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# KOSOVO NEW OPPORTUNITIES FOR AGRICULTURE PROGRAM FISCAL YEAR 2014 WORK PLAN

SEPTEMBER 2013

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Implemented by:  
Tetra Tech ARD  
159 Bank Street, Suite 300  
P.O. Box 1397  
Burlington, VT 05402

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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)

# INTRODUCTION

In January 2011, The United States Agency for International Development (USAID) awarded to Tetra Tech ARD the New Opportunities for Agriculture (NOA) program as a Cost-Plus-Fixed-Fee type task order, under the RAISE PLUS Indefinite Quantity Contract (IQC) Number: EDH-I-00-05-00006-00.

This document presents the implementation strategy and Fiscal Year 2014 Work Plan for the NOA project in Kosovo. This represents the final full fiscal year of operation of the project. (Year 5 consists of 5 months over the winter period 2014-2015).

## PROGRAM GOALS AND STRUCTURE

The overarching goal of the 49-month NOA project is to increase Kosovo’s agricultural output, exports and rural incomes. This goal supports USAID/Kosovo’s Economic Growth Strategy of promoting growth, creating jobs and generating exports. Specific objectives to be achieved under this task order are: 1) Products and farmers linked to markets; 2) Agricultural products diversified and increased; 3) Food quality and safety improved; 4) Increased affordable and accessible credit; and 5) Improved coordination within the agricultural sector.

## YEAR 4 STRATEGY

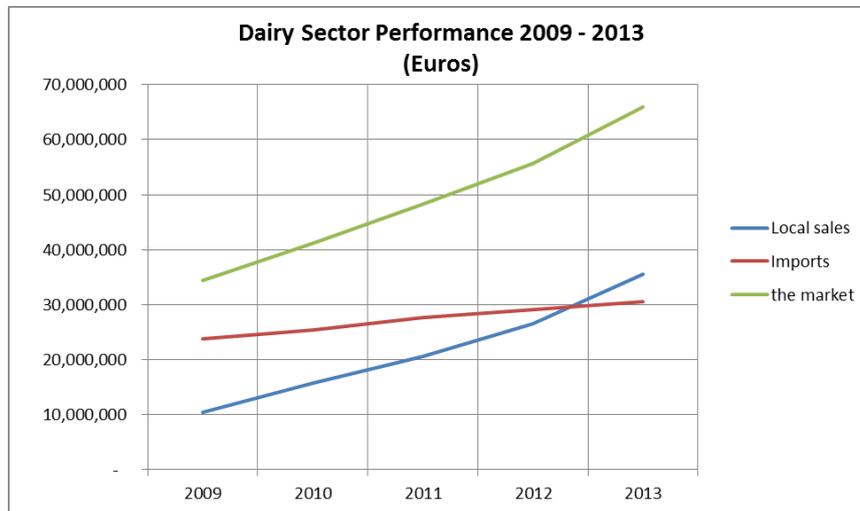
NOA has successfully introduced new opportunities in agricultural production and processing over the past three growing seasons. These new opportunities include the introduction of totally new crops, such as asparagus, high-bush blueberry, saffron and several new varieties of leaf and head lettuce. They also include the introduction of new technologies with a capacity to improve productivity, such as canopy and grafting management in table grapes, improved raspberry management and state-of-the-art trellising and fertigation (the application of fertilizer and other amendments with irrigation water) for gherkins.

Results achieved to date show strong performance in value chains with short product cycles – annual crops and dairy for example. The preliminary results of FY3 interventions are highlighted in the table below:

2013 PMP performance - Headline indicators				
	FY3 Targets	FY3 Actual	Original NOA VC	New VC
Total Sales (\$ mill)	10	40.73	10.02	30.71
Linkage sales (\$ mill)	2.5	3.2	2.95	0.25
Export sales value (\$ mill)	3.0	10.28	5.82	4.46
Domestic sales value (\$ mill)	7.0	30.45	4.20	26.26
FTE jobs (FTE)	1,500	2,040	1,285	755
Individuals Trained (#)	2,000	2,006	1,906	100
Contracts (#)	250	310	310	-

The above table disaggregates program performance by original NOA value chains and newly introduced value chains (during 2012, NOA introduced dairy, field vegetables and medicinal and aromatic plants). As can be noted from the above table, the dairy sector has shown some very robust performance in terms of domestic sales over FY3, significantly enhancing project performance with

respect to sales indicators. Domestic sales for the dairy sector have grown by 34% over the preceding year and for the first time, local sales exceed imports. Additionally, this performance is a good example of the opportunities for *import substitution* which remains a pillar of the NOA strategy.



Overall, NOA is exceeding sales targets with *stronger than anticipated export sales* as a highlight. (Exceeding target by 94%) However, when results emanating from *new value chains* are excluded, it is clear that domestic sales fall short of project targets by approximately 40%, and that FTE results are 15% less than targeted. These indicators give the project direction for the year ahead. We will continue to focus our efforts on job creation and raising sales volumes and values in order to bring domestic sales in line with FY4 targets.

The crops and technologies introduced by NOA constitute catalysts for real commercial expansion. Such internally generated expansion is fundamental to achieving the results targeted by the NOA program. Results from Year Three have shown that the introduction of new technologies (grape and apple management, for example) and varieties/cultivars (strawberry, raspberry and apple, for example) are capable of generating significantly improved yields and improved productivity. It is clear that along with the “hardware,” improved “software” also is required. Farmers are realizing that in order to achieve optimal results, in addition to planting material, pruning and harvesting techniques (“hardware”), improved management and attention to detail (“software”) also is required. Farmers who have managed to achieve this are showing excellent commercial results. The NOA program will continue during Year Four to emphasize farmer field day trainings and exchange visits in order to build confidence in making production investments.

These results go a long way in **enhancing confidence** in all aspects of the value chain, from production to marketing, an issue raised at the outset of Year Three. Processors have seen the benefits of forging relationships with commercial growers – the reliable quality, quantity and pricing that come from dealing with a farmer with the required commercial focus.

Having said this, much remains to be done in order to enhance farmer adoption of improvements promoted during Year Three. **Market “pull” must be reinforced.** More contracts need to be entered into among processors, consolidators and producers – contracts that mean more than a general intent. Farmers will continue to require technical advice, and the project will continue to promote both the private and the newly established public extension services. Processors require greater confidence in their products and market access. Increased attention will be paid to food safety and the food-safety training for processor staff, as well as the integration of advisory services within the value chain. New in this final full year of activity will be the operation of three new pack houses/collection centers, supported by the Government of Kosovo under a unique cost-share arrangement. NOA will pay significant attention to training and providing technical support to management in structuring

effective off-take agreements with farmers, as well as how to manage the flow of anticipated quantities of produce.

A significant strategic component of this year's work plan is that of **leveraging growth**. The rationale is simple – if the project has done a good job in highlighting the potential of new opportunities, then others should be interested in investing. The project will look to leverage funds from sources such as municipalities and other donors as well as private-sector actors. NOA will use its limited grant and activities funds to place “cost share” opportunities before those interested in expanding the area of land on which they are producing new NOA-supported crops and varieties. The reaction of potential cost-share providers late in project year 3 indicates, for example, significant initial interest in expanding soft-fruit production.

The **quality of human resources** available to many NOA-targeted firms is still lacking and we will continue to introduce young qualified graduates to the agribusiness workplace, in the hope that they will be absorbed to bring fresh energy and additional expertise to the firms, something that is critical to the success of the project. Additionally, we will continue to emphasize on-the-job training that, thus far, is proving essential to human-resource development.

**Access to finance** is a lagging intervention under these conditions. Finance will not move freely into a system that lacks significant internal confidence. This is only just beginning to show across the NOA value chains. It is likely that a significant increase in financial access will be realized across those enterprises that are now discovering commercial opportunities as a result of NOA assistance. Early movers will be the value chains that have significant contracts in place for export, processing or strong connections with local markets – gherkins, specific pepper cultivars, raspberries and strawberries. We expect to see strong performance with the agro-card that will soon be issued by TEB bank, targeting such high performing enterprises and value chains. The *established DCA* facility with leading banks is having a strong influence by providing incentives to agribusiness lending. Indications are that lending to the sector is up, and interest rates are declining – according to interim reports from the Kosovo Central Bank. Strong sales performance amongst NOA value chains will enhance the interest of banks to lend and NOA will reinforce this by working with banks to identify leading sectors and potential clients.

NOA will continue to reinforce the **empowerment of women** in agribusiness, working with women's groups, individual woman commercial farmers, and supporting women further up the value chain – processing firms, collection centers and advisory services, for example. Critically, NOA will continue to work with existing and identify additional *women lead farmers* in order to spotlight them as examples for other women to emulate, encouraging both men and women to improve productivity.

Activities aimed at **improving coordination** within the agriculture sector will be significantly expanded during FY3 as the public sector extension service established during Q3 and Q4 of FY3 starts to function and the lead farmer concept designed in collaboration with the MAFRD begins to generate results.

#### STRUCTURE OF THE YEAR FOUR WORK PLAN

This work plan continues to be structured by value chain (VC). This structure has worked well during Year Three. The VC Lead (NOA staff member) remains responsible for identifying the need for, and overseeing the work of, STTAs, both local and international, and for reporting results through the project's M&E and reporting system. As much as possible, all cross-cutting support (Access to Finance, Food Safety and Improved Coordination) is described and budgeted within VC's. Where general activities cannot be included in the individual value-chain descriptions, they are included in the cross-cutting sections.

Under the annual work plan narrative regarding each value chain, the reader will find:

- **Background information** that summarizes the position of that VC at the outset of the work plan year. This context sets the stage for activities to be undertaken in Year Four.
- Following the background information, each VC presents its specific overall **strategy**.
- From that strategy flows a set of **objectives**. Each objective is considered a distinct component of the VC's approach for the year, and each objective has its own **strategy** detailing the justification and approach to that particular objective.
- Within each objective are clear **activities** that contribute to the fulfillment of the objective.
- Each objective is followed by a set of measurable **benchmarks**, against which the VC lead measures performance. These benchmarks are designed to provide clear and precise indications of success with respect to each objective.

Incremental quarterly reports will follow this structure in reporting against activities and benchmarks in order to provide a regular update on progress toward achieving the stated benchmarks. In order to fully articulate the activities by project IRs, the work plan also presents a summary of activities categorized by IR.

Annex 1 of this work plan presents a summary table showing the project component, value chain, activities and major budget areas where support is planned.

# VALUE CHAINS

# FRUIT

## APPLES

### BACKGROUND

Although Kosovo has favorable agro-climatic conditions for quality apple production, domestic production remains still very low. It is estimated that about 350 hectares of commercial apple orchards are presently being cultivated in Kosovo. On the other hand, annual imports of fresh apples are approximately 11,000 metric tons; that volume represents the production of 275 high-quality hectares. Apple storage capacity in Kosovo likewise remains very low but is likely to change with the introduction of three new regional collection centers.

During 2012, NOA introduced the cultivation of five early-, mid- and late-season apple varieties. Besides the import of 14,400 certified pre-budded feathered trees and establishing 6 hectares of high-density apple orchards grown on state-of-the-art support systems, last year NOA also supported the purchase and import of 30,000 apple bench grafts. The program distributed these bench grafts to selected nurseries. They are sufficient for establishing 12 new hectares of high-density apple orchards. It is clear that these new apple growers will transform the sector while other, established, growers lag behind in the adoption of such new technologies.

### SECTOR STRATEGY

NOA will intervene in four specific areas during FY14 in order to continue to transform the apple sector.

1. Increasing production area;
2. Improving nursery/orchard management;
3. Improving postharvest handling practices;
4. Implementing selected GlobalG.A.P. certifications; and
5. Facilitating linkages backed by executable contracts between growers and traders.

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## OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

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### STRATEGY

Farmers will grow highly demanded apple varieties, harvest and pack them appropriately, and be linked to profitable markets. NOA will promote apples farmers' raw product to supermarkets.

### ACTIVITIES:

#### **1. Refine and implement growing/sales contracts with quality standards.**

The experience from last year shows that proper application of growing contracts is a key factor in managing supply and developing effective long-term relationships among producers, supermarkets and processors. In order to increase the market share of domestic products and avoid contract misunderstandings, NOA will work with stakeholders to reformulate and update existing contracts to include more specifics, quality standards and details to be respected by producers, supermarkets and processors alike.

#### **2. B2B for apple VC actors to supply market.**

To facilitate linkages between buyers and sellers within Kosovo, NOA will organize a B2B meeting with commercial growers, processors, traders and supermarkets. The expected outcome of the B2B will be the signature of new contracts with more specific grading details. We will present and discuss quality standard revisions and the content of revised contracts at this B2B.

### 3. *Improved harvest, postharvest and packing*

International STTA will be engaged to provide trainings to enhance apple growers' knowledge with respect to post-harvest and packaging technologies. In addition, trainings for best harvesting practices, grading, sorting, packing and cooling will be implemented.

#### BENCHMARKS

- At least one B2B event organized;
- At least 15 improved contracts signed between growers, processors, traders, etc.;
- At least one harvest and one postharvest training organized;
- At least two apple producers supported with labeling and packaging materials; and
- At least 70 farmers trained on harvest and postharvest practices.

#### BUDGET

Grants	Activity (\$)	I STTA Days	L STTA Days
	22,000		

## OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

#### STRATEGY

The strategy is to diversify apple production, develop a nursery able to produce quality planting materials, increase orchard areas and improve production techniques in order to have a positive impact on the apple sector and markets.

#### ACTIVITIES:

##### 1. *Technical advice to the top fruit nursery association and producers.*

The production of apple planting material that meets phytosanitary standards (disease-free) is essential for the sustainable and successful development of the apple sector. Last year, NOA supported four top fruit nurseries to produce 30,000 apple trees. The program will support the "Plant Kosova" nursery association through STTA by focusing on plant material production and best management practices.

##### 2. *Planting new orchards with improved planting material.*

Last year, NOA supported a local vendor, "Fidanishtja Kashic," in importing 30,000 newly bench-grafted apple saplings. These imported bench grafted saplings were distributed to the "Plant Kosova" nursery association for further growing out to enable sales in this production year to apple farmers. NOA will support the association to place these trees with producers able to expand planting area and thus raising the profile of high-quality local planting materials. These planting materials need to be promoted at the highest level to show the sector the value of this product as opposed to cheap, poor quality sapling imports.

#### TRAINING FARMERS ON APPLE PRUNING TECHNIQUES.

Pruning and training of apples trees is one of most important production activities in young apple orchards. This activity is critical and significantly impacts crop yields and quality. To improve producer knowledge, NOA will support the apple association to organize trainings on practical pruning techniques.

#### BENCHMARKS

- At least 10 hectares of new orchards established;

- At least 2 field days organized for nurseries and new orchard producers; and
- At least 50 farmers trained.

#### BUDGET

Grants (\$)	Activity (\$)	I STTA Days	L STTA Days
	2,500	12 (CNFA STTA)	

### OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

#### STRATEGY

As Kosovo apple producers and packers compete more with apple imports and set their sights on regional exports, the industry must move to improved levels of food-safety certification. Certification at all levels needs to be improved. These certification standards include Good Agriculture Practices (GAP, in the field), Good Hygiene Practice (GHP, in storage, packing and processing facilities), Hazard Analysis and Critical Control Point (HACCP, in processing facilities) and International Food Standard (IFS, modified HACCP standard). NOA intends to build local capacity in the audit of these standards, and to increase the number of facilities and entities certified in the country.

#### ACTIVITIES

##### 1. *Building local capacities for Food Safety and Quality Standards*

The program will engage a regional/international certification house to deliver a GlobalG.A.P., HACCP and IFS training to local experts and enable them to become food safety standard auditors. After the training, new auditors will be able to do auditing and certification of local producers and processors interested to certify their products.

##### 2. *Organize training for GMP & GHP*

Implementation of Good Manufacturing and Good Hygiene Practices at processing and handling facilities is critical to food safety. The food industry is not paying enough attention to these issues, believing that it is doing all that it needs to do. To improve this situation, NOA will engage a regional/international food safety consultant to deliver training to local experts, food inspectors and to the senior management of local processing firms. The consultant will deliver a specific presentation aimed at encouraging firms to improve their food safety practices.

##### 3. *Implementation of GlobalG.A.P. at apple producers.*

Good Agriculture Practices will be introduced to all interested apple producers. Actual implementation of this international standard will be achieved by at three of the largest apple producers in Kosovo. Two local GlobalG.A.P. experts will be engaged for this activity to provide on-going support in the following areas: training, implementation assistance, internal auditing and organizing an external audit to achieve certification of selected producers.

##### 4. *Implementation of HACCP at processor.*

NOA will target at least one processing firm for implementation of the HACCP standard. Training will include GMP & GHP trainings for workers, implementation assistance and an internal audit so the company will then be able to achieve HACCP certification.

#### BENCHMARKS

- At least three local experts become certified auditors;
- At least 72 ha of apple orchards GlobalGAP certified;
- At least one new processor HACCP certified; and

- At least 45 people trained on food safety assurance (GMP, GHP, GlobalG.A.P., HACCP).

**BUDGET**

<b>Grants</b>	<b>Activity (\$)</b>	<b>I STTA Days</b>	<b>L STTA Days</b>
	15,000	12	84

## TABLE GRAPES

The major objectives in this sector in FY14 will be the scaling up of the use of improved production technologies; promoting market opportunities; and facilitating improvements in the nursery sector. These interventions will be facilitated by NOA and MAFRD through the Rahoveci Institute and grape grower associations.

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### OBJECTIVE 1. PRODUCTS AND FARMERS LINKED WITH MARKETS

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A UNECE brochure developed in 2013 addressed the market requirements for table grapes. The brochure describes minimum market requirements, according to internationally recognized standards. NOA will inform table-grape producers, traders and the public in general about these requirements through the below activities and public events.

#### ACTIVITIES

1. *Facilitate market-to-farmer linkages through B2B meetings drawing together growers, packers, shippers and market actors;*

A B2B roundtable will be organized at the beginning of the season to promote quality standards that will describe the goals to be achieved by implementing good practices in the field. The second roundtable will be organized at the end of the table-grape harvesting season to follow up on results and further describe the future of the sector.

2. *Facilitate export linkages for packers and shippers of table grapes;*

Over the last two years, small quantities of table grapes have been exported. In order to increase these volumes, and in conjunction with expanded area under improved field management, NOA will facilitate improved linkages between collection centers and the regional collection center and exporter “Kelmendi GmbH.”

3. *Facilitate and further promote improved quality, sorting and grading, field harvest packing, labeling and cooling of table grapes*

To improve the grading, sorting and field packing of table grapes, NOA will support the largest producer of table grapes, “StoneCastle,” with field grading, sorting and packing tables. In addition, the employees of “StoneCastle” will be trained in improved post-harvest handling techniques. NOA will also support producers with improved packaging innovations in order to facilitate promotion of local table grapes in the market.

#### BENCHMARKS

- At least two B2B round table meetings organized with market actors, growers, packers and shippers;
- At least two packers and shippers of table grape initiate new improved packaging practices;
- At least 40 growers accept and follow technical advice to produce table grapes to meet quality packing and grading standards; and
- At least six field packing stations manufactured locally and in use.

#### BUDGET

Grants	IIF/Activity (\$)	I STTA	L STTA
10,000	3,000		

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## OBJECTIVE 2. AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED;

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### STRATEGY

The scaling up of new technologies and the modification of existing ones will contribute to higher quantities and qualities of table grapes produced in Kosovo. NOA will continue to facilitate interventions that will improve trellising and management systems.

In FY13, NOA supported the conversion of wine grapes into table grapes through an innovative grafting-over process. Almost 8 hectares were converted using this process, implemented by local experts. Using local scion materials, the re-grafting of the vines that did not “take” last year will continue.

The local propagation of new planting materials will contribute to sector transformation by supplying high-quality planting materials at affordable cost. The program will support initiatives by local industry practitioners to establish a viable table-grape nursery in Kosovo. Additionally, NOA will investigate the feasibility and potential utility of establishing a disease condition predictor weather station to facilitate timely disease prevention.

### ACTIVITIES

#### **1. *Support initiatives to convert conventional trellising system to the improved trellising;***

StoneCastle has expressed a readiness to convert the existing trellising system used across all of its table grape vineyards, or 20 hectares in total. The metal construction to be attached to the concrete posts will be manufactured by local companies. NOA will support the initiative by co-financing 50% of the cost of the metal construction; StoneCastle will finance the remainder of the investment, including the cost of wire trellising and installation. Having StoneCastle as a grower convert its entire vineyard in this manner will provide an excellent catalyst for industry transformation.

#### **2. *Re-grafting continued to finalize grafting over;***

Grafting of vines which did not “take” in the initial grafting over process implemented in FY13 will take place in the spring of 2014. The project will be implemented by “Action for Revitalization” with the same grafter teams that carried out the work previously and with support from an international STTA. The scions will be collected from local vineyards, including new varieties introduced by the program in 2013. The grafts (scions) will be collected in November 2013, stored under the appropriate conditions and monitored by the Rahoveci Institute.

#### **3. *Improved nursery program stimulating the propagation of improved planting materials***

In order to meet the growing demand from growers for high-quality, improved variety planting materials, a local nursery initiative will be supported. NOA will support a nursery with the appropriate tools for grafting. The nursery will import certified rootstock and graft onto them local scions introduced by the program in FY13. This program will generate at least 40,000 new vines during 2014 (sufficient for 15 hectares) and establish a foundation that will produce at least 100,000 plants per annum.

#### **4. *Evaluation, monitoring and reporting on new variety performance under Kosovo agro-climate conditions and Kosovo market conditions;***

New table grape varieties introduced in 2013 will provide an initial harvest in the 2014 season. NOA, in collaboration with local implementing partners, will closely monitor and record variety performance and will formally present these data to a wide cross section of sector stakeholders.

### BENCHMARKS

- At least 20 hectares converted from conventional to improved table grape trellising system;
- At least 750 tons of table grapes produced on new trellising systems;

- At least 40,000 certified virus-free rootstocks imported by local nurseries (companies) and grafted in Kosovo;
- Mother vineyard established;
- At least 2 field days concluded; and
- At least 200 growers attend field days.

**BUDGET**

<b>Grants (\$)</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
60,000		25	50

**OBJECTIVE 3 FOOD QUALITY AND SAFETY IMPROVED**

Table grapes can be effectively stored for out-of-season sale. NOA will continue to promote improved post-harvest handling, the use of forced-air cooling techniques and more effective storage technologies to enable off-season sales.

**ACTIVITIES 2013**

1. *Establishment the forced air pre-cooling chamber and storage for table grape through co-financing;*

NOA will continue to work with experienced growers and collection centers to establish the best site for table grape off-season storage. The selected site will develop a forced-air cooling unit that will enable storage of table grapes under ideal conditions in order to enable off-season sales.

**BENCHMARKS**

1. At least one forced-air cooling unit is established in Rahoveci region;
2. At least one packing center established; and
3. At least 100,000 kilograms of table grapes stored for out-of-season sale.

**BUDGET**

<b>Grants (\$)</b>	<b>IIF/Activity</b>	<b>I STTA</b>	<b>L STTA</b>
	1,000	10	20

## STRAWBERRIES

### DESCRIPTION

In 2012, an estimated 150 farmers were growing strawberries in most of the regions of Kosovo. According to MAFRD data, Kosovo has about 163 hectares of strawberries under cultivation. Production is scattered but among the municipalities of Skenderaj, Gjilan, Shtime, Lipjan, Suhareka, Rahovec, Prizren, Gjakova, Decan and so on. Strawberries in Kosovo are produced mostly in open fields, representing around 90% of total production, while high tunnels and greenhouses account for the remaining 10%. The introduction of new varieties is starting to have an impact in the market, with season length extended significantly. The pricing in the market is stimulating strong farmer and market interest.

### STRATEGY

The strawberry value chain has developed well in Kosovo over the last 10 years. What the industry is still missing is the production of suitable new varieties and sources of high-quality planting materials. By 2020, the strawberry sector will ideally involve a sustainable fresh-market industry supporting 400 hectares of production, and will be perceived as a superior supplier of fresh market strawberries to domestic, regional and EU markets. Yield potential is yet to be fully realized and producers require both continued support and increased market demand to install the confidence required to spur further investments. To assist in achieving this vision, NOA will intervene in the strawberry sector in FY14, in the following ways:

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## OBJECTIVE 1. PRODUCTS AND FARMERS LINKED WITH MARKETS

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### STRATEGY

Looking back, 2013 was very successful in terms of sales of strawberries, with NOA beneficiaries generating more than €500,000 in sales during the year. Consumer awareness of local product has increased significantly, especially as a result of two promotional activities organized in June and August 2013, promoting both early- and late-variety strawberries. Prices were very good and never fell below €2/kilogram at the retail level. NOA aims to continue the marketing and promotional activities undertaken during the last two years to further support strawberry farmers, increase consumer awareness about local fresh strawberries and further facilitate linkages with markets.

### ACTIVITIES

1. *Organize promotion and sales days in Mother Teresa Boulevard and in different cities of Kosovo;*

The strawberry promotional activity is already a traditional event and we will continue this in 2014. Lead farmers will be invited and the best quality product will be presented. Promotional supporting materials have already been designed and remain available from previous years; thus they will continue to be featured. Intense media coverage of the event will further support the sector. We aim to reach directly more than 15,000 consumers during these events. NOA will try to expand into at least two more large cities in Kosovo to continue with the education of consumers and the promotion of strawberry consumption.

2. *Compiling lists of producers and distributing this to the market*

NOA already has a consolidated list of lead strawberry farmers in Kosovo. This information will be validated and printed and distributed to traders, supermarkets and processors to encourage traders to sell more local product. Linkages with supermarkets will continue with B2B and round-table activities. This activity will be organized jointly with MAFRD's extension services and potentially the engagement of interns from the University of Pristina.

### **3. Organize round-table event with all players in the strawberry value chain**

A round-table event will be organized with all actors in this value chain to address marketing and sales challenges as well as emerging opportunities. The purpose of this meeting is to bring the main stakeholders together to discuss strategy regarding marketing and activities required to expand production. At the same time, linkages between actors will be strengthened and processing opportunities will be discussed.

#### **BENCHMARKS**

- At least €25,000 sales in street promotions;
- More than €600,000 total sales from NOA client growers; and
- At least 1 round table event concluded.

#### **BUDGET**

<b>Grant</b>	<b>Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	8,000		

## **OBJECTIVE 2. AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED;**

#### **STRATEGY**

The overall strategy during this year is to expand production while maintaining yields and quality and to increase the availability of high-quality strawberry planting material. Without a constant supply of fresh, high-quality planting material into the sector, growers will continue to rely on their own multiplication and suffer the declining yields that are a result of this practice.

#### **ACTIVITIES**

##### **1. Introduce new varieties in different regions of Kosovo;**

The purpose of this activity is to continue expansion of new strawberry varieties by interested farmers and regions. Planting material will be “frigo plants” of A<sup>+</sup> quality in order to generate the highest yields. Spring plantings are envisaged.

NOA will work on the preparation and publication of information leaflets on day-neutral varieties, for distribution during strawberry day. Leaflets will contain a short description of the new day-neutral variety to be planted in the spring of 2014.

##### **2. Study tour visit to Macedonia and Serbia;**

Study tours continue to be important learning tools to encourage farmers to change production habits and practices. Visits to strawberry farmers in Macedonia and Serbia will help farmers see the latest technology in the strawberry sector and allow them to share their various experiences with planting materials and technologies used in this value chain.

##### **3. Support two nurseries and one commercial grower with strawberry mother plants for propagation;**

In order to continue to improve the quality and supply of runners, NOA will support two existing nurseries with 5,000 runners each.

The program will introduce 10,000 Italian strawberry mother plants for propagation to support the needs of the farmers working with a processor. This will increase the supply of raw material for processing. Production will be organized with farmers in the region of Gjilan and a processor, which will produce 200,000 runners for the following planting season. The selected processor will distribute runners to contracted farmers in the region of Gjilan, to establish at least 4 new hectares with strawberries, mainly for processing needs.

#### 4. *Testing wild strawberry*

ANI Holland (a Dutch fresh produce trader) has expressed interest in testing wild strawberries in the different agro-climatic conditions of Kosovo. ANI Holland will provide seedlings and NOA will support farmers with knowledge and technical assistance to assess the potential development of this variety in Kosovo. NOA will work with ANI Holland representatives to select suitable farmers in appropriate agro-climatic areas and supervise the establishment of the trials.

##### BENCHMARKS

- At least 4 hectares new strawberry plantings established;
- At least 5 farmers involved in new plantings;
- At least 2 nurseries propagate new planting materials;
- At least 10,000 mother plants for propagation delivered to processor for contracting farmers;
- At least 1 hectare established with wild strawberries by NOA and ANI Holland;
- At least two regional study tours conducted.

##### BUDGET

Grant (\$)	Activity (\$)	I STTA	L STTA
50,000	4,500		

### OBJECTIVE 3 FOOD QUALITY AND SAFETY IMPROVED

##### STRATEGY

The commercial quality standards developed by the Working Party on Agricultural Quality Standards of the United Nations Economic Commission for Europe (UNECE) help to facilitate trade, encourage high quality production, improve profitability and protect consumer interests. Governments, producers, traders, importers and exporters and other international organizations used UNECE standards. NOA has identified problems in strawberry product classification and packing in Kosovo. To assist in addressing this, an appropriate UNECE brochure will be developed to inform farmers how to process and pack according to the appropriate classifications: Extra class, Class I and Class II.

##### ACTIVITIES

#### 1. *Translate and print UNECE (United Nations Economic Commission for Europe) STANDARD FFV-35*

UNECE standards deal with the definition of quality requirements of strawberry fruits that are prepared and packaged for market. NOA will translate and print these quality standards for strawberry and disseminate these materials to main stakeholders within the value chain. UNECE's Standards for Strawberry will be printed as a brochure and as a poster.

##### BENCHMARKS

- 500 brochures printed and distributed to the farmers on UNECE Standard;
- 100 posters printed and distributed to farmers and extension agents on UNECE Standards.

##### BUDGET

Grant	Activity (\$)	I STTA	L STTA
	1,800		

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## OBJECTIVE 5: IMPROVED COORDINATION WITH THE AGRICULTURE SECTOR

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### STRATEGY

Since strawberries represent an important crop for Kosovo farmers, there is a need to continue to extended technical knowledge to the main stakeholders in a unified way.

### ACTIVITIES

#### 1. *Organize strawberry winter/spring school;*

NOA will in collaboration with MAFRD and IADK develop a standardized winter training curriculum covering all aspects of strawberry production. Attendees at this winter school will include growers, processor staff, private sector and public sector extension agents and NGO's involved in the sector. NOA and IADK technical staff will provide the instruction.

### BENCHMARKS

- At least 4 strawberry winter school days organized in four different regions;
- At least 2 field days organized;
- At least 50 strawberry growers trained; and
- At least 20 students from Faculty of Agriculture attend field days.

### BUDGET

Grant	Activity (\$)	I STTA	L STTA
	2,000		6

## RASPBERRIES

### BACKGROUND

The Kosovo raspberry industry is still small when compared to neighboring Serbia and other major producers in Europe. It is estimated that Kosovo currently has at least 50 hectares of established raspberry plantations. In the Sterpce region there are some 30 hectares, in small plots of 0.10-0.30 hectares, while the rest of the farms are concentrated in Prizren, Podujeva, Dragash, Ferizaj, Gjilan and other regions. The two biggest producers in the country remain APC, in Podujeva, and AskFoods, in Gjilan. NOA supports both.

During the previous two years of the program, NOA established 14 hectares of four proven varieties of raspberries. These varieties were summer-bearing raspberries for the fresh market (*Tulameen* and *Nova*) and the best fall-bearing raspberries (*Polka* and *Autumn Bliss*). *Nova* did not perform well in any of the sites planted during 2012, and further introductions have been discontinued.

During the spring and summer of 2013, consumers in Kosovo had a chance to buy in supermarkets, for the first time, fresh, locally grown raspberries. Prices reached €3.6/kilogram.

### STRATEGY

The interest among farmers in growing this crop is increasing. NOA will continue to support the development of the commercial raspberry industry by supporting an increase in production area; strengthening the nursery sector; improving postharvest handling; developing the fresh raspberry market; extending the seasonal presence in the local market and introducing Kosovo fresh raspberries to regional and EU markets.

The strategy for the raspberry sector is to expand and increase raspberry production in Kosovo by providing technical assistance that can lead to the increased yields and improved quality needed to meet fresh market demands and standards. Up to 500 hectares of raspberry orchards are predicted to be established by 2020, based on the market requirements in the local, regional and EU markets as well the current profitability of the crop. This value chain has a solid base to grow and has the potential to become an important commodity for the Kosovo fruit industry. Production will be concentrated around collection centers. Commercial growers are adopting new technologies and have begun expressing their readiness to expand production areas through out-grower production schemes.

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## OBJECTIVE 1: FARMERS AND PRODUCTS LINKED TO MARKETS

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During FY 2013, the project organized on the main pedestrian mall in Pristina, a very successful activity to promote fresh berries, with a focus on raspberries. Fresh berries were launched for the first time in the market both through supermarket chains and the promotional activity on Pristina's Mother Teresa Boulevard. Similar promotional activities will be organized jointly with MAFRD for raspberries and other berries in FY14 to increase customer awareness and increase sales.

### ACTIVITIES

#### **1. Facilitate linkages with supermarkets and other potential local buyers**

During 2013, NOA program facilitated the launch of fresh raspberries in Pristina supermarkets (City Park, Maxi, Tregu i ri i gjelbert, ETC, etc.). The program aims to expand linkages with local markets and increase volume of sales through these channels during 2014.

#### **2. Organize promotion and sales days on Mother Teresa Street (or other frequented places/streets)**

NOA will again support the promotion of raspberry sales in a public setting, involving up to 10 of the most successful raspberry growers. This activity aims to increase consumer awareness of the quality and freshness of local raspberries and to increase consumption of raspberries by publicizing their nutritional value. Usual intense media coverage is expected.

### **3. Explore the possibilities for the export of raspberries to fresh markets**

NOA will work closely with APC, which already has developed a market in Germany for frozen raspberries, to assess the logistics involved in sending the first trial shipment of fresh raspberries to the EU. The quantity available is expected to be significant after the planting of an additional 20 hectares of raspberries in the Podujeva region during the spring of 2014.

The program is developing cooperation with ANI Holland, which is exploring the possibility of advancing planting materials to producers, and entering into contracts with it for off-take of production into the fresh market in Western Europe. This will be possible if the quantity available in Kosovo is adequate, attractive and GlobalG.A.P. certified.

NOA will engage in organizing inbound or outbound study tour visits aiming to promote exports.

#### **BENCHMARKS**

- At least €15,000 sales through street promotions;
- At least €20,000 Euros in sales to supermarket chains; and
- First trial shipment of fresh raspberries exported to Western Europe.

#### **BUDGET**

<b>Grant</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	15,000		

## **OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED**

The goal is to increase overall fresh raspberry production by 300 tons in 2014, by planting new varieties and prolonging the harvesting season. The program will cooperate with actors, such as ANI Holland, interested in providing pre-harvest advances in the form of planting material and engaging in contracted export sales to fill the February-March gap identified in the market for fresh raspberries. Additionally, there is strong interest from municipalities and private investors to provide financial support to expand production, provided cost-effective planting materials are available. Blackberries too, are becoming an attractive crop for producers; therefore, NOA will explore the possibility of introducing new blackberry varieties for production in the Podujevo area.

#### **ACTIVITIES**

##### **1. Increase the production area**

The APC Co. will organize 23 out-growers from Podujeva region to increase raspberry production (Polka variety). These out-growers will plant about 20 hectares of raspberries. Thus, in the spring, 200,000 additional canes will be planted at those out-grower's sites with proper soil conditions and sufficient irrigation potential. The municipality of Podujeva's Department of Agriculture has agreed to support this activity with €20,000 in cost-share grants to growers. Other municipalities have expressed their interest in supporting area expansion in a similar way. For example, both the municipalities of Gjilan and Strpce have expressed an initial interest in entering such cost-share grant agreements.

##### **2. Support production**

New farmers interested in producing raspberries will collaborate with lead farmers from their respective regions. International STTA will be engaged to support raspberry producers with technical advice where appropriate to further support the strong local cadre of extension advisors now in place. In addition, NOA-supported interns will be engaged to support growers; two in Podujeva and two in other regions, as required. Training programs will be provided to include field trips to raspberry production areas in a neighboring country. Informational outreach activities will be organized and materials produced.

### 3. *Test new varieties and prolong the harvesting season*

The program will support the testing of at least three new raspberry varieties. ANI Holland is interested in testing new primo canes, such as Imara, Kweli, and Kwanza (a protected variety), under Kosovo conditions. Hargreaves Plants has also expressed its interest in testing new cultivars through strong local partners. NOA will assist local partners in negotiating such partnerships and provide technical assistance as necessary, throughout variety testing.

#### BENCHMARKS

- At least 20 hectares of new raspberry plantations established;
- At least 3 new raspberry varieties under test by private sector;

#### BUDGET

Grant	IIF/Activity (\$)	I STTA	L STTA
50,000	5,000	14	40

## OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

The program will change the focus on raspberries from low-value processing to higher-value fresh market product. The transition strategy for the raspberry production industry from processing to fresh market sales includes support to existing cold storage processors to work with farmers presently supplying their collection centers. Supported cold storage processors will also be expected to become farm service centers serving the surrounding community of farmers needing special inputs to produce fresh market berries, e.g. appropriate irrigation supplies, clamshell packaging, special tools or implements, etc.

#### ACTIVITIES

##### 1. *Provide technical assistance by engaging international STTA*

An STTA consultant will be engaged before the harvest season starts to introduce best practices on raspberry postharvest handling for fresh export markets. The STTA will also advise raspberry growers on production activities.

##### 2. *Introduction of forced-air cooling*

In FY14, the program will support the installation of forced-air cooling at APC in Podujeve/Podujevo, which already has sufficient cooling capacities essential for the raspberry industry. Doing so will further enable extended shelf life and improve quality. The equipment will be fabricated for assembly inside the high-volume cold rooms at APC and will be constructed of locally available materials. The installation will be on a grant cost-share basis.

##### 3. *GlobalG.A.P. standard at raspberry farm level*

Training on GlobalG.A.P. requirements will be organized for raspberry growers, especially those engaged in the new fresh market opportunities. Ten (10) growers will receive training in GlobalG.A.P. requirements.

#### BENCHMARKS

- Installation of at least 1 forced-air cooling system to facilitate fresh export of raspberries; and
- At least 10 growers trained on GlobalG.A.P.

#### BUDGET

Grant (\$)	IIF/Activity	I STTA	L STTA
25,000			

## BLUEBERRIES

### BACKGROUND

High-bush blueberries were not commercially cultivated in Kosovo until after the 1998-99 war. The first trials were established in 2008 by the Swiss Project for Horticultural Promotion (HPK) in Kosovo. They included pot-grown blueberry bush varieties. Trials were carried out in 6 different zones.

Overall, Kosovo enjoys favorable agro-climatic conditions for high-quality blueberry production. There are good marketing opportunities in both the local and export markets. Blueberry appears to be potentially a very profitable crop, with low pest and disease risks.

In 2012-13, NOA supported the establishment of Kosovo's first commercial blueberry plantations, covering 10 hectares, in 4 different zones, and involving 9 growers. One of the selected sites will serve as a commercial nursery in the future. The growth and development of the bushes is satisfactory. The growing interest among targeted communities and public institutions in the blueberry crop has increased. As a result, three municipalities have expressed their willingness to participate in supporting blueberry cultivation and scaling up production in their respective geographic areas.

### STRATEGY

NOA's overall goal for this sector remains the same as projected in the FY13 AWP: *By 2020, Kosovo's blueberry industry will be a profitable, environmentally sustainable industry producing fruits for local markets and for export. At least two regions will be recognized as blueberry production regions of Kosovo. Local nurseries will have adopted propagation technologies and will be capable of producing blueberry bushes that meet certification criteria, respect international plant breeder rights and suffice to fulfill local market demand. Furthermore, Kosovo nursery collaboration with European nurseries will have been promoted and strengthened.* Specific intervention points in FY14 include working with local nurseries to ensure the availability of adequate planting materials licensed by breeders; ensuring appropriate zones of production are selected; and developing aggregation capacity to further enhance and promote industry growth. Since this season will see the first commercial harvest of blueberries, interventions will also focus on marketing the product effectively.

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## OBJECTIVE 1. PRODUCTS AND FARMERS LINKED WITH MARKETS

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During FY 2013, the project organized a very successful activity to promote fresh berries, held on the main pedestrian mall in Pristina. Similar promotional activities will be organized for berries in FY14 to increase customer awareness and sales. Linking farmers with supermarkets and other buyers is another important objective of these activities.

### ACTIVITIES

#### **1. *Launch of fresh cultivated blueberries through promotion and sales days on Mother Teresa Boulevard (or other potential market sites)***

There are two berry promotional events planned for the year and blueberries in particular will be introduced in one of these events, depending on their harvest timing. This event will increase consumer awareness about the quality and freshness of the cultivated blueberry (as opposed to the bilberry, a wild harvest product also known in the market as a blueberry) and increase consumption by promoting its nutritional value. Intense media coverage of the activity will also increase demand and create market confidence among farmers.

#### **2. *Link farmers with local markets and organize regional study tour***

NOA will facilitate linkages among traders and supermarket chains in order to offer consumers cultivated blueberries. This will involve selecting appropriate packaging for retail and wholesale outlets. Linkages will be created through a B2B round table introducing producers to traders. In

addition, experiences will be shared with Serbian blueberry growers, packing houses and markets; 10 growers will visit Arilje, the largest soft fruit growing area in Serbia.

#### BENCHMARKS

- Cultivated blueberries launched through supermarket chains and a promotional berry event;
- At least €5,000 sales in street promotions and €20,000 in sales to supermarkets chains achieved; and
- 10 growers attend study tour to Arilje production area in Serbia.

#### BUDGET

Grants	IIF/Activity (\$)	I STTA	L STTA
	5,000		5

### OBJECTIVE 2. AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED;

The interest of farmers and local institutions in the cultivation and marketing of blueberries has increased. Three municipalities with private land suitable for blueberries have expressed willingness to co-finance the establishment of at least 5 new hectares with this crop. There is a concentration of supporting infrastructure in these site—namely, suitable land and sufficient water for irrigation as well as a berry packing and sorting unit supported by EU funds. Potential aggregation points also have been identified and will play a crucial role in the future of the sector. Local actors, such as the blueberry association “Blue Gold,” and local input suppliers will be the main actors in charge of organizing promotional activities for the crop, supplying required inputs and introducing value chain actors to international companies interested in buying and/or investing in the blueberry value chain.

#### ACTIVITIES

##### 1. *New plantation establishment using leveraged funds from three municipalities*

The municipalities of Deçan, Junik and Gjakova have expressed a willingness to co-finance, with growers and the program, the scaling up of blueberry production in their respective regions for further demonstration. The supply of planting material will come through local nurseries with the program’s support and with municipalities monitoring and facilitating the process. *Growers will be selected based on established criteria and their capacity to develop independently from other parts of the value chain.* Initially, an agreement will be established between each municipality and individual growers, with the NOA program’s signing with growers in support of this partnership. The association “Blue Gold” will be active in these promotional activities and partnering agreements.

##### 2. *Knowledge transfer to new growers via STTA*

The program will facilitate the establishment of a mechanism that ensures the flow of information on blueberry marketing and production topics. Ideally, the local blueberry association will be a strategic partner in order to bring sustainability to these interventions. The existing UNECE standards for blueberries will be translated, further promoted and then pressed into service as a guide for local growers and experts on blueberry production. Blueberry experts from Poland will be invited to provide STTA on the growing techniques and propagation aspects of any new plantings.

##### 3. *Promotional activities for stakeholders including suppliers*

The blueberry association “Blue Gold” will organize field days to further promote blueberries as a potential crop to support farm diversification and to promote specific products and technologies appropriate for the blueberry crop in coordination with input suppliers Fitofarma and Agrounion (e.g., specific fertilizers useful in maintaining soil pH).

#### 4. *Facilitate the capacity building of local soft fruit nurseries*

International STTA on blueberries has previously recommended postponing the collection of planting material from bushes established in 2012, now at the nursery site. As a result, there has been no propagation of blueberry plants during 2013. Nurseries have however received some initial training regarding the establishment of plants from vegetative cuttings. NOA will facilitate and support knowledge transfer using appropriate STTA on blueberry propagation, with the intention to initiate the first commercial propagation during 2014.

##### BENCHMARKS

- Blue Gold association participates in at least 2 promotional activities;
- At least 2 local input suppliers providing blueberry specific inputs during 2014;
- At least 3 municipalities co-finance blueberry establishment;
- At least 3 new hectares blueberry planted;
- At least 5,000 blueberry bushes locally propagated; and

##### BUDGET

Grants (\$)	IIF/Activity (\$)	I STTA	L STTA
30,000	2,000	12	20

### OBJECTIVE 3 FOOD QUALITY AND SAFETY IMPROVED

Cultivated blueberries represent a new crop in Kosovo. Therefore, it is important that the first steps made in this sector are in full accordance with best agricultural practice and standards known and applied by countries with a well-developed blueberry sector. The post-harvest handling of these soft fruits is crucial. NOA will facilitate the blueberry association to transfer knowledge to growers regarding harvest and post-harvest crop handling.

##### ACTIVITY

#### 1. *Introduction of field pack stand for blueberries;*

The program will facilitate the manufacturing of prototype field pack stands for blueberry harvesting. These field packing stands will enable careful handling of the fruit immediately after harvest to ensure that the fruit is handled physical only once.

##### BENCHMARKS

- One local company manufacturing field pack stands;
- At least 8 growers using field pack stands.

##### BUDGET

Grants	IIF/Activity (\$)	I STTA	L STTA
	4,000		

### OBJECTIVE 5. IMPROVED COORDINATION WITHIN AGRICULTURAL SECTOR

NOA will assist in the creation and promotion of effective information and communication systems to support more effective coordination and integration across the sector. It is important that growers and institutions are made aware of technical aspects that help maximize benefits from the sector and that they are able to identify bottlenecks and propose solutions to them.

## ACTIVITIES

1. *Knowledge transfer intensified through winter/early spring schools for growers, input suppliers and extension agents.*

NOA will facilitate at least one round-table session that will be used to present achievements and discuss long-term strategies for the blueberry sector. In addition, agricultural topics on growing technologies and marketing will be presented during the proposed winter and spring schools. These “schools” will cover topics such as plant protection, irrigation and plant nutrition, marketing and market potential followed by field demonstrations in the spring.

## BENCHMARKS

- One round table organized;
- 2 winter schools – trainings organized;
- 2 spring schools – trainings organized; and
- At least 25 persons attended trainings.

## BUDGET

<b>Grants</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	2,000		

# VEGETABLES

## LETTUCE

### BACKGROUND

Lettuce demand in Kosovo is increasing. Over the past year, bagged lettuce salads introduced by the NOA program have shown good market acceptance. The program supported a small-scale pilot bagged lettuce processing plant that is now packing bagged lettuce salads for both retail and food service customers. The program also introduced iceberg, romaine, endive, baby leaf, arugula and salanova-type lettuces to Kosovo's lettuce farmers. As the program moves forward, the focus will be on bridging gaps in the lettuce value chain, including the introduction of the pre-cooling of lettuce; cold-chain requirements for bagged, value-added lettuce; improving quality control; promoting standard sanitary procedures; and developing raw product and finished goods specifications for Kosovo's bagged lettuce processors. A pre-cooling system (using ice) for lettuce in Kosovo was introduced at three lettuce growers; however, it is not yet being used in the value chain. This icing practice was introduced as a pre-cooling method to be used along with modified atmosphere packaging (MAP) to meet cold-chain requirements that lead to the increased shelf life of packaged salads. NOA will continue to promote these new technologies during the next growing season. The production season remains quite short, affecting the reputation of the suppliers in the market. In the coming year, efforts will be made to extend the production season by using protected production practices

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## OBJECTIVE 1. PRODUCTS AND FARMERS LINKED WITH MARKETS

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### STRATEGY

Imports of lettuce into Kosovo have been growing over the last decade, fueled by a combination of seasonality and rising demand. The target market for lettuce producers in Kosovo is domestic wholesalers looking to service the fresh consumption market (supplying wholesale and green markets as well as restaurants).

To date, the NOA program has introduced new varieties and growing technologies for iceberg, romaine, endive and baby leaf lettuces to Kosovo lettuce farmers. Trial plots have been successfully promoted for two growing seasons. All promoted varieties of lettuce have performed well under Kosovo's growing conditions.

To maximize market opportunities and to produce lettuce year-round in Kosovo, NOA will work with producers and other stakeholders to extend off-season production periods. This will require working closely with existing producers to expand and extend their production programs and to facilitate linkages between farmers and markets.

### ACTIVITIES

#### **1. Increase production of bagged lettuce up to 100 kg per day**

Agro Serra continues to process bagged salads on a limited scale. Estimated production is approximately 30 kilograms per day. The quality of the salads is excellent and the estimated refrigerated shelf life is 10 days. This is a significant improvement over what has previously been available in Kosovo. Agro Serra continues to rigorously follow the protocols established last year in terms of process, cleaning and documentation. NOA will support Agro Serra to conduct a gross margin analyses and other economic analyses regarding production processes in order to stimulate production of bagged lettuce up to 100 kilograms per day in 2014.

#### **2. Facilitate marketing linkages between actors in lettuce value chain**

The marketing channels still function on an *ad hoc* basis with little or no attempt to program production. Supermarkets, restaurants and wholesale markets are the main consumers and can drive improved organization within the sector. NOA will play a specific role this year, inviting appropriate

actors to marketing events, encouraging the promotion of bagged and top-iced lettuce varieties and supporting programmed production for larger consumers. This will occur through the development of planting and marketing schedules, fostering linkages and increasing the marketability of lettuce. B2B events and field days will be used to reach planned objectives. Other activities will promote new lettuce types to restaurants and supermarkets; promotional events will drive demand and encourage programmed production.

### **3. Promoting of iced, boxed lettuce to supermarkets and other marketing channels**

The pre-cooling system (ice-making machines) for lettuce in Kosovo was introduced to three lettuce growers in Kosovo, but has yet to be commissioned and utilized in the head lettuce value chain. Three ice machines arrived in the last week of August. Devon Zagory, an international STTA, performed a top-icing lettuce trial at Agro Serra with lettuce growers to determine the optimal way to use ice for the cooling and transport of lettuce. Therefore, icing will be introduced as a pre-cooling method, as well as modified atmosphere packaging (MAP), to meet the cold-chain requirements in order to increase shelf life of packaged salads. The promotion of ice-boxed lettuce will be linked with promotion events planned under Activity 2.

#### **BENCHMARKS**

- At least 20 tons of bagged lettuce sold.
- At least 5 new market linkages created
- At least 500,000 heads of ice boxed lettuce sold

#### **BUDGET**

<b>IIF</b>	<b>Activity</b>	<b>I STTA</b>	<b>L STTA</b>
	5,000		

## **OBJECTIVE 2 AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED;**

Lettuce demand in Kosovo is increasing. The program introduced iceberg, romaine, endive, baby leaf, arugula and salanova-type lettuces to Kosovo’s lettuce farmers. They are currently being grown on a limited but expanding basis. As the program moves forward, the focus will be on bridging gaps in the lettuce value chain, which includes the introduction of pre-cooling of lettuce; overcoming the limitation of growing period; improving quality control; and developing a raw product and finished goods specifications for Kosovo’s bagged lettuce processors.

#### **ACTIVITIES**

### **1. Encourage lettuce producers to extend their production period**

Presently, the lettuce production period covers a maximum of eight months of the year, including both open field and greenhouse production. Demand for lettuce in late autumn and winter is very high, but is satisfied almost exclusively by imported lettuce. Testing of winter lettuce varieties cultivated in greenhouses or mini tunnels covered with fleece will be carried out in FY14 in order to promote year-round lettuce production. Trials will take place with at least three growers. NOA will engage a local STTA, who will support lettuce producers with advice and information regarding winter production of lettuce varieties.

### **2. Establishing of two demonstration plots with iceberg and Romaine**

The NOA program has introduced several new varieties of leafy greens to farmers in Kosovo, and they are currently being grown on a limited but expanding basis. Promoted varieties that include iceberg, romaine, endive, baby leaf, arugula and salanova-type lettuces have been expanded in general. Based on field evaluations, romaine and iceberg varieties are highly productive and in high demand. Thus, these varieties in particular will be further promoted in FY14. NOA will engage at

least three lead farmers in the lettuce value chain to conduct demonstration plots to produce and promote these varieties.

### 3. *Support network farming (out growers)*

Agro Serra, a lettuce packaging center supported by NOA in 2012, continues to process bagged salads on a limited scale. Estimated production is approximately 30 kilograms per day. The quality of the salads is excellent and the estimated refrigerated shelf life is 10 days. It is expected that Agro Serra in 2014 will increase its production up to 100 kilograms per day. Last year, Agro Serra contracted 10 out growers with successful results. Increasing production in 2014 requires further increasing to 20 the number of engaged out growers. NOA will facilitate Agro Serra to identify out growers and to provide technical advice to out growers contracted.

#### BENCHMARKS

- At least 6 million lettuce heads produced and sold.
- At least 50,000 lettuce heads will be produced during the winter period.
- At least 20 farmers sign production contracts with Agro Serra as out growers

#### BUDGET

IIF	Activity (\$)	I STTA	L STTA
	5,000		40 days

### **OBJECTIVE 3      FOOD QUALITY AND SAFETY IMPROVED;**

Assurance of the safety of fresh fruits and vegetables will be key to developing international markets for Kosovo-grown fruits and vegetables. The European farm-level food safety protocol, GlobalG.A.P., will become necessary for Kosovo's farmers. However, at this time few farmers are prepared to reach this level of assurance. In addition, GlobalG.A.P. is very weak on microbial safety assurance, emphasizing chemical contamination instead. This being the case, NOA will develop a practical, simple and economical food safety protocol that focuses on a few of the main microbial contamination risks on produce farms as well as essential GlobalG.A.P. criteria. It is expected that this protocol will be tested and introduced in the coming year to at least one lettuce grower.

#### ACTIVITIES

##### 1. *Implementation of HACCP standards to the post-harvest line lettuce established*

In 2013, NOA engaged a regional STTA to assess and implement Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP) and HACCP at the lettuce-packaging center established through NOA in Mitrovica. The STTA completed the assessment and recommended the packaging center implement some additional activities to improve compliance with standards. The activity will continue in 2014, during which time Agro Serra will implement the recommended activities and obtain HACCP certification.

##### 2. *Introduction and implementation of GlobalG.A.P. by lettuce producers*

GlobalG.A.P. standards will be introduced to lettuce growers through a local STTA engaged by NOA, who will assess farms that are close to achieving criteria for certification and by supporting them with technical advice to reach criteria and obtain certification.

##### 3. *Establishing two farm cooling facilities*

Current lettuce-handling practices in Kosovo, particularly the lack of cooling capacity and appropriate packaging, limit the shelf life and marketability of leafy greens (Zagory, 2013. STTA report). A NOA international STTA proposed the introduction of at least two farm cooling facilities using Coolbots (<http://www.storeitcold.com/USAIDcoolbotflyer.pdf>). This will be achieved during FY14. Coolbots is

a relatively new innovation from the University of California, Davis. The small controller uses proprietary software to convert a common air conditioning unit into an efficient cooler appropriate for use in the cold storage of fresh produce. It works by greatly lowering the temperature at which the air conditioner normally operates. They can be used with small, insulated rooms to create a cold room ideally suited to low-volume lettuce producers.

**BENCHMARKS**

- At least 10 lettuce producers will be trained regarding food safety and quality standards (IPM & GlobalG.A.P.)
- At least one lettuce producer will be certified with GlobalG.A.P.
- At least two farm cooling facilities will be established

**BUDGET**

<b>IIF (\$)</b>	<b>Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
10,000	1,000		26 days

## GHERKINS

### BACKGROUND

Gherkins are a type of cucumbers used to produce pickles, either by commercial processing plants (during the months of June and July) or at home using traditional methods (during the months of September and October). As a consequence, gherkins supply two different market channels – processors and traders in wholesale markets.

Over the last two years, the NOA program has supported the development of Kosovo's gherkin value chain through (1) increasing production capacities by introducing producers to new varieties and production technologies; (2) supporting existing collection centers with three sizing machines and improving their infrastructure and management capacities; (3) increasing the processing capacities of processors through grants for purchasing machinery and equipment and (4) developing linkages between processors and collection centers through supply contracts (almost 100 contracts were signed during 2013). Both the processor and the open markets continue to increase their demand for locally grown gherkins.

### SECTOR STRATEGY

Gherkins are principally a processing crop – so, ultimately, the drivers of this value chain are those who do the actual processing. The program will continue to increase the capacity of processors to source raw material, develop market linkages in the region and beyond, improve linkages between processors and collection centers, increase the production capacity of producers and further develop the newly formed national association of processors (PePeKo).

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## OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

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### STRATEGY

During Year Four, the program will continue to support the gherkin VC by improving linkages between processors and collection centers and increasing capacities of processors and collection centers through study tours and participation at targeted trade fairs, as appropriate. In addition, support will be provided for strengthening “PePeKo”, the association of Kosovo processors and for initiating a formal or semi-formal group of collection centers, including the three new collection centers presently under construction.

### ACTIVITIES

#### Linkages

**1. *Facilitate bilateral meeting with processors and collections centers (CCs) regarding sales;***

Bilateral meetings between processors and collection centers have been a successful tool in facilitating the signing of contracts and increasing sales. The program will continue to facilitate such meetings to promote further collaboration between processors and CCs/producers resulting in improved terms of contracts, greater confidence in the utility of the contracts and an increase in sales of end product — processed (pickled) gherkins.

**2. *Organize 2 round tables with actors of the sector;***

One round table will be organized prior to the planting of gherkins to discuss the plans of both buyers (processors and traders) and CCs/producers; a second round table will be organized toward the end of the production season to discuss the production year, sales fulfillment of contracts and issues that need refinement in future years. During these meetings, issues of financing, VAT and collaboration with MAFRD will also be discussed. Critical will be the involvement of PePeKo and the active involvement of collection centers in the organization and implementation of these activities.

**3. *Capacity development of the association “PePeKo”***

- Training of processors on strategies for sourcing raw material;

Inadequate strategies for sourcing raw material have been one of the significant obstacles to further development of the fruits and vegetables processing industry, including gherkins. In order to improve capacity in this area, an International Consultant (STTA- Richard Steinfeld) will be hired to assess the current strategies for sourcing raw material, develop effective quality standards and present successful sourcing strategies used by processors in U.S. and Western Europe.

- Organize a visit of processors to Germany;

STTA Steinfeld has excellent linkages with fruit and vegetables processors in Germany. Steinfeld will organize a visit by Kosovo processors to German processors of similar size in order to learn from their experiences pertaining to procurement, processing and the marketing of end products.

- Training on sales and marketing for processors

Sales and marketing is another factor that limits processors' ability to increase the presence of their products in the market. NOA will engage an international STTA to train processors on sales and marketing – especially on issues such as access to market, product development and promotion.

- Further development of “PePeKo” Association;

The collaboration between gherkin value chain actors (horizontal linkages) is still too weak. “PePeKo,” the association of Kosovo processors, has been recently established. Its activities need to be intensified, especially regarding setting quality standards, establishing terms of contract for purchasing raw material and jointly conducting promotion/marketing activities, as a group. To build PePeKo's capacity, the program will engage a regional consultant to share the experiences of the well-structured Macedonian processors' association.

In addition to the above, NOA will support PePeKo in organizing by-monthly association meetings and will support promotion of the association by assisting in developing a PePeKo website, which will catalog and present all of the members of the association.

The program will work with GoK institutions in exploring export market opportunities for all exportable fresh and processed products. NOA will initiate collaboration between PePeKo and the GoK's economic diplomacy strategy through the ministry of foreign affairs.

**4. B2B for processor with regional companies;**

**5. Visits to regional trade fairs (Novi Sad) and targeted study tours for PePeKo and CCs;**

Participation in trade fairs is a good way to improve knowledge and create market linkages. NOA will support processors to build their capacities through the organization of visits to targeted regional trade fairs. NOA will also support PePeKo to organize and conduct an inbound B2B for regional processors in an attempt to synergize activities. This regional trade fair will bring actors in the process sector from the region to attempt to build on unique capacities of each such that they begin to see themselves as collaborators in a larger market rather than competitors in the regional market.

**6. Initiate the organization of CCs into a formal/informal group**

Collection centers are playing an increasingly important role in aggregating products from producers and supplying bigger buyers of fruit and vegetable products, such as supermarkets and processors. However, collaboration between them is weak or absent; the program will initiate the creation of a formal or semi-formal group of collection centers (depending on the interest of the CCs) and organize regular meetings to discuss issues of mutual interest.

**BENCHMARKS**

- Sign supply contracts for at least 1,000 tons of gherkins;
- At least 100 contracts signed between collection centers and processors, and collection centers and producers;

- At least 2 round tables held, with the participation of a wide cross-section of value chain actors;
- Sales of CCs will increase by at least 25%;
- A training on strategic sourcing of raw material for at least 5 processors is completed;
- A training on sales and marketing for at least 5 processors is completed;
- At least 1 study tour for at least 8 participants organized;
- At least 1 visit to a regional trade fair for members of “PePeKo” and CCs;
- At least 5 bi-monthly meetings of the “PePeKo” association held;
- At least 3 meetings of CCs as a group conducted.

#### BUDGET

IIF/Grants	Activity (\$)	I STTA	L STTA
	40,000	20 Days (CNFA F2F)	30 days

## OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED

#### STRATEGY

The program will continue to support the production of gherkins through co-financing of inputs and promoting new technologies (supporting systems — plastic nets) and provision of advice to new producers in regions with gherkin-growing potential. NOA will seek to engage more women and minorities in gherkin production and demonstration plots. These producers will then be linked to processors and markets.

#### ACTIVITIES

##### **1. Demo plots for 10 women and 10 minorities (0.20 ha each);**

The program will provide inputs on a cost-share basis and facilitate linkages of these farmers to existing collection centers or processors (buyers). The objective of this activity is to engage at least 10 women and 10 minorities in supply-chain development, providing opportunities for job creation and income generation. Total area planned is 4 hectares.

##### **2. Provision of technical advice through input dealers.**

The provision of technical advice to producers is very important to further increase yields and to develop a sustainable source of technical information. The program will work closely with input dealers that supply inputs to producers – beneficiaries of the program’s assistance – and offer embedded extension/advisory services.

##### **3. Further infrastructure support to Processing industry.**

The Program will support further development of processing companies in relation to infrastructure development related to improved storage and processing.

#### BENCHMARKS

- At least 10 women farmers plant 2 hectare with gherkins;
- At least 10 farmers from minority ethnic groups plant 2 hectares with gherkins;
- At least 1 new minority area begins contracting supply to processors; and
- At least 1 input supplier introduces new embedded extension service

- At least 2 processors supported with improved infrastructure

#### BUDGET

IIF/Grants	Activity (\$)	I STTA	L STTA
50,000	25,000	10 (CNFA F2F)	20 days

### OBJECTIVE 4: INCREASED AFFORDABLE ACCESS TO CREDIT

#### STRATEGY

The lack of pre-financing to support processing costs is a critical factor limiting growth within the processing industry in Kosovo. To help address this shortcoming, NOA will facilitate round table(s) among sector stakeholders to determine needs and develop appropriate financial products that can support processor needs.

#### ACTIVITIES

1. *Organize one round table for the development of financial products regarding pre-financing of production*

A broad cross-section of sector stakeholders, including banks, will be invited to a roundtable to discuss the need for specific types of financial products that could be used to pre-finance the purchase of raw material, and inputs for processing.

#### BENCHMARKS

- At least 1 round table organized;
- At least one financial product refinement concluded for fresh produce processors.

#### BUDGET

IIF/Grants	Activity (\$)	I STTA	L STTA
	1,000		

## ASPARAGUS

### STRATEGY

The New Opportunities for Agriculture (NOA) program is introducing and promoting the production of asparagus, which has significant potential for both domestic and export markets.

NOA supported the establishment of 10 hectares of asparagus during 2012 and 2013. Asparagus is a new crop to Kosovo, where the program introduced it in 2012. As such, all actors in this new value chain required ongoing training regarding input supply and utilization, production techniques and marketing. Each actor also must be informed, trained, supported and facilitated to strengthen linkages within this new value chain.

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## OBJECTIVE 1: PRODUCTS AND FARMERS LINKED WITH MARKETS

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### STRATEGY

During 2014, NOA expects the first commercial harvest of asparagus. There has never been local production of this crop so there are no established linkages between asparagus producers and traders. Asparagus is consumed locally in small quantities yet holds significant regional and EU export potential. These marketing options will be explored as the 2014 harvest is realized. The product will be fully launched on the domestic market, linking producers directly to potential buyers and through local traders who have solid connections to local markets. This local launch will include work on product packaging and presentation, various promotional and marketing events, cooking shows and market linkages workshops/roundtables. Leaflets on the nutritional values of asparagus and asparagus recipes will be developed and distributed to consumers prior to the harvest season. The project also will encourage food outlets to serve the product during a planned “Asparagus Week.” Proper media coverage to promote local asparagus production is another important marketing tool that will be applied.

### ACTIVITIES

#### **1. *Launch of asparagus through different local marketing events.***

The NOA program will organize several events to reach various objectives regarding the asparagus value chain. We will link farmers to potential buyers, promote/launch asparagus through organizing tastings of different asparagus recipes and solicit media coverage to promote asparagus to final consumers. **HORECA** (Hotels, Restaurants and Caterers) will be our main target during asparagus recipe tasting events, which also will include supermarkets and traders. A chef and representative restaurant/hotel will be selected to demonstrate recipe preparation and display prepared dishes. Two types of promotional brochures will be designed and distributed — one detailing the nutritional values of asparagus and the other listing recipes. Cooking shows will also be featured as a promotional activity targeting final consumers, to stimulate local demand for asparagus.

Additionally, NOA will work with European buyers who have already expressed an interest in procuring asparagus grown in Kosovo. These linkages will be established early in the calendar year to confirm their participation, quality and packaging requirements.

### BENCHMARKS

- Distribute 5,000 promotional brochures to final consumers and buyers.
- At least 3 linkages with local buyers created
- At least € 15,000 in sales concluded
- At least 1 export supply contract executed

## BUDGET

IIF	Activity (\$)	I STTA	L STTA
	10,000		

## OBJECTIVE 2: AGRICULTURE PRODUCTS DIVERSIFIED AND INCREASED;

### STRATEGY

As a new value chain, all actors will continue to receive training in production, harvest and post-harvest processes. Harvesting has never been done before in Kosovo. The timing, harvest techniques and post-harvest handling are all critical to the effective marketing of the first commercial crop.

### ACTIVITIES

#### **1. Continue training and advising asparagus producers on managing transplanted asparagus**

The NOA program will continue to engage a local STTA to advise 11 asparagus growers on proper management of the 10 hectares of asparagus established to date. Crop management of established asparagus plots will start in March 2014 and will continue through October 2014. Local STTA will work closely with NOA technical staff and with an international STTA engaged for a projected 12 days during the year. The international STTA will focus on post-harvest training and packaging, and marketing of harvested asparagus.

#### **2. Study tour with asparagus producers**

Asparagus is a new crop for Kosovo. The first commercial asparagus harvesting of 3.6 hectares established in 2012 is expected to begin during the first week of May 2014. Knowledge of harvesting and post-harvest handling of asparagus is limited among growers and other stakeholders in Kosovo. To address this, NOA will facilitate a study tour to Italy or Greece for 6 growers, a local STTA and NOA staff in March or April 2014 before the local harvesting is initiated in Kosovo, in order to expose growers to critical harvesting techniques.

#### **3. Winter school for training asparagus stakeholders**

A winter school will be organized for the training of asparagus stakeholders in different topics related to asparagus production and post-harvest activities. Input suppliers, public and private extension agents and growers will be invited to attend this winter school.

#### **4. Encourage nurseries to continue production of asparagus crowns.**

Two nurseries were previously contracted to produce 200,000 asparagus crowns. That number is sufficient to establish an additional 7 hectares of asparagus, beyond that area established in 2013. Going forward in 2014, rather than directly contract nurseries to produce crowns, NOA will encourage and provide technical assistance to nurseries that continue production of asparagus crowns in order to meet what appears to be an increasing demand for planting material, and will link potential buyers to those nurseries. This approach will contribute to sustainability of the asparagus value chain in Kosovo.

### BENCHMARKS

- At least 11 asparagus producers will be trained and advised on crop management.
- Up to 6 asparagus growers will participate in a study tour in Italy or Greece.
- At least 4 public extension agents will be trained on production techniques and plant protection (IPM implementation).
- At least 3 input suppliers will attend asparagus production winter school program.

- At least 25,000 asparagus seedlings will be produced independent of NOA grant support, by asparagus nurseries.

#### BUDGET

IIF	Activity (\$)	I STTA	L STTA
	20,000	12 days	49 days

### OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

Assuring the safety of the fresh asparagus produced in Kosovo is key to developing international markets for domestic product. While the European farm-level food safety protocol, GlobalG.A.P., will become necessary for Kosovo’s farmers, presently very few farmers are actually qualified to obtain this certification. In addition, GlobalG.A.P. is very weak regarding microbial safety assurance, emphasizing crop chemical contamination instead. This being the case, NOA will initiate a simple, practical and economical food-safety protocol that focuses on some of the main microbial contamination risks posed at the farm level, and stress adherence to these in addition to GlobalG.A.P. requirements. NOA will test and introduce this new protocol to asparagus producers in Year Four.

Asparagus has a high moisture content, such that it is essential to minimize the time it is left out in the field under the sun, or left on a field trailer waiting for transport. Taking the “field heat” out of the product is the key. To support this, NOA will assist in establishing an asparagus post-harvest cooling line to serve as an example of how to maintain high-quality asparagus product post-harvest.

#### ACTIVITIES

##### 1. *Introduce field food safety protocol*

NOA will develop a modified GlobalG.A.P. protocol to improve field food safety, in addition to the attention to pesticide safety and effective use. The new modules will sensitize growers to the need to pay attention to field microbial contamination of food. Areas to be addressed include the use of farmyard manures and composts and the attention required to manage harvester labor hygiene. The protocol will be tested with asparagus farmers initially, modified where necessary and then extended to others.

##### 2. *Support the establishment of an asparagus hydro cooling line*

At high temperatures, asparagus spears lose natural sugar, flavor and vitamin C. They also become tough and start to decay. If rapidly cooled and held at 2° C, asparagus may be kept fresh for up to three weeks. To keep asparagus fresh, a hydro cooling process is necessary. NOA will support the establishment of such an on-farm cooling line in collaboration with one asparagus producer to promote appropriate cooling and storing of fresh asparagus. During the process of developing appropriate harvesting, cooling and packing techniques, multiple awareness events will be organized, targeting all NOA-supported asparagus growers to date.

#### BENCHMARKS

- At least 10 producers will be trained on post-harvest and food safety
- One food-safety guideline developed and distributed
- At least 1 hydro cooling line established

#### BUDGET

IIF (\$)	Activity (\$)	I STTA	L STTA
30,000	4,000		

## MEDICINAL AND AROMATIC PLANTS (MAP) INCLUDING SAFFRON

### BACKGROUND

Throughout 2013, NOA successfully demonstrated that it would be possible to expand in Kosovo the area under cultivation with MAPS. The program introduced new cultivation techniques and improved energy efficient drying methods for chamomile in particular. However, they are also well suited to marshmallow, mint, Sage, oregano, melissa (lemon balm), basil and nettles. These drying technologies have already been replicated in at least 3 additional production areas using funding from the GoK, through the Ministry of Agriculture.

Since this value chain is almost 100% export-oriented, the success of this intervention was confirmed during 2013 by inbound visits from numerous international buyers. These buyers all confirmed that the final product being produced was of the highest quality and that the production and processing methods utilized by the growers and processors was fully accepted by the market. Although yields of the initial plantings did not reflect expected peak productivity, growers and the partner processor alike were satisfied and expect to increase significantly the area under production in 2014. Saffron was included under the MAP value chain and despite market development challenges, will continue to remain an important part of the 2014 MAP activities.

The main objective of NOA's intervention in the MAP sector remains unchanged — namely to increase the area of crop under cultivation and to improve the crop management of medicinal and aromatic plants in order to meet significant international/export market demand.

### STRATEGY

#### *Continue the collaboration with our processor client, Agroprodukt – Syne Shpk*

NOA will continue to work with Agroprodukt Shpk as our main processor client for this value chain (excluding saffron). In the past year, the firm has developed a much better understanding of contract production and out grower management, but still requires much technical and managerial support to successfully implement the expansion envisaged. The firm continues to invest in process improvements, from the field to packed product, and relies on NOA to support these developments. Additionally, the firm is continuing to make commitments to new buyers; these contracts must be fully satisfied in order to maintain the reputation of the firm, and Kosovo overall, as a supplier. The market linkages that Agroprodukt has established with familiar EU processing firms such as BioNorica, Martin Bauer, Weleda and Sonnentor, have been augmented this year with the addition of two new firms: Czech Extravit and the U.K.'s Organic Herb Trading Co. Saffron production will also continue to receive project resources through this value chain. Market linkages are the critical element required. Recent efforts to obtain organic certification for 4 saffron producers will introduce an additional marketing element during 2014.

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## OBJECTIVE 1: PRODUCTS AND FARMERS LINKED TO MARKETS

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### STRATEGY

This objective continues to be the most critical objective for the MAP sector. It is essential to raising and maintaining the confidence of international markets in Kosovo's capacity to produce substantial quantities of high-quality product. As such, it is a prerequisite to Kosovo's rapid move into cultivated organic and conventional MAP markets. The significant increase in area under cultivation with chamomile, as well as other cultivated herbs in the 2013 season, is being driven by strong international demand for Kosovo product. NOA will emphasize product quality and support the processing client to effectively manage marketing and contract performance, and to grow and maintain a constant presence in targeted markets.

## ACTIVITIES

### 1. *Organize B2B exchange visits with major EU buyers (German/Austrian buyers to Kosovo and Agroprodukt Shpk to Germany)*

In order to increase the presence of the Kosovo MAP sector in Europe, NOA will continue to facilitate and provide cost-sharing opportunities to support attendance at international organic and conventional agricultural fairs. One of the most important fairs for the MAP sector, including saffron, is 'BioFach' in Germany. There, Kosovo's exporters should encounter tremendous opportunities to establish contacts and sign new contracts.

### 2. *NOA will continue to cooperate with MAFRD, GIZ, Helvetas and other projects regarding leveraging and export promotion of MAP products.*

During the last season, NOA, the leading project promoting herb cultivation in Kosovo, was instrumental in encouraging other investors into the field. For example, in FY14, MAFRD will support herb cultivators and collectors with new drying facilities in six different municipalities. GIZ will assist the marketing and promotion of the sector and the Helvetas (S4RS) project will develop small trials of herb cultivation in remote areas with mainly minority communities. We will continue to work with these actors and any new initiatives that emerge to ensure harmonization of approach and to avoid duplication.

### 3. *Continue to search for new markets for organic and conventional saffron product*

NOA will continue to assist saffron growers and the overall saffron industry to gain more useful market contacts through events such as food fairs and B2B meetings. NOA is finalizing organic certification for four saffron growers (three hectares in total area) and will pay special attention to moving this product into a dedicated niche market. The project will examine the feasibility of packaging certified product in micro retail packs in an effort to create new market opportunities for the product at premium retail prices.

## BENCHMARKS

- At least 5 kilograms of the 2013 saffron crop sold into markets at a price point agreeable to growers.
- Total saffron sales exceed \$20,000.
- At least \$500,000 cultivated MAP sales.
- At least 2 new market contacts made through BioFach trade fair.
- At least one promotional activity for saffron concluded.
- At least one export sales contract for saffron concluded.

## BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	20,000		

## OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

### STRATEGY

The expansion of cultivation dictated by increased market demand has strongly affected the diversification of crops, pushing the chamomile crop to the top of the list in terms of market demand and production requirement. Trainings, promotion events, field days, fairs and study tours in regional countries have a big impact on increasing and updating knowledge of value-chain actors in the MAP industry. Additionally, there exists an opportunity to begin to bring in improved planting materials for

the dominant cultivated crops, such as chamomile. New areas of potential production are being introduced with the involvement of other donors, aided too by the GoK's own efforts to stimulate the sector. These will require coordination regarding market and quality parameters so as not to jeopardize the excellent reputation that Kosovo MAPs already have.

## ACTIVITIES

### **1. *Continue to grow the network of MAP producers and link them to Agroprodukt Shpk***

As enthusiasm grows for cultivated MAP production as a result of NOA interventions, we will continue to coordinate production in such a way as to ensure that production schedules deliver appropriately. This will involve continuing to facilitate linkages with the processor using farmer field days and orientation sessions, and supporting contract and programing decisions. NOA will work with Agroprodukt Shpk to bring improved embedded technical services to out-growers in order to increase grower confidence and ensure more reliable production outcomes.

### **2. *Support plantings of MAP in new and existing production areas***

Jointly with Agroprodukt, NOA will identify regions and new producers interested in cultivating the eight proposed herb crops that have high market potential. Based on the prior season's experience with production and market potential, the following herbs meet the specifications for promotion as cultivated MAP products: chamomile, marshmallow, mint, sage, oregano, melissa (lemon balm), basil and nettles.

As was the case during the last cropping season, NOA and Agroprodukt will continue to facilitate farmers who require specific information regarding production, yields, production risks and sales. The company's experience and in-house expertise in the production and processing of MAP products will continue to be of significant value to growers. As necessary, NOA will provide limited international STTA to supplement the firms expertise and knowledge.

### **3. *Assess development of new, more cost-effective drying processes.***

NOA will continue to evaluate the utility of the dryers installed during the 2013 harvest, both by NOA through grant support and those installed as a result of GoK initiatives. While significant energy savings already have been realized, regional experience indicates that even more efficiency can be generated. NOA will support at least one study tour for dryer fabricators and processors to investigate regional initiatives that may be applicable to Kosovo. Additionally, we will investigate the opportunity to utilize heat pump technology, using ground water, to provide the heating for the drying process. NOA, potentially in partnership with the Norwegian Embassy, will establish a small proof-of-concept heat pump dryer at the Lipjan facility to determine the utility of this process.

### **4. *Co-finance new seed varieties of chamomile and other MAPs***

The cultivation of herbs so far has relied on the supply of inexpensive regional seed without a fixed origin or variety description. NOA intends to cost share the introduction of at least three chamomile seed varieties currently used (and proven to be highly productive) in EU countries. In addition to providing improved commercial results, a proportion of this new seed will be used to establish a source of improved seed for planting in successive seasons. Seed production will be in the hands of Agroprodukt. The firm will establish specific seed production protocols to ensure that purity is retained.

### **5. *Study tours to improve knowledge of crop management and post harvest trends***

NOA will continue to improve knowledge among growers involved in the sector. To that end, the program will organize one study tour within the region (Albania/Bosnia) and one to a more developed EU country involved in a similar industry (Austria/Czech Republic) to strengthen the overall know-how of farmers involved in the sector. This may be combined with the proposed dryer technology study tour.

## BENCHMARKS

- A total of at least 100 hectares of cultivated MAPs under production.
- At least one new technology assessed for drying
- At least 2 new chamomile varieties introduced.
- Seed production initiated for chamomile.
- At least one study tour completed.

## BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	10,000		

## OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

### STRATEGY

MAP production is bolstered by the good reputation that Kosovo has for organic and bio-certified products. Although some buyers are requesting conventional product from newly cultivated areas, it is critical that the organic and bio reputations are maintained. NOA will ensure that all new entrants are fully trained in these aspects of production and that those growers who have the necessary skills and production practices will be appropriately certified.

### ACTIVITIES

#### 1. *Training of new producers of organic certification*

NOA will continue to facilitate the engagement of bio and organic certification bodies to train new producers preparing for organic certification.

### BENCHMARK

- At least 4 saffron growers receive organic certification
- At least one grower of cultivated MAP bio certified.

## BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	8,000		

## FIELD VEGETABLES

### BACKGROUND

Field vegetable cultivation remains one of Kosovo's most competitive sectors, particularly for peppers and cabbage. Both remain in high demand, for export of fresh product as well as for processing. The adoption of new production technologies has led to increases in the quantity and quality of production. As a result, regional and European demand is increasing for both fresh and processed product. Improving market penetration for chili products and cabbage for processing will be of special interest during FY14.

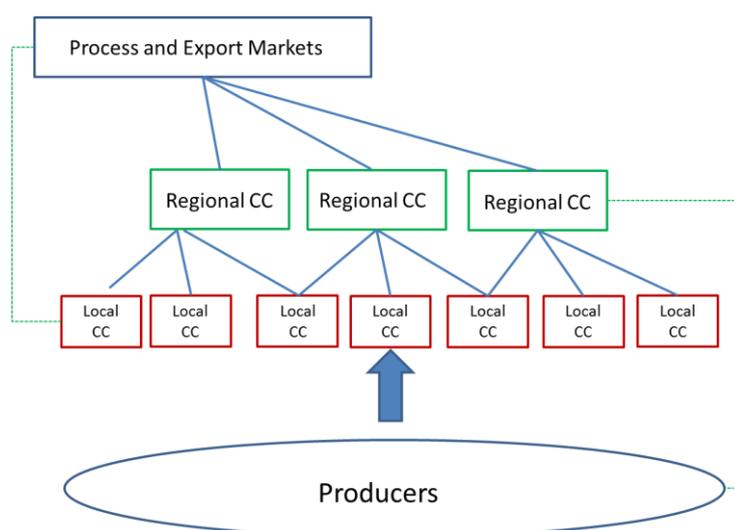
During FY14, the main objective of the program regarding field vegetables will be to improve linkages among value-chain actors by organizing a B2B conference, conducting market research, improving processing and production planning by processors, improving producer and processor knowledge and strengthening linkages through Collection Centers (CCs). Advice to farmers through interns/agronomists in the field will continue, but will be increasingly financially supported by CCs or processing companies. This year, the program will support Kosovo's three newly established fruit and vegetable pack houses, working with the facilities to strengthen internal organization and operational management. NOA will work too with financial institutions to encourage improved financial support to growers. This will be especially important for the new TEB card scheduled for launch early this year.

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## OBJECTIVE 1: FARMERS AND PRODUCTS LINKED TO MARKETS

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### STRATEGY



The structure of the aggregation system for fruit and vegetables in Kosovo is changing. The current structure is represented in the schematic above. The new regional collection centers, which should commence operations early in the work plan year, will make a significant change in the system of product aggregation. Collection centers and traders will have to learn new methods of linking to smallholder producers, new methods of contracting and new methods of advancing technical information to producers. NOA will be crucial in supporting developments at all of these levels, emphasizing the importance of the regional CC's and ensuring that more contracts are in place between farmers and the aggregation points.

One of the most significant challenges will be to redefine the relationships between growers and their terminal markets. It is not unusual for processors to have direct links with multiple small farmers. The modification of the aggregation system will alter these relationships and require support in their redefinition. A significant intervention during the year will be the organization of an international

B2B conference. This will bring into focus the new aggregation structure for Kosovo and enable the regional and European markets to make full use of new, and more effective, points of contact.

#### ACTIVITIES

- 1. Organize one B2B conference between Kosovo processors and representatives of established regional CC's with regional/ EU food distributors/traders for processed and fresh products**

In March 2014, NOA will organize a B2B conference bringing together regional and European buyers of fresh and processed product together with processors and regional collection centers. This conference will build on the successful conference held in 2013 and will once again be held in conjunction with NGO's supporting diaspora investment and commercial partnership.

- 2. Support fair preparation**

Now that the industry in Kosovo is better organized, it is a good time to support fair participation. Successful participation in such events by the association will enhance the position of the association and increase confidence in Kosovo's ability to effectively participate in European markets. The association's full involvement in planning participation in the fair will ensure their ability to represent the field vegetable industry in Kosovo in the future, at these types of events.

- 3. Support the internal management of three new regional CC's**

NOA will support the 3 newly established regional collection centers with appropriate international and local STTA, to increase their ability to program production from the field, advance the necessary technical information to growers, enter into and monitor contracts, and manage the reception, cleaning, grading, storage and packaging of product. Enhancing their relationships with producers will form a critical aspect of this process.

- 4. Increase number of contracts (to 600) regarding open field cultivation of pepper and cabbage**

More than 500 producer contracts were entered into during the previous work plan year. NOA will continue to support the development of more effective and enforceable contracts. This will require improved communication between CC's and growers. NOA will work with the new USAID Contract Law Enforcement (CLE) project to develop these instruments. CLE aims to improve contract enforcement by designing contracts that have the confidence of the parties and NOA will provide the necessary agribusiness context for agricultural contracts.

#### BENCHMARKS

- Conclude one B2B conference in March, 2014
- PePeKo prepared for fair participation
- At least 600 production contracts signed between CC's and producers
- At least €4 million of fresh and processed vegetable sales

#### BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	40,000	15 (ICK STTA)	60

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## OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

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### STRATEGY

NOA will continue to deliver advice and promote opportunities for new crop cultivation. New opportunities include the expansion of *feferoni* pepper production from the previous trial areas to full-scale commercial cultivation. Results from the 2013 production trials and demonstrations showed significant promise as growers and processors alike have been happy with results. The European market is receiving processed product; demand is estimated to be in excess of 600 metric tons for the 2014 production season. In addition, there is interest in cabbage production for pickling. This requires careful selection of the variety to be used, keen attention to planting density, and increased processing capacity at processing facilities. Finally, *kebab* variety pepper production continues to show promise and will remain on NOA's opportunities radar for the coming year. NOA will continue to support producers technical and ensure that the production qualities match the requirements of the processors

### ACTIVITIES

#### 1. *Increase commercial chili pepper and cabbage cultivation for processing*

In 2013, the NOA program promoted demonstration plots to 70 farmers, highlighting the promise of chili pepper production. Of those 70 farmers, it is expected that at least 40 will enter commercial production in 2014. In addition, NOA will select farmers who agree to cultivate chili pepper on plots 0.50 to 2.0 hectares in size, to meet the present demand from processors of up to 600 tons for FY14. NOA will collaborate with selected processors to test pickled and vacuum-packed cabbage for export to the EU. NOA will also support expanded production of the *kebab* pepper variety and support linkages to interested processors.

### BENCHMARKS

- 40 growers enter commercial production of *feferoni* peppers
- At least 600 metric tons of *feferoni* sold through processors

### BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	20,000		30

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## OBJECTIVE 3: FOOD SAFETY IMPROVED

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### STRATEGY

Export to EU will be limited without wider application of cultivation standards, in particular GlobalG.A.P. In this regard, NOA will work with three commercial farmers who cultivate peppers in open fields. In order to improve market penetration over the next decade, it is necessary to increase production and ensure that it meets internationally recognized and required standards.

### ACTIVITIES

#### 1. *Promotion of food standards*

Coordinate with NOA's Food Safety Specialist to better implement, apply and promote internationally recognized standards in the field. For the pepper and cabbage value chains, NOA will work to develop pack house standards brochures and deliver these to sector stakeholders.

### BENCHMARKS

- Pepper and cabbage process standards developed
- At least three commercial pepper cultivators certified with GlobalG.A.P.

**BUDGET**

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	7,000		

**OBJECTIVE 5: IMPROVE COORDINATION IN VALUE CHAIN****STRATEGY**

There is a need to compile a current list of producers of field vegetables and make this available to processors and collection centers. This will facilitate better contracting and relationships between CC's and producers, and with both public and private sector advisory services.

**ACTIVITIES****1. *Data collection on field vegetable cultivation capacity***

NOA will coordinate with intern agronomists in the field to gather farmer data and strengthen group work with commercial pepper and cabbage cultivators by organizing round table discussions focusing on market opportunities, standards, demands, obstacles and production issues. In so doing, NOA will collaborate with MAFRD's extension services in the respective municipalities.

**BENCHMARKS**

- Produce the list of farmers who cultivate peppers and cabbage
- Organize at least two round tables workshops with value chain stakeholders

**BUDGET**

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	2,000		30

# LIVESTOCK

## DAIRY

### DAIRY SECTOR STRATEGY

The trading environment for Kosovo's domestic dairy industry has been extremely competitive in recent years. The present strategy for the dairy subsector remains concentrated on import substitution. The project's dairy sector target for FY14 is to increase local sales of domestic dairy products by an additional 2 million Euros, with the implication that imports will be reduced by approximately a further 10%.

With the help of the local authorities, donor community and local dairy associations, the dairy legal environment as well as the industry's physical infrastructure are both being built up. That in turn is increasing the confidence among local dairy farmers and dairy processors to invest more to enhance the competitiveness of the local dairy industry. The project will continue to mentor all actors in the value chain to instill confidence and encourage investment in human and physical assets.

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## OBJECTIVE 1: PRODUCTS AND FARMERS LINKED TO MARKETS

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### STRATEGY

To enhance their economic performance, Kosovo dairy farmers must continue to improve farm management. This competitive industry demands high levels of productivity. The strategy that will be followed in FY14 is to focus on key herd management areas in order to enhance productivity. The new GoK attention to grants targeting milk will add an extra dimension to productivity training since farmers will see the need to achieve better quality.

NOA will make concerted efforts to transfer training skills and knowledge about good dairy farming practices to an extended group of dairy farmers and their advisors – both public and private. This will be done through organizing visits to other, more advanced dairy farm businesses to exchange experiences, especially among those who are producing high levels of quality milk. Additionally, NOA will organize roundtable discussions with dairy industry stakeholders for participants to discuss, debate and eventually agree on the development path that the Kosovo dairy industry should follow in the years to come.

### ACTIVITIES

#### **1. Dairy farm management knowledge transfer**

Many small-scale dairy farmers lack adequate knowledge on best dairy farm management practices. Organizing dairy farm management improvement events, such as demonstration farm visits, will help in sharing best farm management practices. The knowledge transfer will be achieved by supporting farm visits and shadowing all aspects of day-to-day operations, in order to gain a better understanding of how farm management practices are affecting productivity outcomes.

#### **2. Organizing a roundtable with main dairy industry stakeholders**

Now that the dairy industry has reached a level of coordination through the two main processor and producer associations (KAMP and KDPA, respectively) it is time to consolidate a strategy for its future. It is likely that the associations will begin to realize a revenue stream through trade volumes. Members need to determine how these revenues will be spent. NOA will support association roundtable discussion events, bringing in industry participants from all levels.

#### **3. Support to transparent raw milk sampling (TRMS) project through KFVA**

USAID NOA, together with multiple local partners (KAMP, KDPA, MAFRD, KFVA and other international donor partners) designed the transparent raw-milk sampling project to improve the quality, quantity and competitiveness of the raw milk produced by Kosovo's dairy farmers.

Continuation of the TRMS project is critical for the sustainability of the local dairy industry. NOA will continue to support the Kosovo Association of Milk Producers (KAMP) and Kosovo Dairy Processors Association (KDPA) on a limited cost-share basis, while leveraging additional funds to continue the implementation of the transparent raw milk sampling (TRMS) project. Funding through this final year by multiple stakeholders will leave the system fully sustainable as revenues begin to flow through milk off take to support the system.

#### BENCHMARKS

- At least 100 dairy farmers will adopt new technologies/practices;
- At least two roundtable discussions concluded with industry stakeholders;
- TRMS system delivers raw milk quality data by SMS to more than 2,000 dairy producers each month;
- Dairy industry sales increase by at least \$2 million over current levels.

#### BUDGET

Grant	IIF/Activity (\$)	I STTA	L STTA
	22,000		

## OBJECTIVE 2: AGRICULTURAL PRODUCTS DIVERSIFIED AND INCREASED

#### STRATEGY

The local dairy industry, like other sectors of the agricultural economy, has become dominated by firms that all produce similar products. Local dairy plants are missing out on opportunities to increase profitability through product diversification. There are many barriers, however, to product diversification. There are certainly capital investment requirements for value-added alternatives but some of the greatest barriers may be a lack of knowledge of how to produce and market new value-added dairy products. The NOA strategy for FY14 will be focused on assisting dairy plants to diversify their product lines by training in-house dairy technologists to produce different dairy products.

NOA has supported consumer awareness campaigns and will continue to do so this year. Its annual school milk awareness education program will be delivered again to school children with the goal of encouraging children to help their parents make Kosovo-produced dairy products the preferred choice of domestic consumers.

#### ACTIVITIES

##### 1. *Support local dairy plants in diversifying dairy product lines*

To increase local market share for dairy products, there is a need for local dairy plants to diversify their product lines. Following the Sharri dairy's successful introduction of Gouda cheese into the market, utilizing the expertise of the CNFA dairy volunteers, NOA will continue to provide technical advice to other dairy plants to support diversification of their product lines.

##### 2. *Training dairy plant technologists*

Capitalizing on last year's training conducted through a now-established relationship with the American Farm School in Thessaloniki, NOA will support the training of commercial dairy technologists from seven dairy companies, together with three students from the food technology faculty, to improve techniques in producing a variety of dairy products.

##### 3. *Dairy promotion campaign*

In coordination with KDPA, NOA will engage two student interns for one month in the spring of 2014, to visit primary schools throughout Kosovo to talk to children about dairy farms and the

nutritional value of the milk they produce. This will create a lasting impact on youth and familiarize school children with the importance of consuming dairy products. Previous experience indicates that this has raised awareness among school children and had an impact in the marketplace. This campaign will be timed to coincide with World Milk Day. NOA will encourage the associations to take the lead in this event.

#### BENCHMARKS

- At least 2 new local dairy products enter the market;
- At least 10 individuals trained by means of dairy short course; and
- At least 8 schools participate in the annual awareness campaign.

#### BUDGET

Grant	IIF/Activity (\$)	I CNF	L STTA
	15,000	10 days (CNFA F2F)	30 days

### OBJECTIVE 3: FOOD QUALITY AND SAFETY IMPROVED

#### STRATEGY

Product quality remains a critical factor in market development for the dairy sector in Kosovo. Implementation of milk payment schemes, which award those farmers who supply high-quality raw milk, is likely to be a very effective tool to encourage improvement in the quality of raw milk and final dairy products. Milk payment will be based on the raw-milk test results generated by the centralized KFVA raw milk testing lab. The strategy for FY14 is to train the KFVA raw milk laboratory staff, enhancing their skills in data storage and dissemination and maintaining and calibrating laboratory equipment. Furthermore, NOA will assist a small number of dairy farmers to begin GlobalG.A.P. compliance. This will establish a benchmark in the industry against which other farmers can measure themselves.

#### ACTIVITIES

##### 1. *Training KFVA raw milk laboratory staff in maintaining raw milk lab equipment*

The national raw milk laboratory plays a critical role in the dairy industry by ensuring that all players associated with the dairy industry produce milk of a quality that complies with legal standards and that final products are safe for consumption. Data storage and dissemination, maintenance and calibration of the laboratory equipment is critical for building the industry confidence in the results generated by the KFVA raw milk lab. NOA will support, through training, the KFVA lab staff to enhance their skills in data storage and dissemination as well as maintaining and calibrating laboratory equipment.

##### 2. *On farm GlobalG.A.P. training*

Establishing a food-safety system throughout the dairy supply chain is essential for exporting dairy products into regional markets, and is very helpful in improving farm management systems. To open up access for local dairy products in regional markets, NOA will work with interested and qualified dairy farmers in conducting GlobalG.A.P. training. A regional GlobalG.A.P. consultant, paired with a local GlobalG.A.P. consultant, will be engaged to implement this activity.

#### BENCHMARKS

- At least 5 KVFA raw milk lab staff trained; and
- At least 2 dairy farmers GlobalG.A.P. trained.

## BUDGET

Grant	IIF/Activity (\$)	I STTA	L STTA
	5,000	10 days	20 days

## OBJECTIVE 4: INCREASED AFFORDABLE AND ACCESSIBLE CREDIT

### STRATEGY

To expand and improve their operations, dairy farmers are requesting better loan terms. Commercial banks generally consider farmers to be risky borrowers with high service costs. NOA recognizes the problem and will work with insurance companies to put into operation a dairy cow insurance program as a new tool to reduce loan risk. The product exists on the books of at least one local insurance company but must be actually pressed into use to make a difference.

### ACTIVITIES

#### 1. *Dairy cow insurance program*

NOA will work with local insurance companies to introduce for the first time in Kosovo an insurance policy for dairy cow mortality. A dairy cow Insurance program is a new risk management tool to help dairy producers to improve access to finance by getting better loan terms. NOA will work initially with the Sigal insurance company and potentially Raiffeisen bank in establishing this new opportunity.

### BENCHMARKS

- At least 50 dairy cows will be insured as part of a loan package.

## BUDGET

Grant	IIF/Activity (\$)	I STTA	L STTA
	3,000		

## OBJECTIVE 5: IMPROVED COORDINATION WITHIN THE AGRICULTURAL SECTOR

### STRATEGY

The NOA strategy is to support the development of sustainable dairy associations that will provide valuable services for their members. These services include: business development skill training, technical information, policy advocacy and participation in policy negotiations. An increase in self-generated revenues will be the main goal during FY14. The emphasis will be on training dairy associations in association management, the development of value-added services and moving toward financial self-sufficiency.

### ACTIVITIES

#### 1. *Training dairy farmers on the implementation of VAT modifications and the milk quality grant scheme program*

To promote further development of the dairy industry, NOA will support KAMP in advocating for the introduction of a grant scheme program that provides financial support to eligible dairy farm enterprises for improving raw milk quality and increasing raw milk supply. Furthermore, NOA will organize information sessions with KAMP and KDPA members to inform them how the VAT and milk quality grant scheme program will be implemented. Information will be disseminated through a national association educational campaign.

**2. Enhance self-sustainability of the Kosovo Association of Milk Producers (KAMP) by increasing collection of membership fees from members through TRMS system**

The Kosovo Association of Milk Producers (KAMP) is the only national association of dairy producers in Kosovo. KAMP has more than 1,600 registered members and therefore represents the majority of those dairy producers in Kosovo who sell milk to licensed dairies. NOA will support KAMP through its member-driven activities, to increase collection of membership fees and to develop a workable system to extract revenue from the more than €30,000 daily turnover of the industry.

**BENCHMARKS**

- At least 10 dairy plants are capable to implement VAT reform on raw milk;
- At least 1,000 dairy farmers are trained to access milk quality grant scheme funds; and
- At least \$50,000 generated as revenue for KAMP.

**BUDGET**

<b>Grant</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	5,000		30 days

# CROSSCUTTING

# OUTREACH AND COMMUNICATIONS

## STRATEGY

This section presents the communications strategy and action plan for the program in FY'14. It aims to integrate communications with the program's activities, and to establish systems for fact-based, people-focused impact reporting to USAID and stakeholders.

The main purpose of the strategy is to raise awareness about the unfolding activities, technical achievements and results of the New Opportunities for Agriculture program, as well as improving the overall image of agriculture in Kosovo – a critical message for our partner, the Ministry of Agriculture. The key target groups are the program's clients (farmers, processors and commercial traders); IIF grantees; donor organizations; business service providers; MAFRD; USAID; and the general public. The strategy is guided by the Work Plan and USAID's vision, goals and objectives for the program.

The program will maintain sound relationships with national and regional media. Our staff will hold trainings, workshops and field-day activities that will be arranged by the program. The program will communicate with the target groups by such means as the program's website, program reports and assessments, training materials, and success stories. All communication materials will be appropriately branded, in strict accordance with USAID branding and marking guidelines.

All members of the program team will contribute to disseminating messages to target audiences by participating in, and giving presentations at, conferences, workshops, trainings, field visits and networking opportunities. Since face-to-face information dissemination is highly effective, it is important that everyone involved in the project has good general knowledge of all aspects of the program, in order to serve as a good "ambassador" of the project.

## ACTIVITIES

### *Outreach Releases*

#### **1. Program Website**

The program Website [<http://www.noakos.com>] was launched at the end of April 2011 and has been set up to publicize the work and results produced by the program. It presents one of the main methods by which we communicate with our potential and current customers, and is a repository for the substantial amount of information that the program is producing. The website presents information in all three official languages.

The program website will be managed and maintained by the program's Outreach Coordinator.

#### **2. Success Stories**

The program in its third year of operation has successfully captured success stories/snapshots that highlight our successes. With 24 written snapshots, NOA earned a place three times on the USAID global website this past summer. We will continue to develop these useful materials in the year ahead.

The idea is to take the story down to the individual or the company level, so that our audience can relate and quickly form a positive opinion. The success stories showcase the benefits of entering into the business of agriculture, by portraying individuals that the program has supported and who have achieved success in various value chains promoted by the program. These stories are drafted by technical experts within NOA, drawing on the successes in their respective fields, and sent to the Outreach Coordinator for editing. Upon USAID clearance success stories are published on the program's Website (<http://www.noakos.com>), and will be printed for promotional/outreach purposes.

#### **3. Use of the Media - Television Documentaries**

The successes of the project are routinely featured in the form of documentaries/shows, and aired on Kosovo television. In this way, we continue to increase our visibility, and to emphasize that it is

worthwhile entering the agriculture business, by highlighting real/live examples of the benefits it offers. At the same time, we will be encouraging youth and women to enter the agricultural sector, from which they can make a decent living and in turn support their families. The shows will contribute to improving the overall image of agriculture in Kosovo. NOA has completed five agriculture documentaries, and two more are under development for conclusion early in the work plan year. (The two feature table grape regrafting and the berry sector).

NOA will continue to seek opportunities to develop appropriate documentary materials for immediate and successive presentations. The Ministry of Agriculture, our key government partner, is continually seeking opportunities to raise the image of agriculture as a business, and we will respond to its requests where possible and appropriate.

**Discussions on Television:** During the last fiscal year, NOA was featured in four agriculture discussions on television (RTK, KTV). These shows were organized and presented by the program. They have proved to be effective in informing the general public about current matters in the fruit and vegetable sectors, and dairy sector. This kind of media presence at the same time continued to raise awareness about the unfolding activities and technical achievements and results of the New Opportunities for Agriculture program. NOA will generate new discussions during the work plan year, highlighting value chain performance.

#### **4. Coordination with MAFRD – Farmer of the Year Award**

This is already an annual event initiated by the Ministry of Agriculture, highlighting the achievements of farmers in Kosovo, and will be supported in part by NOA this year.

#### **BENCHMARKS**

- At least 24 success stories/snapshots completed
- At least three television documentaries completed and aired
- *Farmer of the year award concluded*

#### **BUDGET**

<b>Grant (\$)</b>	<b>Activity (\$)</b>	<b>I STTA Days</b>	<b>L STTA Days</b>
	25,000	0	0

## IMPROVED ACCESS TO FINANCE

### ACCESS TO FINANCE

#### BACKGROUND AND STRATEGY

Over the preceding year, banks that have been signatory to the DCA facility since late 2012, steadily increased their lending to the agriculture sector. The DCA report in early 2013 indicated that \$4 million in agricultural lending had been placed under the DCA guarantee. This is an excellent initial result. During this period, NOA assisted in making banks aware of new opportunities in agricultural lending, highlighting commercial returns possible with new crops and technologies. Additionally, and as a result of this awareness campaign, TEB bank instituted during 2013 the development of the TEB Agro Card, which will provide credit for inputs for commercial production opportunities. This is likely to generate new loans during 2014.

The strategy for NOA's work plan for Year Four is to build on these elements. All major banks involved in agricultural lending will continue to receive training designed to increase their awareness of the profitability of effective commercial production. This will involve field-level orientation and farmer visits and will help the bank's field staff to grow their appreciation of, and confidence in, the sector. The project will also support directly TEB's Agro Card launch by bringing qualified clients to the facility – especially those who have the right commercial mind set matched by off-take contracts for their products.

The project also will seek additional opportunities to work with value-chain finance specifically. We will work with suppliers of planting materials and other inputs, buyers of product or aggregators to encourage, explore and develop mechanisms through which they are able to offer finance to specific value-chain participants, including producers. In addition, we will explore an opportunity to introduce “without recourse factoring,” which has the ability to enhance the cash flows, particularly of processors, by shortening the period between delivery and payment of invoices. Interest too has been received from private investors looking to put money into agricultural production. NOA will continue to work with such investors to begin to develop a cadre of commercial farm owners who hire professional farm managers.

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### OBJECTIVE 1: LAUNCH AGRO CREDIT CARD FACILITY

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#### STRATEGIES

TEB should finalize development of its agro credit card by the end of 2013. This new agricultural finance product will serve farmers by providing credit for agricultural inputs sourced from pre-selected input suppliers. The product will ideally be interest-free, provided the borrower respects agreed-upon minimum installments and grace period parameters. This new type of agricultural credit will take into account agricultural cash flows and establish suitable grace periods. Discussions with USAID indicate that this product will come under the DCA guarantee mechanism.

#### ACTIVITIES

##### **1. Support TEB bank with the launch campaign for its new agro credit card**

NOA will organize joint workshops with TEB to ensure input dealers and farmers are well prepared and benefit from this new product, are aware of product characteristics as well as its related costs and benefits. NOA will also organize promotions jointly with TEB to support the launch of this product. The program will provide support to TEB by cost sharing critical Point Of Sale (POS) units necessary to establish input supply focal points.

#### BENCHMARKS

- At least 30 agro input dealers involved in the program as dealers participating in the Agro Card program (dealers that accept the Agro Card).

- At least 1,000 Agro Credit card accounts signed up for the 2014 agricultural season.
- At least €1,000,000 credit approved for agricultural inputs
- At least 3 farmer/input supplier field days concluded at which the Agro Card is the main topic.

#### BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	25,000	0	0

### OBJECTIVE 2: SUPPORT ALL DCA SIGNATORY BANKS WITH TECHNICAL EXPERTISE FOCUSING ON NOA-SUPPORTED CROPS

#### STRATEGY

Banks will continue to require current information regarding the profitability of commercial value chains in Kosovo. Productivity improvements are being made rapidly, as more farmers begin to produce commercially. This productivity information needs to be brought to the attention of banks in order for them to begin to modify their value-chain risk profiles. The project will continue to highlight the benefits of commercializing agriculture by inviting bankers to all agronomic- and marketing-related field days. The involvement of processors in contracting production will be highlighted in the fourth work plan year. This contracting will encourage additional participation by banks in the financing of agriculture.

#### ACTIVITIES

##### 1. *Organize value chain financing round tables with focus on certain NOA crops*

NOA will organize round-table discussions with a focus on value chain-specific financing highlighting those crops with the most promise for the 2014 production season. The aim is to update banks with recent developments within these value chains and encourage lending against production backed by contracts. These round-table discussions will take place using the latest cost of production models and be scheduled during the winter (off-season) period.

##### 2. *Provide banks with necessary trainings/workshops as per their demand*

NOA will continue to maintain good relations with financial institutions by identifying their needs regarding DCA and agro sector lending in general. Banks will be encouraged to solicit support from the project for direct training as required.

#### BENCHMARKS

- At least 3 round tables on value chain-financing concluded
- At least 3 training workshop with individual banks conducted

#### BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	5,000	20	0

### OBJECTIVE 3: INCREASE VALUE CHAIN FINANCE

#### STRATEGY

In order to improve farmers' access to finance, the project will seek opportunities to work with value chain finance specifically. We will work with suppliers of planting materials and other inputs, buyers of product or aggregators to encourage, explore and develop mechanisms through which they are able

to offer finance to specific value chain participants, including producers. As commercial production increases and yields and margins improve in conjunction with stable marketing arrangements, suppliers of agricultural inputs will become increasingly interested in providing some form of finance to producers. Initially, this sort of finance will be offered to the lowest-risk producers – likely larger operations.

In addition, NOA will seek opportunities to support the introduction of *factoring* which has the ability to enhance cash flows, benefitting processors in particular. This product, relatively new to Kosovo, involves purchasing the invoices of, say, the supplier of a chain of supermarkets. This improves the supplier’s cash flow by shortening the period between delivery and payment. Initial investigations have shown promise and a number of large supermarkets have expressed interest in developing this approach. Some banks are beginning to offer this product to the market and NOA will work to enhance utilization of these and similar services.

#### ACTIVITIES

##### 1. *Work with suppliers to advance trade finance to producers*

The project will work with the larger producers – those with their own production or significant out grower potential – and suppliers of agricultural inputs to secure increased trade credit. Initially, this credit is likely to be in the form of advances from planting material suppliers, who, in order to get their product into the growing market, will offer improved terms of payment. We expect this will be the case in the apple and soft-fruit planting material sub-sectors.

##### 2. *Develop receivables finance applications*

NOA will work with banks and or other firms interested in developing factoring offerings. This is already partially practiced by at least one bank in Kosovo offering receivables finance. NOA will investigate the opportunities of developing these arrangements further and provide mentoring and training where appropriate to develop this innovation in Kosovo.

#### BENCHMARKS

- At least one trade credit facility confirmed for input supply
- At least 4 processors/consolidators begin using new factoring models

#### BUDGET

Grant (\$)	Activity (\$)	I STTA Days	L STTA Days
	15,000	0	0

### OBJECTIVE 4: INCREASE LEVERAGED FINANCE

#### STRATEGY

The profitability of real commercial agriculture is beginning to show in Kosovo. This in turn is generating increased interest in investing in the sector – not only by producers, but also by municipalities, the Government of Kosovo and private investors. NOA will work with these potential investors to bring additional funding to production systems. These investors will receive the latest productivity results, sensitivity analyses and market forecasts, in an effort to encourage investment in the sector. The Government of Kosovo is already investing, but the project will continue in its coordination role with the Ministry of Agriculture, to direct funding to the most promising interventions. Municipalities have expressed strong interest in co-investing in certain production activities. We will work with at least 5 municipalities to bring funding to expand production. These investments will receive modest grant support from the project (documented in each value-chain budget) and private sector participation. The most challenging and critical will be investments made by “equity investors.” We will work with a small number of individual investors interested in

investing as owners of productive agricultural operations but who will hire professional managers to oversee their productive operations.

**ACTIVITIES**

**1. Assist in Directing GoK investments in agriculture**

NOA will continue to support the MAFRD team as it determines how to make financial interventions in agriculture by recommending it support value chains that offer the most immediate promise and suggesting strategies for intervention and appropriate incentives to encourage quality commercial production.

**2. Encourage Municipality Investments in Agriculture**

NOA will work with Municipal officials to encourage effective utilization of their resources in support of agricultural development. Municipalities will be advised on the best investments for immediate returns as well as strategic, longer-term investments.

**3. Encourage private equity investment in agriculture**

NOA will seek private equity investors from within the business community in Kosovo to pilot commercial farm ownership using hired professional farm management. Investors will be given detailed analyses of production and market risks and the project will support employed farm management with technical assistance.

**BENCHMARKS**

- MAFRD investments in agriculture for 2014 are made with NOA technical support
- At least 5 municipalities invest in agricultural production in partnership with private sector
- At least one “equity investor” activity initiated.

**BUDGET**

<b>Grant (\$)</b>	<b>Activity (\$)</b>	<b>I STTA Days</b>	<b>L STTA Days</b>
	5,000	0	0

## GENDER EQUALITY

### STRATEGY

During 2013, the NOA team focused on developing a new paradigm, moving from “counting women” to “making women count.” This change in focus has delivered remarkable results. Starting from an inclusion proportion of about 10%, NOA succeeded in bringing the inclusion proportion to almost 30%. This attention to real inclusion has had an effect in the field. Woman farmers have received high levels of publicity, have been commended for their abilities in production, and are effectively encouraging more women to participate. It is too early to tell for sure, but the project is confident that we have at least laid an excellent foundation for a change in thinking regarding the role of women in agriculture. As part of its renewed attention to this issue, NOA modified its PMP to include a gender empowerment indicator and conducted a survey to establish the baseline for this indicator in 2013. The survey also indicated areas where particular attention and support would be beneficial. One of the areas noted was enhancing women’s leadership roles – an area that will receive particular attention in FY14.

During 2014, NOA will ensure that women are included at every level – training, market linkages, publicity and access to finance. While former NOA objectives remain, this year we include an additional, very significant, objective related to women in leadership. FY14 objectives now include the following:

- Include woman farmers in all program activities using new approaches;
- Increase woman farmers technical knowledge within the agriculture sector;
- Raise stakeholder awareness of women’s current and potential roles in the advancement of the agriculture sector; and
- Increase the number of women taking on leadership roles.

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### OBJECTIVES: INCLUDE WOMAN FARMERS, INCREASE THEIR KNOWLEDGE, RAISE AWARENESS OF THEIR ROLE, AND INCREASE THOSE TAKING THE LEAD

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### STRATEGY

It is important to include woman in all our activities. Acknowledging and expanding their role on existing farms and encouraging women to take on leadership and management roles will be consistently supported by program activities. NOA will continue to raise the profile of existing woman farmers, by ensuring that they are invited to actively participate in training and decision-making events. NOA will continue to specifically invite the female counterparts (wives, business partners, etc.) of current leading farmers to participate in public events. This approach will be accentuated as lead farmers multiply through the agricultural extension system.

Critically, NOA will continue to work with existing and identify additional *women as lead farmers*. By developing women as lead farmers, consistent focal points for attitude change will be available for dedicated trainings in technical and managerial issues. Women lead farmers will be encouraged to offer their farms as training venues for both men and women. Attendance at these events by men and women will be an indicator of progress towards empowering women in their communities. This approach also deals with our new objective of increasing the number of women taking on leadership roles.

### ACTIVITIES

#### 1. *Empower at least 10 more women to be lead farmers*

NOA will identify at least 10 women, in addition to those identified during 2012/13, who have worked with new technologies and have had success in improving productivity as a result. The project

will encourage them to offer their farm as a training site for all farmers. NOA will ensure that as many trainings as practical are conducted on women-lead farmer sites.

## ***2. Raise the profile of women's role in agribusiness.***

NOA will encourage women's participation in all NOA activities and implement techniques to encourage and enable them to claim more responsibility and assume more decision-making responsibility. To do this, it is important to expose women to the latest information, trends and developments in the sector; to give them opportunities to publicly display their knowledge and capabilities before other stakeholders (men and other women); and to validate their contributions publicly so that all stakeholders are more aware of, and better appreciate, their utility and potential within the agriculture sector.

All activities of the program will continue to seek out opportunities to call attention to women's actual and potential contributions to the development of the agriculture sector. In addition, each VCL will develop at least one activity dedicated to expanding, validating or showcasing women's role in the sector. These activities might increase women's technical knowledge regarding daily farming and management activities, highlight their characteristics that make them particularly good in certain roles across the value chain or support efforts to help women "break into" or establish new business in the sector. We will continue to develop specific training modules addressing woman in agriculture.

The new MAFRD extension service will provide a new avenue to the project to raise the issue of inclusion of women. Provision of training to women lead farmers in collaboration with extension services in at least three different municipalities will be conducted: Lipjan (Babush i Muhaxherëve and Rubovc), Rahovec (Krusha e Madhe) and Gjakovë (Korenica).

## ***3. Support National Woman Farmer of the year organized by MAFRD***

Although the overarching goal of the program is to increase Kosovo's agriculture output, exports and rural incomes, the success of the project is also measured by how much it is involved in the issues of a crosscutting nature. Increasing economic opportunities for women, disadvantaged and minority groups, and youth is high among our priorities.

In the spirit of supporting women farmers and offering them direct opportunities, ranging from institutional support to individual networking, the program will work together with the Ministry of Agriculture, Forestry and Rural Development in organizing and coordinating the event - "Woman Farmer of the Year Award." The event was launched for the first time in 2012, and is becoming an annual event. It will take place again in November 2013 and we will continue to support the activity in partnership with the Ministry of Agriculture.

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) is organizing an event to select the National Woman Farmer of the year. As part of women's empowerment efforts, this process will have a positive impact on women's inclusion in the sector. NOA will support organization of the event and assist in the selection process for the best woman farmer.

### **BENCHMARKS**

- Maintain at least 30% women's participation in all program activities;
- At least 10 more woman lead farmers identified and supported;
- At least 4 training activities dedicated to women farmers conducted;
- National Woman Farmer event concluded; and
- At least 3 municipalities conduct specific woman farmer trainings.

**BUDGET**

<b>Grants</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	25,000	0	0

# IMPROVED COORDINATION WITHIN THE AGRICULTURAL SECTOR

## BACKGROUND

Over the past 12 months, NOA has provided continuous support to the restructuring of the Agriculture Extension Services (AES) department of the Ministry of Agriculture, Forestry and Rural Development (MAFRD). Intensive technical trainings to the municipal extension agents were carried out during the winter of 2013, serving to reestablish a tradition of the “winter school.” NOA has supported the AES in the development of a methodology for extension agents to reach farmers through the election of lead farmers in all municipalities. All lead farmers were elected by their peers late in the 2013 work plan period. This harmonized approach to the agricultural extension service has the support of all levels of the ministry and is being effectively driven by the MAFRD technical team. The World Bank has provided funding support to this effort and has thus showed its support for the methodology. This broad-based support has provided an excellent start to the development of an effective national extension service.

NOA has also been instrumental in promoting significant changes in the VAT structure to the benefit of the small-scale producer. These VAT changes came in to effect late in the 2013 work plan year and will see implementation during the first quarter of FY14. Additionally, NOA promoted the development of a creative grant scheme, supported by MAFRD, which incentivizes higher-quality raw milk production. This grant scheme, which is dependent on both the transparent raw milk sampling program (see dairy section) and the implementation of the VAT measures, will come into force early in Quarter 2 of FY14.

NOA was effective in working with MAFRD senior technical management to determine the specifics of the rural grants scheme. Each NOA team member participated in the deliberations of the MAFRD team to determine details of the structure of the 2013 grant program. There will be a new MAFRD grants scheme for the 2014 work plan period.

NOA had received requests from the Kosovo Food and Veterinary Agency (KFVA) late in 2013 to assist with the provision of training for its phytosanitary and laboratory staff in upgrading their skills. The project expressed its willingness to respond to these training requests in FY14.

## STRATEGY

The principal focus of NOA’s strategy for FY14 will be to operationalize the MAFRD extension service; to ensure that the VAT restructuring results in improved processor-farmer relationships and increasing confidence in contracting; and that the grant to support milk quality is fully implemented without significant problems.

NOA will design the new training program for lead farmers in collaboration with the Agricultural and Rural Development Program of the World Bank and MAFRD Extension Services management to keep lead farmers updated with new technologies and information on good agriculture practices, with particular emphasis on promoting the adoption of these new methodologies in the field. NOA will ensure that the municipal extension agents are fully involved in all NOA activities and feel increased levels of responsibility and feedback. In order to ensure that all stakeholders are aware of progress and challenges in the development of these critical programs, NOA will support roundtable discussions to increasingly harmonize approaches.

## ACTIVITIES

### **1. *Provision of the technical training to the extension agents***

Technical trainings for extension agents and lead farmers will be carried out in five different regions of Kosovo. The technical trainings provide the new extension network with carefully crafted and well-timed extension training packages. These packages will be standardized across the five disciplines of fruit, vegetable, greenhouse, livestock and open field production. (Beekeeping has been added by the MAFRD team). Extension workers will receive training in these packages so they are able to transmit content to lead farmers.

**2. Capacity building training to the phytosanitary inspectors, plant protection officials of MAFRD and new agronomists**

Trainings will be delivered to the phytosanitary and food inspectors of the Kosovo Food and Veterinary Agency, Plant Protection Department staff of MAFRD and a small number of newly graduated students of the Faculty of Agriculture with a plant-protection background. These trainings will be designed to upgrade the skills of the trainees. NOA will utilize qualified STTA where appropriate.

**3. Roundtable discussions with the all stakeholders working with the extension services**

Roundtables will be organized with extension agents to keep them linked to lead farmers and all other stakeholders. Based on the first roundtable held by the program during August 2013, with all actors involved in private and public extension services in Kosovo, these subsequent roundtables will be held on a monthly basis throughout the summer. This will be done in close collaboration with the Ministry of Agriculture, Forestry and Rural Development; the Faculty of Agriculture in Pristina; NGO Initiative for Agricultural Development; Kosovo Chamber of Commerce and other donors.

**4. Winter and spring school trainings for all NOA value chains.**

Winter and spring school trainings will be organized during the first and second quarters of FY14. These training will target public- and private-sector extension workers in order to standardize their levels of knowledge and outreach methodologies. The trainings will be held at the Lipjan facility of MAFRD and be conducted on a cost-share basis, as was the case with the 2012-13 trainings.

**BENCHMARKS**

- At least 8,000 farmers trained by the MAFRD extension system;
- At least 20 food and phytosanitary inspectors of Kosovo Food and Veterinary Agency trained;
- At least 5 MAFRD plant-protection officials trained;
- At least 10 new graduates trained; and
- At least 6 roundtables concluded.

**BUDGET**

<b>Grants</b>	<b>IIF/Activity (\$)</b>	<b>I STTA</b>	<b>L STTA</b>
	40,000		

## MICROENTERPRISE

USAID defines Microenterprise as a very small enterprise owned and operated by poor people, usually in the informal sector. For USAID program purposes, the term is restricted to enterprises with 10 or fewer workers, including the micro-entrepreneur and any unpaid family workers. Crop production activities, previously excluded from the scope of the definition, are now included as long as they otherwise qualify on the basis of enterprise size and the economic status of the owner-operator and employees.”

It is estimated that 98% of businesses in Kosovo can be classified as micro-enterprises; therefore nearly all USAID support for the private sector is assisting micro-enterprises. NOA is supporting micro-enterprises in Kosovo through its agricultural value chain program. NOA will continue to support agribusiness microenterprises through target value chains, by providing training, access to finance, access to markets, improved and sustainable technology transfer mechanisms as well as access to improved aggregation function to enhance competitiveness.

In FY4, NOA will emphasize the consolidation of the aggregation function. This will enhance the ability of microenterprises to effectively market their product with confidence, relying more on contracted off take. Additionally, the improved aggregation functions provided by collection centers and processors will provide increasingly effective extension support to producers. This will certainly provide improved levels of confidence, encouraging investment with the result that productivity will rise.

The closure of the YEP program has resulted in some microenterprise activities passing to NOA in the field of exotic mushroom production. King Mushrooms will now become a NOA client and NOA TA will provide limited oversight of ongoing activities in this area. These activities will be folded into (and the results of which will be reported out under) NOA support to the MAP sector.

The M&E function of NOA will continue to summarize microenterprise support levels, and the result of this support.

## MINORITIES

NOA will work increasingly during FY4, to emphasize the involvement of producers in minority-majority areas. It is anticipated that programmed field vegetable production will be an important mechanism used to increase the number of minority farmers involved in NOA activities. All value chain coordinators will continue to be tasked with identifying potential supply centers for NOA processors, traders and exporters. Minority participation will be separately reported on a quarterly basis.

The new minority-majority municipalities in the East of Kosovo will likely become increasingly important as suppliers of vegetables for processing at the ASK Foods facility in Gjilan. Additionally, it is anticipated that at least one new municipality will increase production of soft fruit for processing by the MOEA processing company. NOA will continue to promote the expansion of soft fruit plantings in Strpce and will work closely with the municipality and a local association to formalize this partnership. Additionally, NOA has received over the year strong interest from the north in soft fruits and has a very successful apple grantee that can be a valuable catalyst for new investment. We will continue to work with USAID partner projects active in the area to encourage continued investment.

NOA will work to leverage support from public, private and donor sectors for expansion of production and enhancement of productivity in these areas over the course of project FY4. The project will ensure that critical technical assistance is delivered to the value chain.

# ANNEX A: PROJECT BUDGET BY VALUE CHAIN AND OBJECTIVE

Value Chain		Grants	Activities	ISTTA	LSTTA
	<b>FRUIT</b>				
<b>Apples</b>					
	Products and farmers linked with markets		22,000		
	Agriculture products diversified and increased;		2,500	12*	
	Food Quality and Safety improved		15,000	12	84
<b>Blueberry</b>					
	Products and farmers linked with markets		5,000		5
	Agriculture products diversified and increased;	30,000	2,000	12	20
	Food Quality and Safety improved	2,000	2,000		
	Improved Coordination		2,000		
<b>Raspberry</b>					
	Products and farmers linked with markets		15,000	0	0
	Agriculture products diversified and increased;	50,000	5,000	14	40
	Food Quality and Safety improved	25,000			
<b>Strawberry</b>					
	Products and farmers linked with markets		8,000		
	Agriculture products diversified and increased;	50,000	4,500		
	Food Quality and Safety improved		1,800		
	Improved Coordination		2,000		
<b>Table Grapes</b>					
	Products and farmers linked with markets	10,000	3,000		
	Agriculture products diversified and increased;	60,000		25	50
	Food Quality and Safety improved		1,000	10	20
	<b>VEGETABLES</b>				
<b>Asparagus</b>					
	Products and farmers linked with markets		10,000		
	Agriculture products diversified and increased;		20,000	12^	49
	Food quality and safety improved	30,000	4,000	-	-
<b>Lettuce</b>					
	Products and farmers linked with markets		5,000		
	Agriculture products diversified and increased;		5,000		40
	Food Quality and Safety improved	10,000	1,000		26
<b>Field Vegetables</b>					
	Products and farmers linked with markets		40,000	15^^	60
	Agriculture products diversified and increased;		20,000		30
	Food Quality and Safety improved	7,000	10,000		
	Improved Coordination		2,000		30
<b>Gherkins</b>					
	Products and Farmers Linked with markets	-	40,000	20^	30
	Agriculture Products Diversified and Increased	50,000	25,000	10^	20
	Increased Affordable Access to Credit		1,000		
<b>MAPS and Saffron</b>					
	Products and Farmers Linked to Markets		20,000		
	Agricultural Products Diversified and Increased		10,000		
	Food Quality and Safety improved		8,000		
	<b>LIVESTOCK</b>				
<b>Dairy</b>					
	Products and farmers linked with markets		22,000		
	Agriculture products diversified and increased;		15,000	10^	30
	Food Quality and Safety improved		5,000	10	20
	Access to Finance		3,000		
	Improved Coordination		5,000		30
	<b>CROSS CUTTING</b>				
<b>Access to finance</b>					
	launch agro credit card facility		25,000		
	Support all dca signatory banks with technical expertise		5,000	20	
	Increase Value Chain Finance		15,000		
	Increase leveraged Finance		5,000		
<b>Outreach</b>			25,000		
<b>Gender</b>			25,000		
<b>Improved Coordination</b>			40,000		
<b>GRANTS TOTAL</b>		324,000			
<b>ACTIVITIES TOTAL</b>			501,800		
<b>TA TOTAL (VALUE)</b>				103,000	58,400

^ CNFA farmer to farmer

\* CNFA STTA assignment

^^ ICK STTA assignment

NOTE: values for STTA are for budget purposes only

**U.S. Agency for International Development**  
Kosovo  
Economic Growth Office  
Arberia, Ismail Qemali Str. House #1  
9520 Pristina Place  
<http://kosovo.usaid.gov>