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KOSOVO NEW OPPORTUNITIES FOR AGRICULTURE PROGRAM

QUARTERLY REPORT: OCTOBER–DECEMBER 2012

JANUARY 2013

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DISCLAIMER

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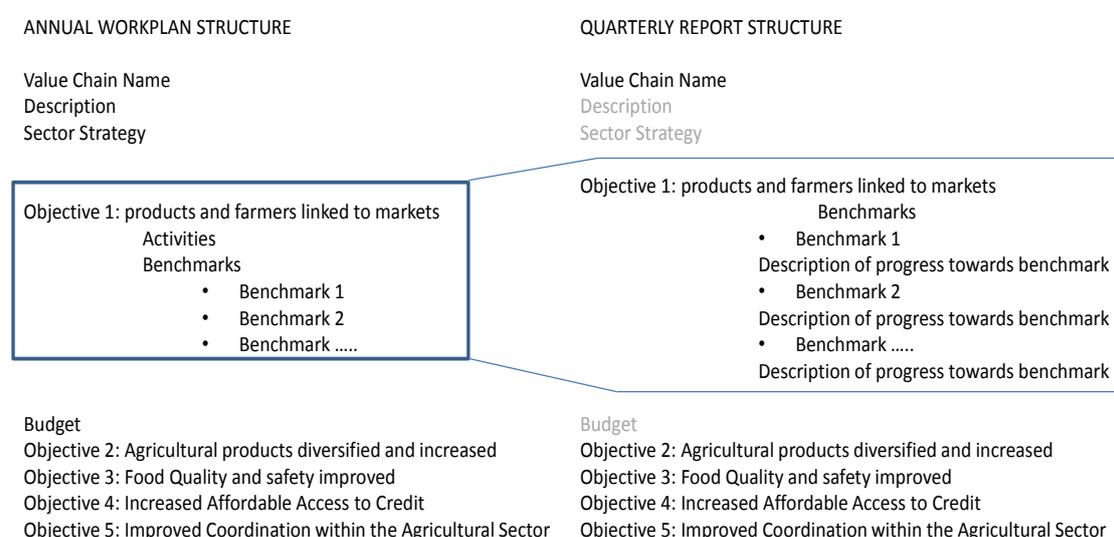
ACRONYMS AND ABBREVIATIONS

AgStrat	USAID’s Agricultural Strategy dated 2009
AWP	Annual Work Plan
BSP	Business Service Provider
COP	Chief of Party
CTO	Chief Technical Officer
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
EPA	Environmental Protection Agency
EMMP	Environmental Mitigation and Monitoring Plan
FY	Fiscal Year
EU	European Union
FtF	Farmer to Farmer
GAP	Good Agricultural Practices
HACCP	Hazard Analysis and Critical Control Points
IIF	Innovation and Incentive Fund
IPAK	Investment Promotion Agency of Kosovo
IPM	Integrated Pest Management
IWM	Integrated Weed Management
LoP	Life of Program
MAFRD	Ministry of Agriculture, Forests and Rural Development
MAP	Medicinal and Aromatic Plants
MT	Metric Tons
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PPE	Personal Protection Equipment
RDC	Rural Development Center
RTK	Radio and Television Kosovo
SEED	Support for East European Democracy
SOE	State-Owned Enterprise
STTA	Short-Term Technical Assistance
TA	Technical Assistance
USAID	United States Agency for International Development
VC (L)	Value Chain (Lead)

EXECUTIVE SUMMARY

This quarterly report highlights progress towards stated work plan benchmarks for the period October 1, 2012, through December 31, 2012.

The quarterly report follows the format of the annual work plan precisely. The report does not restate the strategy and objective by value chain or a description of the activities to be undertaken. Under each value chain and under the project level objective, the report lists the stated benchmarks only. Each of these benchmarks highlights the progress made, project to date, in achieving the stated outcomes. The difference between annual work plan and quarterly reporting structure is illustrated below.



All benchmarks are listed for completeness even if little or no progress has been made towards their achievement due to the seasonal nature of the program. Activities carried in preparation for these benchmarks are detailed under each benchmark heading.

VALUE CHAIN HIGHLIGHTS

Fruit Value Chains

All fruit value chains have seen preparation for the upcoming production season. Procurement documentation has been prepared and local vendors screened for their ability to supply apple planting materials, grape scions for grafting over as well as identifying the potential of local nursery capacities for growing out and the production of virus free planting materials in the future. Training in apple grading and the development of associated market linkages has taken place and graded and packed apples have begun to appear in the market.

The Grape sector has seen positive developments emanating from last year's demonstration activities. Farmers, having seen better yields from improved production technologies have promoted especially the new T trellis practices such that the Ministry of Agriculture has introduced a new grant support program to incentivize expansion of improved table grape management. Plans are well developed for the proposed grafting over process envisaged this season, transforming wine grapes into table grapes. Enthusiasm for increased strawberry production has continued to grow based on the successful marketing and production season last year and nurseries are feeling strong demand for runners to new producers as well as for expansion of existing plantations. Hi profile tunnels are beginning to be established which will further extend season length. 2.5 Has of new raspberry plantings were

established during the quarter. Following the marketing season of last year where yields and prices were very encouraging, interest in area expansion is high. Blueberry production seems to be becoming focused in the Decan region where a large commercial interest is emerging. Preparatory work this quarter indicates interest from satellite growers willing to be linked with the commercial operation.

Vegetable Value Chains

Lettuce production has continued albeit at a very low level during the off season, but the market demand remains firm and the interest amongst producer is such that annual targets for increased lettuce plantings seems to be attainable. Asparagus plantings are successfully overwintering and new crowns are ready for introduction during spring. Initial harvest projections are on track. Medicinal and Aromatic plantings under cultivated production practice are on target and pre winter plantings have already achieved the program targets. Emergence of the crop is excellent and weed control has been effective. Planning for the development of locally fabricated dryer units to support the expansion of this sector is well in hand.

Work with the programmed production of field vegetables has concentrated on stimulating interest in contract production of vegetables. Contracts have been prepared and significant interest has been shown by farmers in the traditional Dukgjini production area as well as the minority municipalities north and east of Gjilane. Collection centers are being prepared for the new season – existing centers working on expansion and new marketing linkages and new centers seeking opportunities for establishment. Program support for the processor sector has stimulated interest in the formation of a processor association.

During the quarter, the program supported a very effective launch of the saffron sector which was met with enthusiasm by the trade, branding and marketing strategies have been developed and the basis of an association of saffron growers has been established. The program is working to develop markets for the Kosovo product in Europe and the USA.

Gherkin production was very successful in the last year with yields generating significant returns. Farmer interest is very high, and early indications are that a fourfold increase in area under crop will be possible. The linkages with the collection centers have stimulated the interest of all processors and they have expressed their interest in supporting the formalization of collection center contracts.

Dairy Value Chain

The dairy sector program has focused this quarter on the development of the transparent raw milk sampling program, the innovation of introducing an SMS service for more effective information dissemination and working with the Ministry of Agriculture grants program to ensure that grants to quality are closely aligned with the milks sampling and information program.

CROSS-CUTTING HIGHLIGHTS

Improved Coordination in the Agricultural Sector

This quarter has seen much activity in working with the Ministry of Agriculture. All program technical staff was heavily involved in developing with ministry officials, their grants and subvention programs. This is the first time that there has been this level of coordination between NOA and MAFRD staff. The training of the agricultural extension program staff was initiated with serious participation from all municipalities' extension personnel. The Economic analysis unit continued to receive support and the final reports of the program technical consultant were received and incorporated into the outputs of the unit.

Improved Access to Affordable Credit

The principle achievement this quarter has been the stimulation of the development of a new agricultural credit product – the Agro Card. TEB bank has taken on this development and should be

able to provide a new credit methodology for small scale, contracted producer of program commodities by the mid –year.

Gender

The Program has developed a set of new indicators tracking and informing our progress as making women count. The base line survey has been discussed and is ready for launch during Q2. Women lead farmers are emerging in all value chains and the target of at least one solid woman lead farmer per value chain seems attainable. Additionally, the program supported the first ever Day of Rural Women attended by over 200 women farmers.

PMP HIGHLIGHTS

The season represented by Q1 is the winter season with few sales and little commercial activity. It is not anticipated that the achievements against targets will be linear since the peak results will come in Q3 and Q4, so any result approaching 25% is actually excellent at this time in the project work plan year. The Quarter has emphasized preparation for the forthcoming season and this especially evident in reported results for IR5.3, where 38% of the annual targeted sector roundtables have been conducted as well as the target for firms supported which is reported over 25%.

Grant activity is on target in line with the number of firms receiving assistance. Demand for NOA services is increasing particularly with the introduction of 3 new large scale collection centers pending implementation during 2013. These new entrants in the value chain as well as small scale collection centers are focal points of NOA activity.

Sales value through linkages is on target with 20% of annual projection having already been achieved. This is an excellent result for this time of year and indicates strong performance in this area of NOA's activity. NOA continues to consolidate the value chain and work increasingly through contract linkages between processors, collection centers and producers. Delivery contracts executed are at 11% of annual target and this indicates solid progress towards increased formalization of the value chain – critical to the sustainable growth of the sector.

1.0 VALUE CHAINS

1.1 FRUIT

1.1.1 APPLES

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 1 apple packaging training unit established and functional;**

One apple washing/sorting and packaging unit is established with apple producer Mr. Kosove Blakaj from Istog. The purpose of this joint investment was to improve quality of apples produced and add value of products before delivery in the local market and to provide a training center using appropriate technology in apple grading which could be replicated easily and cost effectively by farmers.



Apple cleaning/sorting and packaging unit in Kovraga.

- **Smart Fresh introduced for at least 2 apple storages;**

NOA program Value Chain Linkages Specialist is working closely with local input dealer “Jonathan” to identify opportunities to import Smart Fresh for demonstration purposes at apple cooling storage units. The local vendor is in the process of collecting information for import administrative procedures since the international supplier of the product has limited interest in the current small volumes of apples under storage in Kosovo.

- **At least 2 postharvest trainings organized;**

Apple postharvest cleaning, sorting and packaging training was organized on 30th of October 2012 at the packing unit training facility in village Kovraga. Harvesting, post harvesting and storage technical details were the focus of this training attended by 56 different local apple value chain actors. During this event local media was invited and the event was presented by the local TV show “Bujku.”

- **B2B event organized;**

This activity is planned for July 2013 when all grower associations will be invited to join in a B2B meeting with traders, exporters and supermarket buyers.

- **At least 15 new contracts signed with (grower-processor-traders);**

This activity is planned for July 2013. The packing and marketing experience albeit small that was derived from the late season sales in 2012, will determine the willingness to sign and content of new contracts for the 2013 production season.

- **1 international STTA engaged for 10 days;**

Several potential post-harvest experts have been identified and evaluated but selection of the preferred consultant has not yet been finalized. Post-harvest consultancy will be required during the period of harvest for the 2013 season.

- **At least 80 young farmers trained on cleaning, sorting and packaging;**

In cooperation with local apple producer Kosove Blakaj from Istog, the NOA program established an apple cleaning and packaging training unit. As per a MoU signed with the producer, our program can use these facilities for training purposes whenever needed. Training for postharvest activities: cleaning, sorting, packaging and storage was the main topic of this training attended by 56 producers.



Post-harvesting training at collection center in Kovraga

- **At least 200 tons graded apples sold in the local market.**

50 tons of apples were sold during this quarter, while 45% of those were cleaned/sorted and packaged in proper carton boxes as per training advice delivered during the quality training.

CHALLENGES

- Lack of production and sales contracts between producers and traders.
- High price of apple carton boxes
- Difficulties to convince producers to grade/sort and pack their products in proper boxes.
- Low interest in the local market for packaged product.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Support market linkage specialist to organize B2B event proposed for next quarter involving producer associations and buyers.
- Identify and engage international postharvest and storage construction STTA. The STTA will advise on the requirements of apple storage and packaging.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 30,000 bench-grafted apple saplings imported through 2 nurseries;**

RFA with selection criteria have been established and local vendors have been selected. Priority for the vendor selection was given to: certified, registered, experienced nurseries. To ensure disease-free planting material, bench grafts will originate from EU countries where European and Mediterranean

Plant Protection Organization (EPPO) standards are followed. Finalization of the procurement is expected in Q2. NOA will support the local vendor to ensure import quality and timings.

- **At least 2 local nurseries received bench grafts to be maintained for one season;**

A number of informative meetings and field visits to local nurseries were organized to identify potential nurseries that can receive imported bench grafts to maintain for one season prior to selling. Two nurseries were pre identified and each of those will establish 0.25 hectares of apple mother blocks, grown in hedgerows, to produce bud wood suitable for grafting, as well as stool beds for vegetative rootstock propagation.

- **At least 2 field days organized for interested stakeholders;**

Activities are planned for Q3.

- **1 B2B visit for selected nursery producers;**

4 Italian nurseries have been identified as points of interest for a study tour and B2B visit by local vendors. International STTA expert Mr. Stefano Musacchi will guide the group during this study tour visit in Italy proposed for Q3. The group will have the opportunity to see firsthand, apple nurseries, tour facilities, establish commercial relationships and inspect bench-grafted apple saplings before they are shipped to Kosovo.

- **At least 12 hectares of orchards established;**

Activity is planned for Q4 2013.

- **At least 30 jobs created;**

Small and medium sized apple producers usually create part time jobs. During this quarter 6 part time jobs were created at the apple packaging unit in Kovraga and 3 additional positions at the new nursery association "Fidankos" from Decan. More new positions will be created during the production season and cultivation of imported bench grafts.

- **At least 400 tons of apples sold annually;**

120 tons of apples were sold in this quarter. Apple producers with inappropriate storage conditions sold their apples, while those with good storage facilities are waiting for better prices. Sales initially were to traditional trading contacts and later sales are likely to be to the supermarket chains.

- **At least 6 farmer field school trainings organized;**

Activities are planned for Q 3 and Q4. Training will follow the cropping cycle and outline critical intervention points as the season progresses.

- **Sustainable virus-free root stock and bud wood locally produced;**

Potential nurseries for establishing at least 0.25 hectares of apple mother block have been identified and visited. The RFA is prepared for solicitation of bids to provide these services, technical details specified and presented to selected all qualified nursery producers. European and Mediterranean Plant Protection Organization (EPPO) was taken into the consideration during all this process. – ensuring that the selected nurseries have the ability ultimately to produce planting materials to international standards.

- **1 association established and functional;**

For first time, a new nursery association has been created and is functional. The association is called “Fidankos” and it currently has three members - nursery producers from the Dukagjini region. Currently engaged are one general manager, one technician and one accountant. In the near future more nurseries producers will become members of this association.

- **At least 100 students attended trainings and field days;**

This benchmark targets students of agriculture. Based on reports submitted by IADK apple demonstration plot subcontractor, the total number of students involved in apple value chain training activities is 26. Four of them engaged are IADK support staff assisting during implementation of activities in the field, while an additional 22 are experts, potential producers, involved in this business or undertaking studies in the field of top fruit cultivation.

ADDITIONAL ACHIEVEMENTS

- Three potential spraying service applicants have been identified. Until now only one of them has submitted grant application documentation, while the remaining two are working on these. The received application was positively evaluated and our program Environmental Compliance Specialist is finalizing an environmental grant report. The spray service provider will enhance agronomy and effective pest management in the apple orchards by transferring technology as well as ensuring effective and environmentally sustainable crop protection chemical applications.

CHALLENGES

- Grantee delays in cost share and narrative reporting as well as cost share reporting.
- Late requests for technical or financial support (inappropriate implementation plans) has led to delays in achieving results.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Follow apple bench graft import activities – ensure quality and timing of import by supporting local vendor.
- Through international STTA expert and NOA staff support and advise selected nurseries that will further grow out feathered apple trees for one season.
- B2B study tour to Italy for apple nursery operators to inspect bench-grafted trees before shipping.
- Follow and support “Fidankos” new nursery association created during this quarter. The association required technical and management support to ensure that valued services are continually delivered to members.
- Prepare criteria and identify potential apple producers interested for planting 30,000 feathered apple trees produced by local nurseries that be delivered in October of FY4.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **At least 63 commercial apple growers trained on GAP;**

The SOW for GlobalGAP training STTA has been prepared and a number of potential local food safety certification experts have been identified. Training is scheduled to take place during the growing season beginning early spring.

- **At least 63 commercial apple growers trained on GMP;**

Besides postharvest cleaning/sorting and packaging issues raised during training organized on 30th of October at packing unit located in Kovraga, six part time workers engaged in this collection unit have been trained for Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP). Appropriate

tools necessary for following these requirements have been delivered to this training center. Additionally, 50 local apple producers were trained on GMP & GHP procedures and requirements.

- **30 apple growers trained on IPM;**

Apple demo plot subcontractor IADK organized a workshop with the subject: Opportunities for High Density Apple Cultivation. Results achieved in the field and IPM implementation procedures and requirements were presented at this workshop. Besides high density apple production results in demo plots, 44 present participants were able to follow IPM experience and results in the field.

- **4 local vegetable processing companies supported;**

Six fruit and vegetable processors have submitted grant applications, requesting financial support for management capacity building in their companies by working with interns as potential employees. Applications are approved, and intern placement is expected to be finalized during Q2. Each firm will submit request for internship support and NOA will provide on the job training for each of the interns to ensure that they will be able to fully support the firm's objectives. Hopefully, the utility of the intern will ensure that they will gain permanent positions with the firm following the internship period.

- **At least 1 apple farm receives international food safety standard certificate in GlobalGAP.**

Activities are planned for Q4 2013.

ADDITIONAL ACHIEVEMENTS

- Several food processing experts CVs have been evaluated. Three experts have been identified as potential consultants that can be called upon to support local fruit and vegetable processors with technical aspects of processing. One more processing expert will be identified in the next quarter. Each of these is set to provide support to one firm during the in-country assignment.

CHALLENGES

- Lack of local experts able to implement GlobalGAP standard
- Lack of appropriate infrastructure at apple producers, required by GlobalGAP standard.
- Lack record keeping information for production activities at farm level.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Identify new producers interested for implementation of GlobalGAP – ensure farmer selection is adequate to maximize the possibility of adoption of the practices.
- Select local expert that is able to implement GlobalGAP standard at selected producers
- Organize training on GlobalGAP for selected farmers and others interested for.
- With selected farmers, sign the necessary MoU and start implementation of GlobalGAP standards.

OBJECTIVE 5: IMPROVED COORDINATION WITH THE AGRICULTURE SECTOR

BENCHMARKS

- **Introduction of European Plant Protection Organization (EPPO) standards for apple tree production.**

Standards have been taken into consideration during the setup of selection criteria for importation of 30,000 apple bench grafts. In addition, EPPO standard rules and requirements will be followed during apple bench graft planting and cultivation in the nurseries.

- **EPPO standards introduced to at least 2 local nurseries;**

Introduction of standards at local nurseries will start together with in-field apple bench graft production activities during Q3.

- **80,000 apple trees produced as per EPPO standards;**

Activity is planned for Q4 2013.

- **EPPO standards introduced at 30 local nursery producers.**

Activity will take place during production season as soon as EPPO standards have some adoption at one or two primary nursery sites. Ideally, the target nurseries will adopt the standards in part or entirely and serve as demonstration sites for onward training.

1.1.2 TABLE GRAPES

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

Promote market opportunities and production improvements according to international market standards

BENCHMARKS

- **At least one B2B meeting organized with market actors**

Sixty-eight participants attended the workshop held in October: In attendance were growers, traders and consumers. The following are major recommendations from the workshop to be listed and considered during the year: increase production; improve quality; attempt to organize the marketing of table grapes through collection centers; improve packaging; and potentially increase exports, especially by targeting diaspora populations in UE countries through marketing companies owned by Kosovo natives.

- **One commercial cooling chamber established and operational**

During this quarter, NOA technical staff met with potential cooling chamber operators to determine existing capacities and what additional support would be required to enable a facility to be fully functional for the 2013 table grape harvest. Early in Q2, the NOA team will determine the necessary actions to ensure that the harvest, at the end of the 2013 work plan year, is managed via a functional cooling chamber system.

- **Quality standards brochure for table grapes produced and distributed to market actors (collection centers [CCs], supermarkets and growers)**

Brochures developed so far for other crops have been evaluated to identify a suitable model for the table grape sector. The brochure will be developed before the harvesting and marketing season starts, with completion in Q3.

- **Up to 20 hectares converted from wine grape to table grape production by grafting over**

This represents the largest portion of field activities within the Table Grape VC during FY 2013. It requires adequate focus on planned activities to be successful. The objective of the conversion project has been discussed at two levels: with the MAFRD and Rahoveci Institute, at the institutional level, and with the growers' association from Rahoveci at the field level. The idea has been well accepted at both levels.

Lists of varieties to be grafted were prepared in collaboration with Prof. Adamo Rombola, of Bologna University, and experts from the Rahoveci Institute. The list was then discussed with more than 30 growers during multiple meetings.

Growers interested in converting wine grapes to table grapes individually have expressed their interest to the Rahoveci Institute, the Program Supervising Grantee and the grape growers' association. The program has communicated with these actors to learn about their readiness to be part of the project. NOA also has compiled a joint list of 36 interested growers representing more than 20 hectares of vineyards. The same were asked to collect grower recommendations on which varieties of scion should be grafted onto existing rootstocks. The list has been prepared and shared with Rombola. The list serves both agronomical purposes (varietal compatibility) as well as marketing purposes as well (market acceptance). The proposed list is very short and includes most of the traditional varieties already being grown. Therefore, the list was expanded, following the expert advice of the program, and in line with the guidance of various professors from Bologna University, to include new varieties, all in high demand, in order to ensure sustainability of the program.

A procurement RFQ for a local supplier has been published. It called for 88,000 scions of 14 table grape varieties sufficient to graft over approximately 20 hectares, each covered by 4,400 vines. One scion per vine shall be used for grafting over. Five companies applied and the selected firm offered 11 varieties, including workable substitutions for certain requested but unavailable varieties.

- **At least 7 trainers and 20 intern support staff trained**

Trainers will be trained for the intensive grafting period. These trainers will be responsible for training the field grafting team. Training will be under the direction of a qualified grafter from Italy and the existing technical support offered to NOA by Rambolo. Training will begin in Q2.

- **At least 1 technical leaflet produced**

Following the successful grafting over, the growers will be required to better manage their new vines for maximum output. The technical leaflet produced will emphasize specific management practices required to optimize output.

ADDITIONAL ACHIEVEMENTS

- The supervising grantee, Agro Drini, organized two field days; one was held in Rahovec and the other in Suhareka. The field day in Rahovec was attended by 42 growers and students; 24 growers attended the session in Suhareka.
- The grafting expert was identified.
- SOW for international STTAs (the grafter and Rombola) was prepared and shared with HO to request USAID approval for their assignments.
- Conducted field visits to existing vineyards established through program support. All established vineyards were found in good condition. Specific advice has been given to growers to ensure continued management.

CHALLENGES

- Lack of knowledge on new varieties within the growing community.
- Lack of local nurseries that can produce quality planting material.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Selection of the growers' association to oversee the over grafting process;
- Conduct training of trainers for growers and students on grafting to achieve conversion from wine grapes to table grapes;
- Importation of scions; and
- Grafting over implemented across 20 hectares.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

Increasing incentives to produce higher qualities of table grape

BENCHMARKS

- **At least 2 agri-input dealers provide embedded services to growers**

The concept has been discussed with Muja, an input supplier, and the AgroDrini company. These firms are active in the supply of inputs to existing clients and as such may develop an interest in commercial extension services. Modalities will be further developed during the second quarter to provide support to commercial agricultural extension services, from input suppliers to growers.

- **At least 150 growers benefit from promotional discounts and adopt improved practices**

In order to support the commercial expansion of new technologies, limited promotional activities by the private sector will encourage uptake of technologies. Rather than supporting farmers directly, promotional activities will be facilitated through the private sector. This activity is to be implemented during the second and third quarters. It is likely that promotional discounts will be offered to support the establishment of expanded gherkin plantings under contract, as well as to foster improved pepper production technologies.

- **At least 1 local company willing to manufacture trellising system**

The identification of local steel processing companies capable of manufacturing "Y" trellising system is in process. As far as the improved "T" trellising system is concerned, 2 companies have shown interest in manufacturing the system. They were asked to develop a model, including the cost, and communicate that to the growers' associations.

This marks an opportunity to extend a new technology through the private sector.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- The modalities to implement the embedded commercial extension services will be developed;
- The promotional discount implementation will start soon after the season starts;
- The company that will manufacture on a commercial scale T arms for "T" trellising system will be identified and will start to manufacture the required elements for the system for commercial on sale.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

Improvement of post-harvest technologies and practices, maintain fruit quality in field and in storage

BENCHMARKS

- **At least 1 forced air cooling unit is established in Rahovec/Orahovac region**

Modalities have been discussed with Stone Castle – the biggest table grape producer and marketing operation currently in-country. The company has shown interest in establishing a cooling chamber with a forced-air cooler on a cost-share basis. The final design and identification of the suppliers of the cooling system with the required technology and technical assistance will be implemented during the second quarter.

- **At least 1 packing center established and operational**

Will be realized during the third quarter, before the harvesting season starts.

- **At least 100,000 kilograms of table grapes pre-cooled, stored and sold out of season.**

To be implemented during the third and fourth quarters.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Identification of potential actors to establish packing and cooling units and start with their establishment.
- Identification of technical assistance for cooling chamber establishment.

1.1.3 STRAWBERRIES

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 20,000 Euros (\$25,600) in sales during street promotions in Kosovo;**
- **At least 5,000 Euros (\$6,400) in sales in Tirana;**
- **At least 5,000 kilograms of strawberries exported to Albania; and**
- **At least one supermarket display of Kosovo berries established in dedicated cold shelves.**

Due to the seasonality of this crop no activities under this benchmark have been undertaken during this quarter.

CHALLENGES

- Strawberry production is intensive, both in terms of labor and financial resources. The challenge to the expansion of the sector remains first at the level of management capacity and then at the level of the financial capacity of producers.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- The sales and promotional activities are planned for May in Tirana and June in Prishtina. Therefore, preparation for these activities will begin by the end of Q2. Demand for the product has been stimulated by the extended season created by NOA as a result of introducing new varieties in 2012. This in turn stimulates improved production by existing growers as well as increased area under cultivation.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **Hargreaves agrees to supply technical assistance to cooperating nurseries;**

Planning is well underway for the visit to Hargreaves to determine the extent of its involvement in the strawberry nursery sector. It is anticipated that the UK-based plant supplier will agree to support the nursery sector in Kosovo, both with some technical support and a joint production license for at least one strawberry variety, likely Albion. This will mean that a patented variety can be legally sold as

runners to growers, eliminating the need to import planting materials and ensuring at the same time that quality and international standards are adhered to.

- **At least 2 nurseries are identified to support implementation of activities;**

Two nurseries have been identified to further propagate strawberry runners. A delivery of 10,000 Elsanta variety strawberry runners was shipped by Hargreaves UK to Kosovo. The program split the shipment in two, distributing the runners to N.T.P. Dredhza – Lluke and Fidanishtja e Godancit, Shtime. Each has established plantations of 0.50 ha for runner propagation. Planting has been done on time and remains set to augment the already established market for strawberry runners.



XhavitMulaj of NTP Dredhza, accepting runners.



SkenderRamadani, of Fidanishtja e Godancit, displays runners.

- **At least 4 different trainings organized;**

Four trainings are planned to be held in the second, third and fourth quarters. The first trainings will be held early in the second quarter highlighting indoor growing technologies. These trainings will highlight sequential aspects of production.

- **At least 50 growers will be trained;**

During the 4 different programmed trainings, NOA expects to train at least 50 farmers in critical aspects of production. Topics will continue to follow the NOA strawberry cultivation guide to include environmental requirements, biological characteristics of the varieties, cultivation systems, field layout and preparation as well as marketing and post-harvest handling.

- **At least 0.2 hectares high tunnels of early production implemented;**

The program has identified two farmers to develop 0.2 hectares with high tunnels for the indoor production of strawberries. The farmers are HalimBaftiu, from Davidovc, Shtime, and XhavitMulaj from Lluke, Decan. They have self-funded and constructed the high tunnels, while the program is supporting the addition of the plastic covering materials early in Q2.



HalimBaftiu's high tunnel structure, Davidovc, Shtime

- **Strawberry production brochure (500 copies) printed and distributed.**

The brochure is being compiled and will be ready for distribution and inclusion into the trainings in Q3. The brochure will summarize the production handbook already produced by NOA and highlight yields and economic considerations that have emerged from producer experiences to date.

ADDITIONAL ACHIEVEMENTS

- The two project nursery grantees have sold 200,000 runners over this quarter, valued at approximately €30,000. Buyers are predominantly farmers expanding their areas under production as a result of grants from the Ministry of Agriculture. All buyers have been individual farmers seeking to expand their production by using improved quality runners representing new varieties already shown to have extended significantly the production season. The quality of the runners and varieties available is creating significant interest in this crop with inquiry frequency increasing significantly.
- NOA's strawberry supervising grantee IADK organized a successful workshop on the "Establishment of intensive strawberry orchards and nursery - Integrated Pest Management (IPM)." There were 58 participants.



Strawberry workshop in Pristina. Work group discussions.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- During the second quarter, program staff and three phytosanitary inspectors from the Kosovo Food and Veterinary agency responsible for phytosanitary inspection will visit Hargreaves' production fields in the UK. As part of this visit, discussions will determine the extent and timing of Hargreaves' delivery of technical assistance to cooperating nurseries. Additionally, it is expected that a licensing agreement will be reached with Hargreaves for the Albion variety.

1.1.4 RASPBERRIES

OBJECTIVE 1: FARMERS AND PRODUCTS LINKED TO MARKETS

BENCHMARKS

- **At least 10,000 Euros (\$12,800) sales during street promotions;**
- **More than 10 participating raspberry and blackberry growers;**
- **At least 10,000 Euros (\$12,800) in sales to supermarket chain; and**
- **Export at least 4 trial shipments of fresh raspberries.**

All these benchmarks are planned to be achieved in the later stages of the program, as they are dependent on production and off take of the product.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Activities related to these benchmarks will start only by the end of the second quarter or the beginning of the third quarter.

OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 5.5 hectares of new Polka plant variety established;**

By the end of October, an additional 21,000 Polka plants had been shipped by Hargreaves UK to Kosovo. Of them, 6,000 Polka canes were distributed to the MVM Association's six growers in Sterpce, while 15,000 Polka canes went to APC in Peran/Podujeve. Plants were received with all the necessary documentation, healthy and in good condition. Farmers were satisfied with the quality of the canes.

This activity is ongoing. The program is in permanent contact with Hargreaves in order to arrange a number of activities in the raspberry sector, including the shipment of replacement Polka canes as per an agreement reached with Hargreaves in June 2011. An additional 3 hectares of new raspberry plantation are to be established; canes are expected to be shipped in the spring, most probably in April, if weather is suitable. Those canes will be distributed to APC, Ask Foods and other smaller NOA raspberry grower grantees.



The owner of APC signing for the received Polka raspberry canes

- **Raspberry farmer field school established;**

The program has prepared the SOW to engage an international consultant for a number of activities. Through the farmer field school, the international consultant (Rick Dale) will train 3 local STTAs, who would be able to manage raspberry fields established by the program in 2012 and 2013. The training will encompass the whole range of raspberry agronomy and crop protection as well as harvest and post-harvest management.

- **At least 5 GAP/IPM tools integrated;**

The program has purchased 5 Mankar herbicide/pesticide application units for specific crop weed control. Four have been delivered to NOA grant beneficiaries growing raspberries (APC, Ask Foods and MVM Association) and blueberries (Juniku&Dredheza). The fifth unit will be used as a training unit and held by NOA for future weed control training activities across the spectrum of soft fruit production. This equipment was promoted during the raspberry field day in Jazhince/Sterpce.



Demonstration of the MANKAR–P 50 applicator

- **At least 2 nurseries implement the nursery development program with Hargreaves Plants;**

This activity is planned for the later stages of the program following the study tour to the UK in Q2.

- **Study tours to UK and Poland with identified nurseries and phytosanitary inspectors to enhance the propagation of runners and phytosanitary inspection procedures;**

A study tour to UK has been arranged with soft fruit company Hargreaves Plants. Three phytosanitary inspectors and two NOA staff will participate in this study tour for raspberry inspection, planned for Feb. 4-11, 2013. The study tour to Poland is planned for the third quarter and should involve a larger group of participants, as raspberry growers and two nurseries will be invited to learn about the critical production requirements for the Polka variety.

- **At least 1 field trip organized within the region (Serbia);**

This field trip is also planned for the third quarter. Raspberry growers from Kosovo will have an opportunity to see best practices for raspberry varieties grown in Serbia, which is considered one of the world's biggest producers of raspberries.

- **At least 2 nurseries licensed to produce Polka.**

Representatives of the two nurseries (Fidanishtja Godanc, in Shtime, and Dredheza in Decan) will participate in the study tour to Poland. The program will assist the nurseries through the leveraging of a propagation license for the Polka variety.

ADDITIONAL ACHIEVEMENTS

- During the first quarter there were regular site visits to the raspberry grant beneficiaries. This autumn, 12 farmers harvested their first fruits totalling 14,000 kilograms of production. The harvested yields provide a good indication of the yield potential in the new season. All raspberry growers have completed the pruning of the two primocane varieties (Polka and Autumn Bliss). Farmers were satisfied especially with growth of Polka under Kosovo conditions, stimulating a high interest in expansion of the crop area.
- A field day and a workshop were organized by supervising grantee Biolab. Twenty-seven participants attended the field day and 30 attended the workshop.



Field day in Jazhince – Input dealer Fitofarma explaining venture fertigation system



Workshop in Pristina – work group discussions

- The municipality of Ferizaj/Department of Agriculture sought information on raspberry cultivation, based on NOA practices; so the program organized a training session in Ferizaj, where 12 farmers learned more about good agricultural practices related to raspberry production. They also participated in the field day in Shterpce.
- Media coverage of these activities included RTK's Bujku show, TV Herz from Shterpce and TV Festina from Ferizaj.
- A leaflet with information on weed control was produced by the raspberry supervising grantee in both Albanian and Serbian (150 copies) and delivered to farmers.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Prepare the necessary documents and purchase of inputs for promotional activities that will be carried out in raspberry fields: tensiometers, non-invasive grass and fertigation venture system. These inputs will be promoted at grantee grower sites during the third quarter.
- Study tour to UK accomplished and three phytosanitary inspectors trained on raspberry phytosanitary control.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **Installation of at least 1 forced-air cooling system for the fresh export of raspberries**

The RFQ for a portable forced-air tunnel pallet cooler was prepared and submitted to the home office. Deadline for the RFQ is Jan. 25, 2013. The equipment shall be purchased in the USA. The forced-air cooling fan unit will be used inside the existing cold storage room at APC company and will be a stand-alone complete unit, running on reverse osmosis air flow and complete with a pre-cooling tarp for the tunnel.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Workshop on raspberry post-harvest activities will be held by Biolab by mid February. NOA raspberry growers and other interested farmers will be invited to this workshop.
- The program will look for markets for the appropriate clamshell containers and label materials as the standard package for raspberry fresh markets.

1.1.5 BLUEBERRIES

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 1 leaflet issued and distributed;**

A leaflet that emphasizes the economic and health benefits of blueberries has been outlined and the material will be submitted for publishing and distribution during Q2.

- **1 article published;**

An article on the benefits of blueberry cultivation has been drafted. The identification of the publisher is in progress. It will be the first in a series of articles on the technological, economic and health aspects to blueberries.

- **At least 1 TV highlight created to stimulate blueberry adoption by growers;**
- **At least 1 field visit for market actors organized; and**
- **At least 2 growers attended marketing events for soft fruits organized in the region.**

All the above benchmarks will see progress during Q2 and Q3.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

Increasing production through area expansion

BENCHMARKS

- **At least 5 hectares of new crops planted;**

14,100 blueberry bushes, sufficient to establish 5 hectares, have been ordered from suppliers in the United States. Two- and three-year-old bushes representing the following four varieties: Bluecrop, Duke, Elliot and Legacy will be used to establish expanded commercial plantations. For trial purposes, 20 bushes of each of the varieties Toro, Sierra, Nelson, Arlen and Chanticleer were also ordered. Plants will originate from the U.S.

An RFA was issued during the quarter to seek interest in new commercial plantings. 14 potential producers attended the informational meeting organized by the program. Only three applied for support to establish commercial plantations. Following field visits, two fully met the established criteria for selection. The area proposed by the two was sufficient to establish 2.5 hectares only (of the 5 hectares planned). Therefore, the RFA was reissued. Juniku Company reapplied on behalf of three other growers to establish 4.5 hectares. The selection process is in progress and finalization of the grant procedures will be completed early in Q2.

- **At least 2 nurseries engaged in blueberry supply;**

The Dredhëza nursery has established contacts and is communicating with soft fruit nurseries in Poland to possibly collaborate in the future on experience exchange and technical support. The program has facilitated these contacts and the nursery is looking forward to negotiating, with NOA support, various opportunities for increased collaboration and technical exchange.

- **At least 1,000 bushes propagated locally and ready for sale;**

Blueberry propagation is very specific compared to other soft fruit crops. Therefore special conditions and technologies are required to reach commercial propagation standards for the crop. At this first

stage, the Dredhëza nursery has identified the proper growing media and growth regulators to start propagation and will begin the process during Q2.

- **At least 8 training sessions (field schools) organized for trainers and growers according to the crop calendar (pruning, plant nutrition, irrigation, plant protection, harvesting);**

A training calendar was outlined following the crop calendar and training will be initiated during Q2 to support existing and new growers of the crop, as well as to reinforce the engagement of growers in two regions in particular (Gjilane and Decan).

- **At least 14 people trained on growing technologies; and**

14 potentially interested producers attended the informational meeting and were told about the blueberry crop's specific requirements in terms of soil conditions, irrigation, fertigation and phytosanitary control. Further training events will be organized for commercial growers. Meanwhile, a nursery has been developed to supply planting materials and in the future will provide a venue for training following the cropping cycle.

- **At least 4 trained individuals supervising field production participate in study tour to Poland.**

The proposed visit to Poland to conduct this study tour is in the process of development and is scheduled jointly with Hargreaves (UK). It will take place during Q3. This study tour will enable soft fruit producers and plant material producers to develop linkages with suppliers of technology and planting materials. This will enable future developments to take place without project support.

ADDITIONAL ACHIEVEMENTS

- One specific herbicide spraying application tool – the Mankar - was delivered to a commercial nursery grower. The sprayer will be used by the nursery, which is based in the same region as established commercial blueberry plantations, to provide spraying services and align technical services in the region with crop requirements. The nursery is seen as a potential technology hub in the blueberry production zone.

CHALLENGES

- Blueberries represent a new crop that is capital and labor intensive; the results of production are yet to be seen. Additionally, there is a need to establish a commercial blueberry production hub as opposed to production over a wide area. This will enable effective service provision and the ultimate development of harvest process and marketing options. Developing this remains a significant programmatic challenge.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Finalize the study tour to Poland.
- Implement the farmer field school, according to cropping calendar.
- Finalize the blueberry grants in support of commercial expansion.

1.2 VEGETABLES

1.2.1 LETTUCE

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 200 stakeholders within lettuce value chain trained;**

Implementation of this activity will start early in Q3

- **At least 2 million seeds sold by input suppliers to farmers with a value of 50,000 Euros (\$64,000);**

150,000 lettuce seeds were sold by the input supplier “Jonathan,” based in Gjakova, during Q1 to 12 farmers engaged in the promotion of new lettuce varieties. The majority of the sold seeds included new varieties promoted by the project, which indicates their acceptance by farmers and the market alike.

- **13 hectares of lettuce will be planted through direct linkages between farmers and input suppliers;**

Two hectares of late-season lettuce were planted in Q1 through direct linkages between farmers and input suppliers. From the planted area, 280,000 lettuce heads and 671 kilograms of baby lettuce were produced and sold in the local market.

- **At least 100,000 Euros (\$128,000) in sales will be generated through improved linkages;**

The program facilitated several market linkages (sales contracts) for the only lettuce processing company in the country, Agro Serra, introducing it to the “Swiss Diamond” luxury hotel; the retail chain supermarket “City Hipermarket;” and several restaurants, including Pjata, Basilico, Puro, Home, and, once again, Roni (which had ceased and then resumed purchases). These introductions resulted in regular daily/weekly orders. Unfortunately, lettuce production during winter months is limited and by the end of December, Agro Serra interrupted supplying some of its biggest buyers. Agro Serra has developed a small supply window from Albania that is able to partly meet its winter requirements.

The total sales for newly recruited clients for the months of November and December were worth 1,246 Euros. 18 new clients were recruited during Q1, with the program facilitating 33% of these new contracts, which resulted in 76% of the company’s new sales. (Total list of new clients: Vila Germia, Hotel Swiss Diamond, Interex, City Hipermarket 2., Guru, Rroni, Symphonia, Fransco, Pjata, Basilico, Metropol, Afa, Konaku, Collection, Puro, A&A, TeBuci).

- **At least 50 actors in value chain will be involved in these activities;**

12 lettuce producers as direct beneficiaries and 5 new interested lettuce producers identified in Q1 were involved in lettuce production. Planting activities will be intensified from early spring (Q3), involving more actors in the value chain.

- **Contract out growing, involving at least 10 farmers for lettuce production, by packaging center;**

The lettuce post-harvest line (packaging center) established at Agro Serra in Mitrovica started functioning on Oct. 15, 2012. Markets for newly promoted lettuce varieties were identified and demand for output is steadily increasing. AgroSerra has begun to work with interested farmers to develop contract production opportunities and currently has 5 growers interested in Spring plantings.

- **At least two promotion days and two B2B events organized, emphasizing different types of lettuce;**

During Q1, two promotional events were organized: a) Processed lettuce plant grand opening event and b) Lettuce tasting and promotion event.

The lettuce tasting and promotional event was organized Oct. 17 at the Emerald Restaurant with a focus on promoting the following new lettuce varieties: iceberg, romaine, baby leaf, rucola and salanova.

The aim of the activity was to:

- Promote/taste new lettuce varieties;
- Create linkages between leading restaurants/hotels and farmers; and
- Improve labeling and packing of local lettuce.

Representatives from Kosovo’s largest hotels and restaurants participated at the event. Emerald’s chef prepared 12 different recipes using the above-mentioned varieties and the audience invited to taste them. Several linkages between the restaurant owners and farmers were created.

Before the event, the program worked closely with the leading farmers on improved branding and packing. Also instructions pertaining to packing were given, thereby enabling excellent product display during the promotional event. Another agro project, Riinvest HPK, contributed to the activity by financing the labeling and branding costs (assigning a dedicated designer for this purpose).



Hotel Emerald – Successful lettuce promotion day

As part of the program’s follow-up regarding sales, Agro Serra was introduced to seven new markets/clients, resulting in on-going actual sales (daily/weekly orders).

- **At least 2,000 kilograms of lettuce will be sold to Albania as trial export.**

Trial export of bagged lettuce to Albania is planned in Q3.

CHALLENGES

- One particular limitation regarding processed lettuce is the limited quantity of fresh lettuce that can be produced during winter months. For example, supply to the biggest buyers (Swiss Diamond, Emerald, etc.) was interrupted until a new crop is available in early spring. These limitations are preventing Agro Serra from reaching bigger potential buyers such as the Viva Fresh supermarket chain, and other hotels and restaurants. This is likely to be offset in the future as the firm explores supply options from lower altitude areas in Albania during the peak winter period where greenhouse production and some open field production is possible.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Continue to develop new planting options and growers for contract production to meet Agro Serra's demand.
- Work with suppliers in north Mitrovica to enter contracts for supply of lettuce out of newly established greenhouses.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 5 million lettuce heads produced and sold (30 hectares – a six-fold increase over 2012)**

Both the area under cultivation and overall lettuce head production will grow from Q2 as the peak season of production gets underway. 280,000 lettuce heads were produced in Q1; demand is increasing. Seedling production is scheduled for early in Q2 for spring plantings.

- **At least 5,000 kilograms of baby leaf lettuce produced**

671 kilograms of baby leaf lettuce were produced and sold in Q1.

- **At least 20 existing farmers encouraged to increase their surface area of production**

The production of lettuce, when compared with the same period of last year, grew by 15%, which indicates that farmers have already started to increase their area under lettuce production.

- **At least 100 new jobs created**

The job creation as a result of increased lettuce production will be evaluated and calculated in Q2 as new production comes on line.

- **At least four graduated agronomists will be trained to update their knowledge on lettuce production**

The training of graduated agronomists in order to update their knowledge of lettuce production will be initiated in Q2. The training will be conducted by local STTA, who will be engaged to provide technical advice to lettuce producers.

- **At least 60 lettuce producers will be trained regarding food safety and quality standards (IPM and GlobalGAP)**

The training for GlobalGAP and IPM for lettuce producers and other stakeholders within the lettuce value chain will be organized in March 2013.

- **2 planting machines and 1 harvesting machine will be fabricated/adapted locally;**

Two planting machines and one harvesting machine will be fabricated/adapted locally by the end of Q2. There is strong interest in this output as a result of the visit to Holland by lettuce growers during 2012. Interested growers have identified the basic type of equipment that needs to be modified; experts will begin to make modifications to the equipment early in Q2.

- **At least two new ice-making machines co-financed;**

Co-financing of two ice machines for improving the shelf life of harvested lettuce will be implemented in Q3 to coincide with the peak season of lettuce production.

- **At least three farmer groups will be trained on basics of GlobalGAP.**

The GlobalGAP training is planned for Q2. NOA's technical staff has begun to identify potential producers who are in a position to meet the stringent requirements.

- **At least 30 farmers will continue implementing IPM standards.**

The IPM standards were introduced and implemented during FY2. The farmers will continue implementation of IPM standards from early spring Q2.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Finalize GlobalGAP farmer selection
- Follow up IPM adoption and needs for modification, if any
- Finalize importation of the ice-making machines and ensure they are installed to the maximum advantage of the grower/collection centers that will benefit from the top-icing of head lettuce
- Provide technical support to growers interested in producing simple planting equipment.
- Continue to promote expanded production through increased area

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

Increased marketability of lettuce and research of export possibilities

BENCHMARKS

- **Mitrovica lettuce center will begin to implement at least 1 food hygiene standard;**

The hygiene standards employed at Agro Serra will be assessed and evaluated in Q2, identifying which standards the company has to fulfill in order to ensure implementation of hygiene standards.

- **At least 4 different bagged types of lettuce packed by Agro Serra will be promoted;**

As already reported above, the program was engaged in the direct promotion of Agro Serra's bagged lettuce to 7 new top clients (hotels, restaurants and supermarkets, as mentioned above) resulting in 7 new sales contracts. Among the most popular varieties are: baby leaf, spring mix, baby spinach and rucola (rocket).

- **At least 6 lettuce producers will have their brand and logos in the market;**

During the lettuce promotional event held in October, the program supported 6 lettuce producers in developing their own labeling and branding: Agro Serra, Moni, ShalaProdukt, AgroFresh, ART-Agro-NPD and Basilikum. Except Agro Serra, none used a logo or label previously. The program supported Agro Serra in changing its previous logo as it resembled a well-known brand in Holland.

- **At least 8 new lettuce varieties will be promoted to consumers.**

The presence of NOA-promoted varieties, including rucola, iceberg, romaine, baby spinach, baby leaf, easy leaf, and salad mix (carrot, white and red cabbage) can be found at local retail stores, supermarket chains and hotels and restaurants. These include Albi and City Park supermarkets and the Emerald, Swiss Diamond, Roni, Basilico, Pjata, Puro and Rings restaurants.

The consumer reaction to baby leaf/easy leaf, baby spinach and rucola is excellent. Supermarkets reported an increasing number of consumers for such products.



A new product on the Kosovo market – cleaned and packed salads

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- NOA will continue to suggest approaches to new retail and wholesale outlets as the program’s principal client, Agro Serra, improves efficiencies and reliability of production. This effort will focus on new varieties introduced. These activities are planned for the end of Q2 when the new crop will be ready for harvest.

1.2.2 GHERKINS

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 2 roundtables held, with participation by all players in the value chain;**

To present the AWP 2013, all actors in the gherkin value chain were visited: processors, collection centers and several producers. Improved collaboration and dialogue was discussed. At the suggestion of participants, the first roundtable will be held in early March for the planning of joint activities involving all those concerned.

- **Sign supply contracts for at least 700 tons, worth roughly 234,375 Euros (\$300,000);**

The process of signing contracts between processors and CCs will start after the organization of bilateral meetings where processor plans for purchasing raw material in 2013 will be discussed and details of contract terms will be agreed. Subsequently, the CCs will sign contracts with producers, based on the former’s contracts with processors.

- **Sales of CCs will increase by at least 70%;**

After the successes seen during the 2012 production year in establishing a supply “system,” all parties involved in the gherkin VC have expressed an interest in increasing the quantities of gherkins produced and processed and to continue to use the collection center methodology to program and procure product.

- **At least 5 processors engage 10 interns as contract coordinators;**

As a result of meetings held with processors, grant applications for co-financing interns as contract coordinators were submitted by six processors – “Abi&Elif 19” from Prizren, “Ask Foods” from Gjilan, “Moea” from Gjilan, “Etlinger” from Shtime, “EuroFood” from Prizren and “Koral” from Pristina. The grant applications are in process of review. The interns will be placed to fill the needs of each of the firms for improving their capacity in the areas of food quality testing and monitoring, production process improvement and contract coordinators between the firms (aggregators) and the collection center suppliers.

- **Generate at least 50 new jobs by processors and CCs;**

Increasing quantities produced and processed is expected to lead to the generation of at least 50 jobs. No firms have reported increased employment during this winter quarter.

- **At least 1 new collection center established;**

Two existing gherkin collection centers, “EuroTac” in Mamusha and Agro Produkt in Mogilla, have submitted concept notes for improving their collection center infrastructure, including expansion of the area for grading (one CC) and purchase of boxes for transportation of gherkins (both CCs). Possibilities for establishing new collection centers will be explored.

- **At least 100 contracts signed between collection centers and processors, and collection centers and producers;**

As a result of the bilateral visits/meetings and roundtables conducted in 2012, contracts between collection centers and processors and, subsequently, between collection centers and producers will be signed. In all, at least 100 contracts should be signed. NOA has redesigned the contract draft, simplifying the contracts so they may be easily understood by all parties.

- **At least 1 study tour for at least 20 participants organized.**

The study tour will be planned during Q2 to highlight the opportunities that a functioning collection center may enjoy.

CHALLENGES

- Both the production and processing of gherkins has been improved and links between processors and CCs/producers have been improved; however, the main challenge remains expansion of the number of collection centers and number of producers in different regions across Kosovo.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Facilitation of the bilateral meetings/visits between collection centers and processors, especially once their contract coordinators are in place.
- The first roundtable involving sector participants to be held during March
- Facilitation of meetings for signing contracts between collection centers and processors.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

Increase market share and explore export markets

BENCHMARKS

- **At least 2 study tour visits to processors in Macedonia and Albania;**

Visits to the region will be organized in May and June to seek additional market opportunities for the crop, with a focus on trial shipments.

- **At least 2 regional buyer visits to individual processors in Kosovo (dedicated B2B visits);**

Visits are designed for individual processors according to their needs. The processor “Abi&Elif 19” has requested support to visit processors, collection centers and supermarkets in Bulgaria. A Bulgarian consultant, Emil Darev, has been contacted to organize said visits. After initial contact to actors in Bulgaria, he has suggested organizing the tour during Q2; the program has begun prepare for this event. Since this will be a dedicated market visit, NOA technical and ABI staff will attend.

- **Participation in at least 2 regional fairs for at least 20 participants;**

The agricultural fair in Novi Sad, Serbia, held during May, will be visited as one of the largest regional fairs. Participants will include processors and larger producers. This will enable them to see the trends in processing taking place in the region.

- **At least 2 new contracts concluded for regional supply;**

Study tours in the region to actors within the sector and to fairs will be used to explore the possibilities for signing supply contracts. NOA technical staff is working with processors to encourage them to expand their contracting into the region. Regular one-on-one meetings have been held with client processors to further expand their marketing options.

- **At least 20 women farmers plant 5 hectares with gherkins; and**

Women groups in different regions of Kosovo have been contacted to explore their interest in gherkin production. Women who were involved in last year's gherkin program will be included again this year to contribute to further development of their capacities. In addition, NOA hopes that their participation will encourage additional interest from women farmers. A video highlighting women in agriculture, specifically gherkins, was finalized this quarter and will be used to encourage others to enter the business.

- **At least 1 new minority area begins contracting supply to processors.**

Minorities in different regions of Kosovo have been contacted to explore the possibility of identifying producers with potential for gherkin production. Contract and programming results are expected early in Q2. Specific interest has been felt from the new minority municipalities between Gjilan and Ferizaj. Municipal management has expressed its support.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Study tour for Abi & Elif 19 to Bulgaria to develop market contract for the new season.
- Co-financing of inputs, seeds and plastic nets, for producers, processors and CCs to encourage continued commercial adoption of improved practices.
- Identification of women and minority groups for establishing new demonstration fields for gherkins.

OBJECTIVE 3: FOOD AND QUALITY SAFETY IMPROVED

Through increased processor knowledge of food technology

BENCHMARKS

- **At least 30 interns engaged by 5 processors as agronomists, food technologists and laboratory personnel;**

Grant applications for co-financing interns as food technologists and lab technicians were submitted by six processors – “Abi&Elif 19” from Prizren, “Ask Foods” from Gjilan, “Moea” from Gjilan, “Etlinger” from Shtime, “EuroFood” from Prizren and “Koral” from Pristina. The grant applications are in process of review. Interns are expected to be placed during Q2.

- **At least 5 training sessions for food technologists and laboratory interns provided.**

Trainings will be held as soon as interns are hired.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Approval of grant for hiring interns.

- Training of interns.

1.2.3 ASPARAGUS

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

BENCHMARKS

- **At least 3 supermarkets/hotels/restaurants will be linked with producers of asparagus;**

The first harvesting of asparagus from 3.5 hectares of fields established last year represents a short season (one week) with not more than 1 metric ton of harvest. Full-scale commercial harvesting will occur in year three, or 2014. The small-scale harvest of asparagus in May and June 2013 will be used to promote this new crop in Kosovo and facilitate linkages with at least three supermarkets and restaurants. The activity will be implemented in Q3.

- **At least one B2B event will be organized for the identification of new marketing channels;**

B2B event will be organized in Q3, which corresponds with the harvest.

- **At least one promotion day will be organized drawing 100 participants;**

The promotion day is proposed for generation of market interest in harvested asparagus and to promote expansion of the area of asparagus thus far established (7 hectares). The event will be organized in Q3 at the time of harvest. NOA technical staff continues to monitor established fields to ensure that the anticipated first semi-commercial harvests are encouraging.

- **At least 500 asparagus promotion leaflets will be printed.**

Preparation and printing of 500 asparagus leaflets is linked with promotion day. The leaflets will be printed at the beginning of Q3.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- **At least two asparagus producers will be identified and will establish 7 new hectares of asparagus.**

All administrative procedures for the identification and selection of new growers will be finalized in Q2 before starting the planting season.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 15 asparagus producers will be trained on managing transplanted asparagus;**

Six existing asparagus growers and those newly interested will be trained on managing asparagus plots. The training will be conducted by international STTA and is scheduled for Q3. During Q1, NOA staff supervised each grower to ensure that the planted rows were adequately ridged to protect them from winter conditions.

- **At least 2 new asparagus producers will be identified to establish new areas with asparagus;**

The activity is planned for Q2

- **At least 7 hectares new asparagus plantings will be established;**

The crown production for establishing 7 hectares of asparagus was contracted in July 2012. The two nurseries contracted have performed well. Produced crowns will be ready for transplanting in Q3. October marks the first frost in Kosovo and NOA staff ensured that the crown production areas totally 900 square meters in extent were adequately covered with insulation materials to guarantee effective overwintering. New potential growers will be identified and selected during Q2. The success of commercial crown production, however, is a firm foundation for the industry going forward.

- **At least 10 new jobs will be created;**

Land preparation, transplanting, drip irrigation establishment and managing of asparagus plots will create new job opportunity for at least 10 youth. The activities on establishing new asparagus plots will start on Q3.

- **At least 4 agronomists will be trained on growing technology and plant protection (IPM implementation).**

Four agronomists interested in updating their knowledge of asparagus growing technology will be trained during the international STTA mission in Kosovo as well as through local STTA engaged for managing asparagus established plots. The activity will start in Q3.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Engagement of local STTA for managing established and new asparagus plots.
- Identification and selection of agronomists interested in updating their knowledge of the asparagus crop.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **At least 10 producers will be trained on post-harvest and food safety; and**

The training of asparagus producers on post-harvest activities will be organized at the farm level. It will use the lettuce post-harvest line established in Mitrovica to exemplify the requirements of asparagus post-harvest handling. The training will be conducted by John Cassaza, an international STTA engaged for asparagus production. The activity will be implemented in Q3.

- **At least 3 asparagus producers will be supported in packaging and labelling of asparagus.**

The support to packaging and labeling of asparagus will be provided to at least three producers in Q3.

1.2.4 AGRICULTURE: MEDICINAL AND AROMATIC PLANTS (MAP) INCLUDING SAFFRON

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED TO MARKETS

BENCHMARKS

- **Value of sales contracts increased by at least 500,000 Euros (\$640,000) from cultivated MAP;**

The cultivated MAP area is increasing significantly, with the largest part of this increase seen in chamomile. Contract production is increasing as a result of market demand. These new contracts are expected to achieve the sales projected under this benchmark.



Lemon balm seedling planting.



Seeding and pressing of chamomile in Istog.

- **At least 15,000 Euros (\$19,200) saffron sales through the MAP marketing channels achieved;**

Sales are ongoing, with local market sales increasing. No international sales confirmed to date, but NOA has engaged an international marketing consultant specializing in this product to seek opportunities to open up international niche markets. Peter Furth, an international market expert, has been engaged to identify, if possible, any niche markets for Kosovo saffron in the U.S. and Europe. As of the end of Q1, Furth was working on the documentation required for export to the U.S. and the opportunities to augment the results obtained from previous analyses of quality.

- **At least 2 new contracts signed for EU export of various MAP products;**

No new contracts have been signed thus far, but improved linkages between Agro ProduktSyne (APS), which is NOA's leading client engage in cultivated production, and two new international companies, 'HerbaCut' and 'Phytomed,' reveal strong interest in adding Kosovo to their supply lists. Samples have been delivered and the firms indicate strong demand. Attendance at the Biofach fair in Nuremberg, Germany, early in Q2 will support this benchmark by exposing APS to additional buyers.

- **At least 3 exporters participate in the 'BioFach' fair;**

Preparations are underway for fair attendance, with cultivated MAPs as well as saffron to be represented. The intention is to accompany APS' managing director in order to provide technical support in marketing discussions, attend the ICOC conference on resource management, which will be attended by international and European delegates and potentially provide critical exposure for Kosovo cultivated MAPs, and to support the attendance of a senior saffron producer who will represent the saffron association in seeking market opportunities.

- **At least two EU buyers conduct inbound visits to cultivated MAP producers**

Only one EU buyer conducted an inbound visit to APS during this last quarter. An Italian processing company, Specchiasol, sent its sales manager to visit APS. There, the manager took samples of cultivated chamomile, marshmallow and menthe. Indications are strong that there will be increased demand from Italy.

- **At least 1 new market contact generated for Kosovo saffron**

As of December 2012, NOA was able to identify new markets for Kosovo saffron. Four new market linkages were created (even though sales still represent only symbolic amounts: total sales for month of December were 63 grams). The four include:

- a) A retail shop (Bio Natural, a Pristina shop with a focus on medical aromatic plants), purchased 12 grams;

- b) A retail supermarket (Treguiriigjelbert, known for stocking fresh produce and small amounts of product);
- c) The Swiss Diamond hotel purchased 14 grams; and
- d) Several other individual buyers collectively purchased 37 grams.

NOA facilitated several B2B meetings between the farmers and local hotels and restaurants. Local bulk consumers of saffron buy traditionally low-quality powdered saffron at 3 to 5 Euros per gram, while Kosovo farmers intend to market their high-quality thread saffron at 8 to 10 Euros per gram. This situation needs to change in order to stimulate increased local demand for local product. Farmers will need to modify their expectations and local volume consumers will have to be persuaded that better quality saffron is better for their business. Swiss Diamond however did buy 14 grams of local saffron at 7 Euros per gram, despite having imported saffron in stock, for a promotional event organized on Dec. 19.

- **At least 2 farmer field days held with potential saffron growers from high-altitude target areas;**

No activity this quarter

- **At least 20 new farmers from high-altitude areas agree to adopt saffron production in the new season.**

This is a challenging benchmark – high-altitude production represents a good opportunity for the crop and could provide good income opportunities, especially for women, in Dragash, for example. NOA is continuing to seek partnerships with NGOs and projects interested in active promotion of microscale production in these high-altitude areas. Discussions have been held with Caritas, through its head of mission to Kosovo, KreshnikBasha. Caritas is active in remote communities and has expressed interest in working with NOA in promoting the interests of micro growers in target areas.

ADDITIONAL ACHIEVEMENTS

Saffron

- Due to the fact that saffron farmers were able to harvest around 5 kilograms of saffron in 2012, NOA organized a saffron marketing and promotional activity as an additional activity. Below are the summarized achievements:
- Branding and labeling for seven farmers designed, including product brochure (ANG, ALB);



Kosovo saffron packed and presented to the market at the Swiss Diamond promotion event

- Sample packing solution for promotional event and packing for 2012 saffron harvesting;

- A saffron tasting and promotional event organized: around 70 participants (hotels, restaurants, supermarkets, cooking shows, governmental/non-governmental institutions and other potential individual buyers). Excellent media coverage prompted interest in local saffron. In all, several recipes (all with local saffron) were prepared and tasted;



Local saffron promotional event – the head chef of the Swiss Diamond Hotel presents his creations.

- More than one local new market identified: a supermarket (Tregu i ri i gjelbert), a retail shop (Bio Natural), Kosovo’s largest and most luxurious hotel (Swiss Diamond), and several individuals (locals, expats, cooking shows);
- First sales of saffron on the local market; during the event alone, 55 gram were sold (at €8 /gram);
- 8 more grams were sold following the event (to the Bio Natural shop). Total sales in December 2012 were €504 or 63 grams;
- A documentary about Kosovo saffron production was produced. It was highlighted at the saffron launch at the Hotel Swiss Diamond and is available on the NOA web site (see: <http://noakos.com/component/content/article.html?id=190>).
- Saffron quality analyses were carried by the Kosovo Institute of Agriculture and indicate that all growers have first-class quality product.
- A local cooking show (“Linda’s Food”) further promoted local saffron on its special New Year’s Eve broadcast. The show’s theme was cooking with saffron from Kosovo.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Increase support activities to reach the sales contract goal of €500,000 from cultivated MAP. This will involve highlighting to the trade the maintenance of quality production of newly cultivated areas, with the support of NOA remaining a critical element.
- Use the MAP sales channels and contacts to increase the sales of the current annual harvest of 5 kilograms of saffron. By using an international consultant, attendance at BioFach and continuing to promote internal sales, it is hoped that sales volumes of first-class saffron will pick up.

OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 4 regions identified for cultivation of MAP;**

To date, the following municipalities all have potential for producing MAP products: Istog, Vushtrri and Lipjan. Other small cultivation opportunities have been identified in Raushiq, Novoberdo/Keqekolle village and Shterpce. All above-mentioned cultivation points show potential to become large producers of MAPs.



Farmers involved in herb seedling planting

- **At least 25 hectares of herbs cultivated, involving at least 20 farmer/producers;**

Approximately 50 hectares of cultivated herbs have been established to date. The areas established during Q1 are highlighted in the table below:

Crop	Area Established (hectares)	Municipality/location
Chamomile	38	Istog (3 locations)
Chamomile	2.8	Lipjan and Raishiq
Marshmallow	3.0	Vushtrri
Melissa	1.5	Istog
Oregano/Sage/Thyme	5.0	Istog and Lipjan

- **At least 1 new herb dryer established in the production regions;**

This activity is still ongoing. Discussions have been held with two local suppliers of dryers in order to determine their capacity to supply the necessary equipment for this crop. This will be critical as the chamomile plants come to harvest in May 2013.



Well-established young chamomile plants

- **At least 1 new herb (chamomile) harvesting machine in place;**

No commitments have been made this quarter. It is likely that the equipment will be procured during Q2. During Q1, NOA technical staff visited two Kosovo firms that are active in the heating industry and are able to produce this type of equipment. An RFA for procurement will be published during Q2.

- **Production guide established for at least 3 cultivated MAP products.**

Production guidelines have been prepared and ready for future use and training. This can also be used in the potential introduction of new practices to interested farmers. Already in preparation are production guides for chamomile, mint and marshmallow.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Increase the planting potential and farmer numbers in four major growing regions and finalize the herb crop potential of cultivation of other small areas visited so far.
- Finalize the efforts on identification of a local manufacturer able to supply quality drying units for herbs.
- Continue to finalize the efforts to provide a chamomile harvester in time.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **At least 20 growers begin the process of organic certification.**

Not achieved this quarter, but NOA will work with the new entrants in MAP cultivation to further the introduction of organic certification. The requirements for organic certification of these crops have been formalized and will be presented to growers during the spring planting period.

- **'GlobalGAP' standard initiated with at least 2 cultivators of MAP.**

NOA made a first introduction of GlobalGAP standards to two cultivators who have shown an interest and willingness to implement such a standard. The interested cultivators are APS, with its own production, and a new cultivator in Istog who has established 10 hectares of production.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Together with the HACCP coordinator prepare GlobalG.A.P. implementation plan for interested cultivators.

1.2.5 FIELD VEGETABLES

OBJECTIVE 1: FARMERS AND PRODUCTS LINKED WITH MARKETS

Facilitate the development of linkages between sector stakeholders

BENCHMARKS

- **Create at least 4 linkages between producers, collection centers and processors;**

The NOA-programmed vegetable cultivation plan was successfully launched and promoted to 263 commercial farmers and cooperative members of Krusha e Madhe agriculture cooperative collection center (CC); Agrocelina, Xerxe CC; Kelmendi GmbH CC; Ask Foods CC; Rizona CC; and Fruti, Podujeva CC. These meetings were held at multiples venues during this quarter. The farmers in general agreed to enter into programmed cultivation for the following collection centers, which will supply processors: Koral Pristine; ABI Prizren; Ask Food Gjilan; AnanasImpexPodujeva. The templates for contracts have been prepared and are ready to be negotiated between farmers-collection

centers-processors during Q2. The programed cultivation promotions were attended also by 16 Serb minorities from Mogilla and Klllokot, as well as four women farmers from Podujeva.



NOA promotion of programed vegetable cultivation for Kelmendi GmbH in Zahaq, Peja drew 67 farmers.

- **Facilitate at least 2 linkages between Kosovo and regional/EU processors;**

Ask Foods has been linked with the Adelina trading company in Sweden and exported 80 metric tons of processed vegetables during this quarter. It represents a small quantity but an excellent opportunity to develop a longer-term relationship with higher volumes and values in the future.

After attending an Istanbul agribusiness forum, NOA met in Izmir, Turkey, with the Koroglu vegetable processing company. Koral and Koroglu agreed to an inbound visit to Kosovo in February 2013 to explore further cooperation.

Rizona was linked with Kelmendi GmbH to export 40 metric tons of pickled somborka peppers for the German market, as well as 12 metric tons of “kebab” peppers. This marks the first time that the “kebab” pepper variety has been planted in Kosovo. This variety was introduced through KPEP during 2012. With NOA facilitation, the 22 metric tons of harvested peppers were delivered to Ask Foods (10 tons) and Rizona (12 tons). Rizona and Kelmendi GmbH agreed on shipping these 12 tons of pickled peppers to the German market, where they would be sold as a promotional product from Kosovo under the private label of Kelmendi GmbH. Depending on the market response of German consumers, Rizona will begin programming this product for production during 2013. Successful production of this product will potentially open up the significant wholesale market in the UK during the coming harvest season.

- **Facilitate establishment of the Kosovo Association of Vegetable Processors;**

No activity; to be established in Q2.

- **Facilitate export of at least 5,000 metric tons of fresh vegetables (peppers and cabbage);**

No activity; to be achieved in Q4.

- **Generate at least 1.5 million Euros (\$1.92 million) in export revenues;**

To be achieved in Q4.

- **Generate at least 1.5 million Euros (\$1.92 million) in processor revenues;**

To be achieved in Q3-4.

- **At least 4,000 metric tons of field vegetables delivered to processors;**

No activity; to be achieved in Q4.

- **Export/processor demand study completed.**

No activity; to be completed in Q2.

ADDITIONAL ACHIEVEMENTS

- NOA sponsored various client farmer cooperatives in participating in the Agribusiness Fair in Tirana, Sept. 20-24, 2012, and the Pristina Agriculture Products Fair, Oct. 17-20, 2012. The clients included “Koperativa Krusha”- a woman-managed cooperative, Rizona, Bio Pak and Krusha e Madhe Agriculture cooperative.
- Rizona was linked to the Pernio Kebab Pizza restaurant chain in Finland to export “kebab” peppers. A visit to Finland by Rizona’s manager to finalize the agreement is set for March 2013. NOA was involved in encouraging the firm to expand its marketing reach and to look outside Kosovo.
- NOA linked the Krusha e Madhe Agriculture Cooperative with the Istanbul Chamber of Commerce, which later agreed to sponsor a group of 10 farmers to conduct a study visit to Turkey. NOA technical staff used their connections with the Turkish chamber at a UNDP sponsored logistics conference held in Turkey.

CHALLENGES

- The creation of trust (contract guarantees) and contract fulfillment between farmers –CC- processors due to delivery, supply and payment issues.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Continue to promote programmed cultivation of fruits and vegetables to Serb minority municipalities (the villages of Shillovo, Pasjan, and Ranillug) in order to adequately supply Ask Foods in Gjilan.
- With farmers, complete contract signatures for programmed cultivation.

OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **At least 4 hectares of planted peppers use module seedlings, drip irrigation and soluble fertilizers for the production of “Somborka” and “Kurtoska” pepper varieties;**

No activity; to be achieved in Q4.

- **At least 10 hectares of *pepperoncini* (feferoni) under production;**

NOA organized a study trip to the Macedonian village of Morutino, the source of chili peppers exported to Kosovo. Farmers were introduced to the profitability of planting this variety for industrial processing purposes in Kosovo.

To date, five hectares of production have been secured by processor firm on contract from a single farmer in Podujevo.

- **Generate at least 250,000 Euros (\$320,000) in additional sales from new chili pepper production;**

No sales to date - benchmark to be achieved in Q4.

- **At least 50 new growers engage in chili pepper production;**

Farmers are in the process of self-selection and contracting with processors. NOA is working with farmers and processors to finalize full production programs and contracts. Planting program due for completion and contracting during Q2.

- **At least 30% of new growers will be women.**

Specific attention is being paid to the involvement of women farmers in all trainings and orientation activities. The whole NOA team has embraced the principle of gender mainstreaming and is actively working to bring increased attendance of women into all trainings.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Coordination with NOA's vegetable cultivation specialist to implement a new technology in the field cultivation of the "Kurtoska," and "Somborka" pepper varieties, as well as the dry processing of chilli peppers.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **At least 2 NOA processor clients begin the process of HACCP certification;**

Final selection and initiation of this activity due in Q2.

- **At least 4 processor firms receive dedicated STTA support.**

Consultants have been identified and will be tasked with specific assignment by companies during Q2. It is likely that NOA's farmer-to-farmer support will be targeted at providing this service during the work plan year.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Coordinate with NOA's postharvest/certification specialist to start with preparations for HACCP implementation for identified clients.

1.3 AGRICULTURE: LIVESTOCK SECTOR – DAIRY SUBSECTOR

1.3.1 LIVESTOCK INDUSTRY: DAIRY

OBJECTIVE 1: PRODUCTS AND FARMERS LINKED TO MARKETS

BENCHMARKS

- **At least 3 dairy companies will set up a private extension service**

Communication between dairy processors and dairy producers is essential for understanding the needs of the dairy market. During this quarter, NOA met with several dairy companies to discuss the channels through which dairy processors can swap information with their milk suppliers. The Bylmeti, Eurolona, Magic Ice and Ajka dairies have submitted grant applications requesting NOA support for engaging, on a cost-share basis, extension officers with dairy management backgrounds to work with milk suppliers in helping them to improve dairy farm management practices. It is expected that in the next quarter extension officers will be selected and will commence to work with dairy farmers.

- **At least 6 new jobs will be generated**

This benchmark remains dependent on setting up the dairy private extension service. It is expected that early in quarter two the first results will begin to accrue.

- **Extension booklet targeting feed management produced and disseminated through processors**

The president of the Kosovo Dairy Producers Association (KAMP), Milazim Berisha, seeks support to develop a booklet outlining different dairy feed rations and focusing mainly on feed ingredients easily and affordably available in Kosovo. KAMP has identified the consultant who will be engaged in developing the dairy-feeding booklet.

- **At least 10 dairy farmers trained through KAMP on Artificial Insemination (AI) techniques**

Legislation that previously allowed only veterinarians to artificially inseminate cattle has changed. With the new MAFRD provision, dairy farmers with more than 50 cattle may perform artificial insemination to meet their own herd requirements. In the next quarter, KAMP will engage an AI specialist to commence training of 10 dairy farmers in artificially inseminating their own herds. It is expected that reproduction efficiency will be improved if dairy farmers themselves are performing AI.

- **At least 10 embryo transplant heifers available through Eurolona**

After bringing dairy cows into heat by using prostaglandin hormone, they were implanted with 20 bovine embryos at the Eurolona dairy farm. The experiment was attended by 26 individuals from the University of Pristina agriculture and veterinary faculty, Tirana University veterinary faculty and various private veterinarians and dairy farmers. This marked the first bovine embryo transfer project implemented in Kosovo. It is expected that the first calves born from these transfers will be delivered in August. This activity was initiated under USAID's KPEP project.

- **Transparent Raw Milk Sampling (TRMS) system delivers quality data by SMS to producers**

MAFRD Minister Blerand Stavileci, USAID NOA COP Mark Wood, Swiss Solidar Project Manager Christoph Bauman, KDPA President Ramadan Memaj, KAMP President Milazim Berisha and KVFA Chief Valdet Gjinoçi officially signed an MOU to launch the transparent raw milk-sampling (TRMS) project for 2013. The MOU aims to foster a close partnership among the six above-mentioned partners in order to successfully implement the TRMS project. The coordinator of the TRMS project, Ramiz Ramadani, submitted the grant concept note requesting support from NOA to develop software for delivering the raw milk test results via SMS to dairy producers. The software development for delivering raw milk test results through SMS will take place in Q2. This will augment the system already established for the collection of raw milk samples, the analysis of these samples and the delivery of the results to dairy processors and producers.

- **Dairy product sales increase by at least €1 million over current levels**

The goal of the planned activities in the dairy subsector is to increase production of local dairy products and to increase the competitive position of the Kosovo dairy industry. All activities receiving NOA support are geared to increasing producer confidence, investment in improved production practice and herd health and improving the quality of the raw milk supplied to dairies. Performance against this benchmark will be measured during Q4, although early data show that Q1 sales have markedly increased when compared to the same quarter a year earlier.

ADDITIONAL ACHIEVEMENTS

- At the request of the president of the Korenica widows' association, Hatixhe Binaku, NOA assisted in drafting and submitting a request to MAFRD seeking financial support to purchase a second hand lacto freezer to enable the uninterrupted collection of raw milk produced by the 40 women dairy farmers from Korenica village. MAFRD responded positively and provided the funds to purchase the second hand lacto freezer.

CHALLENGES

- The transparent raw milk sampling project did not start as soon as expected after more stakeholders requested to be involved. In an effort to resolve this issue, NOA drafted an MOU later signed by all stakeholders.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Hiring six extension officers to work with the suppliers of milk to four dairies to provide necessary commercial private sector extension resources.
- Commencing the dissemination of the dairy feeding ration booklet in order to enable extension providers to improve management of feed and feeding.
- Monitor the development of the embryos in the surrogate dairy cows and ensure that the economics of the embryo program are well documented.
- Develop the SMS data transfer software system to alert dairy farmers about raw milk quality.

OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

BENCHMARKS

- **Fruit yogurt and Gouda cheese with seasoning introduced in the market by two targeted firms**

As a result of the dairy technology cheese production training program that took place at the University of Wisconsin under USAID's KPEP program, the Rugova dairy has already produced its first batches of Gouda cheese seasoned with red pepper and garlic. The Sharri dairy will also commence production of seasoned Gouda cheese in Q3. Market response will be measured over the ensuing quarters.

- **At least 3 individuals trained by means of dairy short courses**

Beyond training for developing fermented dairy products, the dairy short course training program scheduled to begin by the end of Q2 will also focus on raw milk handling procedures. This will include dairy plant cleaning, worker sanitation and disinfection of equipment rooms, all in accordance with Good Hygiene Practices (GHP). NOA will support this training through identified STTA assignments.

- **Schools campaign completed**

NOA anticipates performance against this benchmark to take place in quarter three. NOA will work with specific schools to promote awareness of local dairy products. NOA will use its own in-house expertise to carry out this campaign.

ADDITIONAL ACHIEVEMENTS

- The Community Development Fund (CDF) is providing small grants for rural businesses aiming to expand production and increase employment in rural areas. NOA is supporting the Sharri dairy plant to leverage funds from CDF for purchasing a cheese press and vacuum packing equipment. NOA has had a number of meetings with the World Bank's CDF team to discuss this opportunity. The value of the investment is approximately €14,000. Sharri seeks CDF support to match 50% of the cost of purchasing the dairy equipment. The equipment is needed to commence production of Gouda cheese with seasonings.

CHALLENGES

- The introduction of fruit yogurt by the Devolli Company is pending delivery of equipment to be purchased with EC rural grant scheme funding.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Assist the Sharri dairy plant to access funds from CDF for purchasing a cheese press and related vacuum packing equipment.
- Work with a regional consultant to organize the dairy short course training program.
- Draft SOW for organizing a school dairy campaign.

OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

BENCHMARKS

- **At least 2 dairy plants HACCP certified**

During this quarter, auditors from Veritas, the international HACCP certification company, audited the Euroлона dairy plant in advance of granting HACCP certification. After conducting a detailed inspection of plant documents and its premises, the auditors announced that Euroлона dairy is in full compliance with international HACCP standards and granted it HACCP certification. During this quarter, the Magic Ice dairy plant started work toward HACCP implementation. As a first step, Magic Ice established a HACCP team, consisting of five workers, and named a coordinator to lead the HACCP implementation process. NOA continues to provide technical support to Magic Ice in this regard.

ADDITIONAL ACHIEVEMENTS

- Based on the experiences other dairies have had in acquiring HACCP certification, NOA advised the Rona dairy plant of the initial steps needed in order to correctly implement HACCP standards in its plant.

CHALLENGES

- Magic Ice faces delays in implementing HACCP standards, as funding remains an issue.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Together with the HACCP coordinator, prepare a HACCP implementation plan for the Magic Ice dairy.

OBJECTIVE 4: INCREASED AFFORDABLE AND ACCESSIBLE CREDIT

BENCHMARKS

- **A dairy cow finance program developed together with commercial lending institutions**

Together with representatives of Banka Kombëtare Tregtare (BKT), NOA representatives visited the Vita dairy company to discuss developing a dairy cow finance program for Vita's milk suppliers. Dairy farmers seek better loan terms to increase their herd sizes. In order to reduce the bank's risk and to provide better loan terms, BKT bank representatives asked the Vita manager to transfer dairy farmers' monthly milk checks through their BKT bank accounts, in order to ensure that loan repayments are well serviced. Vita's manager confirmed that at each dairy farmer's request, Vita would transfer monthly milk checks through any commercial lending institution. Additionally, NOA discussed with the representatives of Raiffeisen bank the possibility of developing a similar program. NOA continues to work with the banks to develop the program.

ADDITIONAL ACHIEVEMENTS

- NOA drafted a SOW for engaging a local consultant to develop a dairy farm business plan that lays out the return on investment when increasing dairy herd size. The dairy farm business plan will be shared with commercial lending institutions to encourage their developing a favorable

dairy cow finance program. The consultant will pay close attention to the figures emanating from the recent study conducted for the economic analysis unit of MAFRD by STTA Leonetti.

CHALLENGES

- Despite extensive discussions with different commercial lending institutions, to both explain the progress that Kosovo's dairy industry has achieved and the need for financial support dairy farmers seek from banks in increasing herd sizes, unfortunately there has been no progress in establishing the dairy cow finance window, despite too the guarantees now in place,

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Develop and share the dairy farm business plan with commercial lending institutions.
- Continue discussions with other commercial banks to promote the development of the dairy cow finance program.

1.3.2 DAIRY SECTOR

OBJECTIVE 5: IMPROVED COORDINATION WITHIN THE AGRICULTURAL SECTOR

BENCHMARKS

- **Dairy association engages in at least one policy constraint with government**

On the request of the Kosovo Association of Milk Producers (KAMP) and Kosovo Dairy Processors Association (KDPA), the Ministry of Agriculture, Forestry and Rural Development (MAFRD) is planning to introduce this year a grant scheme program that provides financial support to eligible dairy farm enterprises for improving raw milk quality and increasing the raw milk supply. NOA developed the idea and helped the dairy associations draft a proposal for developing the grant scheme program. It also designed the grant award criteria and mechanisms for implementation, which then were used by MAFRD's livestock department to design measures for implementing the dairy grant scheme program. It is expected that the dairy grant scheme program will be launched in February 2013. The annual value of the program will be around 1.5 million Euros. In addition to this scheme, and after a series of consultations with dairy sector partners, NOA helped KDPA submit a request to MAFRD and the Ministry of Finance requesting the removal of VAT from raw milk. This modification will increase the level of formality in the dairy sector.

- **Backup instruments procured for KVFA**

No activity this quarter.

ADDITIONAL ACHIEVEMENTS

- At the request of the head of MAFRD's policy unit, together with representatives from the European Commission Liaison Office (ECLLO), MAFRD livestock department and representatives of the private livestock industry, NOA participated in the 2013 rural grant scheme working group. The group discussed investment eligibility criteria and applicant selection criteria for dairy and meat plants. According to Iva Stamenova, ECLLO representative, 5 million Euros have been allocated for the 2013 rural grant scheme program. The call for proposals has already been launched.

CHALLENGES

- The main challenge is to convince the Ministry of Finance to act swiftly in solving the VAT issue on raw milk.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Together with presidents of KAMP and KDPA, NOA will work with the Ministry of Finance in removing VAT on raw milk.
- Together with the director of the KFVA raw milk lab, NOA will prepare a justification paper for sourcing raw milk lab back-up instruments.

2.0 CROSS-CUTTING

2.1 IMPROVED COORDINATION

OBJECTIVE: IMPROVED COORDINATION WITHIN THE AGRICULTURAL SECTOR

BENCHMARKS

- **EAU places at least 5 enterprise cost-of-production models on MAFRD's web site.**

Discussions with MAFRD's economic analysis unit (EAU) this quarter indicate that it is willing to raise the profile of the data and the utility of the models produced as a result of NOA's technical assistance. Early in Q2, MAFRD will indicate how it aims to manage public access to these data, who will take the lead, who will update the web site and what sort of public utility is actually required. NOA has indicated its willingness to support the unit to ensure that maximum benefit is derived from the work conducted thus far. The STTA assignment designing the economic models was completed during this quarter and the final reports for both phases of the assignment is awaited early in Q2. Six economic models were developed during the assignments, which provided training to the EAU team as well as established a base for models of different types. Current models now include: Wheat, maize, alfalfa, wine grapes, apples and dairy.

- **At least 40 public sector extension workers trained with technical support from NOA.**

Capacity building trainings with extension agents are being organized based on a schedule designed by a NOA-supported consultant in full coordination with the advisory services of MAFRD. The schedule and topics were taken from the reports prepared by Swan and Janse.

The aim of this activity is to train the extension agents in 30 municipalities, to transfer the knowledge acquired during the trainings to farmers, all in order to make farmers more competent in their field of work and to keep them updated about current agriculture trends. Another important aspect of this training is the exchange of information during winter months and capacity building for agents, so they may provide better advice and services in the field during the following season. Through these trainings, NOA is building linkages with the advisors in the field who will be able to support NOA to reach its objectives for farmers from across Kosovo.

The first training was organized on Dec. 17, 2012, at the Lipjan Training Center. This was a training session for 25 extension agents of the Ministry of Agriculture, Forestry and Rural Development (MAFRD) provided by NOA's CoP and DCoP.

The main topics covered were:

- a) Methodology, or how to practically reach farmers in order to transfer knowledge, led by Mark Wood, NOA CoP.
- b) Accessing grants and grant information from NOA and other donors and business plan preparation, led by FatmirSelimi, NOA DCoP.

The second training was held Jan. 8-9, 2013, with 22 extension agents participating during the first day. The topic covered during this first training was vegetable seedling production, presented by NOA vegetable technical specialist IsmetBabaj. During the second day, 24 extension agents participated, learning about a) soil and plant sampling for analysis, and b) soil preservation and improvement of soil properties. These topics were presented by the following Kosovo Institute for Agriculture staff: BardhBegolli, IsmetKastrati and IsmajlCacaj, as well as by NOA intern BetimBresilla.

The third training was held Jan. 15-16, 2013, with 24 extension agents trained that first day on: a) vegetable production in open fields, presented by NOA vegetable technical specialist IsmetBabaj and b) vegetable production in greenhouses, presented by HajrullahCakaj, NOA intern.

During the second day, 24 extension agents participated. The topic was principles of vegetable crop nutrition and irrigation, presented by NOA vegetable technical specialist IsmetBabaj.

The program will continue with these classroom-based professional trainings through early March. Subsequent trainings for extension agents will continue throughout the planting season, either in the classroom or field.

It is important to note that trainees have been consistent in attendance, indicating that municipalities are taking seriously the opportunity to develop the capacity of their staff.

- **At least 3 MAFRD collection center grantees develop programmed production plans for 2014.**

NOA's COP participated as an observer during the Q1 determination of awards by MAFRD to collection center grantees. This involved field site visits to all applicants, detailed discussions of their vision for the sector and their businesses, as well as participating in discussions among section committee members. Awards were made public by the end of Q1, with Ask Foods (Gjilan), ETC (Xerxe) and Kelmendi (GmbH local partnership) (Peja) announced as awardees. Discussions regarding production plans are being held with all awardees for the 2013 production year. This will assist the firms in developing more fully articulated plans for the 2014 season later in the work plan year.

- **At least one new bank lending product developed and operational and placed under DCA**

The NOA team works with DCA banks – particularly TEB, BKT and Raiffeisen – to develop products appropriate to the needs of the NOA value chains. These discussions have centered around the development of a dairy cow finance model and a credit card system designed to support farmer/producer procurement of inputs from dealers with appropriate Point of Sales devices and registered and approved as reputable agri input suppliers.

- **At least one value chain has a crop insurance model available to it**

During Q1, NOA devised, working in conjunction with MAFRD, a scope of work to develop a road map for the implementation of effective crop insurance in Kosovo. A short-term consultant has been selected and will start work during Q2. It is hoped that at least one value chain will lend itself to crop insurance.

ADDITIONAL ACHIEVEMENTS

- There were several meetings as initially with Hysni Thaqi, director of the Extension Services Department, and Shaban Dreshaj, chief of the Extension Services Sector at MAFRD, in order to coordinate and craft the professional trainings with extension agents. In addition, there were several meetings with Mimoza Kozhani, coordinator of the Training Center in Lipjan, where all parties agreed upon training schedules and on locations. Finally, the NOA team, in full coordination with the Advisory Services Department at MAFRD and with the coordinator of the Training Center at Lipjan, crafted the actual trainings and agreed on trainers and topics to be covered.
- From mid-January until the mid of February, NOA, in cooperation with KPEP, will organize trainings in the north of Kosovo with Serbian farmers on the topics 'Safe Use of Pesticides' and 'Integrated Pest Management principles.'
- During this quarter, the final deliverable for the combined University of Tennessee and Dutch NAK advisory services technical assignment was completed outlining specific recommendations for the restructuring of the Kosovo Institute of Agriculture. This involved a detailed study developing needs assessment, service priorities and the costs estimates of such restructuring. These details have been submitted to MAFRD for its consideration.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- The follow-up trainings with extension agents from the Ministry of Agriculture, Forestry and Rural Development will continue into early March.
- One-on-one consultancy with the newly awarded collection center grantees to ensure their program plans fit with the production potential this season.
- Development of the EAU web site and public interface strategy.

2.2 IMPROVED ACCESS TO FINANCE

OBJECTIVE 1: ENCOURAGE FINANCING/INVESTMENT IN PROGRAM-TARGETED VALUE CHAINS

BENCHMARKS

- **At least 2 informative workshops with banks on sector investment/financial opportunities;**

A joint workshop with MAFRD is planned for Q2 regarding MAFRD 's2013 grants and subvention program. In addition, a dedicated workshop for commercial banks will be held. The Kosovo Chamber of Commerce has shown interest in leading this activity. Therefore NOA will play a supporting role in this effort.

- **At least 2 value chains have access to targeted financial products;**

Gherkins

The program organized a field visit with TEB regarding the gherkins value chain. The bank was impressed with the results achieved with respect to this crop (contracted sales between farmers-collectors-processors). As a result, TEB offered Mamusha farmers an 18% interest rate, for loans up to 5,000 Euros. while the weighted market average interest rate for a similar loan is 19% to 23%.

Dairy

NOA organized several meetings with BKT and one meeting with RBKO addressing the need to develop a dedicated financial product for financing growth in Kosovo's dairy cow herd, given the present lack of production capacity, despite the local price per liter of milk remaining the best in the region. NOA proposed a three-way model involving banks, processors/collectors and farmers, whereby processors would pay farmers through the latter's bank account and, should the farmer fail to pay the installment on a loan, the processor would commence paying the bank directly. This mechanism would provide additional security for banks and can facilitate lending to the sector. NOA organized a meeting with Vita (Kosovo's biggest milk processor) to determine if processors are willing to pay farmers through the bank and, in case of loan default, pay the bank directly. Farmers continue to express strong interest in this proposal. A positive confirmation was received from Vita too. However, BKT does not have an agro loan product and therefore was not able to proceed, while another lender, Raiffeisen, showed caution regarding this proposal due to some previous bad experiences. A meeting with Pro Credit Bank is planned for Q2.

- **At least 5 banks introduced to NOA-related value chain financing methodology**

Last year, NOA presented its program and overall horticulture developments in Kosovo to two banks, RBKO and PCB. All agro lending officers, as well as other managerial staff involved with risk assessment, participated. NOA plans to support similar workshops with other banks, in Q2 and Q3.

- **At least 2 access-to-finance training courses conducted specifically for women producers.**

The first access-to-finance training for woman is planned for February 2013 (MAFRD grants and subvention program for 2013).

ADDITIONAL ACHIEVEMENTS

- Banks are showing commitment to hire dedicated staff and structure their staff structure to fit their new strategic planning regarding the provision of support to the agricultural sector.
- TEB bank reported that a dedicated agro unit is already established under its SME department and that it expects rapid utilization of DCA funds. BKT, in partnership with a Turkish dairy supply company, offered interest-free loans to farmers to buy dairy farm equipment. BKT will advance credit to farmers up to the value of the equipment. The farmer pays back the principal, while the interest payments are covered by the supplier as part of a promotional activity.

CHALLENGES

- Interest rates remain high.
- Banks are still focused on other sectors that they perceive as less risky.
- Farmers have unrealistic expectations about lower interest rates compared to what the market is offering (especially after recent DCA agreement and press releases from MAFRD).

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Finalize the initiative regarding dairy financing product (dairy cow financing).
- Co-organize the workshop with banks and woman farmers on MAFRD grants and its subvention program for 2013.
- Identify any particular training that banks need regarding agro lending and the agro sector in general.
- Include banks in the NOA program's value-chain development and facilitate access to finance
- Work with international STTA to develop further the options for the establishment of a sustainable credit guarantee institution.

OBJECTIVE 2: DEVELOP NEW AGRO LENDING PRODUCTS TO FIT PROGRAM NEEDS

BENCHMARKS

- **At least one new agro-lending product introduced to the market;**

The NOA program has conducted a series of meetings with TEB regarding its Agro Credit Card. The topic of the last meeting was the possibility of including a new agro product/agro credit card to be covered under its existing DCA agreement. TEB has indicated that it will proceed with product development, which should take around six months to finalize. The product development will cost TEB approximately 20,000 Euros. The TEB agro card will enable farmers to purchase their inputs, tools and equipment at input dealers and pay on installment, with a grace period if needed. The new program will be implemented with agri-input dealers and other suppliers of inputs.

- **At least 10 input dealers involved in the program; and**

TEB is expecting the NOA program to support the identification of initial input dealers interested in this new product development (Agro Credit Card). Such engagement is expected to take place during Q2.

- **At least 100 producers access credit using the new product.**

NOA will recommend to TEB those producers who have entered reliable off-take agreements with processors.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Follow up on Agro Credit Card product development and support TEB on any request they might have about such product
- Start preparing list of leading/recommend input dealers

OBJECTIVE 3: INCREASE BANK LENDING EXPERTISE IN AGRO SECTOR

BENCHMARKS

- **At least 3 trainings on agro lending organized with participating banks; and**

Adequate trainings are to be identified with the help of banks entering new markets in agro lending. Discussions thus far with banks have highlighted their interest in understanding more fully the value chains with which NOA works and that are fully functional, from producer through to aggregator. In this way, banks will be able to mitigate risk more effectively.

- **Improve CBK/Commercial Bank Agro sector reporting.**

No activities this quarter under this benchmark. Discussions will be initiated during Q2.

2.3 GENDER EQUALITY

OBJECTIVES:

INCLUDE WOMAN FARMERS IN ALL PROGRAM ACTIVITIES

INCREASE WOMAN FARMERS' TECHNICAL KNOWLEDGE

BENCHMARKS

- **At least 25% woman participation in all program activities;**

As per last year's statistics, participation by women in NOA activities was 10%. As of Q1 for 2013, the percentage has more than doubled, to 27%, exceeding the set annual target of 25% participation.

Nevertheless, it is worth mentioning that this percentage is highly influenced by the recent "woman farmer of the year" activity supported by the NOA project, wherein out of a total of 212 participants, 189 were woman (89%). In addition, field trainings have not yet started. Looking ahead, NOA will continue to emphasize inclusion and empowerment of women through a range of project activities.

- **At least 10 woman lead farmers identified and supported;**

The program has already identified 8 woman lead farmers who directly benefitted from the program and will continue to receive its support. In the coming quarter, the number of woman lead farmers identified and supported will be increased. For each crop, the program will identify one or more women lead farmers.

Gherkins: Two very successful women lead farmers have already been identified and have benefitted by implementing new gherkin variety production and growing technologies. In both cases, they have proven their abilities as farmers, with excellent production yields and very specific implementation of

new growing technologies. The program is expected to use them as model farmers during the new season and use their farms as training venues for new women model farmers.

An additional 20 new woman farmers/minorities are to be identified in the coming quarter (for support in gherkin planting, linkages and contractual sales with local gherkins processors).

Lettuce: Two to three woman farmers are to be identified in the coming quarter, to be supported with contractual sales to the Agro Serra lettuce processing company.

Saffron: Among 6 growers there is one woman lead farmer already in place, who also happens to be a start-up business (in agriculture). She benefited by receiving saffron corms and technical assistance in growing processes. The program also facilitated new markets for the final product, in addition to offering branding and labeling support.

Strawberries: There are three woman lead farmers working with the program. The Program plans to continue supporting these women with sales and marketing activities similar to those offered last year.

Apples: One woman lead farmer has benefited from the program, receiving new apple varieties. There are plans for additional support to female apple growers/beneficiaries this year.

Raspberries: One woman lead farmer has been identified who will act as lead farmer during the year ahead.

Vegetables (Peppers): No female lead farmers have been identified in the open field value chains to date. Special attention will be paid during Q2.

MAP: A women's association working with MAP has been identified: "Shqiponjat e Dardanise" in Kishnice/Graanica. So far, the association works with wild-harvest production. However, its members are now interested in connecting with bigger processors that are exporting. These include Agro Product Syne in Istog. An initial meeting has been set up between the parties. The program will continue further facilitation to improved linkages with buyers and support new MAP cultivation.

KK Krusha, a women's processing organization, was supported by the project in attending a food fair in Tirana in September 2012. The organization sold out its processed goods, exceeding expectations. Tirana appears promising as a potentially new market for KK Krusha's products. NOA supported the minor cost of participating in the fair. NOA technical staff also accompanied the firm to provide marketing counseling.

- **At least 4 training activities dedicated to women farmers conducted;**

Two dedicated woman trainings are planned for Q2: One on access to finance and one on farm management.

Access to finance: The NOA program plans a workshop geared to informing women farmers about MAFRD's grants and subsidy programs for 2013. The program has already gathered information on several women's agriculture associations (mainly in horticulture and processing) with more than 50 woman farmer members to be contacted and involved. The training program concept is being well supported. NOA will engage an appropriate STTA to provide the training.

Farm Management: A local expert on farm management training shall be identified during Q2 (February). The farm management training is targeting women lead farmers specifically so that they are better able to transfer their abilities to others.

- **Day of Rural Women conference was organized;**

In light of honoring rural women in Kosovo with a first-ever special day, USAID in partnership with the Ministry of Agriculture, Forestry and Rural Development (MAFRD) and UNDP, celebrated the official "Day of Rural Women." The conference drew 212 participants and stakeholders, garnering widespread coverage by almost all local media. In order to emphasize the role of rural women in

enhancing agricultural and rural development, the conference also addressed the role of women in society, particularly in areas such as economic improvement and agricultural development. The conference also awarded two “Woman Farmer of the Year 2012” prizes, with UNDP support. One of the 5,000 Euro prizes went to a woman farmer in production, and the other to a woman farmer active in processing.



Minister of Agriculture presenting prizes for the best woman farmers of 2012

- **At least 3 documentaries produced highlighting successful women in agribusiness;**

One five-minute documentary was produced highlighting the program’s lead women farmers who grow and sell gherkins. The three women are NOA grantees who have pioneered the planting of gherkins, with excellent results. This should encourage other women farmers in their villages and association to follow in their footsteps.

ADDITIONAL ACHIEVEMENTS

- TEB has mentioned interest in developing a dedicated micro loan program to support woman startup businesses. Average loan amounts would be 2,000 to 3,000 Euros. The project was asked to identify fields of potential investment in agribusiness and agricultural production. It is still just an idea that needs further pursuit and development.

ACTIVITIES PLANNED FOR THE NEXT QUARTER

- Finalize the trainings for female lead farmers in grants, finance and farm management.
- Identify the group of woman lead farmers for gherkins, lettuce and pepper value chains.
- Finalize a compilation documentary highlighting women’s role as lead farmers to date.

3.0 PMP

Indicator		Unit Measure	FY3 Targets	Results For FY3Q1	Performance
IR1.1	Number of delivery contracts issued for targeted crops	Number	250	27	11%
IR1.2	Value sales resulting from linkages created between farmer, processors and traders as result of USG assistance	\$	\$2.5M	\$500,774	20%
IR1.3	Number of participants in study tours, B2B, market investigation and trade shows	Number	60	10	17%
IR2.2	Number of new technologies and/or management practices introduced as result of USG assistance	Number	15	1	7%
IR2.3	Number of individuals trained in agriculture productivity through USG assistance (FACTS)	Number	2000	312	16%
IR2.5	Number of firms receiving USG assistance to invest in improved technologies (FACTS)	Number	15	4	27%
IR4.1	Value of DCA lending to the agriculture	\$	-	-	-
IR4.3	Number of SMMEs and producers receiving USG (NOA project) assistance to access bank loans or private equity (FACTS)	Number	240	-	-
IR4.4	Value of grants issued for value chain operators of target crops and products, as result of USG assistance				
	NON IIF	\$	\$200K	-	-
	IIF	\$	\$1M	\$182,013	18%
IR4.5	Number of program customer receiving grants as result of USG assistance (including IIF)				
	NON IIF	Number	10	-	
	IIF		100	20	20%
IR5.3	Number of donor, GOK and agriculture sector roundtables or other events facilitated by NOA	Number	13	5	38%

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