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QUARTERLY REPORT

DECEMBER 2011 - FEBRUARY 2012

INTEGRATED INITIATIVES FOR ECONOMIC GROWTH IN MALI (IICEM)

April 2012

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DECEMBER 2011 - FEBRUARY 2012

IMPROVING REVENUES OF FARMERS AND FOOD SECURITY
THROUGH INTEGRATED INITIATIVES FOR ECONOMIC GROWTH IN
MALI.

INTEGRATED INITIATIVES FOR ECONOMIC GROWTH IN MALI (IICEM)

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ACRONYMS

| | |
|--------------------|---------------------------------------------------------------------------------|
| ANSSA | National Agency of Food Safety and Hygiene |
| ARPASO | Agricultural Producers and Rice Farmers Association in Western San |
| AVPA | Association of Agricultural Product Vendors (Bamako) |
| BEACIL | Research and Technical Assistance Bureau for Local Initiatives |
| CEFIB | Center for Training and Research in Information Technology and Business |
| CRRA | Regional Center for Agronomic Research |
| CSV | Crop Storage-Based Credit |
| DAO | Call for Proposals |
| DNEF | National Forestry Service |
| DRA | Regional Direction of Agriculture |
| E-ATP | Expanded Agribusiness and Trade Promotion, a USAID regional program |
| FAMSOUDOUF | <i>Ferme Agricole des Moribabougou</i> |
| FCFA | <i>Franco de la Communauté financière de l'Afrique</i> |
| GIE RCGOP | Economic Interest Group, Consultancy Network in Farmer Organizations Management |
| GIS | Geographical Information System |
| GREFA | Group for Agricultural Research, Surveys and Training |
| GRN | Natural Resource Management |
| GSTA | Global Sustainable Tourism Alliance |
| HFP | Host-Free Period |
| HIMO | High-Intensity Labor Teams |
| IER | Institute of Rural Economy |
| IF | Supportive Funds for Innovative Agribusinesses |
| IICEM | Integrated Initiatives for Economic Growth in Mali |
| IPM | Integrated Pest Management |
| LOA | Law on the Orientation of Agriculture |
| M | Million |
| MT | Metric Ton |
| NGO | Non-Governmental Organization |
| NRM | Natural Resource Management |
| ODRS | Sélingué Rural Development Office |
| OHVN | Office of the Upper Valley of Niger |
| OMA | Observatory of Agricultural Markets |
| OP | Producer/Farmer Organization |
| OPIB | Office of Baguinéda Irrigated Perimeter |
| ORM | <i>Office Riz du Mopti</i> |
| PIV | Irrigated Village Perimeter |
| PDCO | Community Development Program |
| RIFAB | <i>Rizerie et Fabrique d'Aliments Bétail</i> |
| SAF | Strategic Activities Fund |
| SICA | Agricultural Collective Interest Company |
| SOPROTRILAD | Rice Production and Processing Company of Lake Debo |
| SRI | System of Rice Intensification |
| UCAMHO | Union of Agricultural and Gardening Cooperatives of Horo |

UCUTOHA
UNCTD
URCEP
USAID
USG

Tondibi and Ha Cooperative Union
United Nations Conference on Trade and Development
Potato Traders and Exporters' Regional Union
United States Agency for International Development
United States Government

EXECUTIVE SUMMARY

The objective of IICEM is to increase revenues and improve food security in targeted rural areas in Mali. Within this context improved food security involves improved access, both qualitative and quantitative, to basic food stuffs resulting from improved on-farm productivity, increased harvests, reduced post-harvest losses and more efficient sale and marketing of farm-gate products. Increased revenues result from the adoption of improved technologies that increase productivity and improve the profitability and competitiveness of farm-gate products in targeted markets. Moreover, these improvements occur within a context of market development and diversification focused on encouraging value addition for both domestic and regional markets.

The reporting period from December 2011 through February 2012 was characterized by the completion of cereal harvests and the sale of commercial grain. In addition, IICEM's expanded BDS, Strategic Activity Fund (SAF) and Innovative Fund (IF) activities provided IICEM an enlarged and more diversified platform to promote private sector agribusiness investments and strengthen domestic and regional cereal sales, enabling producer groups to begin formalizing grain sales and strengthening relations with the private banking sector for future cropping seasons. (Note several key indicators related to these commercial areas below.)

| Indicator | Results as of Aug. 2011 | Target 2011 - 2012 | Achieved as of Feb. 2012 | % Achieved | Remarks |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------|---------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Value of incremental sales (collected at farm-level) attributed to IICEM implementation (by commodity, \$, including volume)</i> | \$4.2M 14,308MT | \$7.5M 23,000MT | \$10.5M 24,177MT | 140 % 105 % | Quarterly farm-gate sales were strengthened by supply chain partnerships with cereal wholesalers |
| <i>Value of sub-regional incremental sales attributed to IICEM implementation (by \$ and volume)</i> | \$577,000 1,760MT | \$3.7M 8,250MT | \$3.5M 7,505MT | 95 % 91 % | Quarterly regional sales were strengthened by supply chain partnerships with cereal wholesalers |
| <i>Value of new investments by the private sector in agriculture or food chain leveraged by IICEM</i> | \$824M | \$8M | \$4.1M | 51 % | Recent Partnerships through SAF/IF/BDS with more than 9 agri-businesses enabled IICEM to expand its support of the agribusiness private sector |
| <i>Number of public-private partnerships created following IICEM assistance</i> | 4 | 20 | 14 | 70 % | |

NB: While this report covers the period of December 2011 – February 2012, the data/results are primarily from the period of December 2011 – January 2012 given that project data are collected by partner NGOs' field agents who need to submit their data by the end of January for inclusion in the report. Accordingly, the next Quarterly Report (March – May 2012) will include February's data.

ACTIVITY PROGRESS

1.1 IMPROVED PRODUCTION AND PRODUCTIVITY

The major objective of activities designed to improve production and productivity in targeted value chains is to increase yields so that on-farm production is better oriented to meet market requirements, while at the same time encouraging farmers and service providers to invest in technologies that can sustainably improve productivity. All value chains' efforts to improve productivity are based on the need to improve the volume and value of raw material supplies focused on more efficiently meeting raw material supply requirements of targeted markets. Moreover, these efforts are implemented in concert with market development activities focused on diversifying final product markets in ways that will ensure that final product quality is translated into economic and financial incentives for producers, encouraging them to continue to invest in innovative technologies that will better enable them to more efficiently meet expanding market demand for quality raw material supplies. In general, to achieve this linkage between production and down-stream value chain activities requires the establishment of structured raw material supply chains involving contracted sales based on specific market-determined quality requirements.

In the case of rice, already a highly commercialized local cereal, present demand for quality milled rice has provided IICEM with an existing high value market that is also segmented in terms of quality and price. Working with millers targeting this rather broad final product market has enabled IICEM to encourage up-stream investments to ensure homogeneous, high quality paddy for rice mills that have targeted high value final product markets and are willing to pay a premium for high quality paddy. In this regard, IICEM has encouraged and supported three such entrepreneurs to establish semi-industrial rice mills in the greater Mopti region to strengthen and structure their linkages with producer organizations capable of supplying high quality paddy, which in return provides reassurance to local financial partners to extend lines of credit for the purchase of production inputs. Consolidating such professional relationships further ensures the continued adoption of productivity-enhancing technologies and ultimately the sustainability of IICEM's past and future investments.

The case of millet and sorghum differs greatly from that of rice. Millet and sorghum are not considered commercial crops, but rather household food security crops where home consumption is the dominant post-harvest use. Accordingly, very little investment is traditionally accorded to achieving improved productivity, better grain quality or meeting targeted market demand for higher value commercial grains. Less than 1% of total domestic production is used in the processing of value added products, with the vast majority of commercialized grains sold in markets irrespective of variety or quality. Consequently, to develop a production context for sorghum and millet where harvests are increasingly commercialized and quality addition is progressively introduced, IICEM has integrated efforts focused on improving productivity (particularly the use of improved varieties/seed and agronomic practices) with those on diversifying and adding value to final product markets. Without segmented markets that increasingly pay for quality raw material supplies, coupled with significant on-farm productivity enhancements, widespread on-farm investments in productivity-enhancing technologies for millet/sorghum production will not occur. Home consumption does not pay for quality or to reimburse credit.

RICE VALUE CHAIN

Rehabilitation of irrigated village perimeters and lowlands

IICEM continues to develop existing irrigated infrastructure in collaboration with NGOs, public sector extension services, and producer organizations through technical assistance and training. In the 2012 workplan IICEM proposed to rehabilitate 11 new PIVs; dig a canal in Kouana; strengthen the capacity of producer organizations in the management; and ensure maintenance of irrigation infrastructure, including water pumps.

During the reporting period, activities evolved according to USAID's new FTF strategy beginning with the selection of FTF-targeted communities (Socoura, Dialloubé, Konna, Borondougou, Kewa, Korombana) in the regions of Mopti and Timbuktu. Eleven PIVs were selected, assessed and studied by IICEM irrigation specialists, and collaboration agreements (IICEM/PO) are in the process of being finalized. Building suppliers and masons have been selected and construction sites will be operational within 1-2 weeks. Building sites are summarized in the following table.

| REGION | N° | Site | Area (ha) | Length of canals to repair (m) | Base Width (cm) |
|----------|----|-------------|-----------|--------------------------------|-----------------|
| MOPTI | 01 | Nantaka | 35 | 850 | 40 |
| | 02 | Troumou | 88 | 1400 | 50 |
| | 03 | Saba | 35 | 1200 | 45 |
| | 04 | Kaniéo | 30 | 1105 | 45 |
| | 05 | Senséladji | 33 | 1200 | 45 |
| | 06 | N'Dissoré | 30 | 900 | 45 |
| | 07 | Komio | 42 | 1000 | 45 |
| | 08 | Kouakourou1 | 50 | 1100 | 40 |
| | 09 | Kouakourou2 | 20 | 830 | 50 |
| | 10 | Dofina | 42 | 1000 | 45 |
| TIMBUKTU | 11 | Daye MBANDA | 47 | 800 | 45 |

Irrigated Rice Value Chain (Mopti and Timbuktu)

The low rainfall the past year (225 mm, compared to 298mm in 2010-2011 in Goudam) and the lower than normal river crest had a significant impact on rice yields in Lac Horo where the average yield was 2 t/ha, compared to 3t/ha in 2010-2011. Total production was assessed at 9,400 tons, compared to a target of 14,100 tons.

In Mopti and Timbuktu PIVs, early good rains greatly assisted in the establishment of nurseries and complemented irrigation, lowering pumping costs. However, the 2011-2012 low rainfall and lower than normal river crest had a negative impact on both the production calendar and on production costs. These negative factors, when combined with delays and insufficient supplies of urea, collectively led to a decrease in yields. Average yields were 4.7 and 4.9 tons/ha, in Mopti and Timbuktu, respectively. In 2010-2011, average yields in PIVs were 5.7 tons/ha in Mopti and 6 tons/ha in Timbuktu.

The low rainfall leading to reduced yields consequently drove up market prices. A sack of paddy (about 70 kg) sold for 15,000 FCFA to 17,000 FCFA compared to the typical cost of 12,500 FCFA during good production years.

DEVELOPMENT OF PRODUCER COOPERATIVES AND AGRO-ENTERPRISES

During the period of November through February, activities focused on assisting producer groups quantitate their production and yields. In Mopti 1,224 ha were cultivated during the 2011-2012 season producing 5,854 tons of paddy, resulting in an average yield of 5.85 tons/ha. In Timbuktu 1,469.51 ha were cultivated producing 7,167.31 tons of paddy, resulting in an average yield of 4.91 tons/ha. In lowland production sites, 4,700 ha cultivated by 13 producer organizations of UCAMHO, produced 9,400 tons, resulting in an average yield of 2 tons/ha. Collectively in the North, IICEM partners cultivated a total of 2,693.51 ha for a production of 13,021.31 tons for PIVs and 9,400 tons for lowland production in Lac Horo.

Fourteen (14) producer organizations in Mopti and five (5) producer organizations in Timbuktu intend to undertake off-season production on a total of 449.75 ha (317.72 ha in Mopti and 132 ha in Timbuktu).

Scaling Up Intensive Rice Production System

During the campaign, SRI technologies continued to be extended to producer groups while also including the use of Nerica varieties on a total of 35.5 ha (18.5 ha in Mopti and 17 ha in Timbuktu). In addition, producers in Singo cultivated 42 ha using an improved motor-driven cultivator. In Siboné 32 ha of paddy were processed using an improved huller.

Lowland Rice Value Chain (Sikasso): Development of Producer Cooperatives and Agro-Enterprises

During the reporting period IICEM assisted women's cooperatives to elaborate their production/commercialization balance sheet for the 2011-2012 campaign. Results showed that yields and total production remain essentially stagnant compared to those of the previous campaign. The average yield for lowland rice was 1.83 tons/ha, compared to 1.71 ton/ha for 2010-2011, a variation of 7%. The overall production of eight assisted women's organizations was estimated at 4,675 tons. In spite of the low rainfall, yields were considered acceptable by women producers and are noted in the following table.

| N° | Villages | Cooperatives | Area (ha) | Yields T/ha | Production tons |
|-----------|-----------------|---------------------|------------------|--------------------|------------------------|
| 1 | Finkolo | Union des femmes | 1080 | 1,4 | 1512 |
| 2 | Kouroumasso | Coop. Benkadi | 123 | 1,5 | 184,5 |
| 3 | Loutana | Assoc. FOKABEN | 450 | 1,9 | 855 |
| 4 | M'pegnesso | Coop. Benkadi | 280 | 1,7 | 476 |
| 5 | Niéna | COFRN | 210 | 2,1 | 441 |
| 6 | Siramana | Assoc. Des femmes | 370 | 2,1 | 777 |
| 7 | Zoloko | Coop. Benkadi | 171 | 1,9 | 324,9 |
| 8 | Nantoumana | Assoc. Benkadi | 50 | 2,1 | 105 |
| | Total | | 2734 | Average 1.8 | 4675 |

MILLET VALUE CHAIN

In addition to the low and erratic rainfall that characterized the 2011-2012 agricultural season (especially during the vegetative growth phase), producers were not able to follow best practices for as many hectares as planned since subsidized fertilizer, especially urea, which varied between 17,500 and 20,000 FCFA/50 kg sacks was too expensive for many producers. However, in spite of the poor rainfall, fields in IICEM-supported villages were not as negatively affected due to the application of improved agronomic practices to maintain soil moisture (use of organic fertilizer and deep plowing). In addition to technical assistance and the adoption of best practices, most IICEM-producers had access to some fertilizer as a result of the technical assistance of IICEM' agents through facilitation of credit through the BNDA.

The Koro-Bankass area supplies an important portion of millet demand in northern markets. Globally the 2011-2012 season was not particularly good, either in Mali or in neighboring countries, particularly Niger and Burkina Faso, resulting in a very strong demand for grain. This demand, coupled with national efforts to reconstitute national food security stocks for distribution to vulnerable zones, collectively resulted in a significant increase in market price, from 170,000 FCFA/ton to 201,500 FCFA/ton, occasionally as high as 240,000 FCFA/ton in certain markets (Toroli and Madougou) that are frequented by Arab ethnic groups from the North.

This situation, while benefitting producers in the short-term as it enabled them to sell less to make their payments to reimburse loans taken out for production inputs, also had a generally negative impact on sales contracts signed between producer groups and cereal wholesalers. For example, at prevailing prices the sale of 200 kg (2 sacks) enabled producers to reimburse loans for DAP and Urea, plus bank fees that would have normally required the sale of 300-400 kg. Consequently rather than sell contracted amounts to wholesalers, many producers preferred to stock larger than projected quantities in anticipation of future increases in price.

Moreover, IICEM-supported producers received higher average yields of 1.14 t/ha, compared to producers that did not use improved technologies where yields varied between 200 kg/ha to 800 kg/ha. The improved yields, in addition to better quality grain and high market price encouraged producers to sell gain early to reimburse their bank loans before the May 31, 2012 due date. Finally, in spite of poor rainfall and lower than expected yields, IICEM-assisted producers better profited from the existing market conditions than the non-assisted producers, and demonstrated the clear advantages of IICEM's commercial approach to both assisted and non-assisted producer groups.

Development of Producer Cooperatives and Agro-enterprises

In collaboration with its partners the Regional Direction of Agriculture and the Agricultural Development Bank, IICEM assisted 39 producer organizations (including one women's organization) adopt improved agronomic practices resulting in the production of 3,356.87 tons of millet and a yield of 1.14 tons/ha over a cultivated area of 2,940 ha. 3,375 producers were mobilized by this program, including 1,268 women, collectively impacting on 2,390 households.

Support for Establishing Structured Supply Chains in Major Production Zones

Trainers from partner NGOs, the Regional Direction of Agriculture, county agricultural services, cooperative leaders and producers were provided practical training in post-harvest best practices and quality control techniques for millet and sorghum, including storage. These trainers then trained 1,394 producers, including 368 women,

who had signed sale contracts with wholesalers, ensuring that they were able to meet specified grain quality criteria

Contracting cereal sales were facilitated by IICEM and supervised by wholesalers themselves. Currently, 22 contracts have been signed and executed between producer organizations and wholesalers for 125 tons of millet. Other cooperatives had sale contracts with the World Food Program that were considered more advantageous than those with local wholesalers; examples of such cooperatives include Déguibère of Balirou (15 tons), Mèrèbara of Tendéli (60 tons), and Bodjina Bara of Logo (50 tons).

SORGHUM VALUE CHAIN

Globally, the sorghum yield achieved in IICEM-assisted zones was on average, 1.27 tons/ha, resulting in a total production of 1,333.56 tons in FTF targeted communities. In general, production and yields were less than that targeted by IICEM as a result of both poor rainfall – rains started late and stopped early – and the impact higher cotton prices had on reducing the area cultivated in sorghum.

Development of Producer Cooperatives and Agro-Enterprises

Producer cooperatives were identified in FTF targeted communities of Bougouni, Koutiala, Sikasso and Yanfolila as detailed below:

- In Bougouni and Yanfolila: 112 organizations were selected that plan on cultivating 4,002.7 ha of sorghum involving 2,370 producers, representing 2,273 rural households.
- In Koutiala: 140 organizations were selected that plan on cultivating 6,651 ha of sorghum involving 2,210 producers, representing more than 2,051 rural households.
- In Sikasso: 40 organizations were selected that plan on cultivating 5,400 ha of sorghum involving approximately 2,000 producers, representing more than 1,845 rural households.

Training producers in best harvesting and post-harvest storage and quality control techniques for millet/sorghum

In order to improve the quality of millet and sorghum produced on-farm to meet market requirements of value-added markets, IICEM trained trainers in improved harvesting and post-harvest handling techniques of millet and sorghum. These trainers then trained 178 producers who were members of IICEM-cooperating producer groups in Koutiala.

OTHER PRODUCTS FOR THE DIVERSIFICATION OF REVENUE

Continuing Introduction of New Technologies for Vegetable Production

Sikasso Region:

In order to diversify household revenue and improve family nutrition in project targeted areas, IICEM decided to place special emphasis on the development of vegetable production by creating vegetable gardens and extending to targeted populations best practices for vegetable production. Implementation of this program during the present reporting period has entailed:

- 20 villages selected for creating vegetable gardens in communities targeted by FTF in Bougouni, Sikasso, Koutiala and Kadiolo.
- Service providers engaged for the construction of wells and developing 80 ha for vegetable gardens

- Three plots identified for the creation of demonstration gardens focused on improved irrigation and production technologies for variety horticultural crops of in collaboration with AVRDC.

Mopti Region:

- Women's vegetable producing cooperatives were provided improved seed for cabbage, tomato, eggplant, red pepper, green pepper and cucumber production.

Continuing Introduction of New Technologies for Fish Farming

Sikasso Region

- Developing fish farming and rizi-aquaculture at targeted sites (Sikasso);
- Technical assistance and training for six (6) fish producers in Sikasso to undertake analysis of the physical-chemical characteristics of fish-pond water and fish sampling to monitor growth. Technical assistance was also provided by IIECM and extension agents to improve fish reproduction rates.
- A cooperative of fish producers in Bougouni received technical assistance and materials to resolve an infiltration problem within a pond that had been constructed in 2011. The pond was constructed following a training program undertaken in collaboration with Winrock International. Other participants also built a total of six ponds and corrected an infiltration problem at a pond in AID-SA in Yanfolila.
- A pond was completed in Mamassoni and fish are presently at the fertilization stage; topographical assessments have been conducted in Finkolo-Ganadougou, construction plans developed and a cost assessment for intensive labor team construction completed; and technical assistance provided for the development of an agribusiness plan at the Morila mine consisting of two (2) growing-out ponds.
- Training for NGOs and producers (men and women) in rice/fish production techniques in collaboration with the Project Aqua CRSP. During the reporting period a hands-on demonstration training session was conducted for the members of the association that manages seasonal ponds in the Finkolo-Ganadougou area dealing with fish feeding, environmentally (from a conservation perspective) sound fishing techniques using large mesh nets, and collective management of seasonal water sources.

Scaling Up Aquaculture and Rice/Fish Demonstrations

In the Finkolo-Gandougou Kokorola dam area there is a seasonal flood area of approximately 9,600 m². A seasonal flood pond in Zoloko of approximately 5000 m² will be designed and developed so that water levels can be managed and not determined only by seasonal river levels.

Operation and Monitoring of Demonstration Sites

Previous demonstration sites at Mamassoni and Diomatènè continue to apply basic management technologies, while the multi-culture system is applied in a second pond by a youth cooperative at Morila.

Aquaculture and Rice/Fish Production (Mopti)

- A 1,200 sq. meter fish pond is being constructed and finished for the cooperative society of Bargondaga 2 (Mopti) using high-intensity labor teams, under the supervision of IICEM's aquaculture specialist.
- A demonstration activity of fish/rice production continued in Kouakourou with the cooperative society Djigui Tougou over an area of 0.12 ha. In Timbuktu the site

intended for fish/rice production has been developed for only fish production, though fish/rice production trials will be initiated during the off-season on four (4) alternative sites of 0.12 ha each. This change was recommended by IICEM's aquaculture specialist because the land is not flat enough to ensure good water management for rice and the cooperative was late to begin rice production activities. Consequently, a 240 sq. meter fish pond is being used for the production of tilapia and catfish. The pond has been seeded with tilapia and catfish fry, and under good production practices could yield 30.5 kg of catfish and 30 kg of tilapia in 7 months. 40 Cooperative members, as well as staff from a local consulting firm and from the Regional Direction for Fisheries were trained in fish production techniques.

Technical Training for NGOs, Producers, Technicians Specializing in Rice/Fish Production in Collaboration with Aqua CRSP

- 40 individuals (30 women and 10 men), NGOs and production groups were trained in Kabara on the economics of rice/fish production in ponds
- Basic training was provided in fish production in ponds; the design of a rice/fish production unit; the preparation of concentrated fish feed from agricultural by-products and slaughterhouse wastes.

ENCOURAGE A FAVORABLE ENVIRONNEMENT FOR AGRICULTURE, COMMERCE AND THE PRIVATE SECTOR

To facilitate the commerce of cereals between major production zones and major domestic and sub-regional urban market centers, IICEM is concentrating its efforts on: (1) facilitating cereal wholesalers and transporters' access to cost studies results related to the millet, sorghum and rice value chains; (2) collaborating with API-Mali (*Agence pour la Promotion des Investissements du Mali*) to simplify and make procedures for the production of certified seed available through the internet; and (3) with API, analyze the administrative procedures for acquiring agricultural land with the objective of stimulating private sector investment through an administrative system that is transparent and more openly and electronically regulated.

Analysis and documentation of the procedure for the acquisition of agricultural land in Office du Niger in collaboration with the Agency for the Promotion of Private Investment in Mali (API-Mali)

In April 2010 IICEM and API-Mali agreed to collaborate to document, clarify and simplify two administrative procedures deemed essential to promote future private sector investment in Mali's agricultural sector. Specifically, this effort was to focus on clarifying, simplifying, and making available to potential investors and user groups clear and transparent procedures related to the production and acquisition of certified seeds and to the acquisition of agricultural land in the Office du Niger through API-Mali/e-regulation. Clear and precise information related to the acquisition of certified seeds became available at the API-Mali/e-regulation website the end of November 2011. During the present reporting period complete documentation was assembled to begin the analysis of the second major theme, i.e. acquisition of agricultural land in the Office du Niger. Final documentation and analysis is planned for the next quarter. These activities contribute to targets related to the number of policies/regulations/procedures analyzed.

IMPROVING NRM TO SUPPORT AND SUSTAIN AGRICULTURE

During the reporting period the Council of Ministers approved, on February 8, 2012, a decree for the re-classification of the Bougouni-Yanfolila forest complex as a wildlife reserve. This decree was the result of a comprehensive analysis of nine (9) previous

laws/decrees related to National Forestry Policy. This decree will enable better protection of both the wildlife and natural resources of the region.

Additionally, demonstration activities are planned that will focus on soil improvement for millet and sorghum production in collaboration with Protection and Regeneration of Soils/Conservation of Soil Water program in the region of Koutiala. And finally, a workshop was held at Tabakoro between February 26th and March 3rd regrouping technical service divisions of Kayes, Koulikoro, Sikasso and the District of Bamako to analyze new forest legislation and national forest policy. During this workshop, nine policies and associated procedures texts were analyzed.

Millet and sorghum are grown on soils frequently facing severe wind and water erosion. Soil loss is estimated at 30 – 70 tons/ha, representing 2-4.5 mm of topsoil lost yearly. This loss results in reducing water infiltration and fertility and ultimately its productive potential. In Koutiala six communes, including 10 villages and 12 producer organizations were visited in preliminary steps to implement anti-erosive activities such as creating water spreading channels according to land contour profiles, and in combination with other anti-erosive practices enabling over 269 ha to be protected and with adoption, an impact on more than 1,011 ha in various targeted village areas.

These anti-erosive measures will be implemented during the next quarter, and to enhance adoption of the various techniques two representatives from each targeted village will receive practical and theoretical training. In this regard two sessions of 50 participants will be organized next quarter with the National Direction of Water and Forests.

1.2 IMPROVING FINANCIAL SERVICES

This period IICEM focused on developing loan requests for the agricultural season, and the reimbursement of loans for millet and rice inputs from last season as well as reimbursement for the purchase of motorized-water pumps in the North. IICEM intends to promote a consultative process among the Agricultural Development Bank, the network of Kafo Jiginew, producer organizations, cereal wholesalers and input dealers to ensure better access to production credit and inputs for production. To support this approach, particularly for producer organizations that have not previously collaborated with the project, IICEM envisages increasing its guarantee fund at the BNDA. The objective would be to mobilize at least 175 loans at the OP-level for an estimated 800 million FCFA.

1.3 IMPROVED MARKET ACCESS AND INCREASED COMMERCIALIZATION

IICEM's activities intended to increase access to targeted markets are focused on rice, millet and sorghum value chains. Interventions focus on assisting progressive agri-business partners, already operating in one or more of IICEM's targeted value chains, to expand their businesses, invest in improving their raw material supply chains, strengthen linkages with producer groups and progressively introduce quality control procedures for producers based on the quality/price criteria of their targeted final product markets. The intervention strategy is based on the existing operational structure of millet, sorghum and rice value chains in order to reinforce the existing opportunities to increase value and to develop a transactional base that is increasingly more efficient and profitable.

For the rice value chain, given the fact that relatively well-segmented, high value rice markets exist, both domestically and sub-regionally, IICEM's market-development

efforts focus on encouraging private sector investment in quality rice processing. In addition, strengthening commercial linkages between semi-industrial rice mills targeting quality final product markets and IICEM-assisted producer organizations is considered strategic to ensure the sustainability and financial/economic viability of past and future investments in irrigation infrastructure, and improved inputs. Interventions focus on assisting three semi-industrial rice mills to progressively contract for raw material supplies, invest in developing quality control and diversifying their final product markets for quality finished rice. The objective is to use quality criteria to orient production and provide a commercial basis for all actors (producer organizations, rice mills, final product market wholesalers/retailers) to increase profits based on competitive pricing and increasing volume of sales of quality product. In order to improve the quality of parboiled rice and increase value addition, IICEM is also continuing activities with women groups in the Sikasso, and initiating new activities in Mopti focused on the diffusion and adoption of improved parboiling techniques.

For millet and sorghum value chains, market development efforts focus on making basic improvements in commercial grain quality that can be supported by existing market demand, while working with processors and institutional market operators to expand commercial grain markets into quality-based segments. At the same time IICEM is working with a few targeted processors (leaders in their field) to increase their final product markets that will also require expansion and investment in their raw material supply chains that will directly impact on producers and producer groups, opening up new value-added market opportunities. Finally, a limited R&D program is also exploring opportunities to develop new, high quality cereal-based market segments, initially for sorghum flour.

RICE VALUE CHAIN

Commercialization in the North

During the reporting period producer organizations began to sell paddy, initially the off-season output, followed by the 2011-2012 season's output. For the Timbuktu region 3,290.2 tons of paddy were sold: 1,809.68 tons of off-season production and 1,480.52 tons of lowland production from Lac Horo. The total value of sales was approximately 647,472,932 FCFA, and comprised of 296,104,000 FCFA from lowland Lac Horo production, 315,749,932 from PIVs for the 2011-2012 campaign and 35,619,000 FCFA from off-season production. The average farm-gate paddy price was 203,846 FCFA/ton. Producer organizations in the Mopti region focused their efforts on collecting fees and only 201.1 tons of paddy have been presently sold for a value of 32,635,000 FCFA. In addition, some producer organizations are paying their fees through the sale of paddy to one of IICEM-supported rice mills, Planète Distribution.

Support for three small rice mills in partnership with IICEM (Mopti)

An intensive collaboration and monitoring of producer organizations targeted to supply Planète Distribution with paddy facilitated the signing of supply contracts between the producer organizations and the semi-industrial rice mill. Accordingly, these producer organizations, some of which received pre-campaign financing, respected their sales contracts and paddy quality requirements, providing the commercial part of their production to the mill. Rice mill entrepreneurs and staff also received training in basic enterprise management, including simplified accounting procedures.

Commercialization in the South: Monitoring the storage and commercialization of rice

During the reporting period more than 183 tons of paddy were stored by women in warehouses monitored by IICEM and more than 589 tons of paddy and milled rice were sold. Stored rice enabled women to optimize market prices for paddy or maximize value addition by selling quality, milled rice at optimal prices (note following table).

| | Villages | Name of Producer Group | Estimated Stocks (T) | Actual Stock (T) | % Achieved | # of women participating |
|---|-------------|------------------------|----------------------|------------------|-------------|--------------------------|
| 1 | Finkolo | Union sabougnouman | 36,3 | 9,1 | 25,1 | 49,0 |
| 2 | Kouroumasso | Benkadi | 12,8 | 20,0 | 155,9 | 90,0 |
| 3 | Loutana | FOKABEN | 52,3 | 54 | 103,2 | 130,0 |
| 4 | M'pegnesso | Benkadi | 27,6 | 34,6 | 125,4 | 93,0 |
| 5 | Niéna | COFRN | 40 | 13,8 | 34,5 | 162,0 |
| 6 | Zoloko | Benkadi | 21,8 | 21,8 | 100,2 | 38,0 |
| 7 | Nantoumana | Benkadi | 9,5 | 8,6 | 90,2 | 39,0 |
| | | Total | 230,6 | 183,3 | 70,2 | 601,0 |

Seven women's organizations stored paddy/milled rice. The low rainfall noted in Niéna and Finkolo-Ganadougou and the higher prices due to lower than expected production encouraged many women to sell their production individually in order to meet immediate household needs and to reimburse credit for inputs. (Sales are noted in the following table)

| | Villages | Organization | Group sales (T) | Individual Sales (T) | Total (T) |
|--------------|-------------|--------------------|-----------------|----------------------|---------------|
| 1 | Finkolo | Union sabougnouman | | 102 | 102 |
| 2 | Kouroumasso | Benkadi | | 24,9 | 24,9 |
| 3 | Loutana | FOKABEN | 26,4 | 134,66 | 161,06 |
| 5 | M'pegnesso | Benkadi | | 69,61 | 69,61 |
| 4 | Niéna | COFRN | | 44,65 | 44,65 |
| 6 | Siramana | Benkadi | | 122,37 | 122,37 |
| 7 | Zoloko | Benkadi | 1,8 | 47,51 | 49,31 |
| 8 | Nantoumana | Benkadi | | 15,35 | 15,35 |
| Total | | | 28,2 | 561,05 | 589,25 |

During the reporting period women mainly sold milled rice, encouraged by the quality rice produced by IICEM-support mills provided to a number of women's groups. Milled rice was sold for 300,000 – 325,000 FCFA/ton.

MILLET VALUE CHAIN

Support to cereal wholesalers pour le sale of quality commercial millet grain

The poor rainfall has reduced production and led to early speculation and price increases, jeopardizing the contracting process envisaged for better structuring

commercial transactions between wholesalers and producer organizations. As intended, wholesalers visited producer groups to assess grain quality and negotiate purchase prices directly with producer organizations during general assemblies. And an agreement was reached for the purchase of 268.186 tons of quality grain for an average price of 190,000 FCFA/ton, 50,939,000 FCFA. Three producer organizations sold 125 tons to the WFP for an average price of 202,625FCFA/ton, 25,326,125 FCFA. In summary, a total of 393.186 tons of quality grain was sold for 76,265,125 FCFA.

Consolidation of cereal volumes through construction of storage warehouses

Producer groups were informed of IICEM's high-intensity labor team approach for the construction of 31 fifty-ton grain-storage facilities. All sites are in the process of being supplied with building materials.

SORGHUM VALUE CHAIN

Support to cereal wholesalers for the sale of quality commercial millet grain

In order to facilitate the commercialization of sorghum produced by IICEM-partner producer groups, a marketing/commercial meeting was organized, in collaboration with partner NGOs, between producers and one of IICEM's partner wholesaler/consolidator, Sidiki Badjan Doumbia. This commercial meeting, the first of its kind in the sorghum sector, enabled more than 30 producer organizations to negotiate a relatively high price for the sale of sorghum grain of 190,000 FCFA/ton. As a result more than 78 tons of grain were sold for 14,820,000 FCFA. The high sale price was mostly due to the low harvests in the face of rising demand.

Consolidation of cereal volumes through construction of storage warehouses

In order to reduce logistical costs and begin to establish quality assurance in major production areas for commercial grain, IICEM intends to support the construction of small warehouses for partner producer organizations. During the reporting period construction activities began in targeted villages, including: monitoring the delivery of materials to construction sites, contracting of masons and the beginning actual construction.

Taking into account the FTF strategy, IICEM re-adjusted its list of targeted villages to be better aligned with the FTF targeted villages. The final sites were selected based on the expected commercial impact such storage facilities could have on increasing quality grain sales in the most efficient and competitive way possible, while ensuring increased grain quality at the farm level. Warehouses will be built in the Bougouni, Koutiala and Sikasso areas with the goal of providing an opportunity for producers to eventually store and commercialize more than 6,800 tons of millet/sorghum in FTF communities.

I.4 STIMULATING ENTREPRENEURSHIP WITH A SPECIAL ACTIVITY FUND, AN INNOVATION FUND AND AGRIBUSINESS DEVELOPMENT

IICEM places a high priority on market-led development and the development of strategic value chains by strengthening the capacity of business leaders in the processing and commercialization sectors. Basically IICEM encourages and promotes the role of these business leaders in investing to improve the organization and functioning of their raw material supply chains and the creation of final product markets based on quality/price. Using its varied funding sources, IICEM helps support the implementation of agro-enterprise business plans that have already been approved by the project.

Three other major activities were implemented during the reporting period to support the development and organization of cereal supply chains, specifically for millet and sorghum: (1) assisting collaborating cereal wholesalers to develop their business development plans; (2) training in basic accounting and putting into place basic management tools to improve the daily management of partner wholesale firms; and (3) training of collector/consolidator supply chain partners of wholesale firms in best harvesting, post-harvest handling and quality control procedures for millet and sorghum.

Following a diagnostic of partner wholesale cereal supply chain firms, a series of support activities were launched. The activities were designed to strengthen the management capacity of targeted firms and facilitate their transition to a cereal supply chain management business capable of and willing to invest both up- and down-stream to improve productivity and efficiencies related to commercial grain marketing. Fundamental in this regard is the need for these firms to develop, expand, and diversify final product markets that pay a premium for quality with a view to promoting up-stream investments in the on-farm adoption of productivity and quality enhancing technologies.

ELABORATION AND IMPLEMENTATION OF BUSINESS PLANS FOR CEREAL WHOLESALERS

During the reporting period IICEM's BDS team worked with business partners in Sikasso, Ségou, Koutiala and Mopti to develop business plans that would serve as the operational framework for support from IICEM's Strategic Activity Fund and the BNDA for additional funding needs related to operations and capital investments. These wholesale cereal businesses were selected by the IICEM team because they were judged to be leaders in the commercialization of cereals, to have a vision of their larger role in developing Mali's cereal sector through the progressive establishment of well-structured commercial grain supply chains. Supply chains that would be increasingly more profitable and stimulate on-farm investment in the adoption of new technologies and provide a viable platform to sustainably link producers and producer organizations to value added markets and strengthen relations between producer groups and the commercial banking sector. In addition, these wholesale firms provided potential markets to producers in IICEM's project zones and could assist in consolidating previous IICEM investments in productivity enhancement by establishing a quality-based, formal contracting mechanism for commercial grain sales.

TRAINING IN ACCOUNTING AND PUTTING INTO PLACE BASIC MANAGEMENT TOOLS

This activity concerned four cereal wholesalers that were selected to participate in a comprehensive business management development program that consists of two basic phases. The first is focused on classroom training to familiarize targeted business staff in basic, simplified management tools such as managing client/supplier accounts, cash flow management, stock management and basic notions related to the organization and management of raw material supply chains, from farm-gate purchases to delivery of products in final markets. This training included entrepreneurs, their immediate staff and the collectors of raw materials working in their respective supply chains. 120 staff/agents were trained in four locations representing 20 staff for each enterprise.

The second phase of the program focused on adapting the new management tools to the realities/constraints/needs of each enterprise and ensure that each enterprise understood and provided the necessary quarterly data to IICEM's M&E team for

quarterly assessments of progress and performance and strengthening/diversifying their professional relations with financial partners to encourage/facilitate access to the credit necessary to realize their expanding business development plans.

TRAINING OF CEREAL SUPPLY CHAIN COLLECTORS IN HARVEST, POST-HARVEST, STORAGE AND QUALITY CONTROL BEST PRACTICES

Analysis of millet, sorghum and maize supply chains for wholesaler partners clearly demonstrated the urgent need to strengthen and better structure supply chain management. Consequently IICEM decided to organize a series of training activities for the supply chain staff of wholesale partners on harvest, post-harvest, storage, and quality control best practices. Since these staff are responsible for farm-gate and rural market purchases of grain, they are best placed to inform, advise, assist and encourage (through price) producers and producer groups to improve on-farm yields and grain quality. This training included entrepreneurs, their immediate staff and the collectors of raw materials working in their respective supply chains. 120 staff/agents were trained in four locations representing 20 staff for each enterprise.

GENDER-EQUITABLE OPPORTUNITY IN VALUE CHAIN DEVELOPMENT

2.1 CREATING GENDER-EQUITABLE OPPORTUNITIES IN VALUE CHAIN DEVELOPMENT

In order to establish gender equity in value chain programs, IICEM's approach is to focus on actual opportunities identified during diagnostic studies undertaken using USAID's gender gap analysis guide. These activities focus on millet, sorghum, and rice value chains, and for the latter, on parboiled rice production in lowland production areas in the Sikasso region.

In order to address constraints related to processing and commercialization identified in the millet/sorghum value chain study and rice, particularly for problems related to training needs and improved access to finance, IICEM intends to train women in best processing practices and facilitate their access to credit through the project's Innovation Fund.

2.2 MILLET/SORGHUM VALUE CHAIN

Activities implemented during the reporting period, were identified and planned according to a diagnostic assessment undertaken last year according to a handbook developed by USAID entitled "*Promoting Gender Equitable Opportunities in Agricultural Value*". Following the results of this assessment and to capitalize on past investments in business development opportunities for women, IICEM decided to target processing enterprises in urban areas; mainstreaming gender equity in IICEM's millet/sorghum value chain program focused on processing, with limited focus on wholesale commercialization. Accordingly, in the 2011-2012 workplan, capacity building, both technical and managerial, for processors and managers of processing agri-businesses was planned to enable target beneficiaries to scale-up their commercial activities and increase their profitability.

Training sessions were developed for two groups of women, organized as a "cluster platform" that provided a commercially oriented, basic supply chain operational context, intended to encourage trainees to evolve from the outset as a market-driven micro-enterprise with targeted product markets.

It was within this framework that small-scale processors were grouped around Danaya Cereals, considered in this instance to be the business leader in terms of product development, technology adoption, market penetration and business management. Training modules were based on an action training approach developed by "Making Cents" and focused on strengthen skills in basic management, micro-finance, accounting and commercialization/marketing. Trainees included 22 women and 4 men. The expected result was to have at least 15 women prepared to become actively engaged in micro-enterprise development/entrepreneurship.

To operationalize the cluster approach for micro-enterprise development, Danaya Cereals was actively involved in the second training session that focused on best

processing practices, emphasizing hygiene and product quality. The training also involved the use of small, basic processing equipment such as hullers, dryers, and hands-on training operating such equipment and instruction on how such equipment can be efficiently integrated into a complete commercial processing line. This training session was aided by a technician from the Food Technology Laboratory at IER and a technician from Danaya Cereals. Participants included 21 women and three men.

As a beneficiary of IICEM's Strategic Activity Fund, Danaya Cereals is presently undertaking a scaling-up process (implementation of its business development plan) to double its production of existing products and develop new products as it seeks to diversify its final product markets, both domestically and internationally. Their interest in this training program is to develop a supply chain for "rough processed" raw materials to be supplied by a network of women-owned small businesses, which then can be "finished processed" into products to meet the demand specifications of their final product markets. Training women to meet their quality requirements for "rough processed raw materials" enables Danaya Cereals to rapidly ramp up production while ensuring the quality of their raw material supplies. Being able to quickly achieve economies of scale with increased volumes of final products for higher value market segments increases their options not only to increase margins and overall sales, but also to provide increasingly higher value raw material markets for suppliers capable of meeting their evolving raw material quality requirements. The expected result of this training effort is that at least 15 women are trained in the use of basic processing equipment.

2.3 RICE VALUE CHAIN

As already noted above, IICEM's gender intervention strategy is based on a diagnostic assessment prior to elaborating action plans. Accordingly, a diagnostic assessment of constraints being faced by women rice producers in Finkolo-Ganadougou and Loutana was undertaken. The long-standing partnership between these women's groups and IICEM enabled them to be trained in best practices for producing parboiled rice, storage techniques for both paddy and milled rice and the use of processing and storage equipment. However, in spite of this support, the women still faced serious problems to commercialize their processed rice, primarily related to their lack of organization and marketing (management) experience.

The diagnostic study also revealed the involvement of the women throughout the value chain, throughout the year, clearly showing that they suffered from fatigue and did not have the time or capacity to focus on developing partnerships with financial institutions and marketing partners to expand their commercial efforts. Their multiple responsibilities, production, commercial and household, had a negative impact on their capacity to manage their affairs, and on their general health.

It appeared necessary that these women have access to training that will strengthen their capacity in basic business management, but also in leadership to more effectively take charge of their commercial activities and become more astute in identifying those strategic areas where they are "obliged" to focus their efforts in order that their businesses develop. Strengthening the organization and operation of women's associations is fundamental to enabling women-owned business to develop and expand. Women leaders, producers, processors and traders in rice, both parboiled and non-parboiled, have benefitted from IICEM-sponsored training specifically in Finkolo Ganadougou, Kouroumasso, Loutana, M'Pessoba,

Zangaradougou and Niena in Sikasso. Training used modules developed by Making Cents and were facilitated by IICEM's partner APROFEM (*Association pour la Promotion de la Femme et de l'Enfant au Mali*). 20 women and one man were trained to date.

SYNERGISTIC ACTIVITIES UNDERTAKEN WITH OTHER PARTNERS

In order to develop vegetable production using innovative, well-adapted technologies, IICEM is closely collaborating with AVRDC (The World Vegetable Center). During the reporting period IICEM and AVRDC identified sites for demonstrating best production and irrigation practices for a variety of appropriate vegetable crops. These three demonstration sites of 1 ha each are being collaboratively developed in Bougouni, Koutiala and Kadiolo.

INTSORMIL has been collaborating with IICEM as an "R&D partner". IICEM facilitated sales discussions between partner wholesalers in the Mopti region and INTSORMIL-trained producers resulted in the purchase of 26.329 ton of millet, 10.329 tons from Tèmègolo and 16 tons from Kountogoro at an average price of 205,000 FCFA/ton for a total price of 5,397,445 FCFA. Negotiations continue at additional INTSORMIL sites.

INDICATOR TABLE

PROJECT INTERMEDIATE RESULT I: AGRICULTURE PRODUCTIVITY IMPROVED

| Indicator | Target 2011 Previous PMP | Results Through Aug. 2011 | Target 2011-2012 | Achieved as of 28 Feb. 2012 | Remarks |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|---------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gross margin per unit (\$/ha, cumulative) | | | | | |
| Millet | \$122 | \$221 | \$252 | Need Sales to generate this indicator (end of year indicator) | Gross margin is assessed by value chain. Per USAID/Mali, the millet and sorghum sectors will be reported individually. IICEM plans to increase gross margins for Feed The Future priority value chains of millet, sorghum, lowland rice, and irrigated rice only and will cease activities in discontinued value chains. In January 2012, targets were adjusted considering the impact of the poor rainy season of 2011. |
| Sorghum | \$122 | \$293 | \$353 | | |
| Lowland Rice (Sikasso) | \$513 | \$681 | \$800 | | |
| Irrigated Rice (PIV) | \$1,198 | \$1,247 | \$1,610 | | |
| Number of farmers and others who have applied new technologies or management practices as a result of IICEM assistance | 9,000 | 17,238 | 30,000 | 19,341 | Only FTF farmers on rice, millet and sorghum value chains. Most of the growth is planned in the next campaign, June-July 2012. |
| Number of hectares under improved technologies or management practices as a result of IICEM assistance | 12,500 | 10,708 | 27,000 | 13,172 | Only FTF farmers on rice, millet and sorghum value chains. Most of the growth is planned in the next campaign, June-July 2012. |

| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------|---------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of persons having received short term formation on agricultural sector productivity | 2,000 | 3,617 (904 women, 2,713 men) | 6,000 (2,000 women, 4,000 men) | 1,128 (122 women; 1,006 men) | These values will increase significantly during the following quarter with producer training in best agronomic practices |
| Number of private enterprises, producer organizations, associations of water users, women's groups, business associations and community organizations receiving IICEM support | New definition | 241 | 500 | 189 | This value will substantially increase the following quarter with training/assistance to new FTF producer organizations |
| Number of members of producer and community organizations receiving support from IICEM | | 17,238 | 30,000 | 19,341 | This value will substantially increase the following quarter with training/assistance to new FTF producer organizations |
| Number of new technologies or management practices available for transfer | | 6 | 6 | 8 | This FTF indicator is adapted from an old indicator that includes not only agricultural technologies such as improved seed and agronomic practices, but also technologies to improve quality. |
| Number of rural households directly benefitting from IICEM intervention | | 12,636 | 24,000 | 14,156 | This value will increase significantly the following quarter with the start of the 2012 cropping season |

PROJECT INTERMEDIATE RESULT 2: MARKETS AND TRADE EXPANDED

| Indicator | Target 2011 Previous PMP | Results Through Aug. 2011 | Target 2011-2012 | Achieved as of 28 Feb. 2012 | Remarks |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Value of incremental sales (collected at farm-level) attributed to IICEM implementation (by commodity, \$, include volume)</i> | \$8.6 M | \$4.2M 14,308 MT | \$7.5M 23,000 MT | \$10.5M 24,177 MT | Incremental sales of farmers to the traders were above expectations, even with the lower yield due to the poor rainy season. |
| <i>Value of sub-regional incremental sales attributed to IICEM implementation (by \$ and volume)</i> | | \$577,000 1,760MT | \$3.75M 8,250 MT | \$3.5M 7,505 MT | Sub-regional trade values and volumes from cross border trade of IICEM wholesale cereal partners. This is an important result for a free cereal market in Mali. |
| <i>Number of hectares exploited due to improved natural resource management</i> | | 0 | 0 | 0 | To be undertaken beginning in the following quarter (March-May) |
| <i>Number of policies, laws, agreements or regulations in each of the following categories:</i> | | | | | |
| <i>Phase 1 of 5: Analysis</i> | | 3 | 6 | 9 | Three decrees passed by the Council of Ministers (February 2012) required detailed analysis of 9 previous laws/decrees Council of Ministers (February 2012) Passage of 3 decrees for the re-classification of the forest of Bougouni-Yanfolila |
| <i>Phase 2 of 5: Elaborated and presented for public discussion</i> | | - | 4 | | |
| <i>Phase 3 of 5: Presented for new legislation of decrees</i> | | - | 6 | | |
| <i>Phase 4 of 5: approved and passed</i> | | - | 5 | | |
| <i>Phase 5 of 5: for implementation</i> | | - | 3 | 3 | |

PROJECT INTERMEDIATE RESULTS 3: INVESTMENTS IN ACTIVITIES RELATED TO AGRICULTURE AND NUTRITION

| Indicator | Target 2011 | Results Through Aug. 2011 | Target 2011-2012 | Achieved as of 28 Feb. 2012 | Remarks |
|-------------------------------------------------------------------------------------------------------|----------------|---------------------------------|---------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Number of public-private partnerships created following IICEM assistance</i> | 10 | 4 | 20 | 14 | Recent Partnerships through SAF/IF/BDS with more than 9 agri-businesses enabled IICEM to expand its support of the agribusiness private sector |
| <i>Value of new investments by the private sector in agriculture or food chain leveraged by IICEM</i> | | \$824M | \$8M | \$4.1M | <p>New FTF indicator designed to monitor investments leveraged by SAF and Innovation Funds.</p> <p>Recent Partnerships through SAF/IF/BDS with more than 9 agri-businesses enabled IICEM to expand its support of the agribusiness private sector</p> |

PROJECT INTERMEDIATE RESULTS 4: INCREASED OPPORTUNITIES FOR EMPLOYMENT IN TARGETED VALUE CHAINS

| Indicator | Target 2011 | Results Through Aug. 2011 | Target 2011-2012 | Achieved as of 28 Feb. 2012 | Remarks |
|-------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------|---------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Number of jobs resulting from IICEM's technical and financial support</i> | | 20 | 200 | 150 | New FTF indicator. This indicator represents fulltime jobs created by private sector partners. These jobs could be a result of new investments or the expansion of existing commercial enterprises |
| <i>Value of agricultural and rural loans</i> | | \$2.2M 163 loans | \$2M 225 loans | \$332,328 15 loans | A broader Feed the Future indicator replaces limited GFSR indicators <i>number of</i> and <i>value of loans from special funds</i> . Results Through Aug. 2011 include all loans, with or without guarantee funds, and with all value chains. This indicator should increase significantly next quarter as a result of loans for production inputs for the 2012 crop season. |
| <i>Number of micro, small and medium size enterprises receiving IICEM support for access to bank loans</i> | | 10 | 12 | 8 | New FTF indicator and will monitor the number of micro, small and medium-size enterprises that have received bank loans, technical assistance or support funds from IICEM. |
| <i>Number of micro, small and medium size enterprises receiving IICEM support for access to bank loans</i> | | 19 | 19 | 17 | New FTF indicator that will monitor the portfolio of agri-business partners receiving technical assistance and/or IICEM support funds |

ACTIVITIES PLANNED FOR NEXT QUARTER

IMPROVED PRODUCTION AND PRODUCTIVITY

Productivity 1: Rehabilitation of the village perimeters and lowlands

- (Sikasso) Monitoring the completion of dam construction in Siramana, began in 2011;
- (Sikasso) Monitoring dam construction in 4 sites that began this year (Golonina, Korédougou, N'Golokasso et Zanikodougou) covering an area of 227 ha ; and
- (Sikasso) Continuing the supply of construction materials and construction of dams at 4 additional sites (Korvédougou, Badiana, Kongolikoro and Wogan) covering an area of 158 ha.

Productivity 3: Development of cooperatives and seed agribusinesses (millet/sorghum)

- (Sikasso) Signature of contract with the Union of Diedougou for the production of 150 ha of certified millet and sorghum seed;
- (Sikasso) Training of seed cooperatives in best agronomic practices.

Productivity 4: Development of producer cooperatives and agribusinesses (millet/sorghum)

- (Sikasso - sorghum) Train producer cooperatives and agro-enterprises in best agronomic practices, production planning and farm management (maximizing margins through a judicious use of inputs) to more efficiently meet market demand requirements.

Productivity 7: Development of cooperatives and agribusinesses (rice)

- (Sikasso - sorghum) Train producer cooperatives and agro-enterprises in best agronomic practices, production planning and farm management (maximizing margins through a judicious use of inputs) to more efficiently meet market demand requirements;
- (Sikasso) Train producer cooperatives and agro-businesses in strengthening farm-market linkages (managing on-farm production costs, securing credit through sales contracts and respect of quality requirements, elaborating a farm budget, calculating on-farm margins and developing business plans in collaboration with commercial partners).

Productivity 9: Promoting Large-Scale Implementation of the System of Rice Intensification (SRI): Postponed.

Productivity 10: Introducing new equipment for rice production and threshing to producers in the IVPs in the North and in the Lowlands of the South

OTHER PRODUCTS FOR DIVERSIFICATION OF REVENUE

Productivity 11: Continuing the introduction of new technologies for vegetable production

- (Sikasso) Monitor and complete the provision of materials to selected vegetable production sites; and
- (Sikasso) Begin the development of vegetable gardens.

Productivity 13: Establish new sites for demonstrating techniques to prevent soil erosion

- Anti-erosion activities will begin during the quarter in targeted villages in Koutiala

ACTIVITIES TO FOSTER A MORE ENABLING ENVIRONMENT FOR AGRICULTURE

Productivity 14 (Transport and Trade Facilitation): Advocacy/Lobbying

Productivity 15 (Transport and Trade Facilitation): Information and Capacity Building

IMPROVING NRM TO SUPPORT AND SUSTAIN AGRICULTURE

Productivity 17 (NRM Policy): Analysis of existing laws relevant to the management of natural resources

Productivity 18 (NRM Policy): Continuation of the classification of the Bagoé forest in the Koulikoro and Sikasso Regions

EXPANDING MARKETS AND TRADE

MILLET/SORGHUM

Market 1: Support to wholesale traders in launching quality cereals on the market – national

- (Mopti) Continue to monitor millet commercialization and sales;
- (Mopti) Training producer organizations in simplified accounting and keeping basic farm records to calculate commercial margins;
- (Mopti) Organize a workshop to strengthen commercial relations among producer organizations, cereal wholesalers and financial institutions;
- (Mopti) Monitor the commercialization of rice.

Market 3: Consolidation of cereal volumes through construction of storage warehouses

- (Sikasso) Finalisation de la construction des magasins de stockage de mil et du sorgho dans les villages des communes « Feed The Future »
- (Sikasso) Former les organes de gestion des coopératives sur la gestion de la qualité et du stock

Market 4: Research and development for new products and market diversification

- (Bamako) Production of sorghum flour with Danaya Cereals.

Market 5: Support to the three semi-industrial rice mills partnering with IICEM

ENHANCING FINANCIAL SERVICES

Market 9 (Finance): Assisting partners with loan applications and negotiations

BUSINESS DEVELOPMENT

Investment 11: Business development support to partner enterprises

- Monitoring and assisting in the application of business development plans of partner cereal wholesalers within the context of IICEM's Special Fund support;

- Facilitating access to additional credit (revolving funds for cereal purchases, investment credit, etc.) for partner wholesalers benefitting from IICEM's Innovation and Special Activity funds;
- Local "coaching" and monitoring of the application of basic management tools provided to partner wholesaler firms;
- Providing and operationalizing a commercial software package for 10 business partners developed by Diago Kunafoni and IICEM/ABT Associates/USAID;
- Collection of enterprise performance data (volumes, sales, destination markets)

PROMOTING GENDER-EQUITABLE OPPORTUNITIES

Gender 2: Support for women millet/sorghum and rice vendors: Analysis of Commercial Opportunities for "Clusters"

A business development study will be undertaken focused on an analysis of commercial opportunities that could be exploited by a cluster of small-scale cereal processors supplying processed raw materials through a supply chain network to Danaya Cereals and other processors. The objective is to propose a detailed action plan for USAID for future investments of FTF programs focused on the commercial development of the millet/sorghum cereal sector, and with a specific focus on micro-enterprise development for value addition and quality assurance. The terms of reference have already been elaborated and a consultant from ACDI/VOCA will begin the study in mid-April.

Gender 3: Support to women rice parboilers in Mopti

Improving the production, productivity and revenue of women who parboil rice requires a focus on strengthening their technical and basic management capacities. IICEM plans to use IICEM-sponsored rice mills as a commercial platform to develop and improve the commercial viability of the parboiled rice value chain in Mopti. This training will involve parboiling techniques – best practices and improved equipment, basic management and leadership. Once identified and major needs and constraints are clarified, an action plan will be elaborated. The terms of reference have already been completed.

Gender 4: Functional literacy training for women millet and sorghum and rice producers in the Sikasso Region