and marketing, and strengthen agriculture based enterprises.
- There are three possible GDAs for the next period, including: (1) a leading manufacturer of PVC pipes and fittings in Latin America and a drip irrigation provider; (2) a leading manufacturer of the most commonly used sprayers in the region and other/various means for the application of liquids and granulated products; and (3) a private vegetable supplier for the Bay Island region.

Marketing

- Visit all remaining Project work zones.
- Establish more market links and market networks with USAID-RED growers and clients.
- Train more growers and NGO staff (World Vision, Hermandad de Honduras and FUNDER).

- Increase the total number of companies trained in commercialization and distribution in order to achieve more new sales.
- Establish more regional contacts for USAID-RED products and growers and achieve new business opportunities.

Administration

- Finalize the procurement of vehicles.
- Obtain quotes and procure equipment for the Partner and Tech Funds.
- Determine short-term consultancy needs and elaborate the necessary documentation.
- Redistribute administrative tasks among personnel.

7. PROJECT EXPENDITURE

ANNEX I: USAID-RED IN THE NEWS

Public awareness of USAID-RED activities has continued during the present reporting period. Selected newspaper publications for the quarter are presented in this annex. More news releases are available in electronic format on the Intranet site, www.fintrac.com/red, and on the public Website, www.usaid-red.org.

- Más de 94 millones destina USAID para extender Programa de Diversificación Rural, La Tribuna, 23 de Abril, 2009
- Embajador Llorens aconseja olvidar los debates ideológicos, Diario Tiempo, 24 de Abril, 2009
- Prestan 7 millones para plátano, El Heraldo, 21 de Mayo, 2009

Más de 94 millones destina USAID para extender Programa Diversificaci...

http://www.latribuna.hn/news/47/ARTICLE/62172/2009-04-23.html

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Económicas

Más de 94 millones destina USAID para extender Programa Diversificación Rural

Jueves 23 Abril 2009



El presidente del Banco Nacional de Desarrollo Agrícola (Banadesa), Mario Ramón López, con el embajador Hugo Llorens durante la ceremonia.

TEGUCIGALPA. - La Agencia de los Estados Unidos de América para el Desarrollo Internacional (USAID) anunció ayer la extensión del Programa Diversificación Económica Rural (USAID/RED), para lo cual destinó cinco millones de dólares, lo que representa más de 94 millones de lempiras.

Durante el evento se dio a conocer los logros y resultados positivos que se obtuvieron entre los años 2005 al 2008 bajo este programa, así como las metas que se buscan del mismo para el período enero 2009 a septiembre 2010.

La ampliación del programa fue anunciada por el embajador de los EE.UU., Hugo Llorens, quien

dijo que se han destinado cinco millones de dólares más para la ampliación por 21 meses más del programa Diversificación Económica Rural.

"Esto responde al problema alimentario que existe en Honduras, por lo que ocurrió con la depresión tropical 16 y con la crisis financiera mundial que tenemos, es una forma de fortalecer el pequeño agricultor, proveyéndole asistencia, crédito, mercadeo".

El programa de 17 millones de dólares tiene como objetivo aumentar los ingresos y las oportunidades de empleo en las comunidades rurales del país.

USAID/RED trabaja con micro, pequeña y medianas empresas rurales para incrementar la competitividad, expandir las exportaciones y ventas locales, promover el aumento en la producción, así como en la inversión en productos de mayor valor.



Además, promueve de insumos y capacitación técnica a los productores, también ayuda a los clientes a cumplir con los reglamentos sanitarios y fitosanitarios y les proporciona acceso a otros mercados.

Entre los logros más destacados durante los primeros tres años están: un aumento de aproximadamente 44 millones de dólares en ventas nuevas, la apertura de 4,500 nuevas plazas de empleo y más de 19 millones de dólares en inversión por parte de los pequeños y micro empresarios para mejorar su infraestructura de producción.

“Lo que estamos haciendo es trabajando para reducir la pobreza y donde hay más pobreza es en el sector agrícola, lo que nosotros queremos es darle al agricultor la oportunidad de vender, producir su propio futuro para su familia”.

Durante la última ampliación, el programa ayuda a productores de La Paz, Intibucá, Copán, Lempira, Ocotepeque, Francisco Morazán, Atlántida, Colón y Yoro, tiempo en el que se espera obtener un aumento adicional de 20 millones de dólares en ventas nuevas, crear 2,000 empleos e incrementar las inversiones de los micro y medianos empresarios en 5.7 millones de dólares.

El diplomático es del criterio que con este tipo de proyectos se puede enfrentar la crisis “porque es yendo directamente donde está el problema, en la medida que uno le pueda ayudar a este pequeño productor se le está dando la oportunidad de conectarlo al mercado y producir en venta y generar dinero para él y su familia, se está evolucionando, y a medida que se pueda hacer en grande, este es el compromiso que tenemos”.



Productores agrícolas de varios departamentos reciben el apoyo de USAID.

Diana Tiempo 24. Abr. 2009

Embajador Llorens aconseja olvidar los debates ideológicos



TEGUCIGALPA

La prioridad del gobierno del presidente Barack Obama es olvidarse de los viejos debates ideológicos y trabajar en resolver los problemas de pobreza, manifestó el embajador estadounidense, Hugo Llorens.

Llorens se expresó así cuando los periodistas le consultaron su opinión en torno a los distintos alegatos registrados, entre los que destacan la denominada cuarta urna y el pago del decimoquinto salario.

“Hay tantos problemas que existen en Latinoamérica y ese fue el compromiso de nuestro presidente, escuchar, pero ir con propuestas para resolver problemas”, señaló.

El diplomático expuso que en Honduras lo mejor es que se unifiquen el gobierno, partidos políticos, empresa privada y todos los sectores, para enfrentar los grandes desafíos.

“La prioridad de Estados Unidos es trabajar en la reducción de la pobreza en Honduras, hacer justicia social, trabajar contra la criminalidad, en un esfuerzo regional”, expresó.

FRANCISCO RODRIGUEZ

El embajador Hugo Llorens dijo ayer que las prioridades de Estados Unidos son luchar contra la pobreza.

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17.07.2009 10:29am 16:29GMT HONDURAS T, H:

Prestan 7 millones para plátano

• Beneficiados 200 productores de Cantarranas

21.05.09 - Actualizado: 21.05.09 08:10pm - Faustino Ordóñez: faustino.ordonez@elheraldo.hn

CALIFICAR ★★★★★ calificación actual: votos: 0 1 comentarios Imprimir Enviar

TEGUCIGALPA, HONDURAS.

El Banco Nacional de Desarrollo Agrícola (Banadesa) aprobó una línea de crédito por siete millones a unos 200 pequeños productores de plátano de San Juan de Flores (Cantarranas).

Estos productores venían luchando por reactivar este cultivo perdido hace 50 años, cuando fue sustituido por la caña de azúcar.

Banadesa, dirigido por Mario Ramón López, les prestó los fondos- provenientes de la Alba a una tasa anual del 10 por ciento, informó uno de los beneficiados.

Serán beneficiados unos 200 productores propietarios de entre tres y cinco manzanas y la idea es cultivar alrededor de 600 manzanas ubicadas entre Cantarranas, Villa de San Francisco, Talanga y Moroceli.

Cada manzana tiene un costo de 80 mil lempiras, pero genera una rentabilidad por el orden de los 160 mil y 170 mil.

Por estar cerca de Tegucigalpa, a unos 60 kilómetros, a los supermercados y los mercados capitalinos les agrada abastecerse en esta zona de cultivo porque sale más barato y de mejor calidad.

En esta zona productiva no existen diferencias ideológicas. Mientras los fondos provienen de la Alba (Alternativa Bolivariana para las Américas), el gobierno de Estados Unidos, a través de Usaid/Red, brinda a los cultivadores de plátano asistencia técnica gratuita.

Por lo general, una siembra de plátano da para dos y tres cosechas, al final de las cuales los propietarios deben resembrar para iniciar un nuevo ciclo productivo.

En esta zona, según fuentes de Agricultura, también hay producción de hortalizas. Algunos cultivos tienen la particularidad de que son financiados por comerciantes salvadoreños.

Ofrecemos Casas





El plátano forma parte de la dieta alimenticia de los hondureños.

+ ampliar imagen

NOTAS RELACIONADAS

- » Préstamos para Mipymes
- » Prestan 7 millones para plátano
- » Ni tractores ni fondos de Banadesa para cultivar
- » Gobierno inyecta recursos y mejoras a Banadesa
- » Matan a empleado de Banadesa
- » Caen cinco implicados en robo a Banadesa
- » Gobierno aún no traspasa fondos a Banadesa
- » Buscan hacer cambios a ley de Banadesa

Edición Especial

Cooperativa Apagüiz

Impulsando el desarrollo de El Paraíso



El Heraldo.hn

ANNEX II: USAID-RED MONTHLY UPDATES

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



Monthly Update – April 2009

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. If you would like to receive this or other publications automatically by email, you can subscribe directly on our Website.

COMMERCIAL PRODUCTION

USAID-RED technicians continue providing technical assistance to lead producers and searching for new producers. Activities were resumed in the departments of Comayagua, La Esperanza, Ocotepeque, Cortés, Santa Bárbara, and El Paraíso. USAID-RED worked closely with the MCA/H-EDA Program to establish a plan to continue providing assistance to some of USAID-RED's current producers after the program ends.

Technical Assistance: During the month of April, USAID-RED technicians made 245 technical assistance visits to different regions around the country.

Plantings: USAID-RED clients planted 16.5 hectares of crops including 3.4 hectares of plantain, 2.0 hectares of cassava, 7.5 hectares of pineapple, one (1) hectare of jalapeño pepper and one (1) hectare of tomato, among others.

Irrigation: During this month, 33 new hectares were installed with drip irrigation, including 3.5 hectares in Francisco Morazán and 29.5 hectares in Intibucá.

Good Agricultural Practices (GAPs): The project has continued searching for new clients, expanding zones and promoting good agricultural practices. Producers have been trained in soil preparation with an emphasis on raised beds, installation of irrigation systems, delivery of fertilization and fungicide programs and follow-up was provided on harvest and postharvesting practices, among others.

Crop Development:

Plantain: Continued emphasizing deleafing, surgery and sigatoka control practices as well as fruit bagging before the fruit is cut. Producers have been trained on nursery development and



Assembling a ring filter, Francisco Morazán

INVESTMENTS

The investments made by USAID-RED clients and NGO's during the month of April totaled \$737,304. The areas with the highest investments are provided in the table below.

Area	US\$	% of Total
Machinery and production equipment	51,737	7%
Equipment/irrigation infrastructure	203,694	28%
Farm land purchases	294,737	40%
Processing plant equipment	20,915	3%
Infrastructure – processing plants	80,680	11%
Vehicles	62,200	8%
Others	23,341	3%
Total	\$737,304	100%



classification of plants before transplant.

Cassava: A comprehensive management plan has been promoted that includes good soil mechanization; the timely installation of an irrigation system; control of weeds and pests; desuckering; and repair of irrigation system leaks, among others.

Pineapple: Prepared the soil for planting and sent soil samples to laboratories; weed control; sucker projections for new plantings; and provided fertilization programs.

Potato: Provided assistance with fertilization plans and practices to improve germination.

Crop Rotation: Continued promoting crop rotation among producers that have finished harvesting their crops with plantings of beans and corn.

ADDED VALUE

- A total of 69 technical assistance visits took place to packing plants, warehouses, supermarkets and food processing plants.
- Assisted a pineapple processing plant in the development of vinegar using pineapple skin.
- Discussed packing alternatives with a pre-cut vegetable processor and vegetable warehouses.
- Tested trays at vegetable warehouses in order to add value to the product.
- Revised process flow for a nacatamales line and assisted with the development of the documentation necessary to register the products.
- Workshops were held on how to disinfect vegetables in the field and on improving collection logistics.
- Assisted a refried bean processor in the use and management of their new cold room.
- Began diagnostic consulting to identify the needs of this sector and developed work plans with clients.

PROGRAM WITH INSTITUTIONS

Several events were held with NGO's during this month. These technical units are located in zones with small subsistence producers.

FUNDER: A total of 39 technical assistance visits and 26 trainings with the participation 218 producers took place on management, operation and installation of irrigation systems and basic practices. Provided assistance with the installation of 15 hectares of drip irrigation and with the evaluation of nets for gravity fed irrigation. Provided assistance with the certified seed production program and defined new strategies for technical assistance, coordination with high level management and the technicians responsible for each technical unit.

WORLD VISION: A total of 70 technical assistance visits and 15 trainings with the participation 278 producers took place on management, maintenance and installation of irrigation systems, integrated management of pests and diseases, plantain harvest, development of organic fertilizers, basic practices, development of demonstration plots, and plantings of plantain, cassava, corn and beans. A total of four (4) hectares were installed with drip irrigation and four (4) 540 square meter greenhouses were built.



Production of tomatoes in greenhouses, Semane, Intibucá



Training on GMP for personnel at a cereal processing plant, Siguatepeque



Installation of drip irrigation system, Intibucá



CARITAS: A total of five technical visits and two trainings took place with 26 participants. Field visits on basic practices and drip irrigation systems took place with producers. Visited new zones in Francisco Morazán and established strategies using other NGOs as models.

OCDIH: A total of five visits and one training on the installation and operation of drip irrigation systems, the installation of nurseries and alliance strategies were defined.

SERVO HONDURAS: Two technical visits and two trainings took place with the participation of 72 producers where the following topics were covered: management of plantain and the installation and management of drip irrigation systems. In addition, eight hectares of drip irrigation were installed with USAID-RED assistance.

Other Organizations: Visits and field days have taken place to offer technical assistance to: KATALYSIS, INADES, ICADE, UDEDFO, ODECO, Hermandad de Honduras, Save The Children, CARE, FUNLESOL, and Plan de Honduras. Alliances are being formalized with many of these organizations.

MARKETING

- Met with the general management of a chain of supermarkets in San Pedro Sula and El Progreso. Provided assistance with the management of the department of vegetables and fruit.
- Followed up with a vegetable marketer that does business with factory markets and the hotel sector in Islas de la Bahía. Obtained volumes for the marketed vegetables to develop a supply plan. Established a market link with a producer in La Esperanza.
- Held meetings with the sales managers of a hotel in Tegucigalpa to offer USAID-RED technical assistance, find out about their needs and establish commercial links with them.
- A total of four training workshops were held with producers in the regions of Lago de Yojoa, Copán and Ocotepeque. Existing market opportunities in each zone were emphasized.

GENERAL

- USAID-RED extension services were officially launched with the participation of Ambassador Hugo Llorens and the deputy minister of Agriculture, Efraín Figueroa.
- Participated at a jalapeño pepper event organized by MCA/H-EDA.
- Held meetings with several private sector businesses to establish collaboration alliances.
- Signed the collaboration agreement with World Vision and developed agreements to be signed in May with several institutions that will be working with USAID-RED. Developed a video on the USAID-RED program and its achievements from 2005 to 2008.

TRAINING

A total of 54 trainings took place in April; 768 people were trained – 608 men and 160 women around the country on processing, food safety, marketing, production, and postharvest.

Department	# Events	# People
Comayagua	3	27
Copán	8	180
Cortés	5	59
Intibucá	15	212
Lempira	4	106
Yoro	6	39
Others	13	57
Total	54	145



Plantain production field day with producers from SERVO Honduras, Atlántida



Launch of USAID-RED extension services with Ambassador Llorens, Tegucigalpa



SELECT RESULTS:

Francisco Morazán:

- A producer planted 0.7 hectares of tomato from which he obtained yields of 122,500 lbs that he sold at an average price of \$1.20 per 50 lbs with costs of \$11,145 and profits of 146%.
- A producer planted 0.17 hectares of cucumber from which he obtained 300 sacks that he sold at an average price of \$5.80 per sack with costs of \$785 and profits of 122%.
- A producer planted 4.2 hectares of beans for rotation from which he obtained yields of 23,400 lbs that he sold at an average price of \$47.40 per 100 lbs with costs of \$4,295 and profits of 158%.

Santa Bárbara:

- Established a market link between Escuela Agrícola de Macuelizo and INALMA. A total of 10,000 lbs of plantain were sold at an average price of \$0.13 per pound.

Yoro:

- A producer planted 1.0 hectare of cassava from which he obtained yields of 43,500 lbs that he sold at an average price of \$0.11 per pound with costs of \$1,579 and profits of 203%.



Tomato production at Javier Amador's farm, Talanga, Francisco Morazán



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Monthly Update – May 2009

Rural Economic Diversification Program

PROJECT BACKGROUND

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COMMERCIAL PRODUCTION

The project continues searching for new clients. The assistance zones have been expanded and good agricultural practices (GAPs) continue to be promoted. In addition, RED continues providing technical assistance to existing project clients.

Technical Assistance: During the month of May, USAID-RED technicians made 692 technical assistance visits to different regions around the country.

Plantings: USAID-RED clients planted 52.6 hectares of crops this month including 13.4 hectares of plantain, 13.9 of corn for kernels, 9.7 of potato, 8.1 of cassava, 2.5 of squash, 2.5 of bitter melon, 0.7 of papaya, 0.7 of jalapeño pepper, 0.2 of cabbage, 0.5 of cucumber, 0.5 of tomato for processing and 0.2 of red pepper.

Irrigation: During this month, 31.4 new hectares were installed with drip irrigation, including 21.4 hectares in Cortes and 10 hectares in Yoro. Topography studies have taken place that will help with the design of new irrigation areas, a total of 70 hectares were covered between Yoro and Cortes.

Good Agricultural Practices (GAPs): The project has continued providing technical assistance in practices such as soil preparation, emphasizing making beds, tracing drainages in plots due to the arrival of winter, the use of plastic mulch, the use of row covers to control pests that are virus vectors, the installation and maintenance of irrigation systems, the delivery of fertilization and fumigation programs, and follow-up on harvest and postharvest practices. Intensive sampling in the zones of El Paraíso and San Marcos de Colon, Choluteca, to control a severe problem caused by attacks from thrips to jalapeño and Nathaly pepper farms. Producers were introduced to pest management techniques that include keeping crops and surrounding areas free of weeds, the use of blue traps and the fungus *Beauveria Bassiana*. The fungus is applied to control thrips that are in the pupa stage in the soil where it is very difficult to reach using an insecticide.



Revision of lettuce nursery, Siguatepeque, Comayagua

INVESTMENTS

The investments made by USAID-RED clients and NGO's during the month of May totaled \$187,173. The areas with the highest investments are provided in the table below.

Area	US\$	% of Total
Food Safety - HACCP	4,300	2%
Equipment/irrigation infrastructure	52,985	28%
Production input purchases	21,978	12%
Processing plant equipment and infrastructure	72,100	39%
Postharvest equipment and infrastructure	27,600	15%
Production infrastructure	4,000	2%
Others	4,210	2%
Total	\$187,173	100%



ADDED VALUE

- **Processed plantain and cassava:** Assistance with the development of quality and plant safety departments and establishment of cold room needs at the plant. Designed a plan to improve efficiency at the plant that has produced savings of 2.5% percentage units and increased labor efficiency. Began developing and implementing plant prerequisite and HACCP programs.
- **Processed juices and concentrates:** Improved orange juice quality. Passed the audit performed by the chain.
- **Pre-cut vegetables (Comayagua):** Finalized the quality and product specifications manual. Improved the disinfection system of vegetables for processing. Worked on the plant expansion plan.
- **Supermarkets:** Initial visits and evaluation of current situation.
- **Tamales plant:** Assisted with the implementation of GMPs and developed two new products, (beans tamal, soy tamal). Passed the SENASA audit and registered the plant.
- **Potato washing and packing:** Potato washing tests using nets took place. Established potato quality necessary for frying.
- **Pre-cut vegetables (San Pedro Sula):** Initial visits and development of work plan; collaborated with international chain audit which they passed; began developing GMPs.
- **Concentrated juice plant:** Developed three new products, all are available as horchatas; improved grinding techniques for horchata. Made considerable improvement in used water treatment.
- **Granola factory:** Provided training in Good Manufacturing Practices (GMPs).
- **Plantain slices (Colón):** Trained a company in accounting systems.
- **Peeled plantain:** Made improvements to peeling process at two plants in Olanchito, Yoro.
- **Ground beans:** Developed net cash flow for ground bean plant in order to apply for a loan.

PROGRAM WITH INSTITUTIONS

Alliances were established with nine NGOs (World Vision, Funder, Caritas, ODECO, OCHDI, FUNLESOL, Hermandad de Honduras, Plan de Honduras, and CESAL). Several events took place with each local organization including the following:

FUNDER: A general meeting took place where the results obtained so far were evaluated and new strategies were established to improve production and marketing practices. A total of 169 visits took place to different technical units to follow-up on and assist with the priority areas identified by their technicians. A key activity with this organization was the construction of two greenhouses for plantlet production. In addition, continued implementing basic practices. A total of 12 formal trainings took place on management of irrigation systems, IPM, basic practices and plantlet production.

WORLD VISION: A total of 266 visits and 44 formal trainings took place to thirteen technical units in the south and west, where orientation was provided on calendarized programs for established markets. Four rustic greenhouses and one commercial greenhouse were built. Assistance was provided in management and maintenance of irrigation systems, the use of organic fertilizers and natural insecticides, integrated management of pests and diseases, development of demonstration plots with basic grains and



Demonstration on cucumber tutoring, Francisco Morazán



Sampling for potato harvest, Intibucá



Improvements to plantain peeling process, Olanchito, Yoro



horticultural crops, and the planting of plantain, cassava, corn and beans.

CARITAS: A total of 20 visits and two trainings took place to four technical units in Francisco Morazán and La Paz. Visited the new zones and offered trainings to technicians. Visits to producers with horticultural crops, provided technical assistance in management and maintenance of drip irrigation systems, established raised beds and used contour plowing, use of local substrates and integrated management of crops such as potato, tomato, carrot, beans, and uchuva.

OCHDI: A total of four visits and one training took place. Evaluated areas planted with plantain and the quality of the planting seeds available for future plantings.

FUNLESOL: Visited Tabasco pepper, bean, corn, plantain and cassava producers and provided assistance in the use of live barriers with valerian; promoted the use of drip irrigation systems and high density plantings. A total of 10 visits took place.

Hernandad de Honduras: Formalized the agreement and hired consultants to solve the disease problems in the potato research plots. Training plans through December 2009 were developed for 200 producers. A total of 26 visits and 10 trainings took place.

Plan de Honduras: A total of seven visits and four trainings took place on organic fertilizers, identification of demonstration plots and field schools and maintenance of irrigation tape. Strategies were identified for future trainings.

Other Organizations: Initial visits to ODECO and CESAL. Trainings offered to other organizations such as ASUNOGS, Asociación Celaque and Global Village.

AGROFORESTRY

Phase II of the agreement with FHIA began with the selection of producers, collection of baseline data, development of agroforestry plots, training and technical assistance.

- Established 11 plots with 11 producers in the high plateau: 1.31 hectares of horticultural crops and 0.73 of plantain in Jesús de Otoro, for a total of 2.04 hectares of fruit/horticultural crop systems. The horticultural crops planted were potato, lettuce, broccoli, carrot, and uchuva.
- Along the coast 15 producers established agroforestry systems and 9,000 meters of perimeter lines with wood trees. The associated crops are rambutan, cassava, passion fruit, Tabasco pepper, and plantain.

MARKETING

- Advances were made in management assistance to the department of vegetables and fruit at a supermarket chain in San Pedro Sula and El Progreso; designated the technician in charge of a diagnosis and developing a work plan.
- Continued establishing contacts with supermarkets to offer our services to their vegetable and fruit departments. These contacts are creating business opportunities for our clients in different zones around the country.
- A training event was held in San Marcos of Ocotepeque for a group of producers from Hernandad de Honduras with the objective of diversifying production. The training sparked the

TRAINING

A total of 150 trainings took place in May; 1,137 people were trained – 934 men and 203 women around the country on processing, food safety, marketing, production, and postharvest.

Department	# Events	# People
Copán	27	176
Francisco Morazán	20	102
Intibucá	17	195
Lempira	10	143
Ocotepeque	13	95
Santa Bárbara	13	105
Yoro	21	114
Others	38	207
Total	150	1,137



Technician training: design and use of an “A” level frame, Intibucá



Flower harvest, Funder producer, Jutiapa, Francisco Morazán



Monthly Update – May 2009
Rural Economic Diversification Program

interest of producers in crop diversification in the zone and in searching for new business opportunities for their production.

- Contacted a Tabasco pepper processor that has a demand for 50 hectares of the crop. Offered delivery of contracts and seeds to producers that are interested in the crop.
- The first sale took place between the distribution and potato washing center and the processor that makes fried “snacks.” Follow-up will be provided to ensure a continuous supply.
- Continued providing direct technical assistance in marketing to five processing plants. Began an evaluation of the current distribution and markets to analyze the opportunities for growth that each company has with different distribution channels.

GENERAL

- Marketing support is being provided to FUNDER where business opportunities for their projected harvests in the “green belt” area were presented. Provided supermarket, intermediary and food processor options.
- A field visit took place with USAID administrative personnel with the objective of getting to know more about USAID-RED’s work in the field. Processing plants in Comayagua and small producers in Francisco Morazán were visited.
- Meetings have been held with several private companies to establish work and collaboration alliances.
- A memorandum of agreement was signed with the ACA Project-MCA/Honduras to strengthen and improve agricultural financing opportunities for USAID-RED clients.
- A meeting was held with CACIL in La Esperanza, Intibucá to follow-up on the work started by Eddy Flores, a zone technician to facilitate financing opportunities in the zone.
- A collaboration agreement was signed with Hermandad de Honduras.
- The quarterly report from January-March was presented to USAID.
- Began executing two activities with partners and counterparts: collection of samples and identification of types of viruses in potato and began helping prepare several exporters to participate in the PMA fair that will take place in October in the US.



Establishment of irrigation systems in agroforestry plots, Intibucá



Plantain processor, Yoro



Visit to jalapeño pepper processor with USAID personnel, Comayagua



Monthly Update – May 2009
Rural Economic Diversification Program

SELECT RESULTS

	<p>A producer from the municipality of Olanchito, Yoro department planted two hectares of watermelon obtaining yields of 7,500 units, which he sold at an average price of \$1.05 per unit with costs of \$3.15 and profits of 149%.</p>
	<p>A producer from the municipality of Victoria, Yoro department planted one hectare of plantain obtaining yields of 60,959 lbs that he sold at an average price of \$0.13 per pound with costs of \$3,739 and profits of 112%.</p>
	<p>A producer from the municipality of Olanchito, Yoro department planted seven hectares of beans obtaining yields of 35,000 lbs that he sold at an average price of \$39.50 per 100 lbs with costs of \$3,160 and profits of 338%.</p>
	<p>A producer from the municipality of Yoro, Yoro department planted 1.56 hectares of plantain obtaining yields of 113,409 lbs that he sold at an average price of \$0.15 per pound with costs of \$10,902 and profits of 56%. In addition, this producer obtained a net income of \$1,184 from the sale of plantain seeds.</p>
	<p>A producer from the municipality of El Negrito, Yoro department planted 0.70 hectares of cassava obtaining yields of 46,000 lbs that he sold at an average price of \$0.12 per pound with costs of \$755 and profits of 631%.</p>
	<p>A producer from the municipality of Olanchito, Yoro department planted one hectare of plantain obtaining yields of 83,030 lbs that he sold at an average price of \$0.13 per pound with costs of \$5,728 and profits of 88%.</p>



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Monthly Update – June 2009

Rural Economic Diversification Program

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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.

AGRICULTURAL PRODUCTION

Technical Assistance: During the month of June, USAID-RED technicians made 534 technical assistance visits.

Plantings: USAID-RED planted a total of 42.9 hectares of crops including 23.2 of plantain, 2.5 of squash, 2.5 of bitter melon, 0.7 of potato, one of jalapeño pepper, 1.4 of cucumber, 7.4 of tomato for processing, 0.5 of table tomato, 2.8 of sweet Nathaly pepper and 0.9 of onion.

Irrigation: During the month of June, 52.7 hectares were installed with drip irrigation including 9.4 in Cortés, 17.6 in Yoro, 14.7 in Francisco Morazán, 8 in Ocotepeque and 3 in Atlántida.

Training: A total of 61 training events on production took place where 642 people were trained including 566 men and 76 women.

Investments: During the month of June, USAID-RED clients invested a total of \$132,404, mostly on drip irrigation systems, land purchases for farm expansions and plantain seeds.

Good Agricultural Practices (GAPs): Soil water samples are being taken to make sure producers are irrigating their crops enough during the rainy season. Sometimes water from rainfall falls so hard on the beds that it does not soak through, which can cause water stress. Washing irrigation tape and ring filters and back washing of sand filters have been emphasized to reduce the amount of clay that gets into water sources after heavy rainfall.

Sanitary pruning has taken place for tomato and peppers to reduce bacteria on the lower leaves that are most affected by rain splash. In addition, the use of potassium phosphonates and salicylic acid are being promoted to increase plant resistance to diseases, which is the most important problem during the rainy season.

The program continues expanding its extension services to include more clients and to promote good agricultural practices.



Revision of nursery, World Vision Monquecagua, Intibucá

INVESTMENTS

The investments made by USAID-RED clients and NGOs during the month of June totaled \$696,106. The areas with the highest investments are provided in the table below.

Description	US\$	% of Total
Infrastructure and irrigation equipment	450,230	64.7
Land purchases	47,974	6.9
Postharvest and packing equipment	26,253	3.8
Processing equipment and infrastructure	37,360	5.4
Vehicles and transportation equipment	70,059	10.0
Others	64,230	9.2
Total	696,106	100



Adequate drainage systems for the rainy season were designed with emphasis on soil preparation. The Project continued to promote the use of plastic mulch and row covers to control pests that vector viruses; and promoted proper irrigation system installation and maintenance. Fertilization and fumigation programs were delivered and producers were assisted with harvest and postharvest practices, among other best practices.

ADDED VALUE

- Plantain and processed cassava:** Improvements made to the cooling processes for sliced plantains after they are fried, which included a reduction of 12 degrees in temperature. Continue to make improvements to the processing plant that will reduce costs by 2.5% and help make labor more efficient. Began implementing certification programs in the processing plant: HACCP, preventive maintenance and industrial safety. Also developed programs to deal with public health, pests and allergens.
- Juices:** Improved the tea production system and obtained a weekly increase of 250 gallons. Began developing new products such as powdered 'horchata' to substitute original 'horchata', thus reducing storage and distribution costs. The process of filling gallon bottles is also being improved.
- Pre-cut vegetables and vegetables in brine (Comayagua):** Assisted with the development of new processing lines for pickled cucumber in brine. Began the search for other packing options to replace glass bottles for product export.
- Supermarkets (SPS):** Began training personnel that manage perishable lines in the areas of initial vegetable delivery and handling. Improvements have been identified that could represent savings of Lps. 250,000.00 per month. In addition, the final client will receive higher quality products, which will help increase the sales volume by 10%. Changes were proposed for the refrigerated areas that will also represent significant savings.
- Tamales:** Continued implementing GMP and basic production certification programs. Coordinated training and participation in an FDA course in El Salvador on the commercial production of aseptic products and on FDA regulations needed for entry into the US.
- Pre-cut vegetables (SPS):** Promoted changes to the pre-cut lettuce processing system which will help the lettuce stay fresh longer and improve its shelf life by two days.
- Concentrated juices:** Began measuring processing plant efficiency and raw material yields as part of the savings and improvements plan required to reduce production costs.
- Supermarkets (Center):** Changes were made to the placement of products on shelves and the temperature in the produce reception and storage areas was improved, this will help reduce losses and product returns by maintaining quality.
- Vegetable packing center:** A formulation was developed for strawberry concentrate that is stable at room temperature.
- Plantain slices:** Reduced raw material by 30% by adjusting the slicer.
- Bean processing:** Improved the cooling of the product in the processing line and suggestions were made for changes to the process flow. Improved cleaning and disinfection practices in the plant eliminating returns.



Revision of a plantain farm, Choluteca



Assessment of cucumber farm, Choluteca



Washing and selecting potatoes, Intibucá



Monthly Update – June 2009
Rural Economic Diversification Program

PROGRAM WITH INSTITUTIONS

A total of 135 trainings and 437 visits took place with different organizations around the country. A four-day regional event took place in Azacualpa, Sta. Bárbara (training for technicians from the west zone with 6 participating NGOs). This classroom & field training was developed for extension technicians to ensure high quality and understanding of the technological package used in the alliances with different NGOs. In addition, future initiatives were identified for the alliances with each organization.

FUNDER: Field visits took place with producers from ISEN Marcala, to farms growing chayote in Cantarranas. In addition, drip irrigation systems were developed, assistance was provided to beneficiary producers with the production of local substrates, potato and chayote germination, design of contour plowing, liming, bed making, identification and control of pests and diseases in carrot, potato and cole crops. In addition, the first trial to validate the field assessment list was done with each beneficiary, goals were established for each technical group and it was decided which technical units will receive assistance. A total of 119 visits took place to technical groups and 19 formal trainings occurred in the areas of equipment calibration, IPM, irrigation and planting medium sterilization.

WORLD VISION: A total of 220 visits and 71 formal trainings took place for ten technical groups in the south and west of the country on corn, Tabasco pepper, plantain, sweet pepper, potato, carrot, beans, loroco, tomato, onion, carrot, and watermelon. Basic practices were also covered including preparation of organic fertilizers, soil preparation, seedling production, use of local substrates, installation and management of irrigation systems, application of trichoderma, use of barriers, liming, IPM and fertilization.

CARITAS: A total of 16 visits and 3 trainings to four technical groups in Francisco Morazán and La Paz took place; provided assistance with carrot, tomato, corn and beans and held activities related to irrigation, IPM, soil preparation, and technician trainings.

OCHDI: A total of 12 visits and 4 trainings took place on the following crops: "lamuyo" pepper, plantain, tomato, onion and Tabasco pepper. Developed activities related to plantlet production, transplant and IPM.

Hermanidad de Honduras: Provided assistance on the potato crop and held activities on planting densities, use of barriers, use of biological control and liming. A total of 9 visits and 9 trainings took place.

Cesal: A total of 11 visits and 10 trainings took place on carrot, cucumber and corn, and developed activities related to soil preparation, planting density, tutoring and irrigation.

ODECO: A total of 8 visits and 6 trainings took place on blackberries, plantain, potato and developed activities about planting densities, seedling production with local substrates and basic practices.

Other Organizations: Other organizations were also visited such as Funlesol, Global Village that included technician trainings and initial visits to assess their specific needs.

AGROFORESTRY

- During the month of June, 303 visits took place that covered baseline data, GPS coordinates & field activity planning. Provided assistance with crop establishment and agronomic management of different agroforestry systems, tracing, bed making and nursery construction. Also, transported and delivered vegetative material.



Preparation of plantain slices, La Masica, Atlántida



Training on planting distances, Monquecagua, Intibucá



Course on leveling for NGOs, Azacualpa, Sta. Bárbara



- Along the Atlantic coast, 20 demonstrations and 108 assistance visits took place on plot design, management, preparation and planting of genetic material. Four demonstrations and one field visit took place in the high plains. A total of 79 people attended these events.
- A total of 15 new clients were selected in the Atlantic zone and the goal of 60 was reached in the high plains. All the new clients have begun establishing their respective plots.
- In June, 2.70 hectares of horticultural crops were planted with producers from the high plains, 14 producers established 24.5 hectares along the coast with agroforestry systems and 6,000 meters with wood trees along the perimeter lines.

MARKETING

- Met with the management of a supermarket chain from the north coast who designated someone responsible for the link between USAID-RED and the supermarket. The supermarket chain was introduced to a group of producers managed by FUNDER to supply potatoes to their supermarkets.
- Training was held for a group of cassava producers from Lago de Yojoa, which helped foster interest in crop diversification in the zone and new business opportunities.
- A total of six market links were established during the month of June that include processed blackberries, pineapple, potato and plantain with juice and fried snack processors.
- Met with personnel from a Salvadoran food exporter that is looking for providers. They were taken to the field and introduced to a potential provider; the relationship with this company will continue to be fostered.
- Continued providing technical assistance to food processors to help them improve their marketing operations. Changes to the structure of the organization were suggested.
- Continued providing marketing assistance and training to Hermandad de Honduras and FUNDER.

GENERAL

- Two alliances were signed with the private sector (Monsanto and Bomohsa), to stimulate activities in the field and increase beneficiary incomes.
- Began implementing two technology funds, one for commercial producers and the other to strengthen NGO agricultural extension capabilities.
- Signed agreements with OIRSA and Cáritas. Activities will be coordinated to develop specific areas based on each organization's strengths.
- A general USAID-RED meeting took place to analyze the current situation and go over the goals and objectives for 2009.



Constructing an "A" frame, leveling course with NGOs, Azacualpa, Sta. Bárbara



Agroforestry arrangement of coconut and passion fruit, La Masica, Atlántida



Agroforestry arrangement of rambutan and plantain, La Masica, Atlántida

SELECT RESULTS

	<p>A producer from the municipality of San Marcos de Colón, Choluteca department planted 0.50 hectares of tomato obtaining yields of 110,000 pounds, which he sold at an average price of \$3.16 per 50 pounds with costs of \$4,210 and profits of 65%.</p>
	<p>A producer from the municipality of Olanchito, Yoro department planted two hectares of plantain obtaining yields of 96,711 pounds, which he sold at an average price of \$0.13 per pound with costs of \$8,381 and profits of 50%. In addition, this producer obtained a net income of \$3,783 from the sale of plantain seeds.</p>
	<p>A producer from the municipality of Distrito Central, Francisco Morazán department, planted 0.50 hectares of watermelon, which he sold at an average price of \$4,210 with costs of \$2,002 and profits of 110%.</p>
	<p>A producer from the municipality of El Negrito, Yoro department planted one hectare of plantain obtaining yields of 53,605 pounds, which he sold at an average price of \$0.13 per pound with costs of \$3,772 and profits of 85%.</p>
	<p>A producer from the municipality of El Naranjito, Santa Bárbara department planted 1.40 hectares of Nathaly pepper obtaining yields of 3,622 bags, which he sold at an average price of \$4.60 per bag with costs of \$9,910 and profits of 68%.</p>
	<p>A producer from the municipality of San Marcos de Colón, Choluteca department planted 0.52 hectares of onion obtaining yields of 370 bags, which he sold at an average price of \$8.53 per bag with costs of \$1,316 and profits of 140%.</p>

ANNEX III: SELECTED CIRIS M&E REPORTS (JUNE 2009)

Category	Type
Lead Clients - Active	350
Lead Clients Beneficiary	8
Lead Clients - Inactive	379
Sporadic Clients	664
Graduated Clients	302
Loans Program	63
Counterpart Organizations	70
Transferred	39
TOTAL	1,875

Area	Type
Agricultural Technical Schools	2
Association/Group/Cooperative	7
BDS Provider	12
Buyer	1
Cattle Producer	11
Distribution/Sales	5
Exporters	2
Input Stores	2
Institution	6
Microprocessor	5
NGO	41
Pack houses	2
Processor	18
Producer	268
Supermarket	5
Others	6
Clients reporting at least 1 business type: 339 from 350 (97%)	

Category	Clients Reporting	Men	Women	Total
Neighboring Producers	146	520	117	637
Input Suppliers	9	122	6	128
Group Members	7	82	13	95
NGO Clients	32	2,321	20	2,341
Out-grower Programs	3	95	25	120
BDS Receivers	3	21	0	21
Students	1	350	0	350
TOTAL		3,511	181	3,692

Note: 188 lead clients reporting at least 1 beneficiary type (from 350 total)

Table 5. Summary Technical Assistance Report (04/09 – 06/09)

Area	TA Visits
Agroforestry	501
Alliances/BDS	9
Logistics / Coordination	36
Marketing	29
Monitoring	36
Postharvest	17
Processing	161
Production	2,114
Project	21
Finance	5
TOTAL	2,929

Table 6. Training Report by Activity Area (04/09 – 06/09)

Area	Men	Women	Total	# Events
BDS	2	8	10	2
Finance/Credit	5	0	5	1
Food Safety	43	6	49	3
Market Information	89	24	113	4
Postharvest	68	44	112	13
Processing	16	92	108	13
Production	3,734	653	4,387	521
Project	38	0	38	7
TOTAL	3,995	827	4,822	564

Table 7. Investment Report by Activity Area (04/09 – 06/09)

Area	Client	Project	Other	Total	%
Agroforestry	\$16,915	\$21,583	\$0	\$38,498	2.5
Alliances	\$2,000	\$0	\$0	\$2,000	0.1
Marketing	\$2,400	\$0	\$0	\$2,400	0.2
Postharvest	\$53,700	\$0	\$5,268	\$58,968	4.0
Processing	\$279,689	\$0	\$0	\$279,689	18.0
Production	\$1,065,354	\$0	\$114,669	\$1,180,023	75.2
TOTAL	\$1,420,058	\$21,583	\$119,937	\$1,561,578	100

Table 8. Area Transplanted by Crop (04/09 – 06/09)

Product	# of Clients	Area Planted
Corn/Maize (Rotation)	8	56.2
Jalapeño Pepper	4	9.6
Kidney Beans (Rotation)	5	19.1
Oriental Vegetables	3	8.2
Plantain (Local & Export)	34	52.6
Rambutan	26	27.0
Potato	7	7.8
Sweet Potato	2	12.1
Pepper Sweet	4	3.1
Tomato (table & Processing)	8	8.4
Pineapple	2	7.5
Rice	1	14.0
Yucca	14	17.1
Lettuce	4	4.4
Bordering Timber	25	25.0
Other Crops	36	8.8
TOTAL	116*	280.9

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