

# Green opportunities with an Orange touch!

## Trade mission Vegetable Sector Honduras, El Salvador, Guatemala

### THEMES:

- **Greenhouses & Climate in the Greenhouse**
- **Substrate & Irrigation**
- **Post Harvest & Marketing**
- **Finance of Horticultural Projects**

### OBJECTIVE:

**To set up a 'virtual' production project for export of vegetables to North America, by means of field visits and thematic seminars and discussions with experts from the Netherlands and producers from the Americas.**

From 5-12 September a group of renowned knowledge and technology providers from the Netherlands together with well known vegetable producers from Mexico, Central America and North America visited Honduras, El Salvador and Guatemala to assess the opportunities and possibilities for investment and improvements of existing production facilities.

Ideavelop organized this mission, which was partially financed by the CPA program of NL EVD International, part of the Ministry of Economic Affairs and organized field trips and thematic seminars to discuss the various problems, but certainly also opportunities, producers in Central America are facing in the current (investment and production) climate.

In this report Ideavelop has compiled a comprehensive summary of the mission, including the observations and conclusions of all participants. We hope this document will be a useful guide in describing the most acute problems and its solutions in the region. Besides, we hope it will be a basis for further discussion and more cooperation between participants. Our goal is similar; to put Central America on the map as a promising region for production and export of quality fresh produce.

See you at our next event!  
Edwin Smit & Renee Snijders

### Program Field Visits

#### 6 September

Visit Dinant (Juan Pablo Mena, Jessie Inestroza) in Honduras

#### 8 September

Visit Hidroexpo (Mauricio and Rodrigo Martinez) in El Salvador

#### 9 September

Visit Dummies/Red Fox (Simon Schulz) in El Salvador

Visit Hidroponicas Guatemala (Pablo Schneider) in Guatemala

#### 10 September

Visit Guatemala Fleurs (Gustavo Paredes) in Guatemala

Visit Orofarms (Estuardo Arriaga) in Guatemala



## Participants The Netherlands:

### **Aweta**

Carlos Quintana

### **Formflex**

Philippe Haack

### **The Greenery**

Justin Ruta

### **Grodan**

Rodrigo Bermudez

### **Holland**

### **Invernadero Total**

Carel Pronk

### **Hoogendoorn**

Erik van Berkum

### **Hortimax**

Koen Mattheus  
Wil Lammers

### **Oikocredit**

Carlos Natareno

### **Priva**

Niels van Rooyen

### **Van der Knaap**

Jan de Smet

### **Stolze**

Rene van  
Landeghem

## Greenhouse & Climate in the Greenhouse

Dutch companies Holland Invernadero Total (consortium), Hortimax and Hoogendoorn gave presentations on this theme. To have a look at their presentations, click [here](#).

### **Main points for discussion:**

#### **Problems detected:**

-Lack of preparation; climate analysis, water drainage, soil, risk of natural disasters, analysis available water, etc.

#### **As a result, many project in Central America suffer because of:**

- Wrong selection of the location of the greenhouse (wrong altitude a.s.l.)
- Mistaken calculations on the greenhouse (windforce and direction, load, etc)
- Ventilation problems (gutter too low, lack of roof ventilation, inefficient systems for climate control)

#### **Solutions offered:**

Many large scale production projects in Central America have unfortunately been set up on the wrong locations due to above mentioned reasons. A new project should be set up by starting with an comprehensive analysis and professional approach to where and how to build the most profitable greenhouse. Investing in 'hit and run' consultants and greenhouse builders may seem cheap, but will not lead to success on the longer term. When setting up your new project is not possible on your preferred location, make sure you are prepared to have a grip on problems which might occur in the future.

**BE PREPARED TO PREFER QUALITY ABOVE PRICE!**

## Substrate & Irrigation

Dutch companies Priva, Forteco/Van der Knaap, Grodan and Formflex gave presentations on this theme. To have a look at their presentations, click [here](#).

### **Main points of discussion:**

#### **Problems detected:**

- Lack of knowledge of comprehensive irrigation systems and the use of substrates
- High temperatures (Day and Night)

#### **Solutions offered:**

Investing in proper irrigation systems, gutters and substrate can increase yields substantially and diminish use of water and fertilizers. However, do not just try to improve one of the weak factors. Choose an integrated approach.

#### **OPTIMIZING YOUR SUBSTRATE = OPTIMIZING YOUR IRRIGATION SYSTEM = OPTIMIZING YOUR SUPPORT SYSTEM (GUTTERS)**

Considering the many areas for improvement in greenhouses in general, participants' advice towards the visited growers was focused on the following:

- Height of the greenhouse (gutter); min. 5–6 meters*
- Take good care of the air movement in the greenhouse*
- Use better substrates and improve the irrigation system*
- Cool your irrigation water*
- Try to recirculate*

**KEEP FOCUSED ON IMPROVING YOUR KNOWLEDGE AND MAKE SURE YOU MAKE A WELL THOUGHT PLAN (VISION) REGARDING FUTURE INVESTMENTS**

## Post Harvest & Marketing

Dutch companies Aweta and the The Greenery gave presentations on this theme. To have a look at their presentations, click [here](#).

### Main points for discussion:

The focus of the sales and marketing of fresh produce lies above all on food safety in the US, whereas in Europe sustainability and organic/biological production is gaining more attention from consumers / supermarkets.

Consequently, certification and traceability have become of major importance for producers in Central America and Mexico. In countries like Honduras and El Salvador, exporting to North America, only certificates are checked, whereas for instance British supermarkets execute farm inspections on a random basis. Traceability and certification are no added value anymore, they have become a must. And costs are rising so be prepared.

A tendency towards one overall certification body can be detected and is necessary. Global Gap seems the most likely candidate, but world wide or even regional implementation will probably not being realized in the short term. Traceability is the other issue gaining more attention, producers in Central America will need to take into account that consumers will want to trace their products back to the (way the products have been produced and packed at the) farms of origin.

Corporate Social Responsibility is becoming more visible at the farms in Central America, but often tend to concentrate on basic improvements in production and attitude towards personnel. CSR is still a tool to distinguish yourself from your competitors. Another discussion point was the role of (national) governments in dealing with trade disputes and food safety issues. Producers should not become a victim of political trade offs, but also take their own responsibility to set up good projects, to invest in knowledge and to continue learning and improving. Producers can also have more market control when cooperating and/or delivering directly to supermarkets.

### BE GOOD AND TELL IT!

## Finance of Horticultural Projects

Dutch bank Oikocredit as well as the IADB (MIF and IIC) and the World Bank (IFC) gave presentations on this theme. To have a look at their presentations, click [here](#).

### Main points for discussion:

Horticultural projects can also be financed via multilateral institutions such as the IADB and the World Bank. They both offer instruments to finance large (more than 1 million, IFC), but also smaller scale projects (more than 100.000, MIF and IIC).

The following group discussion concentrated more on the availability of the instruments. Local banks are often unwilling to provide loans or other solutions for investment and the possibilities multilateral institutions offer are not very well known or seem inaccessible. All three institutions are increasing their activities in the region and are supporting more and more projects. Horticulture/agriculture is traditionally an important focus area and investments in long term, sustainable improvements are therefore valued and where possible supported. However, a number of participants have doubts on the willingness of these financial institutes to take their responsibility in the further development of probably the most promising agricultural sector in Central America, horticulture.

**AS SOON AS FINANCIAL INSTITUTES AND HORTICULTURAL EXPERTS START SPEAKING THE SAME LANGUAGE, THE HORTICULTURAL SKY IS THE LIMIT IN CENTRAL AMERICA!**

GREEN OPPORTUNITIES WITH AN ORANGE TOUCH!

## Participants The Americas:

### **AINSA**

Elmer Juarez  
GUATEMALA

### **Ball Horticultural Company**

Aad Gordijn  
USA / COSTA RICA

### **Floricultura y Cia. Guatemala**

Roberto Lara  
GUATEMALA

### **Dinant**

Jessie Inestroza  
HONDURAS

### **Agricola El Rosal**

Roberto Saldana  
Luis Manuel Saldana  
Thierry Legros  
MEXICO

### **Valle Alto**

Nicolas Camacho  
MEXICO

### **Village Farms**

Alex Lopez  
MEXICO

### **Hidroexpo**

Mauricio Martinez  
Rodrigo Martinez  
EL SALVADOR

# Final conclusions and recommendations

## Conclusions

### Honduras

The forgotten country... Honduras has lots of potential, but the horticultural sector, both private and public, will have to be organized in a more professional way. Logistics, labour and easy access to foreign export markets make Honduras a country to keep an eye on.

### El Salvador

Ideavelop described El Salvador in 2007 as a country without a great agricultural future EXCEPT for intensive horticulture. In recent years, the German company Dummen has proven this statement with a substantial investment in new production facilities. It is likely that other foreign companies will follow. Future developments will partly depend on the question if the government is willing to play the same (proactive) role as it did before.

### Guatemala

A potential giant in the production of export greenhouse vegetables. The sector will still have to be upgraded and professionalised but the country offers virtually all preconditions to become a serious competitor for Mexican producers of vegetables. It is a matter of time before more foreign investors will start to become active in this market. Delmonte has already started to pave the road.

### Central America

On a logistic level, Guatemala, Honduras and El Salvador are able to compete with Mexico on the east coast of North America, timewise and costwise. On a production level, many micro climates are available, especially in Guatemala and low production costs can turn the region into a leading vegetable producer in the Americas.

To develop the potential of countries like Honduras, El Salvador and Guatemala, knowledge exchange and transfer will be the key issue to tackle. Holland, the worldwide leader in horticulture, can play an important role. Both players will have to take their responsibility to make optimal use of the existing opportunities.

## Recommendations

This trade mission has shown that exchange of knowledge and ideas can create new insights and opportunities for cooperation. Creating mutual interests, win-win situations and knowledge platforms are the key to the future. It is time to open the Central American doors which were closed for too long. It is time to get to know each other, to learn from each other and to welcome each other.

To do so, both sides need to develop their own strategy to explore a new future.

**Central American companies** could, together with their Mexican colleagues, reactivate a Federation of Greenhouse Vegetable Growers. It is strongly recommended that such a Federation is headed by an independent third party to prevent any problems concerning individual interests from its members.

**Holland** should cluster its efforts to explore and further develop the Central American market by means of joint activities which can be part of a 2g@there program, to be sponsored by the Dutch NL EVD International.

**LET'S DEVELOP OUR IDEAS AND MAKE THEM WORK!!**



Develops your idea and makes it work!

### Agenda:

-10-13 November, 2010; Agroalimentaria in Irapuato, Mexico. Holland Pavillion with 24 Dutch companies

-Febr. 5-12, 2011 (tbc); trade mission to the Netherlands, including field visits, seminars and network dinners.

-April 3-9, 2011 (tbc); trade mission to Mexico incl. field visits, matchmaking, seminars and network dinners.

**For more information please contact Edwin Smit via [ideas@ideavelop.biz](mailto:ideas@ideavelop.biz) or +506 22730981.**

**GREEN OPPORTUNITIES WITH AN ORANGE TOUCH!**