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NON-TRADITIONAL AGRICULTURAL EXPORT SUPPORT PROJECT

OPPORTUNITIES IN HONDURAS TO INSTALL
A FRUIT AND VEGETABLE FREEZING PLANT

Assignment Number: ST/90-07

SUBMITTED TO:

Regional Office for Central America and Panama (ROCAP)
U.S. Agency for International Development
Guatemala City, Guatemala

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August, 1990

Background

On July 9, 1990 Ricardo Frohmader of Proexag and the writer met with Medardo Galindo and John Gaffney of FPX in San Pedro Sula, Honduras.

The purpose of the meeting was to discuss the program of our visit which includes the following:

1. Evaluate the existing food processing industry in Southern Honduras and San Pedro Sula area.
2. Provide technical assistance to existing processing facilities.
3. Discuss the potential for developing new food processing projects in Honduras.
4. Conduct an all day seminar open to food industry personnel and general public: "Developing a frozen fruit and vegetable industry in Honduras".

Site Visits

Appraisal of the Fruit Processing Industry in Southern Honduras:

CRESHUL

Is a cooperative group of melon growers producing for the export market in Choluteca.

Examination of this project revealed that this area is threatened with viruses that could seriously affect melon production.

The growers are aware of the problem and feel that it has reached an alarming level. So far they have been successful in controlling the disease. However, it should be carefully monitored.

Recommendations

1. A frozen product diversification program should be implemented for crops such as: (a) Okra, (b) Blackeyed peas, (c) Herbs (mint, dill, basil) and (d) cassava.
2. Construction of a small frozen food plant to freeze the above mentioned products in addition to melon balls.

The plant should have a capacity of 7 million pounds annually. A minimum of 5 million pounds annual production is required to sustain a profitable operation.

Crops such as bell pepper and lima beans could also be grown in the higher elevation (3000 feet), which is only 50 kilometer from this area. In spite of the fact that this higher area is relatively small, it would be an asset to obtain the proper product mix for production and marketing.

We have also discussed with the co-op the need to construct a refrigerated warehouse for the present fresh melon operation.

We have recommend the purchase of used refrigeration equipment imported from the United States at less than 50% of its new value.

The SURAGRO Plant

This operation is a subsidiary of the Seaboard Corp of the United States. We met with Mr. Andrés Lardizabal and his associates.

Considerable time was spent in evaluating this operation. We examined their technical problems in the refrigerated storage for melons. They have difficulties in maintaining the proper temperature after the warehouse is filled with melons for storage.

Recommendations

1. Install a false ceiling 4 feet lower than the present one. This proposed ceiling will have no effect on the capacity of the warehouse. It will reduce the volume of air need to be cooled and increase its circulation.
2. Increase the insulation of the cooling room by spraying an additional 2-3 inches of polyurethane.
3. Change the present lights to sodium lights which do not generate appreciable amounts of heat inside the storage facility.
4. Install a vestibule to prevent the loss of refrigerated air during the loading of trucks at the warehouse.
5. Insulate the shipping deck with 4 inches of polyurethane.
6. Liquid refrigerant pipes should be properly insulated.
7. Cooling the melons with slush ice before storage to help - remove field heat.

AGROPECUARIA MONTELIBANO

We met with Mr. Elmer Sierra. This operation is similar to the Seaboard packing plant. The cold storage is well constructed. Melons are cooled and stored at 45°F prior to shipment.

Recommendations

During the off season the refrigerated storage is used to store agriculture chemicals (insecticides and pesticides).

This practice is not advisable since chemical odors are difficult to remove prior to melon storage.

High relative humidity in the storage will act as a carrier in transferring any residual odors to melon cardboard boxes from the contaminated polyurethane walls.

COOPERATIVA ALGODONERA DEL SUR

Met with Mr. Abdel Ramos, the co-op manager. We discussed future development prospects. In general this group of growers is searching for directions. Their program is not focused on a specific goal.

Recommendations

We feel that they should develop some experience in fresh fruit and vegetable production before considering the construction of a processing plant.

San Pedro Sula Area

THE INALMA PLANT

The plant is located within the city limit. It is operated by Mr. Jorge Milla. It is a small size operation producing frozen tostones (fried plantains). The total plant production is about 2 containers a month, shipped to Goya Foods in Miami.

Peeled plantains are sliced by machine and slightly flattened. This slice is fried in vegetable oil and placed on trays for blast freezing. The frozen product is hand packed in plastic bags under the Goya label.

Recommendations

1. The adding of anti-oxidants to the frying oil to prevent rancidity.

2. Raising the oil temperature to 450°F once a week to evaporate free fatty acids.
3. Installation of P.V.C. pipe under the concrete floor of the blast freezer to prevent the floor from cracking.
4. A diversification of the operation is essential. The dependance on one customer to be supplied with only one product is not proper marketing.

F.I.A.H. (FABRICA INDUSTRIAL DE ALIMENTOS DE HONDURAS)

The operation is owned and operated by Mr. Henry Frazen.

It is a specialty product operation producing things such as pickles, mustard, mayonnaise, steak sauce, etc.

The pickle operation presents an excellent export potentials.

There is a great need for refrigerated fresh pickles during the off season in the United States markets.

Central America could supply this growing market during the winter and early spring months when fresh cucumbers are not available. The present operation is not adequate and is unsanitary. However, they are in the process of constructing a new plant to manufacture all their specialty products in glass containers.

Recommendations

1. A food industry engineer should be consulted in the construction of the new plant.
2. Proper sanitation and house keeping practices should be followed.

INDUSTRIAS SULA

Mr. David Cabezas owner and operates this large processing facility in San Pedro Sula.

The plant is divided into several operations:

1. Canning
2. Freezing
3. Snack Products
4. Confectionery

This operation is directed towards the local market, which explains the reason for the large number of products it manufactures.

This company possesses the largest potential for expansion in the export market. It is highly diversified and they have a large volume of unused capacity.

Recommendations

1. An export market could be developed especially in frozen products.
2. The operation is fragmented and need some consolidation of production to improve its efficiency.

SEMINAR

The all day seminar was well attended. Approximately 50 people were present from different parts of the country.

The main interest was freezing technology and marketing.

The following topics were discussed:

1. Commercial methods of freezing.
2. Types of freezers and product adaptability.
3. World production and marketing of frozen fruits and vegetables.
4. Investment cost of a freezing operation.
5. Unit cost of frozen products.
6. The role of Central America and specifically Honduras, potential in the export of frozen products.

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